



**BOARD OF COMMISSIONERS OF  
THE PORT OF NEW ORLEANS**

**FINANCIAL STATEMENTS**

**JUNE 30, 2023 and 2022**

**REPORT**

Independent Auditors' Report	1
------------------------------	---

**REQUIRED SUPPLEMENTARY INFORMATION (PART I)**

Management's Discussion and Analysis	4
--------------------------------------	---

**FINANCIAL STATEMENTS**

Statements of Net Position	11
----------------------------	----

Statements of Revenues, Expenses and Changes in Net Position	13
--	----

Statements of Cash Flows	15
--------------------------	----

Notes to Financial Statements	17
-------------------------------	----

**REQUIRED SUPPLEMENTARY INFORMATION (PART II)**

Schedule of Proportionate Share of the Net Pension Liability Louisiana State Employees' Retirement System	54
--	----

Schedule of Employer Contributions Louisiana State Employees' Retirement System	55
--	----

Schedule of Changes in Total OPEB Liability and Related Ratios	56
--	----

**OTHER SUPPLEMENTARY INFORMATION**

Consolidating Statement of Net Position	57
---	----

Consolidating Statement of Revenues, Expenses and Changes in Net Position	59
---	----

Schedule of Compensation, Benefits, and Other Payments to the Agency Head	61
---	----

Revenue Bonds Debt Service Coverage Schedule	62
--	----

## **INDEPENDENT AUDITORS' REPORT**

The Board of Commissioners of the  
Port of New Orleans  
New Orleans, Louisiana

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the Board of Commissioners of the Port of New Orleans (the "Board") as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Board as of June 30, 2023 and 2022, and the respective changes in financial position, and cash flows, thereof, for the years then ended in conformity with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Board, to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Change in Accounting Principle***

As discussed in Note 15 to the financial statements, in 2023 the Board adopted new accounting guidance, GASBS No. 96, *Subscription-Based Information Technology Arrangements*, which resulted in a cumulative effect of change in accounting principle of \$188,713 to the June 30, 2022 net position. Our opinion is not modified with respect to this matter.

#### ***Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Board's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-10 and other required OPEB and pension schedules on pages 54-56 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board 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 audit 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's basic financial statements. The accompanying consolidating statement of net position, consolidating statement of revenues, expenses and change in net position, schedule of compensation, benefits, and other payments to the agency head, and revenue bonds debt service coverage schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such 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. The information has been subjected to the auditing procedures applied in the audit 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, these consolidating statements and other schedules are fairly stated, in all material respects, in relation to the basic 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 December 19, 2023, on our consideration of the Board'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 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 Board'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 Board's internal control over financial reporting and compliance.

*Carr, Riggs & Ingram, L.L.C.*

Metairie, Louisiana  
December 19, 2023

## **BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

This section of the Board of Commissioners of the Port of New Orleans (Board) annual financial report presents a discussion and analysis of the Board's financial performance for the fiscal year ended June 30, 2023. The Board is a political subdivision of the State of Louisiana formed in 1896 which operates the Port of New Orleans (Port). The New Orleans Public Belt Railroad Commission for the Port of New Orleans (Railroad Commission or NOPB) is a parallel political subdivision of the State and funds are consolidated for financial reporting by legislative authority. The Board and Railroad Commission are considered special purpose entities and as such reports transactions related to their activities similar to those found in the private sector. Please read it in conjunction with the Board's financial statements, which follow this section.

### **FINANCIAL HIGHLIGHTS**

The Board's financial performance for the fiscal year ended June 30, 2023 continued its recovery from the global COVID-19 pandemic but was impacted by Hurricane Ida on August 29, 2021. Operating revenues for the fiscal year ended June 30, 2023 were \$130 million with increases in all operations due mainly to rebounding from the economic effects of COVID-19. Ocean going cruise operations began returning on September 2021 and revenues significantly increased accordingly. Operating expenses, excluding depreciation increased by \$22.4 million due mainly from increases in labor, maintenance costs, and insurance, net of GASB 68 entries for pension expenses. Net operating income before depreciation was \$40.5 million compared to \$43.7 million for the fiscal year ended June 30, 2022.

The Board's non-operating revenues (expenses) decreased by \$22.1 million primarily due to the absence of American Rescue Plan Funds received from the Federal government in the prior year. The decrease in funding was offset by \$4.0 million in investment income.

The Board's net position for the fiscal year ended June 30, 2023 increased by \$40.8 million to \$738.9 million.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This financial report consists of four parts: management's discussion and analysis (this section), the basic financial statements, the notes to the financial statements and reports on compliance and internal control over financial reporting.

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

The Board's financial statements are prepared on an accrual basis in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units and implements applicable GASB pronouncements. Under this basis of accounting, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and depreciation of assets is recognized in the Statements of Revenues, Expenses, and Changes in Net Position. The statement of net position presents financial information on all of the Board's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Board is improving or deteriorating. The statement of activities presents information showing how the Board's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows in future fiscal periods (e.g., earned but unused vacation leave). The financial statements are designed to provide readers with a broad overview of the Board's finances, in a manner similar to a private sector business. The financial statements provide both long and short-term information about the Board's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

**FINANCIAL ANALYSIS**

**Net Position**

The Board's total assets and deferred outflows of resources at June 30, 2023 are \$1.29 billion. This represents an increase of \$57.7 million from the prior year. Total liabilities and deferred inflows are \$558.5 million for an increase of \$16.9 million from the prior year. Total net position is \$738.9 million, an increase of \$40.8 million from the fiscal year ended June 30, 2022 (See Table 1). The comparison of fiscal year 2022 to 2021 indicated an increase of \$24.5 million in total assets and deferred outflows and an increase of approximately \$49.8 million in net position.

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

**Table 1  
Statements of Net Position  
(In thousands)**

	2023	2022*	Change	2021
		(Restated)		
Current assets	<b>\$144,215</b>	\$144,868	(653)	\$120,873
Restricted assets	<b>66,869</b>	75,071	(8,202)	96,778
Leases receivable, non-current	<b>125,442</b>	145,123	(19,681)	158,069
Capital assets, net	<b>943,671</b>	861,592	82,079	817,288
Other assets	<b>1,121</b>	1,665	(544)	2,431
<b>TOTAL ASSETS</b>	<b>1,281,318</b>	1,228,319	52,999	1,195,439
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>16,126</b>	11,343	4,783	19,650
Current liabilities	<b>76,111</b>	65,248	10,863	52,267
Net pension liability	<b>47,558</b>	33,155	14,403	54,550
Total other post-employment benefit liability, net of current portion	<b>7,600</b>	8,121	(521)	10,766
Revenue bonds payable	<b>221,804</b>	228,374	(6,570)	234,539
Other non-current liabilities	<b>69,412</b>	36,597	32,815	37,586
<b>TOTAL LIABILITIES</b>	<b>422,485</b>	371,495	50,990	389,708
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>136,029</b>	170,057	(34,028)	177,124
Net investment in capital assets	<b>686,325</b>	598,085	88,240	549,534
Restricted	<b>66,869</b>	75,071	(8,202)	96,779
Unrestricted	<b>(14,264)</b>	24,954	(39,218)	1,944
<b>TOTAL NET POSITION</b>	<b>\$738,930</b>	\$698,110	\$40,820	\$648,257

\* 2022 Restated due to implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

2021 amounts do not include any adjustments related to this implementation.

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

The item, "net investment in capital assets," consists of capital assets net of accumulated depreciation and reduced by the amount of outstanding indebtedness (offset by the cash related to unspent bond proceeds) attributable to the acquisition, construction, or improvement of those assets.

For the fiscal year ended June 30, 2023, current assets decreased by \$653 thousand or 0.5% due to a decrease in cash from the Port Relief Fund and insurance proceeds, offset by an increase in accounts receivables, prepaid items and general increases in stores inventory. Non-current assets increased by \$53.6 million mainly due to an increase in capital assets offset by the reduction in restricted revenue bond investments and leases receivable due to expected amortization of existing leases.

For the fiscal year ended June 30, 2022, current assets increased by \$24 million and non-current assets increased by \$8.8 million.

For the fiscal year ended June 30, 2023, current liabilities increased \$10.8 million or 16.6% due to an increase in accounts payable, accrued expenses and compensated absences payable. Non-current liabilities increased by \$40.1 million or 13.1% mainly due to the increase in deferred income related to the investment in Port facilities for Jourdan Rd Cold Storage Expansion and an increase in the net pension liability.

For the fiscal year ended June 30, 2022, current liabilities increased \$12 million and non-current liabilities decreased by \$31.2 million

**Changes in Net Position**

Net position for the year ended June 30, 2023, increased by \$40.8 million due mainly from operating income, and capital contributions.

Capital contributions increased by \$18.1 million for the fiscal year ended June 30, 2023 as reimbursements from other governmental units were higher due to timing of projects reimbursable from various State and Federal grant funding.

Net position for the year ended June 30, 2022, increased \$49.8 million.

The changes in net position are detailed in Table 2.

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

**Table 2  
Changes in Net Position  
(In thousands)**

	<b>2023</b>	<b>2022*</b> (Restated)	<b>Change</b>	<b>2021</b>
<b>OPERATING REVENUES</b>				
Terminal operations	<b>\$48,488</b>	\$46,397	\$2,091	\$40,649
Rail operations	<b>49,545</b>	40,893	8,652	34,756
Cruise and tourism	<b>17,256</b>	8,945	8,311	402
Real estate and miscellaneous	<b>15,016</b>	14,825	191	14,187
<b>TOTAL OPERATING REVENUES</b>	<b>130,305</b>	111,060	19,245	89,994
<b>OPERATING EXPENSES</b>				
Operating expenses	<b>89,715</b>	67,276	22,439	69,756
Depreciation	<b>33,068</b>	31,308	1,760	30,462
<b>TOTAL OPERATING EXPENSES</b>	<b>122,783</b>	98,584	24,199	100,218
<b>OPERATING INCOME (LOSS)</b>	<b>7,522</b>	12,476	(4,954)	-10,224
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment income (loss)	<b>4,022</b>	(324)	4,346	356
Interest expense	<b>(10,527)</b>	(9,475)	(1,052)	-9,154
Hurricane gain (loss)	<b>5,911</b>	5,976	(65)	-37
Gain (loss) on disposal of assets	<b>328</b>	1,397	(1,069)	-4,762
Demolition costs	-	-		-832
Port relief fund income	-	27,801		-
Miscellaneous, net	<b>(222)</b>	(3,672)	3,450	-578
<b>TOTAL NON-OPERATING (EXPENSES) REVENUES, NET</b>	<b>(488)</b>	21,703	(22,191)	-15,007
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS</b>	<b>7,034</b>	34,179	(27,145)	-25,231
<b>CAPITAL CONTRIBUTIONS</b>	<b>33,786</b>	15,675	18,111	15,804
<b>CHANGE IN NET POSITION</b>	<b>40,820</b>	49,854	(9,034)	-9,427
NET POSITION, BEGINNING OF YEAR, as restated	<b>698,110</b>	648,256	49,854	657,683
<b>NET POSITION, END OF YEAR</b>	<b>\$738,930</b>	\$698,110	\$40,820	\$648,256

\* 2022 Restated due to implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

2021 amounts do not include any adjustments related to this implementation.

