GREATER LAFOURCHE PORT COMMISSION
CUT OFF, LOUISIANA

Audits of Financial Statements

December 31, 2018 and 2017

Contents

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Independent Auditors' Report

Board of Commissioners
Greater Lafourche Port Commission
Cut Off, Louisiana

We have audited the accompanying financial statements of the Greater Lafourche Port Commission (the Commission), as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Greater Lafourche Port Commission as of December 31, 2018 and 2017, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters
Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 10, and the budgetary comparison schedule - enterprise fund, schedule of proportionate share of net pension liabilities, schedule of contributions to pension plans and schedule of changes in other postemployment benefits (OPEB) liability and related ratios on pages 47 through 50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information
Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Greater Lafourche Port Commission's basic financial statements. The schedule of compensation paid to governing board and the schedule of compensation, benefits, and other payments to agency head or chief executive officer on pages 54 and 55 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

This information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation paid to governing board and the schedule of compensation, benefits, and other payments to agency head or chief executive officer are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards,* we have also issued our report dated June 5, 2019 on our consideration of the Greater Lafourche Port Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Greater Lafourche Port Commission's internal control over financial reporting and compliance.

Emphasis of a Matter
As discussed in Note 15 to the financial statements, the Commission adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the year ended December 31, 2018. The adoption of GASB Statement No. 75 required the Commission to record its net OPEB liability and related OPEB expense and deferred outflows of resources and deferred inflows of resources related to the Commission's postemployment benefits. Adoption of this guidance required the Commission to restate its beginning net position. Our opinion is not modified with respect to this matter.

LaPorte

A Professional Accounting Corporation

Houma, LA
June 5, 2019

REQUIRED SUPPLEMENTARY INFORMATION (PART I)
MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

This introductory section of the Greater Lafourche Port Commission's (the Commission) annual financial report presents a narrative overview and analysis of the Commission's financial performance for the fiscal year ended December 31, 2018, with comparative information for the fiscal year ended December 31, 2017. The discussion is intended to assist the readers in focusing on the significant financial issues and activities of the Commission and to identify any significant changes in financial position. We encourage readers to consider the information contained in this discussion in conjunction with the Commission's audited financial statements and associated notes to the financial statements.

FINANCIAL HIGHLIGHTS

- **Assets** and **Deferred Outflows of Resources** exceeded **Liabilities** and **Deferred Inflows of Resources** at the close of the year by $296.5 million, which is reported as the Commission's **Net Position**. This is a 6.8% increase over 2017.
- **Operating Revenues** increased by 9.6%, amounting to $28.6 million.
- **Operating Profits** were $5.4 million, resulting in a strong **Operating Profit Margin** of 19.0%.
- **Change in Net Position Before Capital Contributions, Special Items, and Extraordinary Items** was $10.8 million as compared to $9.3 million in 2017.
- **Capital Grants** for the year were $10.0 million compared to $798,000 in 2017.
- **Grants for Operating and Maintenance Projects** were $110,000.

EXPLANATION OF THE FINANCIAL STATEMENTS

This discussion is to introduce the Commission's financial statements. Since the Commission charges public customers for the services it provides, its activities are required to be reported as a proprietary fund and specifically in an enterprise fund format. Enterprise funds utilize accrual accounting, which is the same method used by private sector businesses. Accrual accounting means that financial activities are reported as soon as the underlying events take place regardless of the timing of related cash flows. The basic financial statements also include notes essential to a full understanding of the statements.

The statements of net position reports Commission's total assets and deferred outflows of resources reduced by total liabilities and deferred inflows of resources, resulting in net position. The statements of activities shows how the Commission's net position changed during the fiscal year. The statements of cash flows represents cash and cash equivalent activity for the fiscal year resulting from operating, financing, and investing activities.

Taken together, these three financial statements demonstrate how the Commission's net position has changed. Net position is one way of assessing the Commission's current financial condition. Increases or decreases in net position are good indicators of whether the Commission's financial health is improving or deteriorating over time.

FINANCIAL STATEMENTS

Statement of Net Position

	2018	2017	Dollar Change	Percentage Change
Assets:				
Current Assets	$ 115,742,737	$ 106,066,282	$ 9,676,455	9.1%
Capital Assets, Net	205,974,985	198,694,489	7,280,496	3.7%
Total Assets	321,717,722	304,760,771	16,956,951	5.6%
Deferred Outflows of Resources	622,685	709,218	(86,533)	-12.2%
Liabilities:				
Current Liabilities	12,622,967	15,443,956	(2,820,989)	-18.3%
Noncurrent Liabilities	12,489,703	11,919,879	569,824	4.8%
Total Liabilities	25,112,670	27,363,835	(2,251,165)	-8.2%
Deferred Inflows of Resources	737,682	545,885	191,797	35.1%
Net Position:				
Net Investment in Capital Assets	205,974,985	198,694,489	7,280,496	3.7%
Unrestricted	90,515,070	78,865,780	11,649,290	14.8%
Total Net Position	$ 296,490,055	$ 277,560,269	$ 18,929,786	6.8%

The Commission's current ratio is 9.2, which means that it has more than nine times the amount of current resources available to meet its obligations coming due within the next fiscal year. A current ratio above 1.0 is a sign of good financial viability.

Of the $12.6 million of current liabilities, $10.4 million, or 83%, are revenues paid in advance from port lessees that have not yet been earned based on the accrual method of accounting. These liabilities are not owed or refundable upon termination/default of lessees.

Noncurrent liabilities are made up of three components. First, accrued compensated absences are slightly more than $276,000. Second, other postemployment benefits liability is approximately $4.5 million. The third component of noncurrent liabilities is net pension liability which is approximately $7.7 million. Most of the Commission's employees are currently enrolled in the Louisiana State Employees' Retirement System (LASERS). In addition, the Commission has one active employee currently enrolled in the Teachers' Retirement System of Louisiana (TRSL). The current year liability for employees enrolled in the LASERS and TRSL is approximately $7.5 million and $127,000, respectively. The changes in net pension liability each year are recorded as pension expense and deferred inflows and outflows of resources.

The largest component of the Commission's net position ($206.0 million, or 69.5%, of $296.5 million) reflects its investment in capital assets (e.g., land, buildings, improvements, equipment, and construction-in-progress). The remaining $90.5 million, or about 30.5%, is unrestricted net position and may be used at the Commission's discretion in accordance with its enabling legislation.

Statement of Changes in Net Position

	2018	2017	Dollar Change	Percentage Change
Operating Revenues:				
Lease Rentals	$ 26,926,436	$ 24,564,618	$ 2,361,818	9.6%
Fuel and Retail Sales	444,777	384,707	60,070	15.6%
Other User Fees	1,188,051	1,113,006	75,045	6.7%
Total Operating Revenues	28,559,264	26,062,331	2,496,933	9.6%
Operating Expenses:				
Personnel Services	4,580,547	4,632,495	(51,948)	-1.1%
Maintenance, Supplies, and Operation of Facilities	4,321,113	2,878,978	1,442,135	50.1%
Lease Expense - Port Fourchon	4,475,015	4,115,266	359,749	8.7%
Fuel and Retail Items	302,378	239,471	62,907	26.3%
Other Operating Expenses	1,800,761	1,852,181	(51,420)	-2.8%
Depreciation and Amortization	7,644,858	7,422,174	222,684	3.0%
Total Operating Expenses	23,124,672	21,140,565	1,984,107	9.4%
Operating Income	5,434,592	4,921,766	512,826	10.4%
Non-Operating Income (Expense):				
Ad Valorem Taxes (Net of Tax Assessor's Settlement and Pension Fund)	3,677,638	3,479,577	198,061	5.7%
Intergovernmental Revenue:				
State Revenue Sharing	35,708	35,518	190	0.5%
Noncapital Grants	110,067	114,594	(4,527)	-4.0%
Investment Income	1,759,433	730,005	1,029,428	141.0%
Emergency Repair Projects	(71,032)	(74,849)	3,817	-5.1%
(Loss) Gain on Disposal of Fixed Assets	(157,559)	45,137	(202,696)	-449.1%
Other (Loss) Income	(5,255)	4,048	(9,303)	-229.8%
Net Nonoperating Revenues	5,349,000	4,334,030	1,014,970	23.4%
Change in Net Position before Capital Grants, Special Items, and Extraordinary Items	10,783,592	9,255,796	1,527,796	16.5%
Capital Grants	9,961,697	798,022	9,163,675	1148.3%
Extraordinary Items	28,980	84,016	(55,036)	-65.5%
Special Items	(732,300)	(158,680)	(573,620)	361.5%
Change in Net Position	20,041,969	9,979,154	10,062,815	100.8%
Net Position, Beginning of Year	277,560,269	267,581,115	9,979,154	
Change in Accounting Principle (GASB 75)	(1,112,183)	-	(1,112,183)	
Net Position, Beginning of Year, Restated	276,448,086	267,581,115	8,866,971	
Net Position, End of Year	$ 296,490,055	$ 277,560,269	$ 18,929,786	6.8%

Operating revenues from seaport and airport leases are the Commission's primary means of funding its ongoing operations. Lease revenues are generated from land and improvements that are either owned directly by the Commission or leased to the Commission by third party landowners. Lease revenue increased by 9.6% mostly attributed to escalations and new leases.

Operating expenses are costs borne by the Commission in providing to the public operations and maintenance of seaport and airport properties, harbor police security, and general administration services. Operating expenses increased $2.0 million or about 9.4% over 2017. Most of this increase is due to the Seaport Deep Draft Feasibility Study expense, costing approximately $2 million in the current year. Operating revenue increased by $2.5 million in 2018, resulting in an increased operating profit of $5.4 million, equating to a healthy 19.0% operating profit margin.

Non-operating income and expenses are items that are not derived from normal port activities such as the collection of ad valorem (property) taxes, financing and investment activities, and emergency repairs such as damages caused by hurricanes. Net ad valorem tax receipts were $3.7 million. Investment income of $1.8 million was comprised of three components. The first included $1.7 million of interest earned on invested funds, while the second was $12,000 of interest received from the collection of past due ad valorem taxes. The third component was a $44,000 gain on bond investments that would only be realized if the bonds were sold before maturity.

Special Items are significant costs of non-operational projects ***within*** management's control but are either unusual in nature or infrequent in occurrence. In 2018, the Commission incurred costs associated with LA 1 Phase 2 Leeville Mitigation Dredge Project in the amount of $732,300 as part of the cooperative endeavor agreement between the Commission and the Louisiana Department of Transportation and Development.

Emergency repair projects are significant construction, engineering, and other costs and the associated grants that are due to acts of nature. In 2018, Emergency Repair Projects totaled $71,000 for the repayment of costs associated with FEMA Hurricane Gustav closeout for the Bathhouse Project.

Extraordinary Items are significant costs and reimbursements ***outside*** of management's control and are either unusual in nature or infrequent in occurrence. In 2018, Extraordinary Items totaled $29,000 in liquidated damages, for the Northern Expansion Slip C 1671' East Bulkhead.

In summary, the 2018 change in net position is $20.0 million, a $10.0 million increase over 2017's $10.0 million change in net position. This increase is primarily attributable to capital grants from DOTD Port Priority funding received for the Northern Expansion Slip C 1671' East Bulkhead.

Capital Assets, Net

	2018	2017	Dollar Change	Percentage Change
Land	$ 4,593,307	$ 4,593,307	$ -	0.0%
Buildings	7,850,988	8,160,369	(309,381)	-3.8%
Improvements	186,413,677	172,144,425	14,269,252	8.3%
Equipment	3,922,418	4,892,677	(970,259)	-19.8%
Subtotal	202,780,390	189,790,778	12,989,612	6.8%
Construction-in-Progress	3,194,595	8,903,711	(5,709,116)	-64.1%
Total	$ 205,974,985	$ 198,694,489	$ 7,280,496	3.7%

New additions to the Commission's capital assets totaled $20.8 million. $20.4 million of these were project costs completed and closed out of Construction-in-Progress while approximately $400,000 was purchased directly and capitalized. Ninety-seven percent of this year's closed projects are as follows:

Northern Expansion Slip C East 1671' Bulkhead	$ 11,144,396
Northern Expansion Slip C West 939' Bulkhead	6,181,769
Mitigation Dredge of Slip C (Northern Expansion Slip D Dredge Phase I)	1,648,392
Runway and Taxiway Lighting Improvements	953,538
Total of 97%	$ 19,928,095

Eighty-one percent of the remaining $3.2 million of construction projects in progress are:

Northern Expansion Slip C East 1671' Sweep Dredge	$ 742,300
New Road East of Slip C "Minor Cheramie Sr. Road"	460,252
Northern Expansion Part D Fill Area	452,067
Northern Expansion Fill Area Part A Development	322,902
Northern Expansion Part E Fill Area (Slip D Area)	257,189
ATG Connector Road	216,907
Northern Expansion Slip D Mitigation	147,756
Total of 81%	$ 2,599,373

Long-Term Debt

The Commission has no bond debt.

Budgetary Highlights

2019 Budget

Operating revenues are expected to increase by $2 million or more than 7.0% over 2017 actuals. This increase is anticipated despite Commission decision to continue the 20.0% discount in basic rent for 2018. The increase can be attributed to increased escalation and new lease agreements. Overall, operating expenses versus 2018 actual are expected to decrease by about $1 million (or 8%). Most of this decrease is due to non-recurring expense projects such as $400,000 for the Seaport Deep Draft Feasibility Study and $300,000 for other various projects.

Capital construction budget dollars of $32.6 million are expected to produce 1,500 linear feet of new operational bulkhead in the Northern Expansion Slip C development, sweep dredging of Slip C, South Lafourche Industrial Park development, and airfield drainage improvements. To assist in these capital construction projects, $14.7 million is expected in grant funding from outside sources.

Non-operating budget items include $3.9 million from ad valorem taxes and $1.1 million for interest earned.

Cash and investments are projected to decrease from $105 million to $92 million at the end of 2019 primarily due to Commission's self-funded capital growth. This is a conscious strategic investment toward future years' revenue generation.

REQUESTS FOR INFORMATION

This financial report is designed to provide our taxpayers, tenants, and creditors with a general overview of the Commission's finances and to demonstrate accountability to each of these groups. Questions concerning any information included in this report should be addressed to Director of Finance, Greater Lafourche Port Commission, 16829 East Main Street, Cut Off, LA 70345.

BASIC FINANCIAL STATEMENTS
ENTERPRISE FUND FINANCIAL STATEMENTS

GREATER LAFOURCHE PORT COMMISSION
CUT OFF, LOUISIANA
Statements of Net Position
Enterprise Fund
December 31, 2018 and 2017

	2018	2017
Assets		
Current Assets		
Cash and Cash Equivalents	$ 86,384,133	$ 81,192,006
Investments, at Market Value	18,342,578	18,798,266
Receivables		
Grants Receivable from Other Government Units	3,760,905	391,088
Ad Valorem Taxes	3,564,399	3,642,408
Lease Rentals	490,934	270,361
State Revenue Sharing	35,708	35,518
Accrued Interest	51,339	77,342
Other	142,277	95,693
Prepaid Lease Expense	1,720,843	366,107
Prepaid Insurance	226,469	237,272
Prepaid Materials	689,535	689,535
Fuel Inventory	33,456	16,868
Other Prepaid Accounts	300,161	253,818
Total Current Assets	115,742,737	106,066,282
Noncurrent Assets		
Capital Assets		
Property, Plant, and Equipment	288,015,063	274,991,355
Less Accumulated Depreciation	(82,040,078)	(76,296,866)
Capital Assets, Net	205,974,985	198,694,489
Total Noncurrent Assets	205,974,985	198,694,489
Total Assets	321,717,722	304,760,771
Deferred Outflows of Resources		
Deferred Outflows - Pensions	622,685	709,218
Total Deferred Outflows of Resources	622,685	709,218

The accompanying notes are an integral part of these financial statements.

GREATER LAFOURCHE PORT COMMISSION
CUT OFF, LOUISIANA
Statements of Net Position (Continued)
Enterprise Fund
December 31, 2018 and 2017

	2018	2017
Liabilities		
Current Liabilities		
Accounts Payable	$ 2,180,945	$ 2,015,005
Unearned Lease Revenue		
Advance Payment of Leases	10,442,022	13,428,951
Total Current Liabilities	12,622,967	15,443,956
Noncurrent Liabilities		
Accrued Compensated Absences	276,353	265,745
Net Other Postemployment Benefits Liability	4,543,246	-
Net Other Postemployment Benefits Obligation	-	3,744,101
Net Pension Liability	7,670,104	7,910,033
Total Noncurrent Liabilities	12,489,703	11,919,879
Total Liabilities	25,112,670	27,363,835
Deferred Inflows of Resources		
Deferred Inflows - Pensions	267,174	545,885
Deferred Inflows - Other Postemployment Benefits	470,508	-
Total Deferred Inflows of Resources	737,682	545,885
Net Position		
Net Investment In Capital Assets	205,974,985	198,694,489
Unrestricted	90,515,070	78,865,780
Total Net Position	$ 296,490,055	$ 277,560,269

The accompanying notes are an integral part of these financial statements.

GREATER LAFOURCHE PORT COMMISSION
CUT OFF, LOUISIANA
Statements of Activities
Enterprise Fund
For the Years Ended December 31, 2018 and 2017

	2018	2017
Operating Revenues		
Lease Rentals	$ 26,926,436	$ 24,564,618
Fuel and Retail Sales	444,777	384,707
Other User Fees	1,188,051	1,113,006
Total Operating Revenues	28,559,264	26,062,331
Operating Expenses		
Personnel Services	4,580,547	4,632,495
Maintenance, Supplies, and Operation of Facilities	4,321,113	2,878,978
Lease Expense - Port Fourchon	4,475,015	4,115,266
Fuel and Retail Items	302,378	239,471
Other Operating Expenses	1,800,761	1,852,181
Depreciation and Amortization	7,644,858	7,422,174
Total Operating Expenses	23,124,672	21,140,565
Operating Income	5,434,592	4,921,766
Nonoperating Revenues (Expenses)		
Ad Valorem Taxes (Net of Tax Assessor's Settlement and Pension Fund)	3,677,638	3,479,577
Intergovernmental Revenues		
State Revenue Sharing	35,708	35,518
Noncapital Grants	110,067	114,594
Investment Income	1,759,433	730,005
Emergency Repair Projects	(71,032)	(74,849)
(Loss) Gain on Disposal of Fixed Assets	(157,559)	45,137
Other (Loss) Income	(5,255)	4,048
Net Nonoperating Revenues	5,349,000	4,334,030
Change In Net Position Before Capital Grants, Extraordinary Items, and Special Items	10,783,592	9,255,796
Capital Grants	9,961,697	798,022
Extraordinary Items	28,980	84,016
Special Items	(732,300)	(158,680)
Change in Net Position	20,041,969	9,979,154
Net Position, Beginning of Year	277,560,269	267,581,115
Change in Accounting Principle	(1,112,183)	-
Net Position, Beginning of Year, Restated	276,448,086	267,581,115
Net Position, End of Year	$ 296,490,055	$ 277,560,269

The accompanying notes are an integral part of these financial statements.