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

For the year ended June 30, 2023, the Board's operating expenses increased approximately \$24.2 million or 24.5%. The major categories of increase were pension expenses, maintenance expenses, insurance and other costs as the Board began the return to normal operations as it recovered from the COVID-19 pandemic.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

As of June 30, 2023, the Board had invested \$943 million in capital assets net of accumulated depreciation; \$781.9 million in Port capital assets and \$161.7 million in NOPB capital assets. As compared to the prior year, this amount represents an increase (including additions and disposals) of \$82.1 million in capital assets.

**Debt Administration**

The Board made its regularly scheduled payments on its Port Facility Revenue Bonds and other obligations. Total bond debt payments, principal and interest for the fiscal year ended June 30, 2023 were \$14.3 million.

All bond debt and lease covenants have been met.

Additional detailed information relating to capital assets and debt administration is presented in the financial statements and Note 5, "Capital Assets, Net" and Note 6, "Non-Current Liabilities".

**ECONOMIC FACTORS**

For FY2023, container cargo TEU (twenty-foot equivalents) volumes increase to approximately 456,000 or 6.5% for the year while breakbulk tonnages were down approximately 840,000 tons or 32.5% to 1.7 million tons off strong FY2022 volumes.

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

Rail volumes increased by approximately 9,000 railcars or 5.3% as Class-1 railroad activity continued to increase. Railcar Storage continued to increase as the Railroad continues to expand its railcar storage capabilities. FY2023 storage increased to an average of 1,069 cars per day from 951 cars per day in FY2022.

The cruise sector was on track to set record passenger counts at the Port until COVID-19 began in March 2020, which completely shut down cruise traffic. By the end of the FY2022, passenger volumes increased to approximately 563,000 passengers as ocean going cruises returned in September, 2021. FY2023 saw 1.2 million passengers come through the Port of New Orleans cruise terminals.

Board real estate revenues for the fiscal year ended June 30, 2023 increased by approximately \$866 thousand, or 8.9%, as volume rents recovered from COVID-19 Impacts.

**CONTACTING THE BOARD'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our bondholders, the public, tenants, customers, and other interested parties with a general overview of the Board's finances and to demonstrate the Board's accountability for the funds received. If you have any questions about this report or need additional financial information, contact Ronald Wendel, Jr., Executive Vice-President, Chief Financial Officer at (504) 528-3559.

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS**  
**STATEMENTS OF NET POSITION**

<i>As of June 30,</i>	<b>2023</b>	<b>2022</b>
		<i>as restated</i>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 14,980,179	\$ 22,814,572
Investments	62,788,573	59,780,683
Accounts receivable, net	28,810,516	23,862,907
Due from other governments	3,647,130	3,624,629
Leases receivable	16,474,907	19,158,688
Stores inventory	8,292,462	8,207,882
Prepaid items	9,220,749	7,418,841
Total Current Assets	144,214,516	144,868,202
<b>Non-Current Assets:</b>		
Restricted revenue bond accounts - investments	66,869,393	75,071,397
Leases receivable, non-current	125,442,438	145,122,985
Capital assets - net	943,671,058	861,592,238
Other assets	1,120,642	1,664,780
Total Non-Current Assets	1,137,103,531	1,083,451,400
Total Assets	1,281,318,047	1,228,319,602
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred loss on bond refunding	3,492,678	3,867,604
Deferred amounts related to total OPEB liability	1,201,403	1,495,299
Deferred amounts related to net pension liability	11,431,962	5,980,112
Total Deferred Outflows of Resources	\$ 16,126,043	\$ 11,343,015

(Continued)

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

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS**  
**STATEMENTS OF NET POSITION**

<i>As of June 30,</i>	<b>2023</b>	<b>2022</b> <i>as restated</i>
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts payable and accrued expenses	\$ 20,225,659	\$ 12,526,406
Revenue bonds payable - current	5,505,000	5,100,000
Accrued interest payable	2,313,106	2,422,714
Line of credit	30,000,000	30,000,000
Financing leases payable - current	2,035,000	2,000,000
Subscription liabilities - current	814,579	651,638
Unearned income - current	4,881,897	3,314,267
Total other post employment benefit liability - current	1,093,471	1,036,468
Compensated absences payable - current	2,188,516	1,093,374
Workers compensation and casualty reserve - current	1,598,063	1,704,168
Other liabilities	5,455,490	5,398,876
<b>Total Current Liabilities</b>	<b>76,110,781</b>	<b>65,247,911</b>
<b>Non-Current Liabilities:</b>		
Revenue bonds payable	221,803,682	228,373,951
Financing leases payable	25,965,000	28,000,000
Subscription liabilities	1,263,973	381,512
Unearned income	35,711,368	1,901,989
Net pension liability	47,557,580	33,155,400
Total other post employment benefit liability	7,599,921	8,120,849
Compensated absences payable	519,053	1,508,718
Workers compensation and casualty reserve	1,503,279	355,223
Environmental remediation liability	4,450,241	4,450,241
<b>Total Non-Current Liabilities</b>	<b>346,374,097</b>	<b>306,247,883</b>
<b>Total Liabilities</b>	<b>422,484,878</b>	<b>371,495,794</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred amounts related to leases	134,634,256	158,569,026
Deferred amounts related to total OPEB liability	1,229,549	1,696,986
Deferred amounts related to net pension liability	165,197	9,790,962
<b>Total Deferred Inflows of Resources</b>	<b>136,029,002</b>	<b>170,056,974</b>
<b>NET POSITION</b>		
Net investment in capital assets	686,324,861	598,084,825
Restricted for revenue bond debt service and construction funds	66,869,393	75,071,397
Unrestricted net position	(14,264,044)	24,953,627
<b>TOTAL NET POSITION</b>	<b>\$ 738,930,210</b>	<b>\$ 698,109,849</b>

(Concluded)

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

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS**  
**STATEMENTS OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION**

<i>For the Years Ended June 30,</i>	<b>2023</b>	<i>2022</i> <i>as restated</i>
<b>OPERATING REVENUES</b>		
Terminal operations	\$ 25,468,677	\$ 25,862,558
Terminal operations - rentals	23,019,792	20,534,881
Cruise and tourism	17,255,872	8,945,073
Switching	29,144,322	28,240,738
Real estate rentals	10,532,017	9,665,373
Railcar repair	2,451,314	1,657,641
Railcar storage	4,822,601	4,484,595
Bridge charges	13,127,156	6,509,811
Lease interest income	4,327,206	5,033,629
Miscellaneous	155,755	125,882
Total Operating Revenues	<b>130,304,712</b>	111,060,181
<b>OPERATING EXPENSES</b>		
Payroll and benefits:		
Payroll expense	32,243,552	30,540,967
Pension expense (benefit)	5,044,163	(783,935)
Other benefits expense	11,512,542	10,074,201
Total Payroll and Benefits	<b>48,800,257</b>	39,831,233
Other operating expenses:		
Travel, promotion and advertising	1,047,102	843,078
Professional fees	2,132,844	1,526,881
Utilities	5,214,640	3,632,592
Maintenance agreements	2,040,703	2,025,743
Maintenance expenses	17,365,897	10,127,445
Other costs	4,813,388	4,124,872
Capital allocations	(1,226,350)	(1,479,641)
Security fees	(1,249,268)	(1,196,208)
Insurance	9,406,677	7,378,990
Workers' compensation and casualty losses	1,369,187	460,952
Total Other Operating Expenses	<b>40,914,820</b>	27,444,704
Depreciation and amortization	33,067,924	31,308,297
Total Operating Expenses	<b>122,783,001</b>	98,584,234
<b>OPERATING INCOME</b>	<b>\$ 7,521,711</b>	\$ 12,475,947

(Continued)

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

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS**  
**STATEMENTS OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION**

<i>For the Years Ended June 30,</i>	<b>2023</b>	<i>2022</i>
		<i>as restated</i>
<b>NON-OPERATING REVENUE (EXPENSES)</b>		
Investment income (loss)	\$ 4,022,336	\$ (323,931)
Interest expense	(10,526,839)	(9,474,624)
Hurricane gain (loss)	5,910,721	5,975,628
Gain (loss) on disposal of assets	327,692	1,397,525
Port relief fund income	-	27,800,589
Miscellaneous, net	(221,722)	(3,672,476)
Total Non-Operating Revenue (Expense), net	(487,812)	21,702,711
<b>INCOME BEFORE CONTRIBUTIONS</b>	<b>7,033,899</b>	<b>34,178,658</b>
<b>CAPITAL CONTRIBUTIONS</b>		
Capital contributions	33,786,462	15,675,181
<b>CHANGE IN NET POSITION</b>	<b>40,820,361</b>	<b>49,853,839</b>
NET POSITION, BEGINNING OF YEAR	698,109,849	648,256,010
<b>NET POSITION, END OF YEAR</b>	<b>\$ 738,930,210</b>	<b>\$ 698,109,849</b>
		(Concluded)

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

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS**  
**STATEMENTS OF CASH FLOWS**

<i>For the Years Ended June 30,</i>	<b>2023</b>	<i>2022</i> <i>as restated</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers and users	\$ 159,606,247	\$ 102,169,561
Payments to suppliers	(39,074,957)	(28,955,049)
Payments to employees	(33,233,217)	(30,368,804)
Payments to benefits on behalf of employees	(16,774,464)	(15,966,487)
Net Cash Provided By Operating Activities	<b>70,523,609</b>	26,879,221
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Cash received from Port Relief Fund	-	27,800,589
Net Cash Provided By Noncapital Financing Activities	-	27,800,589
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Expenditures for acquisition and construction of capital assets	(109,185,715)	(87,563,413)
Proceeds from the sale of capital assets	421,875	1,519,201
Capital projects reclassified to repair projects	-	8,199,947
Capital contributions from other governments	33,786,462	15,675,181
Financial assistance from other governments	1,692,639	1,967,576
Proceeds from issuance and refinancing of bonds	-	11,000,000
Payment on refunded bonds and escrow accounts	(4,695,000)	(4,970,000)
Repayments of principal borrowed to finance acquisition and construction of capital assets	(2,000,000)	(149,844)
Interest paid on amounts to finance acquisition and construction of financed purchases	(11,707,936)	(9,324,532)
Principal paid on subscription arrangements	(1,278,059)	(977,630)
Interest paid on subscription arrangements	(23,854)	(24,057)
Hurricane gain (costs)	5,415,136	3,396,866
Net Cash (Used In) Capital and Related Financing Activities	<b>(87,574,452)</b>	(61,250,705)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(23,085,808)	(28,064,986)
Proceeds from sales and maturities of investments	28,279,922	35,138,329
Investment income received	4,022,336	234,380
Net Cash Provided By Investing Activities	<b>9,216,450</b>	7,307,723
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(7,834,393)</b>	736,828
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>22,814,572</b>	22,077,744
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 14,980,179</b>	<b>\$ 22,814,572</b>

(Continued)

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

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS**  
**STATEMENTS OF CASH FLOWS**