GREATER LAFOURCHE PORT COMMISSION
CUT OFF, LOUISIANA
Statements of Cash Flows
Enterprise Fund
For the Years Ended December 31, 2018 and 2017

	2018	2017
Cash Flows from Operating Activities		
Cash Received from Operations	**$ 25,305,178**	$ 23,967,766
Cash Paid to Employees and Employee Benefits	**(5,654,329)**	(4,924,139)
Payments for Goods and Services	**(11,306,805)**	(9,045,474)
Net Cash Provided by Operating Activities	**8,344,044**	9,998,153
Cash Flows from Noncapital Financing Activities		
Tax Receipts Collected by Other Governments	**3,755,647**	4,195,466
Operating Grants Received from Other Governments	**140,330**	295,017
Net Cash Provided by Noncapital Financing Activities	**3,895,977**	4,490,483
Cash Flows from Capital and Related Financing Activities		
Capital Grants Collected	**6,591,880**	4,356,446
Payments for Capital Acquisitions	**(15,122,740)**	(8,984,082)
Special Items	**(732,300)**	(158,680)
Emergency Repair Projects	**(71,032)**	(74,849)
Extraordinary Items	**28,980**	84,016
Net Cash Used in Capital and Related Financing Activities	**(9,305,212)**	(4,777,149)
Cash Flows from Investing Activities		
Proceeds from Sale of Property and Equipment	**16,194**	57,500
Proceeds from Sale and Maturities of Investments	**1,000,000**	5,225,733
Purchases of Investments	**(500,000)**	(4,999,998)
Receipts of Interest	**1,741,124**	781,693
Net Cash Provided by Investing Activities	**2,257,318**	1,064,928
Net Change in Cash and Cash Equivalents	**5,192,127**	10,776,415
Cash and Cash Equivalents, Beginning of Year	**81,192,006**	70,415,591
Cash and Cash Equivalents, End of Year	**$ 86,384,133**	$ 81,192,006
Reconciliation of Operating Income to Net Cash Flows		
Provided by Operating Activities		
Operating Income	**$ 5,434,592**	$ 4,921,766
Add Depreciation Expense	**7,644,858**	7,422,174
(Increase) Decrease in Current Assets		
Rent Receivables	**(220,573)**	(13,810)
Prepaid Expenses	**(1,390,276)**	(113,089)
Prepaid Materials and Inventory	**(16,588)**	(7,896)
Miscellaneous Receivables	**(46,584)**	(38,660)
Increase (Decrease) in Current Liabilities		
Operating Accounts Payable and Accrued Expenses	**999,326**	161,407
Advance Payment of Leases	**(2,986,929)**	(2,042,095)
Accrued Pension Expense in Excess of Contributions	**(1,073,782)**	(291,644)
Net Cash Provided by Operating Activities	**$ 8,344,044**	$ 9,998,153

The accompanying notes are an integral part of these financial statements.

Note 1. Summary of Significant Accounting Policies

The financial statements of the Greater Lafourche Port Commission (Commission) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Commission's more significant accounting policies are described below.

Reporting Entity
The Greater Lafourche Port Commission (the Commission) was created under Louisiana Revised Statute 34:1651 with a nine-member board elected for a term of six (6) years. The Commission has been empowered to regulate the commerce and traffic within the port area; to promote commerce within the area through the construction, acquisition, and maintenance of wharves, docks, sheds, landings, and waterways; to provide police protection and services for its facilities; and to lease its facilities to all types of commercial transportation, storage, and shipping industries. The Commission also owns, maintains, and operates the South Lafourche Leonard Miller Jr. Airport in Cut Off.

This report includes all funds which are controlled by the Commission. The Commission is financially independent and is responsible for its debts and is entitled to surpluses. No separate agency receives a financial benefit nor imposes a financial burden on the Commission.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
The Commission uses proprietary fund accounting to report on its financial position and results of operations. Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration.

Proprietary fund statements are reported using the economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statements of net position. The statements of activities present increases (e.g., revenues) and decreases (e.g., expenses) in net position. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating income reported in the financial statements includes revenues and expenses related to the primary, continuing operations of the Commission. Principal operating revenues are charges to tenants for rent and utilities in connection with the operation of the seaport and airport facilities. Principal operating expenses are lease payments to landowners, maintenance of port facilities, the costs of providing police patrols and protective services to tenants, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)
When both restricted and unrestricted revenues are available for use, the Commission's policy is to use restricted revenues first, then unrestricted revenues as they are needed.

Net position is reported in three classifications as follows:

Net investment in capital assets: Consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The Commission has no debt attributable to its capital assets.

Restricted: Consists of components of net position on which constraints are imposed by creditors (such as through debt covenants), contributors, laws or regulations of other governments, or through constitutional provisions or enabling legislation. The Commission had no restricted net position at December 31, 2018 or 2017.

Unrestricted: Consists of all components of net position that do not meet the definition of "restricted" or "net investment in capital assets."

Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Budgetary Accounting
Budgetary practices include public notice of the proposed budgets, public inspection of the proposed budgets and public hearings on the budgets. Budgets are prepared based on a flow of economic resources measurement focus as explained above. Budgetary control is exercised at the fund level.

Budgeted amounts included in the accompanying financial statements include original adopted budget amounts and all subsequent amendments. Amendments to the budget must be approved by the Board of Commissioners. Budget amounts which are not expended lapse at year-end.

Encumbrance accounting is not utilized by the Commission.

Note 1. Summary of Significant Accounting Policies (Continued)

Cash, Cash Equivalents, and Investments

Cash and cash equivalents include amounts in demand deposit accounts and investments in the Louisiana Asset Management Pool (LAMP), which are stated at cost.

LAMP is administered by LAMP, Inc., a not-for-profit corporation organized under the laws of the State of Louisiana, and is governed by a board of directors comprised of representatives from various local governments and statewide professional organizations. Only local governments within Louisiana may have an investment interest in LAMP's pool of assets. The LAMP portfolio includes only securities and other obligations permitted as investments for local governments under state law. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

Louisiana state statutes, as stipulated in LRS 39:1271, authorize the Commission to invest in United States bonds, treasury notes or certificates, or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having the principal office in the State of Louisiana. The state statutes also authorize the Commission to invest in any other federally insured investment, or in mutual or trust fund institutions, which are registered with the Securities and Exchange Commission under the Security Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the United States government or its agencies. Investing is performed in accordance with investment policies complying with state statutes and those adopted by the Board of Commissioners.

Investments are stated at market value. Increases or decreases in the market value of investments are included as a component of investment income.

Receivables

All receivables are recorded at their gross value, and when appropriate, are reduced by the estimated portion that is expected to be uncollectible. The allowance for uncollectibles was $138,116 and $136,369 at December 31, 2018 and 2017, respectively.

Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond the current period are recorded as prepaid expenses.

Note 1. Summary of Significant Accounting Policies (Continued)

Capital Assets
Property constructed or acquired by purchase is stated at cost or estimated historical cost if actual historical cost is not available. General infrastructure assets acquired prior to January 1, 2004 consist of the road network and bridge assets that were acquired or that received substantial improvements subsequent to July 1, 1980, and are reported at estimated historical cost using deflated replacement cost. Net interest costs are capitalized on major construction projects during the construction period. No interest was incurred and capitalized for the years ended December 31, 2018 and 2017. Donated assets are valued at estimated fair value at the time of donation.

The costs of normal maintenance, dredging, and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of related capital assets, as applicable.

Depreciation is computed using the straight-line method over the following useful lives:

Buildings and Marine Construction	10 to 40 Years
Infrastructure Roads	40 Years
Infrastructure Bridges	50 Years
Machinery and Equipment	5 to 10 Years
Furniture and Fixtures	5 to 20 Years

Interest Receivable
Interest receivable on investments and time deposits is recorded as revenue in the year the interest is earned.

Ad Valorem Taxes and Revenue Sharing
Ad valorem taxes and the related state revenue sharing (which is based on population and homesteads in the parish) are recorded in the year the taxes are assessed except for taxes paid under protest which are recorded in the year available. Delinquent taxes considered to be uncollectible are recorded against revenues. Consequently, ad valorem revenue receivables are recorded net of estimated uncollectible amounts.

Ad valorem taxes are assessed on a calendar year basis, become due November 15th of each year, and become delinquent on December 31st. The taxes are generally collected in December of the current year.

State revenue sharing monies are generally received by the Commission on the 15th day of December in the year of determination and the 15th day of April and June of the subsequent year in equal installments.

Note 1. Summary of Significant Accounting Policies (Continued)

Compensated Absences
The Commission employees accumulate unlimited amounts of annual and sick leave at varying rates as established by state regulations. Upon resignation or retirement, unused annual leave of up to 300 hours is paid at the employee's current rate of pay. Upon retirement, annual leave in excess of 300 hours and unused sick leave is credited as earned service in computing retirement benefits.

At December 31, 2018 and 2017, $276,353 and $265,745, respectively, have been recorded as a long-term liability, which represents that portion of estimated leave which will be taken or reimbursed after the balance sheet date.

Statements of Cash Flows
All short-term investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash, and at the date of purchase, they have a maturity date no longer than three months.