<i>For the Years Ended June 30,</i>	<b>2023</b>	<i>2022</i> <i>as restated</i>
<b>RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating income	\$ 7,521,711	\$ 12,475,947
Adjustments to reconcile operating income from operations to net cash provided by operating activities:		
Depreciation	33,067,924	31,308,296
Workers compensation reserve	1,041,951	(2,459,158)
Changes in assets, deferred outflows, liabilities, and deferred inflows relating to operating activities:		
Accounts and insurance receivable	(4,482,531)	(2,508,521)
Due from other governments	(22,501)	(3,260,584)
Leases receivable	22,364,328	13,793,297
Stores inventories	(84,272)	(363,485)
Prepaid items	(1,801,908)	(1,319,627)
Other assets	544,138	766,657
Deferred outflow of resources related to total OPEB liability	293,896	510,380
Deferred outflow of resources related to net pension liability	(5,451,850)	7,421,538
Accounts payable	2,968,307	1,281,508
Unearned income	35,377,009	(171,157)
Other liabilities	(828,353)	583,761
Net pension liability	14,402,180	(21,394,865)
Payable to LASERS for HPERs (note 10)	-	(113,185)
Post-employment benefit liability	(463,925)	(2,719,082)
Compensated absences payable	105,477	114,579
Deferred inflow of resources related to leases	(23,934,770)	(16,743,655)
Deferred inflow of resources related to net pension liability	(467,437)	1,540,653
Deferred inflow of resources related to total OPEB liability	(9,625,765)	8,135,924
<b>Net Cash Provided By Operating Activities</b>	<b>\$ 70,523,609</b>	<b>\$ 26,879,221</b>

**SUPPLEMENTAL DISCLOSURE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES**

Recognition of subscription assets and liabilities	\$ 2,323,461	\$ 818,959
--	--------------	------------

(Concluded)

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

# **BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS**

## **NOTES TO FINANCIAL STATEMENTS**

### **Note 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Reporting Entity**

The Board of Commissioners of the Port of New Orleans (the “Board”) is an independent political subdivision of the State of Louisiana, which is authorized by Louisiana Revised Statutes 34:1-47. The Port is governed by a Board of Commissioners consisting of seven members appointed by the Governor. The Board has all the powers and privileges granted to it by the constitution and statutes of the State of Louisiana including, but not limited to, the authority to incur debt, to issue bonds, to construct and maintain wharves and landings, and to charge fees for the use of the wharves and other facilities administered by the Port of New Orleans (the “Port”). The Board also administers the New Orleans Public Belt Railroad (the “NOPB”), a Class III shortline railroad that connects the Port to six Class 1 railroads.

The New Orleans Public Belt Railroad Commission for the Port of New Orleans (the “Railroad Commission”) is a political subdivision of the State, duly organized and created pursuant to Section 4530(A) of Title 33 of the Louisiana Revised Statutes of 1950, as amended. Pursuant to Act 359 of the 2020 Regular Session of the Louisiana Legislature, the NOPB was transferred to the Railroad Commission on October 1, 2020. Previously the NOPB was held in a non-profit corporation subsidiary of the Board following the NOPB’s transfer from the City of New Orleans in exchange for certain wharfs on February 1, 2018. The Commissioners of the Board are the same as the Commissioners for the Railroad Commission except where prohibited by Act 359. The Chief Executive Officer (CEO) of the Board is also the CEO of the Railroad Commission.

The Board prepares its financial statements in accordance with standards issued by the Governmental Accounting Standards Board (GASB).

The Board is considered a primary government entity based on satisfying the following criteria: (a) no entity appoints a voting majority of its governing body; (b) it is legally separate from other entities; and (c) it is fiscally independent of other state and local governments.

#### **Basis of Presentation**

The financial statements include the accounts of the Board of Commissioners of the Port of New Orleans and the New Orleans Public Belt Railroad Commission for the Port of New Orleans. All material intercompany transactions and balances have been eliminated.

#### **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The accounting policies of the Board conform to accounting principles generally accepted in the United States of America as applicable to governments. The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses, excluding depreciation and amortization, are recorded when a liability is incurred, regardless of the timing of the related cash flows.

# BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS

## NOTES TO FINANCIAL STATEMENTS

### **Note 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **Measurement Focus, Basis Accounting and Financial Statement Presentation (continued)**

Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

The Board's accounts are organized into a single proprietary fund. The Board's operations are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges. Operating revenues and expenses are distinguished from non-operating items. Operating revenues and expenses generally result from leasing properties or providing services. Operating expenses include the cost of providing services, administrative services and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Board's policy to use restricted resources first, then unrestricted resources as they are needed.

Under the provisions of GASB Statement 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, the Board applies all applicable Financial Accounting Standards Board pronouncements issued on or before November 30, 1989 in accounting for its operations unless those pronouncements conflict or contradict GASB pronouncements.

#### **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to the allowance for doubtful accounts and the pension and OPEB liabilities.

#### **Allowance for Doubtful Accounts**

Accounts receivable have been reported net of the allowance for doubtful accounts. An allowance for estimated uncollectible accounts receivable is established at the time information becomes available, which would indicate the uncollectibility of the particular receivable.

#### **Investments**

Investments of the Board are recorded at fair value. Fair value is based on quoted market prices. All investment income, including changes in the fair value of the investments, is recognized in the Statements of Revenues, Expenses, and Changes in Net Position. The Board 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.

## **BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS**

### **NOTES TO FINANCIAL STATEMENTS**

#### **Note 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Certificates of deposit are valued at their carrying amounts, which approximate fair value because of the short-term maturity of these assets.

#### **Leases Receivable**

The Board is a lessor for noncancellable leases of Board property. The Board recognizes a lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. Under the lease agreements, the Board may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

The Board uses the stated rate in the lease or its estimated incremental borrowing rate as the discount rate for the leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee. As the Port operates as a landlord port, a significant portion of operating income is derived from the Port's leases; therefore, the Board recognizes lease interest income as operating income.

The Board monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

#### **Stores Inventory**

The inventory of the Board consists of expendable materials, supplies and fuel and is valued at cost using the first-in/first-out (FIFO) method. The cost of such inventory is recorded as expense when consumed rather than when purchased.

#### **Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements. Prepaid items consist of annual insurance premium and computer contracts paid for in advance and are amortized over the policy or contract period.

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS  
NOTES TO FINANCIAL STATEMENTS**

**Note 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Restricted Assets**

Certain proceeds of the Board's revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets because they are maintained in separate investment accounts and their use is limited by applicable bond requirements.

**Capital Assets**

The Board capitalizes assets that have an individual cost of \$5,000 or more and an estimated useful life in excess of one year. Capital assets constructed or acquired by purchase are stated at cost. Donated capital assets are stated at acquisition value on the date received.

Depreciation of capital assets and amortization of right-to-use subscription assets are computed using the mid-year convention (Port) and straight-line (NOPB) method over the following estimated useful lives:

Wharves and sheds	40-50 years
Roads and drainage	20 years
Marshalling areas	15 years
Railroad track structures	10-70 years
Bridges	30-100 years
Buildings	15-40 years
Machinery and equipment	3-40 years
Right-to-use subscription assets	2-5 years

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital asset and improvements are capitalized as projects are constructed. When assets or equipment are retired or sold, the cost, net of accumulated depreciation, is removed from the respective capital asset accounts.

**Debt and Amortization**

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

The Board entered into multiple subscription-based information technology arrangements that require recognition under GASBS No. 96. The Board recognizes related subscription liabilities and intangible right-to-use subscription assets for these arrangements with an initial, individual value of \$50,000 or more. The terms for the arrangements range from two to five years.

## **BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS**

### **NOTES TO FINANCIAL STATEMENTS**

#### **Note 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

At the commencement of a subscription, the Board initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to subscriptions include how the Board determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments. The Board uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the Board generally uses its estimated incremental borrowing rate as the discount rate for subscriptions. The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments.

The Board monitors changes in circumstances that would require a remeasurement of its subscription and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability. Subscription assets are reported with other capital assets and the subscription liabilities are reported on the Statement of Net Position.

#### **Unearned Income**

Unearned income represents deferred credits related to several lease agreements and contracts.

#### **Compensated Absences**

Employees accumulate vacation and sick leave at varying rates according to years of service. For the Port, upon termination, unused vacation not to exceed 300 hours is paid to the employee at the employee's current rate of pay. At retirement, unused vacation in excess of 300 hours and unused sick leave is considered in computing the years of service for retirement benefit purposes. For the NOPB, non-union employees are allowed to carry over up to 120 hours of unused vacation per year and are paid for any unused vacation upon termination. Union employees will be paid for any unused vacation upon termination, but are not allowed to carry forward any unused vacation to the following year. Clerical union employees, which is the only union craft with paid sick leave from NOPB, can carry forward up to 640 hours (80 days) of unused sick leave, but are not paid for these days upon termination.

#### **Pension Plans**

The Port is a participating employer in the Louisiana State Employees' Retirement System (LASERS) defined benefit pension plan (the Plan) as described in Note 10.

# BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS

## NOTES TO FINANCIAL STATEMENTS

### **Note 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions from each plans' fiduciary net position have been determined on the same basis as they are reported by each of the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within each plan. The NOPB does not participate in this plan but rather the United States Railroad Retirement Board plan.

#### **Statements of Cash Flows**

For purposes of the statement of cash flows, cash and cash equivalents consist of demand deposits with banks with an original maturity of three months or less from the date of acquisition, overnight repurchase agreements, and money market mutual funds.

#### **Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of financial position includes a separate section for *deferred outflows of resources*. Deferred outflows of resources represent a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. The Board has three items that meet this criterion, deferred amounts related to pension and OPEB and an unamortized loss on a bond refunding. In addition to liabilities, the statement of financial position includes a separate section for *deferred inflows of resources*. Deferred inflows of resources represent an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. The Board has three items that meet this criterion, deferred amounts related to leases, pension, and OPEB.

#### **Subsequent Events**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 19, 2023. See Note 16 for relevant disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

#### **Recently Issued and Implemented Accounting Pronouncements**

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. There were no significant impacts of implementing this Statement.

## BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS NOTES TO FINANCIAL STATEMENTS

### **Note 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement. Additional information about the changes to the financial statements related to the implementation of this Statement can be found in Note 15.

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

GASB Statement No. 100, *Accounting Changes and Error Corrections*, This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

## **BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS NOTES TO FINANCIAL STATEMENTS**

### **Note 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

GASB Statement No. 101, *Compensated Absences*, The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

The Board is evaluating the requirements of the above statements and the impact on reporting.

#### **Reclassification**

Certain amounts previously reported in the financial statements for the prior year have been reclassified to conform with the current year classifications.

### **Note 2: CASH AND INVESTMENTS**

The Board's cash and investments consist primarily of deposits with financial institutions and investments in direct obligations of the United States Treasury or agencies thereof.

#### **Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Under state law, all deposits must be secured by federal depository insurance and the pledge of securities held by the pledging banks agent in the Board's name. At June 30, 2023 and 2022, the carrying amount of the Board's deposits (demand deposits and certificates of deposit) was \$12,076,585 and \$17,481,261 and the related bank balances were \$14,394,331 and \$19,239,820, respectively. Of the bank balances, \$701,960 and \$996,223 were covered by federal depository insurance and the remaining balances were covered by collateral held by the pledging banks' trust department or agent in the Board's name at June 30, 2023 and 2022, respectively.