Note 2. Cash and Cash Equivalents

Cash and cash equivalents consist of the following at December 31:

	Carrying Amount	
	2018	2017
Cash and Demand Deposits	**$ 8,035,290**	$ 24,055,109
Units in Louisiana Asset Management Pool	**78,348,843**	57,136,897
Total Cash and Cash Equivalents	**$ 86,384,133**	$ 81,192,006

Custodial Credit Risk - Deposits. Custodial credit risk for deposits is the risk that in the event of a failure of a depository institution, the Commission may not recover its deposits or the securities pledged as collateral by a third-party custodian. Commission policy and state law require all deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. At December 31, 2018, there were no bank deposits subject to custodial credit risk.

Units of LAMP represent an undivided fractional interest in each of the securities held by LAMP. Securities held by LAMP include only debt securities issued, guaranteed, or otherwise backed by the U.S. Treasury, the government of the United States, or an agency, enterprise, or instrumentality thereof, and repurchase agreements collateralized by such securities.

Note 3. Ad Valorem Taxes and Tax Abatement Agreements

The Commission's authorized and levied ad valorem millage rates for 2018 and 2017 were 6.54 mills. Total taxes levied for the years ended December 31, 2018 and 2017 were $3,860,569 and $3,929,458, respectively.

The State of Louisiana grants exemptions (tax abatements) from ad valorem taxes to manufacturers under criteria established by the Louisiana Department of Economic Development. Under these tax abatement agreements, qualifying buildings and equipment are exempt from ad valorem taxes for a period of 10 years. As a result of these tax abatement agreements, the Commission's ad valorem tax revenues were reduced by $130,557 and $67,182, for the years ended December 31, 2018 and 2017, respectively.

Note 4. Investments and Fair Value Measurements

Investments are carried at market value and include certificates of deposit with original maturities of three months or more. At December 31, 2018 and 2017, the Commission had investments with maturities as follows:

		Maturities (in Years)	
2018	**Fair Value**	**Less Than 1**	**1 to 3**
Investment Type			
Certificates of Deposit	**$ 1,300,000**	**$ 800,000**	**$ 500,000**
US Government Instrumentality Bonds	**17,042,578**	**12,125,795**	**4,916,783**
Total	**$ 18,342,578**	**$ 12,925,795**	**$ 5,416,783**

		Maturities (in Years)	
2017	Fair Value	Less Than 1	1 to 3
Investment Type			
Certificates of Deposit	$ 800,000	$ 800,000	$ -
US Government Instrumentality Bonds	17,998,266	-	17,998,266
Total	$ 18,798,266	$ 800,000	$ 17,998,266

Note 4. Investments and Fair Value Measurements (Continued)

The Commission categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs.

The Commission has the following recurring fair value measurements as of December 31, 2018:

- Certificates of Deposit totaling $1.3 million and U.S. Government Instrumentality Bond obligations totaling $498,865 are valued using quoted market prices (Level 1 inputs).
- U.S. Government Instrumentality Bond obligations totaling $16,543,713 are valued using market prices for similar securities (Level 2 inputs).

Investments are subject to various risks, the following of which are considered the most significant:

Interest Rate Risk. The Commission's investment policy limits investment maturities to no more than three years as a means of managing its exposure to fair value losses resulting from rising interest rates.

Custodial Credit Risk - Investments. Custodial credit risk is the risk that in the event of the failure of the counterparty, the Commission would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At December 31, 2018, no certificates of deposit were subject to custodial credit risk.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Commission does not have a specific policy related to credit risk, but it manages such risk by complying with state law regarding the types of investments it can hold.

Concentrations of Credit Risk. The Commission places no limit on the amount it may invest in any one issuer. Investments of a single issuer representing more than five percent of the Commission's total investments at December 31, 2018 are as follows:

Investment Type	Issuer	%
U.S. Government Instrumentality	Federal Home Loan Bank	35.0
U.S. Government Instrumentality	Federal Home Loan Mortgage Corp.	39.0
U.S. Government Instrumentality	Federal National Mortgage Association	21.0

Note 5. Capital Assets

A summary of changes in capital assets for the years ended December 31, 2018 and 2017 follows:

	Balance 12/31/2017	Additions	Deletions and Transfers	Balance 12/31/2018
Assets Being Depreciated				
Buildings	**$ 11,801,085**	**$ 4,253**	**$ -**	**$ 11,805,338**
Port Facilities and Improvements	**235,987,766**	**20,426,530**	**1,784,407**	**254,629,889**
Furniture and Office Equipment	**1,892,111**	**201,411**	**46,423**	**2,047,099**
Vehicles, Boats, and Field Equipment	**11,813,375**	**205,198**	**273,738**	**11,744,835**
	261,494,337	**20,837,392**	**2,104,568**	**280,227,161**
Less Accumulated Depreciation	**(76,296,866)**	**(7,674,173)**	**(1,930,961)**	**(82,040,078)**
Assets Being Depreciated, Net	**185,197,471**	**13,163,219**	**173,607**	**198,187,083**
Assets Not Being Depreciated				
Land	**4,593,307**	**-**	**-**	**4,593,307**
Construction-in-Progress	**8,903,711**	**14,760,221**	**20,469,337**	**3,194,595**
Subtotal	**13,497,018**	**14,760,221**	**20,469,337**	**7,787,902**
Total Capital Assets, Net	**$ 198,694,489**	**$ 27,923,440**	**$ 20,642,944**	**$ 205,974,985**

	Balance 12/31/2016	Additions	Deletions and Transfers	Balance 12/31/2017
Assets Being Depreciated				
Buildings	$ 11,685,778	$ 115,307	$ -	$ 11,801,085
Port Facilities and Improvements	228,172,324	7,815,442	-	235,987,766
Furniture and Office Equipment	1,825,291	81,593	14,773	1,892,111
Vehicles, Boats, and Field Equipment	12,149,797	250,926	587,348	11,813,375
	253,833,190	8,263,268	602,121	261,494,337
Less Accumulated Depreciation	(69,439,579)	(7,449,836)	(592,549)	(76,296,866)
Assets Being Depreciated, Net	184,393,611	813,432	9,572	185,197,471
Assets Not Being Depreciated				
Land	4,593,307	-	-	4,593,307
Construction-in-Progress	7,636,194	9,020,051	7,752,534	8,903,711
Subtotal	12,229,501	9,020,051	7,752,534	13,497,018
Total Capital Assets, Net	$ 196,623,112	$ 9,833,483	$ 7,762,106	$ 198,694,489

Note 5. Capital Assets (Continued)

Depreciation on capital assets was $7,674,173 for the year ended December 31, 2018, of which $29,315 was capitalized and $7,644,858 was charged to expense, and $7,449,836 for the year ended December 31, 2017, of which $27,662 was capitalized and $7,422,174 was charged to expense.

Note 6. Leases (as Lessee)

The Commission leases the land on which Port Fourchon Industrial Park is built from four landowners under operating leases expiring in various years through 2046. The leases are structured to have a minimum amount of base rent with additional amounts payable as contingent rentals based on sublease rentals received by the Commission.

Minimum rental payments of approximately $414,813 and $616,069 were included in lease expense of $4,475,015 and $4,115,266 for the years ended December 31, 2018 and 2017, respectively.

Minimum future rental payments under non-cancelable operating leases having remaining terms in excess of one year as of December 31, 2018 for each of the next five years and thereafter are as follows:

Year Ending December 31,	Amount
2019	$ 432,014
2020	350,323
2021	365,861
2022	68,040
2023	69,459
Thereafter	1,300,130
Total Minimum Future Rental Payments	$ 2,585,827

Total minimum future rental payments have not been reduced by sublease rentals to be received in the future under non-cancelable subleases.

Note 7. Port Lease Rentals (as Lessor)

The Commission leases sites situated on Port Fourchon to businesses operating primarily in the oil and gas and seafood industries. The number of lessees as of December 31, 2018 and 2017 was 94 and 98, respectively. The Commission received 32% and 33% of its lease revenues from one lessee for the years ended December 31, 2018 and 2017, respectively. In general, lease contracts state that in each year of the primary term or any extended option term, rental payments to the Commission shall escalate at rates varying from 2% to 5% of the rental paid in the preceding year, unless other arrangements are negotiated.

Based on existing leases at December 31, 2018, minimum lease rentals on non-cancelable leases to be received over the next five years and thereafter are as follows:

Year Ending December 31,	Amount
2019	$ 8,169,507
2020	2,165,559
2021	2,195,977
2022	969,375
2023	760,787
Thereafter	2,493,159
Total	$ 16,754,364

Note 8. Pension Plans

The Commission's employees are provided with benefits through the following cost-sharing multiple-employer plans:

- Louisiana State Employees' Retirement System (LASERS) provides retirement benefits to eligible state employees.
- Teachers' Retirement System of Louisiana (TRSL) provides retirement benefits to other eligible employees.

Note 8. Pension Plans (Continued)

General information about the Pension Plans:

Louisiana State Employees' Retirement System (LASERS)

Plan Description
Employees of Greater Lafourche Port Commission are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Louisiana State Employees' Retirement System (LASERS). Section 401 of Title 11 of the Louisiana Revised Statutes (LRS 11:401) grants to LASERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. LASERS issues a publicly available financial report that can be obtained at www.lasersonline.org.

Benefits Provided
The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement - The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. The majority of LASERS rank and file members may either retire with full benefits at any age upon completing 30 years of creditable service, at age 55 upon completing 25 years of creditable service, and at age 60 upon completing ten years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015, may retire at ages 60 upon completing five years of creditable service, and those hired on or after July 1, 2015 may retire at age 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement benefits under any one of six different options providing for reduced retirement benefits payable throughout their life, with certain benefits being paid to their designated beneficiary after their death.