#### **Investments**

The Board may invest idle funds as authorized by Louisiana Statutes and the Board's investment policy as follows:

- United States bonds, treasury notes, certificates, or any other federally insured investment.
- Time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the State of Louisiana.
- Debt instruments issued by the state of Louisiana or any of its political subdivisions with a rating of at least BBB- or higher by Standard and Poor and the final maturity can be no more than three years.

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 2: CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

- Bonds, debentures, notes or other indebtedness issued by a state of the United States of America other than Louisiana or any such state's political subdivisions with a minimum rating A- or higher by Standard and Poor and the final maturity can be no more than three years.
- Top Tier A1/PI rated Commercial Paper
- Security Repurchase Agreements
- Mutual or trust funds, which are registered with the Securities and Exchange Commission under the Securities 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.

The Board invests monies with the Louisiana Asset Management Pool (LAMP). LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with Louisiana R.S. 33:2955.

GASB Statement No. 40 *Deposit and Investment Risk Disclosure*, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments.

LAMP is an investment pool that, to the extent practical, invest in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments is 99 as of June 30, 2023.

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS  
NOTES TO FINANCIAL STATEMENTS**

**Note 2: CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

- Foreign currency risk: Not applicable to investment pools.

The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

LAMP issues financial reports which can be obtained by writing: LAMP, Inc., 228 St. Charles Avenue, Suite 1123, New Orleans, LA 70130.

Cash and investments were included in the Statements of Net Position as of June 30 as follows:

	<b>2023</b>	<b>2022</b>
Cash and cash equivalents	\$ 14,980,179	\$ 22,814,572
Investments	62,788,573	59,780,683
Restricted revenue bond accounts – investments	66,869,393	75,071,397
	<b>\$ 144,638,145</b>	<b>\$ 157,666,652</b>

Included in cash and investments at June 30, were the following:

	<b>2023</b>	<b>2022</b>
U.S. treasury notes	\$ 28,776,939	\$ 22,384,336
U.S. government and state agencies	7,606,223	7,370,857
Corporate bonds	3,030,669	3,453,192
LAMP	90,244,135	101,643,695
Deposits:		
Government money market accounts	2,903,594	5,333,311
Demand deposit with banks	12,076,585	17,481,261
<b>Total cash and investments</b>	<b>\$ 144,638,145</b>	<b>\$ 157,666,652</b>

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. In general, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Board has a formal investment policy that targets investment maturities equal to or less than three years as a means of managing its exposure to fair value losses arising from increasing interest rates. In addition, approximately 40% of the Board's portfolio shall be one year or less for liquidity reasons and interest rate volatility risk.

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS  
NOTES TO FINANCIAL STATEMENTS**

**Note 2: CASH AND INVESTMENTS (CONTINUED)**

**Interest Rate Risk (Continued)**

As of June 30, 2023, the Board had the following investments and maturities:

	Remaining Maturity (in Years)				
	Fair Value	Less Than One	1 - 5	6 - 10	Greater Than Ten
U.S. treasury notes	\$ 28,776,939	\$ 14,318,896	\$ 14,458,043	\$ -	\$ -
U.S. government and state agencies	7,606,223	3,313,730	3,327,143	72,871	892,479
Corporate bonds	3,030,669	961,418	2,069,251	-	-
<b>Total</b>	<b>\$ 39,413,831</b>	<b>\$ 18,594,044</b>	<b>\$ 19,854,437</b>	<b>\$ 72,871</b>	<b>\$ 892,479</b>

As of June 30, 2022, the Board had the following investments and maturities:

	Remaining Maturity (in Years)				
	Fair Value	Less Than One	1 - 5	6 - 10	Greater Than Ten
U.S. treasury notes	\$ 22,384,336	\$ 10,408,048	\$ 11,976,289	\$ -	\$ -
U.S. government and state agencies	7,370,857	2,740,524	2,908,516	169,654	1,552,163
Corporate bonds	3,453,192	1,923,091	1,530,101	-	-
<b>Total</b>	<b>\$ 33,208,385</b>	<b>\$ 15,071,663</b>	<b>\$ 16,414,905</b>	<b>\$ 169,654</b>	<b>\$ 1,552,163</b>

**Credit Risk**

State law limits investments to instruments as described under “Investments” for the purpose of safety of principal. The Board’s investment policy does not further limit its investment choices. LAMP has been rated AAA by Standard & Poor’s Corporation. The Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Home Loan Bank Consolidated Bonds and the Federal Farm Credit Banks are all rated AA+ by Standard & Poor’s Corporation. The corporate bonds are rated AA- by Stand & Poor’s Corporation. The money market mutual funds and the Brokerage Cash Account are unrated accounts.

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 3: FAIR VALUE MEASUREMENT**

The Board had the following recurring fair value measurements as of June 30, 2023 and 2022:

<b>Fair Value Measurements – June 30, 2023</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
U.S. treasury notes	\$ 28,776,939	\$ -	\$ -
U.S. government and state agencies	1,371,067	6,235,156	-
Corporate bonds	3,030,669	-	-
<b>Total</b>	<b>\$ 33,178,675</b>	<b>\$ 6,235,156</b>	<b>\$ -</b>

<b>Fair Value Measurements – June 30, 2022</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
U.S. treasury notes	\$ 22,384,336	\$ -	\$ -
U.S. government and state agencies	1,000,390	6,370,467	-
Corporate bonds	1,780,089	1,673,103	-
<b>Total</b>	<b>\$ 25,164,815</b>	<b>\$ 8,043,570</b>	<b>\$ -</b>

**Note 4: DUE FROM OTHER GOVERNMENTS**

At June 30, 2023 and 2022, amounts due from other governments consisted of the following:

	<b>2023</b>	<b>2022</b>
U.S. Department of Environmental Quality – Diesel Emissions Reduction Act	\$ 289,235	\$ 37,982
Department of Homeland Security - Port Security	42,570	155,664
Department of Homeland Security – Disaster Grants	463,460	589,085
Louisiana Department of Environmental Quality – Clean Trip	204,917	34,543
State of Louisiana, Division of Administration – Napoleon Avenue Container Crane Expansion	32,719	1,336,748
State of Louisiana, Division of Administration – Cold Storage Expansion	1,069,990	510,607
U.S. Army Corps of Engineers - WAARDA	1,544,239	960,000
<b>Total amounts due</b>	<b>\$ 3,647,130</b>	<b>\$ 3,624,629</b>

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 5: CAPITAL ASSETS, NET**

A summary of changes in property is as follows:

	June 30, 2022 (as restated)	Additions	Deletions	June 30, 2023
Property not being depreciated				
Land and improvements	\$ 133,587,179	\$ 52,951,538	\$ -	\$ 186,538,717
Construction in progress	135,133,261	44,357,706	(22,976,921)	156,514,046
Total property not being depreciated	268,720,440	97,309,244	(22,976,921)	343,052,763
Property being depreciated				
Property	1,148,509,794	32,589,496	(28,149)	1,181,071,141
Furniture and equipment	14,808,586	325,385	(427,835)	14,706,136
Equipment	42,364,624	5,670,262	(455,878)	47,579,008
Total property being depreciated	1,205,683,004	38,585,143	(911,862)	1,243,356,285
Less accumulated depreciation				
Property	(578,934,083)	(28,007,653)	28,148	(606,913,588)
Furniture and equipment	(11,021,721)	(1,142,332)	427,837	(11,736,216)
Equipment	(24,134,747)	(2,958,829)	361,694	(26,731,882)
Total accumulated depreciation	(614,090,551)	(32,108,814)	817,679	(645,381,686)
Total property being depreciated, net	591,592,453	6,476,329	(94,183)	597,974,599
Right-to-use subscription assets being amortized				
Subscription-based information technology arrangements	2,010,781	2,323,461	-	4,334,242
Less accumulated amortization				
Subscription-based information technology arrangements	(731,436)	(959,110)	-	(1,690,546)
Total right-to-use subscription assets being amortized, net	1,279,345	1,364,351	-	2,643,696
<b>Capital assets, net</b>	<b>\$ 861,592,238</b>	<b>\$ 105,149,924</b>	<b>\$ (23,071,104)</b>	<b>\$ 943,671,058</b>

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 5: CAPITAL ASSETS, NET (CONTINUED)**

	June 30, 2021 (as restated)	Additions (as restated)	Deletions	June 30, 2022 (as restated)
Property not being depreciated				
Land and improvements	\$ 104,564,371	\$ 29,022,808	\$ -	\$ 133,587,179
Construction in progress	119,383,256	51,398,397	(35,648,392)	135,133,261
<b>Total property not being depreciated</b>	<b>223,947,627</b>	<b>80,421,205</b>	<b>(35,648,392)</b>	<b>268,720,440</b>
Property being depreciated				
Property	1,121,421,445	27,175,497	(87,148)	1,148,509,794
Furniture and equipment	18,493,543	812,312	(4,497,269)	14,808,586
Equipment	41,693,101	962,790	(291,267)	42,364,624
<b>Total property being depreciated</b>	<b>1,181,608,089</b>	<b>28,950,599</b>	<b>(4,875,684)</b>	<b>1,205,683,004</b>
Less accumulated depreciation				
Property	(552,256,746)	(26,764,485)	87,148	(578,934,083)
Furniture and equipment	(14,219,147)	(1,178,163)	4,375,589	(11,021,721)
Equipment	(21,791,807)	(2,634,208)	291,268	(24,134,747)
<b>Total accumulated depreciation</b>	<b>(588,267,699)</b>	<b>(30,576,859)</b>	<b>4,754,005</b>	<b>(614,090,551)</b>
<b>Total property being depreciated, net</b>	<b>593,340,390</b>	<b>(1,626,260)</b>	<b>(121,676)</b>	<b>591,592,453</b>
Right-to-use subscription assets being amortized				
Subscription-based information technology arrangements	1,191,822	818,959	-	2,010,781
Less accumulated amortization Subscription-based information technology arrangements	-	(731,436)	-	(731,436)
<b>Total right-to-use subscription assets being amortized, net</b>	<b>1,191,822</b>	<b>87,523</b>		<b>1,279,345</b>
<b>Capital assets, net</b>	<b>\$ 818,479,838</b>	<b>\$ 78,882,468</b>	<b>\$(35,770,068)</b>	<b>\$ 861,592,238</b>

Construction in progress consisted of the following at June 30, 2023 and 2022:

	2023	2022
Capital improvements	\$ 148,796,187	\$ 134,375,074
Natural disaster	7,698,761	755,177
Major maintenance	19,098	3,010
<b>Total</b>	<b>\$ 156,514,046</b>	<b>\$ 135,133,261</b>

As part of the Board's long-term capital construction program, commitments related to such capital construction projects were approximately \$53.1 million and \$36.7 million as of June 30, 2023 and 2022, respectively.

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS  
NOTES TO FINANCIAL STATEMENTS**

**Note 6: NON-CURRENT LIABILITIES**

**Changes in Non-Current Liabilities**

Non-current liabilities activity for the years ended June 30, 2023 and 2022 was as follows:

	June 30, 2022 (as restated)	Additions	Reductions	June 30, 2023	Due within one year
Bonds Payable:					
Revenue bonds	\$150,905,000	\$ -	\$ -	<b>\$150,905,000</b>	\$ -
Revenue bonds – direct placements	58,715,000	-	5,100,000	<b>53,615,000</b>	5,505,000
Bond premiums and discounts	23,853,951	-	1,065,269	<b>22,788,682</b>	-
<b>Total Bonds Payable</b>	<b>233,473,951</b>	<b>-</b>	<b>6,165,269</b>	<b>227,308,682</b>	<b>5,505,000</b>
Line of credit - direct placement	30,000,000	-	-	<b>30,000,000</b>	30,000,000
Financed purchases - direct borrowing	30,000,000	-	2,000,000	<b>28,000,000</b>	2,035,000
Subscription liabilities	1,033,150	2,323,461	1,278,059	<b>2,078,552</b>	814,579
Unearned income	5,216,256	39,190,214	3,813,205	<b>40,593,265</b>	4,881,897
Net pension liability	33,155,400	14,402,180	-	<b>47,557,580</b>	-
Total post-employment benefit liability	9,157,317	-	463,925	<b>8,693,392</b>	1,093,471
Compensated absences	2,602,092	1,178,412	1,072,935	<b>2,707,569</b>	2,188,516
Workers compensation and casualty reserve	2,059,391	1,738,869	696,918	<b>3,101,342</b>	1,598,063
Environmental remediation liability	4,450,241	-	-	<b>4,450,241</b>	-
<b>Total</b>	<b>\$351,147,798</b>	<b>\$ 58,833,136</b>	<b>\$ 15,490,311</b>	<b>\$394,490,623</b>	<b>\$ 48,116,526</b>

	June 30, 2021 (as restated)	Additions (as restated)	Reductions (as restated)	June 30, 2022 (as restated)	Due within one year
Bonds Payable:					
Revenue bonds	\$150,905,000	\$ -	\$ -	<b>\$150,905,000</b>	\$ -
Revenue bonds – direct placements	63,685,000	-	4,970,000	<b>58,715,000</b>	5,100,000
Bond premiums and discounts	24,919,220	-	1,065,269	<b>23,853,951</b>	-
<b>Total Bonds Payable</b>	<b>239,509,220</b>	<b>-</b>	<b>6,035,269</b>	<b>233,473,951</b>	<b>5,100,000</b>
Line of credit - direct placement	30,000,000	-	-	<b>30,000,000</b>	30,000,000
Financed purchases - direct borrowing	30,149,844	-	149,844	<b>30,000,000</b>	2,000,000
Subscription liabilities	1,191,821	818,959	977,630	<b>1,033,150</b>	651,638
Unearned income	5,387,413	2,672,925	2,844,082	<b>5,216,256</b>	3,314,267
Net pension liability	54,550,265	-	21,394,865	<b>33,155,400</b>	-
Payable to LASERS for HPERs	113,185	-	113,185	-	-
Total post-employment benefit liability	11,876,399	-	2,719,082	<b>9,157,317</b>	1,036,468
Compensated absences	2,487,513	1,137,800	1,023,221	<b>2,602,092</b>	1,093,374
Workers compensation and casualty reserve	4,518,549	-	2,459,158	<b>2,059,391</b>	1,704,168
Environmental remediation liability	4,450,241	-	-	<b>4,450,241</b>	-
<b>Total</b>	<b>\$384,234,450</b>	<b>\$ 4,629,684</b>	<b>\$37,716,336</b>	<b>\$351,147,798</b>	<b>\$ 44,899,915</b>

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS  
NOTES TO FINANCIAL STATEMENTS**

**Note 6: NON-CURRENT LIABILITIES (CONTINUED)**

**Revenue Bonds**

Revenue bonds consisted of the following at June 30, 2023 and 2022:

	<b>2023</b>	<b>2022</b>
Revenue bonds payable	<b>\$ 150,905,000</b>	\$ 150,905,000
Revenue bonds payable – direct placements	<b>53,615,000</b>	58,715,000
Premium and discounts	<b>22,788,682</b>	23,853,951
	<b>227,308,682</b>	233,473,951
Less: current portion	<b>(5,505,000)</b>	(5,100,000)
Total Long-Term Debt	<b>\$ 221,803,682</b>	\$ 228,373,951

On June 27, 2012, the Board issued \$15,495,000 of Board of Commissioners of the Port of New Orleans Port Facility Refunding Revenue Bonds, Series 2012. The purpose of the issue was to provide sufficient funds for a partial refund of the Port's outstanding Port Facility Revenue Bonds, Series 2002 in the outstanding amount of \$14,980,000; the outstanding balance of the 2002 bonds was refunded on July 6, 2012. The Series 2012 bonds were purchased by Regions Bank through the placement agent, Morgan Keegan & Company, Inc. The interest rate is fixed at 3.53%. Covenants with Regions Bank are contained in the commitment letter dated May 31, 2012. As of June 30, 2023, management believes it is in compliance with the applicable covenants. The refunding was entered into for the reason of future interest savings. The Board advance refunded the bonds to reduce total gross debt service payments through June 30, 2027 by \$1,785,929 and to obtain an economic gain of \$1,631,307. At June 30, 2023 and 2022, the principal balance was \$9,045,000 and \$11,120,000 respectively.

On March 1, 2018, the Board issued \$20,630,000 and \$56,075,000 of Board of Commissioners of the Port of New Orleans Port Facility Revenue Bonds, Series 2018A, and Board of Commissioners of the Port of New Orleans Port Facility Revenue and Refunding Revenue Bonds, Series 2018B, respectively. The purpose of the issue was to provide sufficient funds to rehabilitate, construct, and install port infrastructures and to refund \$13,640,000 of the Board's Port Facility Revenue Bonds, Series 2008, and \$15,635,000 of Board's Subordinate Lien Variable Rate Bonds, Series 2010. The Series 2018A and 2018B bonds were purchased by Citigroup and J.P. Morgan through the placement agent. The interest rate is fixed at 5% for both Series 2018A and 2018B with maturity dates of April 1, 2048 and April 1, 2045, respectively. Covenants with Citigroup are contained in the Official Statement dated February 21, 2018. As of June 30, 2023, management believes it is in compliance with the applicable covenants. The refunding was entered into for the reason of future interest savings. The Board advance refunded the bonds, through deferral of principal payments through fiscal year 2038, to obtain an economic gain of \$1,185,877. At June 30, 2023 and 2022, the principal balance was \$20,630,000 for the Series 2018A and \$56,075,000 for the Series 2018B.

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 6: NON-CURRENT LIABILITIES (CONTINUED)**

**Revenue Bonds (Continued)**

On May 15, 2020, the Board issued \$15,900,000 of Board of Commissioners of the Port of New Orleans Port Facility Refunding Revenue Bonds, Series 2020A. The purpose of the issue was to provide sufficient funds to refund \$7,917,372 of Port's Facility Revenue Bonds, Series 2013A. Regions Capital Advantage, Inc. purchased the Series 2020A bonds. The interest rate is fixed at 1.46% and covenants with Regions Capital Advantage, Inc. are contained in the commitment letter dated April 21, 2020. As of June 30, 2023, management believes it is in compliance with the applicable covenants. The refunding was entered into for the reason of future interest savings. The Board advance refunded the bonds to reduce total gross debt service payments through June 30, 2028 by \$806,013 and to obtain an economic gain of \$760,072. At June 30, 2023 and 2022, the principal balance was \$11,750,000 and \$13,500,000, respectively.

On May 15, 2020, the Board issued \$8,120,000 of Board of Commissioners of the Port of New Orleans Port Taxable Subordinate Lien Refunding Revenue Bonds, Series 2020C. The purpose of the issue was to provide sufficient funds to refund \$15,605,000 of Port's Debt Service Assistance Program Loan Payable to the State of Louisiana. Regions Capital Advantage, Inc. purchased the Series 2020C bonds. The interest rate is fixed at 2.01% and covenants with Regions Capital Advantage, Inc. are contained in the commitment letter dated April 21, 2020. As of June 30, 2023, management believes it is in compliance with the applicable covenants. The refunding was entered into for the reason of future interest savings. The Board advance refunded the bonds to reduce total gross debt service payments through June 30, 2027 by \$376,243 and to obtain an economic gain of \$460,285. At June 30, 2023 and 2022, the principal balance was \$4,825,000 and \$5,975,000, respectively.

On May 22, 2020, the Board issued \$28,510,000 of Board of Commissioners of the Port of New Orleans Port Facility Refunding Revenue Bonds, Series 2020B. The purpose of the issue was to provide sufficient funds to refund \$24,795,000 of Port's Facility Revenue Bonds, Series 2013B. JP Morgan Inc. purchased the Series 2020B bonds. The interest rate is fixed at taxable rate of 3.25% until the conversion to tax free rate of 2.25% on March 31, 2023 and covenants with JP Morgan are contained in the commitment letter dated April 21, 2020. As of June 30, 2023, management believes it is in compliance with the applicable covenants. The refunding was entered into for the reason of future interest savings. The Board advance refunded the bonds to reduce total gross debt service payments through June 30, 2033 by \$2,590,629 and to obtain an economic gain of \$2,217,902. At June 30, 2023 and 2022, the principal was \$27,995,000 and \$28,120,000, respectively.

On September 1, 2020, the Board issued series 2020D and 2020E Board of Commissioners of the Port of New Orleans Port Facility Revenue Bonds to fund various capital investment projects. The face value of the bonds was \$74,200,000 and sold at a premium of \$90,700,000. The premium funds were used to fund capital improvements, cost of issuance, debt service reserve, and to pay Fiscal Years 2022 and 2023 debt service of the new bonds. The bonds have a final maturity in 2050 and have an aggregate All-in TIC of 3.60% and an arbitrage yield of 2.37%. As of June 30, 2023, management believes it is in compliance with the applicable covenants. At June 30, 2023 and 2022, the principal was \$74,200,000.

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS  
NOTES TO FINANCIAL STATEMENTS**

**Note 6: NON-CURRENT LIABILITIES (CONTINUED)**

**Revenue Bonds (Continued)**

Operating revenues, net of operating expenses, are pledged as security for all revenue bond issues. Debt service requirements relating to bonds outstanding are as follows:

Years Ending June 30,	Revenue Bonds			Revenue Bonds – Direct Placements		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ -	\$ 7,545,250	\$ 7,545,250	\$ 5,505,000	\$ 1,217,709	\$ 6,722,709
2025	-	7,545,250	7,545,250	5,655,000	1,083,260	6,738,260
2026	485,000	7,545,250	8,030,250	5,805,000	944,853	6,749,853
2027	505,000	7,521,000	8,026,000	5,950,000	802,383	6,752,383
2028	515,000	7,495,000	8,010,750	4,845,000	655,990	5,500,990
2029-2033	2,855,000	37,078,500	39,933,500	25,855,000	1,771,088	27,626,088
2034-2038	34,175,000	33,385,000	67,560,000	-	-	-
2039-2043	43,615,000	23,943,250	67,558,250	-	-	-
2044-2048	55,665,000	11,893,250	67,558,250	-	-	-
2049-2052	13,090,000	989,750	14,079,750	-	-	-
<b>Total</b>	<b>\$150,905,000</b>	<b>\$144,942,250</b>	<b>\$295,847,250</b>	<b>\$ 53,615,000</b>	<b>\$ 6,475,281</b>	<b>\$60,090,281</b>

**Line of Credit**

On March 5, 2021 the Port issued series 2021A Board of Commissioners of the Port of New Orleans Taxable Subordinate Lien Revenue Notes to fund the acquisition and development of a new container terminal. The line of credit is for three years with a floating interest rate of 100 basis points above one month Libor with an unused fee of 10 basis points payable quarterly in arrears. The line of credit is limited to \$30,000,000; as of June 30, 2023 and 2022, \$30,000,000 was drawn on the facility. As of June 30, 2023, management believes it is in compliance with the applicable covenants. The effective interest rate as of June 30, 2023 was 7.11%.