Note 8. Pension Plans (Continued)

Louisiana State Employees' Retirement System (LASERS) (Continued)

Benefits Provided (Continued)

Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with twelve years of creditable service at age 55, 25 years of creditable service at any age, or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans.

Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

Act 226 of the 2014 Louisiana Regular Legislative Session established new retirement eligibility for members of LASERS hired on or after July 1, 2015, excluding hazardous duty plan members. Regular members and judges under the new plan are eligible to retire at age 62 after five years of creditable service, and may also retire at any age with a reduced benefit, after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment. Members in the regular plan will receive a 2.5% accrual rate, and judges a 3.5% accrual rate, with the extra 1% accrual rate based on all years of service as a judge.

Members in the Harbor Police Retirement System who were members prior to July 1, 2014, may retire after 25 years of creditable service at any age, 12 years of creditable service at age 55, 20 years of creditable service at age 45, and 10 years of creditable service at age 60. Average compensation for the plan is the member's average annual earned compensation for the highest 36 consecutive months of employment with a 3.33% accrual rate.

Note 8. Pension Plans (Continued)

Louisiana State Employees' Retirement System (LASERS) (Continued)

Benefits Provided (Continued)
A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification but generally is ten years of service.

Deferred Retirement Benefits - The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account.

Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. For members who selected the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004, are required to enter the SDP as described above.

For members who are in the Harbor Police Plan, the annual DROP interest rate is the three-year average (calculated as the compound average of 36 months) investment return of the plan assets for the period ending June 30 immediately preceding that given date. The average rate so determined is to be reduced by a "contingency" adjustment of 0.5%, but not to below zero. DROP interest is forfeited if a member does not cease employment after DROP participation.

Note 8. Pension Plans (Continued)

Louisiana State Employees' Retirement System (LASERS) (Continued)

Benefits Provided (Continued)
Disability Benefits - Generally, active members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age. Upon reaching age 60, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees. For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation.

Members of the Harbor Police Plan who become disabled may receive a non-line of duty disability benefit after five years or more of credited service. Members age 55 and older may receive a disability benefit equivalent to the regular retirement benefit. Under age 55, the disability benefit is equal to 40% of final average compensation. Line of duty disability benefits are equal to 60% of final average compensation, regardless of years of credited service. If the disability benefit retiree is permanently confined to a wheelchair, or is an amputee incapable of serving as a law enforcement officer, or the benefit is permanently legally binding, there is no reduction to the benefit if the retiree becomes gainfully employed.

Survivor's Benefits - Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased regular member hired before January 1, 2011 who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of 20 years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

The deceased regular member hired on or after January 1, 2011, must have a minimum of five years of service regardless of when earned in order for a benefit to be paid to a minor child. The aforementioned minimum service credit requirements for a surviving spouse are 10 years, two years being earned immediately prior to death, and active state service at the time of death, or a minimum of 20 years of service credit regardless of when earned. A deceased member's spouse must have been married for at least one year before death.

Note 8. Pension Plans (Continued)

Louisiana State Employees' Retirement System (LASERS) (Continued)

Benefits Provided (Continued)

A Hazardous Duty Services Plan member's surviving spouse and minor or handicapped or mentally incapacitated child or children are entitled to survivor benefits of 80% of the member's final average compensation if the member was killed in the line of duty. If the member dies in the line of duty as a result of an intentional act of violence, survivor benefits may be increased to 100% of the members final average compensation.

Non-line of duty survivor benefits of the Harbor Police Retirement System may be received after a minimum of five years of credited service. Survivor benefits paid to a surviving spouse without children are equal to 40% of final average compensation, and cease upon remarriage. Surviving spouse with children under 18 benefits are equal to 60% of final average compensation, and cease upon remarriage, and children turning 18. No minimum service credit is required for line of duty survivor benefits which are equal to 60% of final average compensation to surviving spouse, or 100% of final average compensation if the injury was the result of an intentional act of violence regardless of children. Line of duty survivor benefits cease upon remarriage, and then benefit is paid to children under 18.

Permanent Benefit Increases/Cost-of-Living Adjustments - As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs), that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

Contributions

Contribution requirements of active employees are governed by Section 401 of Title 11 of the Louisiana Revised Statutes (LRS 11:401) and may be amended by the Louisiana Legislature. Employee and employer contributions are deducted from a member's salary and remitted to LASERS by participating employers.

The rates in effect for the years ended December 31, 2018 and 2017 were as follows:

		Employer	
2018	**Employees**	**1/1/18 - 6/30/18**	**7/1/18 - 12/31/18**
Regular Employees	**7.5% - 8%**	**37.9%**	**37.9%**
Hazardous Duty	**9.5%**	**38.3%**	**38.5%**
Harbor Police	**9.0%**	**37.6%**	**37.7%**

		Employer	
2017	Employees	1/1/17 - 6/30/17	7/1/17 - 12/31/17
Regular Employees	7.5% - 8%	35.8%	37.9%
Hazardous Duty	9.5%	36.1%	38.3%
Harbor Police	9.0%	35.3%	37.6%

Note 8. Pension Plans (Continued)

Louisiana State Employees' Retirement System (LASERS) (Continued)

Benefits Provided (Continued)
The Commission's contractually required composite contribution rates for the years ended December 31, 2018 and 2017 were 38.09% and 36.97%, respectively, of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan were $825,364 and $764,797 for the years ended December 31, 2018 and 2017, respectively.

Teachers' Retirement System of Louisiana (TRSL)

Plan Description
Eligible employees of the Greater Lafourche Port Commission are provided with pensions through a cost-sharing, multiple-employer defined benefit plan administered by the Teachers' Retirement System of Louisiana (TRSL). Chapter 2 of Title 11 of the Louisiana Revised Statutes (LRS 11:401) grants to TRSL Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. TRSL issues a publicly available financial report that can be obtained at www.trsl.org.

Benefits Provided
The following is a description of the plan and its benefits and is provided for general informational purposes only. TRSL provides retirement, deferred retirement option (DROP), disability, and survivor's benefits. Participants should refer to the appropriate statutes for more complete information.

Retirement - Members may retire with an actuarially reduced benefit with 20 years of service at any age. If hired before July 1, 1999, members are eligible for a 2% accrual rate at the earliest of age 60 with five years of service, or at any age with 20 years of service and are eligible for a 2.5% accrual rate at the earliest of age 65 with 20 years of service, age 55 with 25 years of service, or at any age with 30 years of service.

Members enrolled in Plan A may retire with a 3.0% annual accrual rate at age 55 with 25 years of service, age 60 with five years of service, or 30 years of service, regardless of age. Plan A is closed to new entrants.

Members enrolled in Plan B first eligible for membership on or after July 1, 2015 may retire with a 2.0% annual accrual rate at age 62 with five years of service, and are eligible for an actuarially reduced benefit with 20 years of service at any age. Members first eligible for membership before July 1, 2015 may retire with a 2.0% annual accrual rate at age 55 with 30 years of service, or age 60 with five years of service.

Note 8. Pension Plans (Continued)

Teachers' Retirement System of Louisiana (TRSL) (Continued)

Benefits Provided (Continued)
For all plans, retirement benefits are based on a formula which multiplies the final average compensation by the applicable accrual rate, and by the years of creditable service. For Regular Plan and Lunch Plan B members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after January 1, 2011, final average compensation is defined as the highest average 60-month period. For all other members, final average compensation is defined as the highest average 36-month period.

A retiring member is entitled to receive the maximum benefit payable until the member's death. In lieu of the maximum benefit, the member may elect to receive a reduced benefit payable in the form of a Joint and Survivor Option, or as a lump sum that can't exceed 36 months of the members' maximum monthly benefit amount.

Effective July 1, 2009, members may make an irrevocable election at retirement to receive an actuarially reduced benefit which increases 2.5% annually, beginning on the first retirement anniversary date, but not before age 55 or before the retiree would have attained age 55 in the case of a surviving spouse. This option can be chosen in combination with the above options.

Deferred Retirement Option Program (DROP) - In lieu of terminating employment and accepting a service retirement, an eligible member can begin participation in the DROP on the first retirement eligibility date for a period not to exceed the third anniversary of retirement eligibility. Delayed participation reduces the three-year participation period. During participation, benefits otherwise payable are fixed, and deposited in an individual DROP account. Upon termination of DROP, the member can continue employment and earn additional accruals to be added to the fixed pre-DROP benefit.

Upon termination of employment, the member is entitled to the fixed benefit, an additional benefit based on post-DROP service (if any), and the individual DROP account balance which can be paid in a lump sum or an additional annuity based upon the account balance.

Disability Benefits - Active members whose first employment makes them eligible for membership in a Louisiana state retirement system before January 1, 2011, and who have five or more years of service credit are eligible for disability retirement benefits if certified by the State Medical Disability Board (SMDB) to be disabled from performing their job. All other members must have at least 10 years of service to be eligible for a disability benefit. Calculation of the disability benefit as well as the availability of a minor child benefit is determined by the plan to which the member belongs and the date on which the member's first employment made them eligible for membership in a Louisiana state retirement system.

Note 8. Pension Plans (Continued)

Teachers' Retirement System of Louisiana (TRSL) (Continued)

Benefits Provided (Continued)

Survivor Benefits - A surviving spouse with minor children of an active member with five years of creditable service (two years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) $600 per month, or (b) 50% of the member's benefit calculated at the 2.5% accrual rate for all creditable service. When a minor child(ren) is no longer eligible to receive survivor benefits, the spouse's benefit reverts to a survivor benefit in accordance with the provisions for a surviving spouse with no minor child(ren). Benefits for the minor child(ren) cease when he/she is no longer eligible.