**Financed Purchases**

The Port and NOPB enter into various financing arrangements for cranes and office equipment. Obligations under financed purchases consisted of the following at June 30, 2023 and 2022:

	2023	2022
Financed purchases payable	\$ 28,000,000	\$ 30,000,000
Less: current portion	(2,035,000)	(2,000,000)
<b>Long-term financed purchases payable</b>	<b>\$ 25,965,000</b>	<b>\$ 28,000,000</b>

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS  
NOTES TO FINANCIAL STATEMENTS**

**Note 6: NON-CURRENT LIABILITIES (CONTINUED)**

**Financed Purchases (Continued)**

Payments relating to financed purchases outstanding are as follows:

Years Ending June 30,	Principal	Interest	Total
2024	\$ 2,035,000	\$ 478,370	\$ 2,513,370
2025	2,070,000	442,830	2,512,830
2026	2,100,000	406,682	2,506,682
2027	2,140,000	369,968	2,509,968
2028-2032	11,220,000	1,277,379	12,497,379
2033-2037	8,435,000	295,976	8,730,976
<b>Total</b>	<b>\$ 28,000,000</b>	<b>\$ 3,271,205</b>	<b>\$ 31,271,205</b>

During the year ended June 30, 2022, the Port entered into a financing agreement which partially financed the acquisition of four new 100 foot gauge ship to shore gantry cranes for its Napoleon Avenue Container Terminals. This financing arrangement is payable in two semi-annual interest-only payments through fiscal year 2023 and 27 semi-annual payments of principal and interest of approximately \$1.25 million. The cranes were delivered in December 2021 and were placed in operation during fiscal year 2023.

**Subscription Liabilities**

The following is a schedule of minimum future payments from subscription agreements as of June 30:

For the years ending June 30,	Principal	Interest	Total
2024	\$ 814,579	\$ 65,716	<b>\$880,295</b>
2025	767,062	39,909	<b>806,971</b>
2026	444,858	15,678	<b>460,536</b>
2027	25,622	1,643	<b>27,266</b>
2028	26,431	834	<b>27,266</b>
<b>Total</b>	<b>\$ 2,078,552</b>	<b>\$ 123,780</b>	<b>\$2,202,333</b>

**Note 7: RISK MANAGEMENT, CONTINGENCIES, COMMITMENTS, AND UNCERTAINTIES**

The Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Board carries commercial liability and property insurance. The Port is insured for workers' compensation and general maritime claims ("Jones Act"). The Port has no self-insured retention for workers' compensation. The Port is liable for each Jones Act claim up to \$50,000, with judgments and settlements over the \$50,000 limit being covered by the Port's primary Maritime Employers Liability policy with limits of \$1,000,000

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS  
NOTES TO FINANCIAL STATEMENTS**

**Note 7: RISK MANAGEMENT, CONTINGENCIES, COMMITMENTS, AND UNCERTAINTIES  
(CONTINUED)**

and an umbrella liability policy up to \$75,000,000 for each occurrence. The NOPB maintains \$100,000,000 of rail liability with a self-insured retention of \$1,000,000 per occurrence. The Board also maintains other policies in appropriate amounts based on management’s risk assessment for various other risks such as Cyber Security, Environmental Liability, Government Officials & Employees Practices Liability, Policing, and others. For each of the past three years, there were no settlements that exceeded the Port’s insurance coverage.

A summary of activity in the liability for claims, which are included in other liabilities, is as follows:

	<b>2023</b>	<b>2022</b>	<b>2021</b>
Balance, beginning of year	\$ 2,059,391	\$ 4,518,549	\$ 5,765,385
Provision for claims	1,738,869	224,857	(75,813)
Benefit payments, net of recoveries	(696,918)	(2,684,015)	(1,171,023)
Balance, end of year	<b>\$ 3,101,342</b>	\$ 2,059,391	\$ 4,518,549

The Board is a party to various legal proceedings incidental to its business. There are several lawsuits pending in which the Board is named as a defendant by longshoremen claiming asbestos-related injuries because the Board at one time had asbestos materials cross its wharves. Certain other claims, suits and complaints arising in the ordinary course of business have been filed or are pending against the Board. The resolution of these matters is not expected to have a material adverse effect on the financial statements of the Board.

The Board receives financial assistance directly from Federal agencies which are subject to audit and final acceptance by these agencies. In the opinion of management, amounts that might be subject to disallowance upon final audit, if any, would not have a material effect on the Board’s financial position.

On November 29, 2022, the Board settled its suit against the M/V CMA CGM Bianca et al. due to a collision at the Board’s Nashville Avenue wharf on August 2, 2020. The settlement was for \$5,600,000 with a gain recognized of \$1,301,108 during the fiscal year ended June 30, 2023. The Board had previously written off assets with net book value of \$4,298,892 during the fiscal year ended June 30, 2022.

**Environmental Remediation Liability**

In November 2017, the Louisiana Department of Environmental Quality informed the Board that the Board is the owner of the Former Bollinger Gulf Repair site. The Board may be a potentially responsible party with respect to the remediation of this site pursuant to Chapter 12 of the Louisiana Environmental Quality Act, LSA-R.S. 30:2271 et seq. Suspect asbestos material was identified in 2001 during utility work and site investigations to define the area occurred in 2003 and 2005. The investigation identified an area of approximately 3.7 acres defined as the impacted area. For the year ended June 30, 2018, the Board accrued \$3,750,000 related to further remediation work related to the site based on information currently available to the management of the Board.

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS  
NOTES TO FINANCIAL STATEMENTS**

**Note 7: RISK MANAGEMENT, CONTINGENCIES, COMMITMENTS, AND UNCERTAINTIES  
(CONTINUED)**

For the year ended June 30, 2019, the Board accrued \$700,241 for the remediation of the soil on the Jackson Avenue Ferry property. This property was contributed by the state of Louisiana, and this remediation will be done before any further development takes place at this site.

**Note 8: REVENUES AND CONCENTRATIONS**

Revenues of the Board are reported net of estimated uncollectible amounts. Total estimated uncollectible amounts related to accounts receivable were \$436,169 and \$374,759 at June 30, 2023 and 2022, respectively. Total operating revenue was \$131,011,135 and \$111,060,181 for the years ended June 30, 2023 and 2022, respectively. For the year ended June 30, 2023, four customers accounted for approximately 28% of revenue. For the year ended June 30, 2022, four customers accounted for approximately 20% of revenue.

**Note 9: LEASES**

The Board leases to others substantially all of its land, property and equipment under various lease agreements. The Board recognized \$33,396,536 and \$23,153,731 in lease revenue and \$4,327,206 and \$5,033,629 in interest revenue during the years ended June 30, 2023 and 2022, respectively, related to these leases. As of June 30, 2023 and 2022, the Board's receivable for lease payments was \$141,917,345 and \$164,281,673, respectively. Also, the Board has a deferred inflow of resource associated with these leases that will be recognized as revenue over the lease terms. As of June 30, 2023 and 2022, the balance of the deferred inflow of resources was \$134,634,256 and \$158,569,026, respectively.

Future payments included in the measurement of the lease receivable as of June 30, 2023 for each of the next five fiscal years and in five-year increments thereafter are as follows:

<b>Years Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$16,474,907	\$3,701,249	\$20,176,156
2025	13,438,976	3,296,029	16,735,005
2026	13,107,033	2,927,843	16,034,876
2027	12,842,950	2,564,361	15,407,311
2028	12,776,480	2,177,737	14,954,217
2029-2033	48,099,384	5,786,475	53,885,859
2034-2038	10,027,568	2,544,466	12,572,034
2039-2043	7,200,501	1,399,800	8,600,301
2044-2048	3,497,296	1,136,664	4,633,960
2049-2053	2,142,391	409,106	2,551,497
2054-2058	727,370	235,531	962,901
2059-2063	468,571	159,486	628,057
2064-2068	488,834	102,304	591,138
2069-2073	532,327	41,733	574,060
2074-2075	92,757	650	93,407
<b>Total</b>	<b>\$141,917,345</b>	<b>\$26,483,434</b>	<b>\$168,400,779</b>

## BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS NOTES TO FINANCIAL STATEMENTS

### **Note 10: LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM**

The Port is a participating employer in the cost-sharing multiple-employer defined benefit plan administered by the Louisiana State Employees' Retirement System (LASERS).

#### ***Plan Description***

Employees of the Port 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 (La. R.S. 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](http://www.lasersonline.org).

#### ***Benefits Provided***

The following is a description of the plans and their 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. Rank and file members hired prior to July 1, 2006, may either retire with full benefits at any age upon completing 25 years of creditable service at age 60 and at age 55 completing 30 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 age 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.

## BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS NOTES TO FINANCIAL STATEMENTS

### **Note 10: LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM (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 1.0% accrual rate based on all years of service as a judge.

Members of 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.

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.

#### 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.

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 10: LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)**

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.

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 or 100% of final average compensation if the injury was the result of an intentional act of violence.

Survivor's Benefits

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased 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 twenty 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.

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS  
NOTES TO FINANCIAL STATEMENTS**

**Note 10: LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)**

The deceased regular member hired on or after January 1, 2011, must have a minimum of five years of service credit 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, 2 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.

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 Title 11 of the Louisiana Revised Statutes and may be amended by the Louisiana Legislature. Employee contributions are deducted from a member's salary and remitted to LASERS by participating employers along with employer portion of the contribution.

The rates in effect during the years ending June 30, 2023 and 2022 for the various plans follow:

Plan	Plan Status	Employee Contribution Rate	Employer Contribution Rate 2022	Employer Contribution Rate 2023
Regular State Employee hired before 7/01/06	Closed	7.5%	39.5%	40.4%
Regular State Employee hired after 7/01/06	Open	8.0%	39.5%	40.4%

The Port's contractually required composite contribution rate for the period from July 1, 2021 to June 30, 2022 was 39.5%, and for the period from July 1, 2022 to June 30, 2023 was 40.4%, 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 from the Port were \$5,719,598 and \$5,053,468 for the years ended June 30, 2023 and 2022, respectively.

If a member leaves covered employment or dies before any benefits become payable on their behalf, the accumulated contributions may be refunded to the member or their designated beneficiary. Similarly, accumulated contributions in excess of any benefits paid to members or their survivors are refunded to the member's beneficiaries or their estates upon cessation of any survivor's benefits.