Each minor child (maximum of two) shall receive an amount equal to the greater of (a) 50% of the spouse's benefit, or (b) $300 (up to two eligible children). Benefits to minors cease at attainment of age 18, marriage, or age 23 if enrolled in an approved institution of higher education. A surviving spouse without minor children of an active member with 10 years of creditable service (two years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) $600 per month, or (b) the option 2 equivalent of the benefit calculated at the 2.5% accrual rate for all creditable service.

Permanent Benefit Increases/Cost-of-Living Adjustments - As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs) that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

Optional Retirement Plan (ORP) - The Optional Retirement Plan (ORP) was established for academic employees of public institutions of higher education who are eligible for membership in TRSL. This plan was designed to provide certain academic and unclassified employees of public institutions of higher education an optional method of funding for their retirement.

The ORP is a defined contribution pension plan which provides for portability of assets and full and immediate vesting of all contributions submitted on behalf of the affected employees to the approved providers. These providers are selected by the TRSL Board of Trustees. Monthly employer and employee contributions are invested as directed by the employee to provide the employee with future retirement benefits. The amount of these benefits is entirely dependent upon the total contributions and investment returns accumulated during the employee's working lifetime. Employees in eligible positions of higher education can make an irrevocable election to participate in the ORP rather than TRSL and purchase annuity contracts—fixed, variable, or both—for benefits payable at retirement.

Note 8. Pension Plans (Continued)

Teachers' Retirement System of Louisiana (TRSL) (Continued)

Contributions
The employer contribution rate is established annually under LRS 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's actuary. Each sub plan pays a separate actuarially determined employer contribution rate. However, all assets of TRSL are used for the payment of benefits for all classes of members, regardless of their plan. The rates in effect for the years ended December 31, 2018 and 2017 were as follows:

		Employer	
2018	**Employees**	**1/1/18 - 6/30/18**	**7/1/18 - 12/31/18**
Regular Plan	**8%**	**26.6%**	**26.7%**
		Employer	
2017	Employees	1/1/17 - 6/30/17	7/1/17 - 12/31/17
Regular Plan	8%	25.5%	26.6%

The Commission's contractually required composite contribution rates for the years ended December 31, 2018 and 2017 were 26.65% and 26.06%, respectively, of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan totaled $15,764 and $14,541, respectively, for the years ended December 31, 2018 and 2017.

Note 8. Pension Plans (Continued)

Teachers' Retirement System of Louisiana (TRSL) (Continued)

Pension Liabilities

The Commission reported its proportionate shares of the net pension liability of the Plans for the years ended December 31st, as follows:

Plan		2018		2017
LASERS	$	7,542,635	$	7,784,242
TRSL		127,469		125,791
Total	$	7,670,104	$	7,910,033

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Commission's proportion of the net pension liability was based on a projection of the Commission's long-term contributions to the plans relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2018 and 2017, the Commission's proportions of each plan were as follows:

Plan	2018	2017
LASERS	0.110597%	0.110590%
TRSL	0.001297%	0.001227%

Pension Expense

For the years ended December 31, 2018 and 2017, the Commission recognized pension expense as follows:

Plan		2018		2017
LASERS	$	389,598	$	468,315
TRSL		13,398		13,231
Total	$	402,996	$	481,546

Note 8. Pension Plans (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2018		2017	
Plan	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
LASERS				
Changes in Proportion	$ 161	$ 159,474	$ -	$ 391,949
Differences Between Expected and Actual Experience	-	84,583	-	142,831
Changes in Assumptions	76,752	-	30,753	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	97,803	-	253,129	-
Difference Between Employer Contributions and Proportionate Share of Contributions	21	7,896	16,484	-
Contributions Subsequent to the Measurement Date	421,147	-	390,723	-
	595,884	251,953	691,089	534,780
TRSL				
Changes in Proportion	10,753	2,268	9,302	3,024
Differences Between Expected and Actual Experience	-	4,199	-	4,135
Changes in Assumptions	8,190	-	1,326	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	8,215	-	3,249
Difference Between Employer Contributions and Proportionate Share of Contributions	-	539	-	697
Contributions Subsequent to the Measurement Date	7,858	-	7,501	-
	26,801	15,221	18,129	11,105
Totals	$ 622,685	$ 267,174	$ 709,218	$ 545,885

Note 8. Pension Plans (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

The deferred outflows of resources related to pensions resulting from Commission contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Amount
2019	$ 55,421
2020	84,949
2021	(187,478)
2022	(26,386)
Total	$ (73,494)

Actuarial Assumptions

The total pension liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurements:

Actuarial Assumptions	LASERS	TRSL
Inflation	2.75%	2.50%
Discount Rate Used to Measure Pension Liability	7.65%	7.65%
Salary increases	2.8% - 14.3%, varies by duration of service	3.3% - 4.8%, varies by duration of service
Investment Rate of Return	7.65% net of investment expenses	7.65%, net of investment expenses
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Expected Remaining Service	3 Years	5 Years
Cost of Living Adjustments	None	None

Actuarial assumptions used in the June 30, 2018 valuations were based on the results of actuarial experience studies as follows:

- TRSL for the period July 1, 2007 to June 30, 2012.
- LASERS for the period July 1, 2009 to June 30, 2013.

Note 8. Pension Plans (Continued)

Actuarial Assumptions (Continued)
Mortality rates for TRSL were based on the RP-2000 Mortality Table with projection to 2025 using Scale AA. Mortality rates for LASERS were based on the RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015 for non-disabled members, and on the RP-2000 Disabled Retiree Mortality Table with no projection for mortality improvement for disabled members.

For TRSL and LASERS, the long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

The best estimates of real rates of return for each major asset class included in the pension plans' target asset allocation, as of June 30, 2018, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
LASERS		
Cash	0.0%	-0.48%
Domestic Equity	23.0%	4.31%
International Equity	32.0%	5.26%
Domestic Fixed Income	6.0%	1.49%
International Fixed Income	10.0%	2.23%
Alternative Investments	22.0%	7.67%
Risk Parity	7.0%	4.96%
TRSL		
Domestic Equity	27.0%	4.01%
International Equity	19.0%	4.90%
Domestic Fixed Income	13.0%	1.36%
International Fixed Income	5.5%	2.35%
Private Equity	25.5%	8.39%
Other Private Assets	10.0%	3.57%

Rates of return are presented as arithmetic means for TRSL and geometric means for LASERS.

Note 8. Pension Plans (Continued)

Actuarial Assumptions (Continued)

The investment rates of return were determined based on expected cash flows which assume that contributions from plan members will be made at current contribution rates and that contributions from the participating employers will be made at the actuarially determined rates approved by the Louisiana Public Retirement Systems' Actuarial Committee, taking into consideration the recommendation of the System's actuary. Based on these assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the investment rate of return on plan investments was applied as the discount rate to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Commission's Proportionate Share of the Net Pension Liabilities to Changes in the Discount Rate

The following presents the Commission's proportionate shares of the net pension liabilities of the plans, calculated using the discount rates as shown above, as well as what the Commission's proportionate shares of the net pension liabilities would be if they were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
LASERS (Current Rate 7.65%)	$ 9,519,306	$ 7,542,635	$ 5,840,234
TRSL (Current Rate 7.65%)	168,866	127,469	92,549
Total	$ 9,688,172	$ 7,670,104	$ 5,932,783

Pension Plan Fiduciary Net Position

Detailed information about the plans' fiduciary net position is available in the separate issued financial statements of the plans.

Support of Non-Employer Contributing Entities

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The Commission recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the years ended December 31, 2018 and 2017, the Commission recognized revenue as a result of support received from non-employer contributing entities of $513 and $476, respectively, for its participation in TRSL.

Payables to the Pension Plans

At December 31, 2018, no amounts are due to the pension plans for employer and employee required contributions.

Note 9. Non-Cash Investing and Financing Activities

Non-cash investing and financing activities for the years ended December 31, 2018 and 2017 consisted of the following:

	2018	2017
Decrease in Net Pension Liability	$ 239,929	$ 1,171,582
Increase in Net OPEB Liability	$ (799,145)	$ (255,047)
Increase in Deferred Inflows of Resources	$ (191,797)	$ (289,328)
Decrease in Deferred Outflows of Resources	$ (86,533)	$ (882,254)
Unrealized Gains (Losses) on Investments	$ 44,312	$ (91,072)
(Losses) Gains on Sale of Assets	$ (157,559)	$ 45,137

Note 10. Construction Commitments

At December 31, the Commission had the following commitments on construction and maintenance projects in progress:

2018

Project Description	Estimated Total Cost	Costs Incurred to Date	Remaining Commitment	Estimated % Funded by Other Entities
N/E Slip C East - 1,671 LF	852,712	683,780	168,932	90%
Nerby Collins Marina Boat Lift Extension	114,267	57,639	56,628	0%
Airport Access Road Culvert Improvements	436,611	-	436,611	33%
Public Boat Lunch Pavilion Replacements	87,905	35,262	52,643	0%
Total	$ 1,491,495	$ 776,681	$ 714,814	

2017

Project Description	Estimated Total Cost	Costs Incurred to Date	Remaining Commitment	Estimated % Funded by Other Entities
Runway/Taxiway Lighting Improvements	$ 796,124	$ 321,686	474,438	3%
N/E Slip C East - 1,671 LF	10,237,799	345,957	9,891,842	10%
N/E Slip C West - 939 LF	5,754,647	4,077,821	1,676,826	0%
Slip D Dredge Phase I	1,544,540	947,661	596,879	0%
Fourchon Radar and Camera Relocation Project	42,806	-	42,806	0%
Total	$ 18,375,916	$ 5,693,125	$ 12,682,791	

Note 11. Risk Management

The Commission is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. To manage these risks, the Commission has obtained coverage from commercial insurance companies. During 2018 and 2017, there were no significant claims in excess of insurance coverage.