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS  
NOTES TO FINANCIAL STATEMENTS**

**Note 10: LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)**

**Pension Liability and Pension Expense**

At June 30, 2023 and 2022, the Port reported a liability of \$47,557,580 and \$33,155,400, respectively, for its proportionate share of the net pension liability of LASERS. The net pension liability was measured as of June 30, 2022 and 2021, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The Port's proportion of the net pension liability was based on a projection of the Port's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022 and 2021, the Port's proportion was 0.62909% and 0.60239% respectively, which was an increase of 0.02670% and a decrease of 0.05717% from its proportion measured as of June 30, 2021 and 2020, respectively.

For the years ended June 30, 2023 and 2022, the Port recognized pension expense of \$6,299,157 and \$2,324,430, respectively, plus the Port's amortization of the change in proportionate share and the difference between employer contributions and proportionate share of contributions of \$(1,254,994) and \$(1,846,480), respectively.

**Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2023, the Port reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>LASERS</b>		
Differences between expected and actual experience	\$ 129,696	\$ -
Net difference between projected and actual earnings on pension plan investments	3,830,593	-
Changes in assumptions	864,664	-
Changes in proportion and differences between employer contributions and proportion of shared contributions	887,411	(165,197)
Employer contributions subsequent to the measurement date	5,719,598	-
<b>Total LASERS</b>	<b>\$ 11,431,962</b>	<b>\$ (165,197)</b>

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS  
NOTES TO FINANCIAL STATEMENTS**

**Note 10: LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)**

At June 30, 2022, the Port reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>LASERS</b>		
Differences between expected and actual experience	\$ 32,744	\$ -
Net difference between projected and actual earnings on pension plan investments	-	(7,731,964)
Changes in assumptions	812,110	-
Changes in proportion and differences between employer contributions and proportion of shared contributions	81,790	(2,058,998)
Employer contributions subsequent to the measurement date	5,053,468	-
<b>Total LASERS</b>	<b>\$ 5,980,112</b>	<b>\$ (9,790,962)</b>

As of June 30, 2023, deferred outflows of resources of \$5,719,598 related to pensions resulting from the Port's contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ending June 30, 2024. 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 June 30:	<b>LASERS</b>
2024	<b>\$ 3,098,310</b>
2025	<b>791,505</b>
2026	<b>(968,644)</b>
2027	<b>2,625,996</b>

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS  
NOTES TO FINANCIAL STATEMENTS**

**Note 10: LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)**

***Actuarial Assumptions***

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2023 and 2022 are as follows:

Valuation Date	June 30, 2022 and 2021
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	2 years for 2022 and 2021
Investment Rate of Return	2022: 7.25% per annum, net of investment expenses. 2021: 7.40% per annum, net of investment expenses.
Inflation Rate	2022: 2.3% per annum 2021: 2.3% per annum
Mortality	Non-disabled members - The RP-2014 Blue Collar (males/females) and White Collar (females) Healthy Annuitant Tables projected on a fully generational basis by Mortality Improvement Scale MP-2018.  Disabled members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table with no projection for mortality improvement.

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS  
NOTES TO FINANCIAL STATEMENTS**

**Note 10: LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)**

Termination, Disability, and Retirement

Termination, disability, and retirement assumptions were projected based on a five-year (2014-2018) experience study of the System's members.

Salary Increases

Salary increases were projected based on a five-year (2014-2018) experience study of the System's members. The salary increase ranges for specific types of members were:

<b>Member Type</b>	<b>Lower Range</b>	<b>Upper Range</b>
Regular	3.0%	12.8%
Judges	2.6%	5.1%
Corrections	3.6%	13.8%
Hazardous Duty	3.6%	13.8%
Wildlife	3.6%	13.8%

Cost of Living Adjustments

The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

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 expected rate of inflation was 2.30% and 2.30% for 2023 and 2022, respectively.

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS  
NOTES TO FINANCIAL STATEMENTS**

**Note 10: LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)**

The target allocation and best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022 and 2021 are summarized in the following table:

Asset Class	2022		2021	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Cash	-%	.39%	1%	-.29%
Domestic equity	31%	4.57%	31%	4.09%
International equity	23%	5.76%	23%	5.12%
Domestic fixed income	3%	1.48%	3%	.49%
International fixed income	17%	5.04%	18%	3.94%
Alternative investments	26%	8.30%	24%	6.93%
Risk parity	-%	-%	-%	-%
Totals	100%	5.91%	100%	5.81%

***Discount Rate***

The discount rate used to measure the total pension liability was 7.25% and 7.40% for the years ended June 30, 2022 and 2021, respectively. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rates and that employer contributions from participating employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

***Sensitivity of the Port's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The following presents the Port's proportionate share of the Net Pension Liability of LASERS using the discount rate of 7.25% and 7.40% as of June 30, 2022 and 2021, respectively, as well as what the Port's proportionate share of the Net Pension Liability would be as of June 30 2022, if it were calculated using a discount rate that is one percentage-point lower (6.25%) or one percentage-point higher (8.25%) than the current rate:

	1.0% Decrease (6.25%)	Current Discount Rate (7.25%)	1.0% Increase (8.25%)
Port's proportionate share of the net pension liability	\$ 59,841,314	\$ 47,557,580	\$ 36,356,598

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS  
NOTES TO FINANCIAL STATEMENTS**

**Note 10: LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)**

As of June 30, 2022, the following presents the Port's proportionate share of the Net Pension Liability of LASERS using the discount rate of 7.40%, as well as what the Port's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.40%) or one percentage-point higher (8.40%) than the current rate:

	<b>1.0% Decrease (6.40%)</b>	<b>Current Discount Rate (7.40%)</b>	<b>1.0% Increase (8.40%)</b>
Port's proportionate share of the net pension liability	<b>\$ 44,923,062</b>	<b>\$ 33,155,400</b>	<b>\$ 23,142,601</b>

***Pension Plan Fiduciary Net Position***

Detailed information about the pension plan's fiduciary net position in LASERS is available in the separately issued LASERS 2021 and 2022 Comprehensive Annual Financial Reports at [www.lasersonline.org](http://www.lasersonline.org).

***Payables to the Pension Plan***

At June 30, 2022, the Port had payables included in accounts payable to the pension plans totaling \$461,480. Outstanding balances will be applied to the Port's required monthly contribution. The amounts due are included in liabilities under the amounts reported as accounts payable.

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS  
NOTES TO FINANCIAL STATEMENTS**

**Note 11: OTHER POST-EMPLOYMENT BENEFITS**

**General Information about the OPEB Plan**

*Plan description* – The Port of New Orleans (the Port) provides certain continuing health care and life insurance benefits for its retired employees. The Port of New Orleans’ OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Port. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Port. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (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 benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement. The employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; or, age 60 and 10 years of service. For employees hired on or after July 1, 2006, the retirement eligibility is age 60 and 10 years of service. For employees hired on or after July 1, 2015, the retirement eligibility is age 60 and 5 years of service.

There is a closed group of retirees for whom the employer currently pays approximately 80% of the premium; there will not be any additions to this group in the future. The life insurance benefit for this group has been included in this valuation. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

*Employees covered by benefit terms* – At June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	201
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	185
	386

**Total OPEB Liability**

The Port’s total OPEB liability of \$8,693,392 and \$9,157,317 was measured as of June 30, 2023 and 2022, respectively, and was determined by an actuarial valuation as of June 30, 2022 and rolled forward to June 30, 2023.

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS  
NOTES TO FINANCIAL STATEMENTS**

**Note 11: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

*Actuarial Assumptions and other inputs* – The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	<b>2022:</b> 2.5% annually <b>2021:</b> 2.5% annually
Salary increases	<b>2022:</b> 4.0%, including inflation <b>2021:</b> 4.0%, including inflation
Discount rate	<b>2022:</b> 3.54% annually (Beginning of Year to Determine ADC) 3.65% annually (As of End of Year Measurement Date) <b>2021:</b> 2.16% annually (Beginning of Year to Determine ADC) 3.54% annually (As of End of Year Measurement Date)
Healthcare cost trend rates	<b>2022 and 2021:</b> Flat 5.5% annually; employer payments for premiums limited to 200% of 2008 rates when applying trend
Mortality	SOA RP-2014 Table

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index on the applicable measurement dates.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2023.

**Changes in the Total OPEB Liability**

	<b>2023</b>	2022
Balance at June 30,	\$ <b>9,157,317</b>	\$ 11,876,399
Changes for the year:		
Service cost	<b>79,258</b>	101,414
Interest	<b>305,824</b>	245,920
Differences between expected and actual experience	<b>288,647</b>	(656,902)
Changes of assumptions	<b>(101,189)</b>	(1,427,080)
Benefit payments	<b>(1,036,465)</b>	(982,434)
Net changes	<b>(463,925)</b>	(2,719,082)
<b>Balance at June 30,</b>	<b>\$ 8,693,392</b>	\$ 9,157,317

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

*Sensitivity of the total OPEB liability to changes in the discount rate* – The following presents the total OPEB liability of the Port, as well as what the Port's total OPEB liability as of June 30, 2023 would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current discount rate:

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS  
NOTES TO FINANCIAL STATEMENTS**

**Note 11: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

	<b>1.0% Decrease (2.65%)</b>	<b>Current Discount Rate (3.65%)</b>	<b>1.0% Increase (4.65%)</b>
Total OPEB liability	\$ 10,546,272	\$ 8,693,392	\$ 7,260,117

The following presents the total OPEB liability of the Port, as well as what the Port’s total OPEB liability as of June 30, 2022 would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54%) or 1-percentage-point higher (4.54%) than the current discount rate:

	<b>1.0% Decrease (2.54%)</b>	<b>Current Discount Rate (3.54%)</b>	<b>1.0% Increase (4.54%)</b>
Total OPEB liability	\$ 11,067,105	\$ 9,157,317	\$ 7,683,206

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates**

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates* – Because of the application of the cap of 200% of the 2008 rates, the trend sensitivity of +/-1% would not be reliable and has not been provided as of June 30, 2023.

The following presents the total OPEB liability of the Port, as well as what the Port’s total OPEB liability as of June 30, 2022 would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates.

	<b>1.0% Decrease (4.5%)</b>	<b>Current Trend (5.5%)</b>	<b>1.0% Increase (6.5%)</b>
Total OPEB liability	\$ 7,868,634	\$ 9,157,317	\$ 10,842,038

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 11: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

**OPEB Benefit and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2023 and 2022, respectively, the Port recognized OPEB expense of \$398,185 and \$853,011. At June 30, 2023, the Port 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	\$ 734,451	\$ (440,117)
Changes in assumptions and other inputs	466,952	(789,432)
<b>Total</b>	<b>\$ 1,201,403</b>	<b>\$ (1,229,549)</b>

At June 30, 2022, the Port 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	\$ 766,886	\$ (626,676)
Changes of assumptions and other inputs	728,413	(1,070,310)
<b>Total</b>	<b>\$ 1,495,299</b>	<b>\$ (1,696,986)</b>

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

Years ending June 30:	
2024	13,918
2025	(187,388)
2026	83,299
2027	36,435
2028	25,590

## **BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS**

### **NOTES TO FINANCIAL STATEMENTS**

#### **Note 12: DEFERRED COMPENSATION PLAN**

The Board participates in the Louisiana Public Employees Deferred Compensation Plan (the 457 Plan) for the purpose of providing supplemental retirement income to employees by permitting them to defer a portion of compensation to be invested and distributed in accordance with the terms of the 457 Plan. All compensation deferred under the 457 Plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property or rights, shall be held for the exclusive benefit of participants and their beneficiaries. The Board makes contributions to the 457 Plan on behalf of each non-union employee based on 3% of base pay up to a maximum of \$2,400 per calendar year for Port employees and no maximum for NOPB non-union employees. Contributions to the 457 Plan by the Board totaled \$260,097 and \$281,209 for the years ended June 30, 2023 and 2022, respectively.