Note 12. Extraordinary Items and Special Items

Extraordinary items consist of liquidated damages for the Northern Expansion Slip C 1671' East Bulkhead. Special items consist of expenses incurred for mitigation required for the LA 1 elevated highway. The Commission has a cooperative endeavor agreement with LA DOTD and Louisiana Transportation Authority to do the mitigation for this project.

Note 13. Other Postemployment Benefits (OPEB)

General Information about the OPEB Plan
Plan Description - The Commission provides certain continuing health care and life insurance benefits for its retired employees. The Commission's OPEB Plan is an agent multi-employer defined benefit OPEB plan administered by the Commission. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Commission. No assets are accumulated in a trust that meets the criteria in GASB Codification Section P52, *Postemployment Benefits Other Than Pensions—Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria—Defined Benefit.*

Benefits Provided - Medical and life benefits are provided through comprehensive plans and are made available to employees upon actual retirement. Most of the employees are covered by LASERS, whose retirement eligibility (DROP entry) provisions are as follows: attainment of age 60 and 10 years of service; or, age 55 and 25 years of service; or, any age and 30 years of service; employees hired after July 1, 2006 and on or before June 30, 2015 are not able to retire or enter DROP until age 60 with 5 years of service; or hired thereafter, age 62 with 5 years of service.

Life insurance coverage is provided to retirees and 50% of the blended rate (active and retired) is paid by the employer. The amount of insurance coverage while active is continued after retirement, but insurance coverage amounts are reduced to 50% of the original amount at age 70 or at retirement.

Note 13. Other Postemployment Benefits (OPEB) (Continued)

General Information about the OPEB Plan (Continued)

Employees Covered by Benefit Terms - At December 31, 2018, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	12
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	-
Active Employees	39
Total	51

Total OPEB Liability

The Commission's total OPEB liability of $4,543,246 was measured as of December 31, 2018 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs - The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary Increases	3.0%, Including Inflation
Discount Rate	3.44% Annually (Beginning of Year to Determine ADC); 4.10% Annually (As of End of Year Measurement Date)
Healthcare Cost Trend Rates	Flat 5.5% Annually

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2018, the end of the applicable measurement period.

Mortality rates were based on the RP-2000 Table without projection with 50%/50% unisex blend.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2018.

Note 13. Other Postemployment Benefits (OPEB) (Continued)

Changes in the Total OPEB Liability
A summary of the changes in the Total OPEB Liability is as follows:

Balance at December 31, 2017	$ 4,856,284
Changes for the Year	
Service Cost	136,655
Interest	169,407
Differences Between Expected and Actual Experience	(44,425)
Changes in Assumptions	(468,856)
Benefit Payments and Net Transfers	(105,819)
Net Changes	(313,038)
Balance at December 31, 2018	$ 4,543,246

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the Commission, as well as what the Commission's total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower (3.10%) or one percentage-point higher (5.10%) than the current discount rate:

	1.0% Decrease (3.10%)	Current Discount Rate (4.10%)	1.0% Increase (5.10%)
Total OPEB Liability	$ 5,293,667	$ 4,543,246	$ 3,934,657

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the total OPEB liability of the Port Commission, as well as what the Port Commission's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower (4.5%) or one percentage-point higher (6.5%) than the current healthcare trend rates.

	1.0% Decrease (4.50%)	Current Trend Rate (5.50%)	1.0% Increase (6.50%)
Total OPEB Liability	$ 4,029,516	$ 4,543,246	$ 5,186,476

Note 13. Other Postemployment Benefits (OPEB) (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the Commission recognized OPEB expense of $263,288. At December 31, 2018, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ -	$ (40,723)
Changes in Assumptions	-	(429,785)
Total	$ -	$ (470,508)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,	Amount
2019	$ (42,773)
2020	(42,773)
2021	(42,773)
2022	(42,773)
2023	(42,773)
Thereafter	(256,643)
Total	$ (470,508)

Note 14. Contingencies

The Commission is subject to claims and legal proceedings which arise in the normal course of business. In the opinion of the Commission, the outcome of these proceedings will not materially affect the accompanying financial statements, and accordingly, no provision for losses has been recorded.

Note 15. Adoption of New Accounting Standards

The Commission adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* which replaces the requirements of Statement 45 and requires governments to report a liability on the face of the financial statements for the OPEB that they provide. Statement 75 requires more extensive note disclosures and required supplementary information (RSI) about their OPEB liabilities. This Statement is effective for fiscal years beginning after June 15, 2017, and as a result, was adopted during the year ended December 31, 2018. A cumulative effect of the change in accounting principle in the amount of $1,112,183 was recorded on January 1, 2018.

Note 16. Impact of Recently Issued Accounting Pronouncements

GASB Statement No. 87, *Leases,* was issued to better meet the needs of financial statement users by improving accounting and financial reporting for leases by governments. The Statement will require recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. The Statement will be effective for the Commission's 2020 financial statements. The impact of the implementation of this Statement on the Commission's financial statements has not been assessed at this time.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, was issued to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. The impact of the implementation of this Statement on the Commission's financial statements has not been assessed at this time.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

Note 17. Subsequent Events

The Commission has evaluated subsequent events through the date the financial statements were available to be issued, June 5, 2019, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION (PART II)

GREATER LAFOURCHE PORT COMMISSION
CUT OFF, LOUISIANA
Budgetary Comparison Schedule
Enterprise Fund
For the Year Ended December 31, 2018

	Budget Original	Budget Final	Actual	Variance with Final Budget Favorable (Unfavorable)
Operating Revenues				
Lease Rentals	$ 26,582,424	$ 26,582,424	$ 26,926,436	$ 344,012
Fuel and Retail Sales	360,000	360,000	444,777	84,777
Other User Fees	1,070,199	1,070,199	1,188,051	117,852
Total Operating Revenues	28,012,623	28,012,623	28,559,264	546,641
Operating Expenses				
Personnel Services	5,621,347	5,621,347	4,580,547	1,040,800
Maintenance, Supplies, and Operation of Facilities	4,812,435	4,812,435	4,321,113	491,322
Lease Expense - Port Fourchon	4,463,893	4,463,893	4,475,015	(11,122)
Fuel and Retail Items	240,200	240,200	302,378	(62,178)
Other Operating Expenses	2,277,897	2,277,897	1,800,761	477,136
Depreciation and Amortization	7,727,094	7,727,094	7,644,858	82,236
Total Operating Expenses	25,142,866	25,142,866	23,124,672	2,018,194
Operating Income	2,869,757	2,869,757	5,434,592	2,564,835
Nonoperating Revenues (Expenses)				
Ad Valorem Taxes (Net of Tax Assessor's Settlement and Pension Fund)	3,368,000	3,368,000	3,677,638	309,638
Intergovernmental Revenue				
State Revenue Sharing	35,000	35,000	35,708	708
Noncapital Grants	136,500	136,500	110,067	(26,433)
Investment Income	665,000	665,000	1,759,433	1,094,433
Emergency Repair Projects	(2,924,219)	(2,924,219)	(71,032)	2,853,187
Gain on Disposal of Fixed Assets	-	-	(157,559)	(157,559)
Other (Loss) Income	-	-	(5,255)	(5,255)
Net Nonoperating Revenues	1,280,281	1,280,281	5,349,000	4,068,719
Change in Net Position Before Capital Contributions, Special Items and Extraordinary Items	$ 4,150,038	$ 4,150,038	10,783,592	$ 6,633,554
Capital Contributions			9,961,697	
Extraordinary Items			28,980	
Special Items			(732,300)	
Change in Net Position			20,041,969	
Net Position, Beginning of Year			277,560,269	
Change in Accounting Principle			(1,112,183)	
Net Position, Beginning of Year (Restated)			276,448,086	
Net Position, End of Year			$ 296,490,055	

See notes to required supplementary information and independent auditor’s report.

GREATER LAFOURCHE PORT COMMISSION
CUT OFF, LOUISIANA
Schedule of Proportionate Share of Net Pension Liabilities
For the Year Ended December 31, 2018

Year Ended	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Louisiana State Employees' Pension System:					
December 31, 2018	0.110597%	$ 7,542,635	$ 2,089,617	360.96%	64.30%
December 31, 2017	0.110590%	$ 7,784,242	$ 2,066,185	376.74%	62.50%
December 31, 2016	0.117481%	$ 9,225,256	$ 2,396,995	384.87%	57.70%
December 31, 2015	0.120680%	$ 8,207,790	$ 2,256,616	363.72%	62.70%
December 31, 2014	0.120820%	$ 7,554,994	$ 2,084,781	362.39%	65.00%
Teachers' Retirement System of Louisiana:					
December 31, 2018	0.001297%	$ 127,469	$ 57,917	220.09%	68.20%
December 31, 2017	0.001227%	$ 125,791	$ 52,958	237.53%	65.60%
December 31, 2016	0.001261%	$ 148,003	$ 53,957	274.30%	59.90%
December 31, 2015	0.001181%	$ 126,984	$ 50,080	253.56%	62.50%
December 31, 2014	0.001130%	$ 115,502	$ 47,097	245.24%	63.70%

See notes to required supplementary information and independent auditor's report.

GREATER LAFOURCHE PORT COMMISSION
CUT OFF, LOUISIANA
Schedule of Contributions to Pension Plans
For the Year Ended December 31, 2018

Year Ended	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a Percentage of Covered Employee Payroll
Louisiana State Employees' Pension System:					
December 31, 2018	$ 825,364	$ 825,364	$ -	$ 2,166,978	38.09%
December 31, 2017	$ 764,797	$ 764,797	$ -	$ 2,068,976	36.97%
December 31, 2016	$ 790,032	$ 790,032	$ -	$ 2,157,500	36.62%
December 31, 2015	$ 864,336	$ 864,336	$ -	$ 2,339,748	36.94%
December 31, 2014	$ 750,918	$ 750,918	$ -	$ 2,209,856	33.98%
Teachers' Retirement System of Louisiana:					
December 31, 2018	$ 15,764	$ 15,764	$ -	$ 59,151	26.65%
December 31, 2017	$ 14,541	$ 14,541	$ -	$ 55,808	26.06%
December 31, 2016	$ 13,627	$ 13,627	$ -	$ 52,584	25.91%
December 31, 2015	$ 13,749	$ 13,749	$ -	$ 50,726	27.10%
December 31, 2014	$ 13,242	$ 13,242	$ -	$ 47,916	27.64%

See notes to required supplementary information and independent auditor’s report.

GREATER LAFOURCHE PORT COMMISSION
CUT OFF, LOUISIANA
Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended December 31, 2018

Total OPEB Liability	
Service Cost	$ 136,655
Interest	169,407
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	(44,425)
Changes of Assumptions	(468,856)
Benefit Payments	(105,819)
Net Change in Total OPEB Liability	(313,038)
Total OPEB Liability, Beginning	4,856,284
Total OPEB Liability, Ending	$ 4,543,246
Covered-Employee Payroll	$ 2,582,193
Net OPEB Liability as a Percentage of Covered-Employee Payroll	175.95%

See notes to required supplementary information and independent auditor's report.

Note 1. Budgets

General Budget Practices

The proposed budget for the year ended December 31, 2018 was completed and made available for public inspection at the Commission's office prior to a public hearing and approval by the Board of Commissioners on December 31, 2017. There were no budget amendments for the year ended December 31, 2018.

Budget Basis of Accounting

The budget is prepared based on a flow of economic resources measurement focus and the accrual basis of accounting. Budgeted amounts which are not expended lapse at year-end.

Encumbrances

Encumbrance accounting is not utilized by the Commission.

Note 2. Pension Plans

Changes in Benefit Terms

There were no changes in benefit terms for the LASERS or TRSL pension plans for the year ended December 31, 2018.

Changes in Benefit Assumptions

The discount rate used to measure the total pension liabilities for the LASERS and TRSL pension plans changed from 7.70% to 7.65% for the year ended December 31, 2018.

Schedule of Proportionate Share of Net Pension Liabilities

The schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

The amounts presented in the schedule have a measurement date of June 30, 2018.

Schedule of Contributions to Pension Plans

The schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Note 3. Postemployment Benefits

Schedule of Changes in Net OPEB Liability and Related Ratios
The schedule is intended to show information for 10 years. Additional years will be displayed as they become available

Changes in Benefit Terms
There were no changes of benefit terms for the year ended December 31, 2018.

Changes in Benefit Assumptions
The discount rate was changed from 3.44% at December 31, 2017 to 4.10% as of December 31, 2018.

OTHER SUPPLEMENTARY INFORMATION

GREATER LAFOURCHE PORT COMMISSION
CUT OFF, LOUISIANA
Schedule of Compensation Paid to Governing Board
For the Years Ended December 31, 2018 and 2017

Board Member	2018	2017
Ervin J. Bruce	$ 3,450	$ 9,600
Harris Cheramie	10,800	10,800
Wilbert Collins	-	900
Randy Adams	4,050	-
Kristian Gaudet	10,800	10,800
Perry Gisclair	10,800	10,800
Larry J. Griffin	10,800	10,800
Jimmy Guidry	10,350	10,800
John J. Melancon, Jr.	10,800	10,800
Rodney Gisclair	10,800	10,800
Curtis Pierce	10,800	1,050
	$ 93,450	$ 87,150

See independent auditor's report.

GREATER LAFOURCHE PORT COMMISSION
CUT OFF, LOUISIANA
Schedule of Compensation, Benefits, and Other Payments
to Agency Head or Chief Executive Officer
For the Year Ended December 31, 2018

Agency Head
Chett Chiasson, Executive Director

Purpose	Amount
Salary	$177,320
Benefits - Insurance	$18,161
Benefits - Retirement	$67,185
Benefits - Other	$0
Car Allowance	$0
Vehicle Provided by Government	$711
Per Diem	$0
Reimbursements	$288
Travel	$6,538
Registration	$5,015
Conference Travel	$9,846
Continuing Professional Education Fees	$0
Housing	$0
Unvouchered Expenses	$488
Special Meals	$1,422

See independent auditor's report.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Commissioners
Greater Lafourche Port Commission
Cut Off, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the Greater Lafourche Port Commission (the Commission) as of and for the years ended December 31, 2018 and 2017 and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated June 5, 2019.

Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Commission's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control over compliance. Accordingly, this communication is not suitable for any other purpose.

Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

LaPorte

A Professional Accounting Corporation

Houma, LA
June 5, 2019

Part I - Summary of Auditor's Results

Financial Statements

1.	Type of auditor's report issued:	Unmodified
2.	Internal control over financial reporting and compliance and other matters:	
	a. Material weaknesses identified?	No
	b. Significant deficiencies identified?	No
	c. Noncompliance material to the financial statements?	No
	d. Other matters identified?	No
3.	Management letter comment provided?	None

Federal Awards

Not applicable.

Part II - Financial Statement Findings

None.

Part III - Compliance and Other Matters

None.

Financial Statement Findings

None.

Compliance and Other Matters

None.

Findings and Questioned Costs for Federal Awards

Not applicable.

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AGREED-UPON PROCEDURES REPORT

Greater Lafourche Port Commission

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Period January 1, 2018 - December 31, 2018

To the Board of Commissioners of the Greater Lafourche Port Commission
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Greater Lafourche Port Commission (GLPC) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2018 through December 31, 2018. GLPC's management is responsible for those C/C areas identified in the SAUPs. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated results are as follows:

Collections

1. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select five deposit sites (or all deposit sites if less than five).

   Results: We obtained from GLPC a listing of deposit sites and management's representation that the listing is complete. We selected the one deposit site for testing.

2. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., five collection locations for five deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

   a. Employees that are responsible for cash collections do not share cash drawers/registers.

   b. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

c. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

d. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee verifies the reconciliation.

Results: GLPC has one collection location, which was selected for testing. No exceptions were identified as a result of these procedures.

3. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

   Results: Management reported that employees who are responsible for collecting cash are covered by an insurance policy for theft.

4. Randomly select 10 deposits from the general ledger detail, monthly bank statements, or collection logs. Obtain supporting documentation for each of the 10 deposits and:

   a. Observe that receipts are sequentially pre-numbered.
   b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
   c. Trace the deposit slip total to the actual deposit per the bank statement.
   d. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than $100).
   e. Trace the actual deposit per the bank statement to the general ledger.

   Results: No exceptions were identified as a result of these procedures.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

5. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select five locations (or all locations if less than five).

   Results: We obtained from GLPC a listing of payment processing locations and management's representation that the listing is complete. We selected one location that processes payments.

6. For each location selected under #5 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

   a. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

b. At least two employees are involved in processing and approving payments to vendors.

c. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

d. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Results: GLPC has one payment processing location, which was selected for testing. No exceptions were noted during the testing of procedures 6(a), 6(b), or 6(c). We noted during procedure 6(d) that GLPC's written polices do not specify the employee(s) responsible for mailing out checks after the checks have been signed. We inquired with management and noted that the employee responsible for creating the checks is also responsible for mailing the checks. However, the vendors listing is periodically checked by management and checks require dual signature. We noted that the employee responsible for creating and mailing checks is not an authorized signer.

Management Response: Management has designated an employee who is not responsible for creating checks to mail checks.

7. For each location selected under #5 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select five disbursements for each location, obtain supporting documentation for each transaction, and:

a. Observe that the disbursement matched the related original invoice/billing statement.

b. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #6, as applicable.

Results: Five disbursements were tested. No exceptions were identified as a result of these procedures.

Payroll and Personnel

8. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Results: We obtained a listing of employees/elected officials during the fiscal year and management's representation that the listing is complete. No exceptions were identified as a result of these procedures.

9. Randomly select one pay period during the fiscal period. For the five employees/officials selected under #8 above, obtain attendance records and leave documentation for the pay period, and:

a. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

b. Observe that supervisors approved the attendance and leave of the selected employees/ officials.

c. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Results: No exceptions were identified as a result of these procedures.

10. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

    Results: We obtained from GLPC a listing of employees/elected officials during the fiscal year who received termination payments. Only one such employee was noted and was selected for testing. No exceptions were identified as a result of these procedures.

11. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

    Results: Obtained representation from management that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines, with the exception of one late payment and filing of payroll taxes.

    Management Response: Management has implemented controls to insure that all payroll payments are made in a timely manner.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the LLA's SAUPs for the fiscal period January 1, 2018 to December 31, 2018. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

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Houma, LA
June 5, 2019