The Port established a Non-ERISA 401(a) Governmental Port of New Orleans Money Purchase Pension Plan (the MPP Plan); a defined contribution plan, for executives in the President/ CEO, Vice President, and Executive Council positions of the Port in fiscal 2018 for the purpose of providing supplemental retirement income to certain specific employees as noted; the funds are invested and distributed in accordance with the terms of the MPP Plan. The Port contributes \$40,000 for the President / CEO and \$26,600 for Vice Presidents and Executive Counsel; the employee has a mandatory employee contribution of 3.125% of base pay. Port contributions are cliff vested after three (3) years of service and employee contributions are 100% vested at the time of contribution. All vested compensation deferred under the MPP Plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property or rights, shall be held for the exclusive benefit of participants and their beneficiaries. Contributions to the MPP Plan by the Port totaled \$191,352 and \$176,413 for the years ended June 30, 2023 and 2022, respectively.

#### **Note 13: NATURAL DISASTER**

In the past, the Board has been materially affected by various natural disasters and the Board feels it maintains adequate insurance coverages. As in the past excess property losses along with certain preparation cost may be covered by the Federal Emergency Management Emergency Agency (FEMA), which the Board actively pursues.

On August 29, 2021, Hurricane Ida, a category 4 hurricane at landfall, passed through Southeast Louisiana causing significant damage to Board property. The impacts from the storm will not be in excess of the Board's insurance policies but was in excess of the Boards \$5 million property deductible for named storms. The Board used reserves to cover the deductible. The Board's final settlements with its insurance companies was \$13,869,129 including \$5,415,136 received in September 2023, which has been recorded in these financial statements. The Board has been fully operational since September 2021 but has a number of repair and capital projects not impacting operations to complete in calendar year 2024. A gain of \$5,910,721 and \$5,976,907 were recognized for the years ended June 30, 2023 and 2022, respectively.

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 14: RELATED PARTY TRANSACTIONS**

At June 30, 2023, Transportation Consultants, Inc., TCI Packaging, LLC, and the Jenson Companies, LLC, related entities to a commissioner, whose five-year term expired July 21, 2023, had lease agreements with the Port and two storage agreements with the NOPB. The agreements expire at various dates through August 2037. During the years ended June 30, 2023 and 2022, the Port received lease payments totaling approximately \$817,282 and \$1,067,560, respectively. The NOPB received approximately \$790,000 and \$720,000 for the years ended June 30, 2023 and 2022, respectively, related to these agreements. At June 30, 2023 and 2022, these entities had outstanding receivables of approximately \$70,000 and \$66,150, respectively.

In September of 2022, the Board approved a lease termination agreement effective October 31, 2022 with TCI Packaging, LLC for its lease at 4325 France Road. The fee payable by TCI Packaging, LLC for this lease termination is \$2,580,000 payable over five years. In 2023, the Port received \$301,000 in lease termination payments.

**Note 15: CHANGE IN ACCOUNTING PRINCIPLE AND PRIOR PERIOD ADJUSTMENT**

In fiscal year 2023, the Board implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. In accordance with generally accepted accounting principles, the implementation of this statement requires the restatement of the June 30, 2022 net position in the statement of activities to record the cumulative effect of recording the original basis of the subscription-based assets, net of the subscription liabilities for the year ended June 30, 2022. The prior period adjustment had the following impact on the ending net position at June 30, 2022:

	Total
Net position – June 30, 2022, as previously reported	\$ 697,921,136
Prepaid items	(57,482)
Right-to-use subscription assets	1,279,345
Subscription liabilities	(1,033,150)
Total prior period adjustment	188,713
Net position – June 30, 2022, as restated	\$ 698,109,849

**Note 16: SUBSEQUENT EVENT**

Management has evaluated subsequent events through December 19, 2023, the date that the financial statements were available to be issued, and determined the following event after this date have been evaluated for inclusion in these financial statements.

As discussed in Note 13, the Hurricane Ida insurance claim was settled in September 2023.

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**FOR THE LAST NINE YEARS**

For the Year Ended June 30,*	Port's proportion of the net pension liability (asset)	Port's proportionate share of the net pension liability (asset)	Port's covered payroll	Port's Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
<b>Louisiana State Employees' Retirement System</b>					
2022	0.629090%	\$ 47,557,580	\$ 13,312,908	357.23%	63.70%
2021	0.602390%	\$ 33,155,400	\$ 13,744,701	241.22%	72.80%
2020	0.659563%	\$ 54,550,265	\$ 14,547,960	374.97%	58.00%
2019	0.691606%	\$ 50,106,255	\$ 15,076,798	332.34%	62.90%
2018	0.715422%	\$ 48,791,258	\$ 14,665,450	332.70%	64.30%
2017	0.714320%	\$ 50,279,556	\$ 15,263,994	329.40%	62.50%
2016	0.739690%	\$ 58,084,383	\$ 15,605,548	372.20%	57.70%
2015	0.670100%	\$ 45,573,447	\$ 12,745,929	357.55%	62.70%
2014	0.681100%	\$ 42,586,318	\$ 12,168,178	349.98%	65.00%

\* The amounts presented were determined as of the measurement date (prior fiscal year ended June 30).

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

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
FOR THE LAST NINE YEARS**

For the Year Ended June 30,*	(a) Statutorily Required Contribution	(b) Contributions in relation to the Statutorily required contribution	(a-b) Contribution Deficiency (Excess)	Port's covered payroll	Contributions as a percentage of covered payroll
<b>Louisiana State Employees' Retirement System</b>					
2023	\$ 5,719,598	\$ 5,719,598	\$ -	\$ 13,777,514	36.7%
2022	\$ 5,053,468	\$ 5,053,468	\$ -	\$ 13,312,908	39.5%
2021	\$ 5,252,904	\$ 5,252,904	\$ -	\$ 13,744,701	40.6%
2020	\$ 5,583,090	\$ 5,583,090	\$ -	\$ 14,547,960	36.7%
2019	\$ 5,334,373	\$ 5,334,373	\$ -	\$ 15,076,798	35.7%
2018	\$ 5,386,459	\$ 5,386,459	\$ -	\$ 14,665,450	38.5%
2017	\$ 5,645,469	\$ 5,645,469	\$ -	\$ 15,263,994	37.0%
2016	\$ 6,132,717	\$ 6,132,717	\$ -	\$ 15,605,548	39.3%
2015	\$ 5,217,874	\$ 5,217,874	\$ -	\$ 12,745,929	40.9%

\*Amounts presented were determined as of the end of the fiscal year (June 30).

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

**Notes to Schedule**

***Changes of Benefit Terms***

A 1.5% COLA, effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session, and, added benefits for members of the Harbor Police Retirement System which was merged with LASERS effective July 1, 2015 by Act 648 of 2014.

In 2022, Act 656 granted a one-time supplemental payment to certain eligible retirees and beneficiaries.

***Changes of Assumptions***

The investment rate of return was decreased from 7.40% to 7.25% for valuation dated June 30, 2022.

The investment rate of return was decreased from 7.55% to 7.40% for the valuation date June 30, 2021.

The investment rate of return was decreased from 7.60% to 7.55% and the inflation rate was decreased from 2.50% to 2.30% for the valuation date June 30, 2020.

The investment rate of return was decreased from 7.65% to 7.60%, the expected remaining service life decreased from 3 years to 2 years, and the inflation rate was decreased from 2.75% to 2.50% for the valuation date June 30, 2019.

The investment rate of return was decreased from 7.70% to 7.65% for the valuation dated June 30, 2018.

The investment rate of return was decreased from 7.75% to 7.70% and the inflation rate was decreased from 3.00% to 2.75% for the valuation dated June 30, 2017.

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**

<i>For the year ended June 30,</i>	2023	2022	2021	2020	2019	2018
<b>TOTAL OPEB LIABILITY</b>						
Service cost	\$ 79,258	\$ 101,414	\$ 126,595	\$ 100,386	\$ 110,919	\$ 104,206
Interest	305,824	245,920	238,369	325,059	386,275	424,206
Change of benefit term	-	-	-	-	-	-
Differences between expected and actual experience	288,647	(656,902)	1,182,545	7,817	(223,332)	108,466
Change of assumptions	(101,189)	(1,427,080)	68,989	998,701	479,231	-
Benefit payments, including refunds of member contributions	(1,036,465)	(982,434)	(1,052,046)	(1,010,594)	(1,066,177)	(1,047,395)
Net Change in Total OPEB Liability	(463,925)	(2,719,082)	564,452	421,369	(313,084)	(410,517)
Total OPEB Liability - Beginning	9,157,317	11,876,399	11,311,947	10,890,578	11,203,662	11,614,179
Total OPEB Liability - Ending (a)	\$ 8,693,392	\$ 9,157,317	\$ 11,876,399	\$ 11,311,947	\$ 10,890,578	\$ 11,203,662
Covered-employee payroll	\$ 12,825,754	\$ 12,332,456	\$ 13,748,737	\$ 13,748,737	\$ 14,138,117	\$ 13,594,343
Total OPEB liability as a percentage of covered-employee payroll	67.78%	74.25%	86.38%	82.28%	77.03%	82.41%
<b>Notes to Schedule:</b>						
<i>Changes of Assumptions:</i>						
Discount rate	3.65%	3.54%	2.16%	2.21%	3.62%	3.62%

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

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS  
CONSOLIDATING STATEMENT OF NET POSITION**

<i>June 30, 2023</i>	<b>Port</b>	<b>PBRC</b>	<b>Elimination</b>	<b>Board Total</b>
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash and cash equivalents	\$ 12,227,699	\$ 2,752,480	\$ -	\$ 14,980,179
Investments	39,847,305	22,941,268	-	62,788,573
Accounts receivable, net	15,293,935	13,516,581	-	28,810,516
Due from other governments	3,647,130	-	-	3,647,130
Leases receivable	16,260,441	214,466	-	16,474,907
Stores inventory	7,107,342	1,185,120	-	8,292,462
Prepaid items	7,992,373	1,228,376	-	9,220,749
Total Current Assets	102,376,225	41,838,291	-	144,214,516
<b>Non-Current Assets:</b>				
Restricted revenue bond accounts - investments	66,869,393	-	-	66,869,393
Leases receivable, non-current	124,662,950	779,488	-	125,442,438
Capital assets - net	781,940,780	161,730,278	-	943,671,058
Investment in PBRC	197,412,573	-	(197,412,573)	-
Other assets	121,642	999,000	-	1,120,642
Total Non-Current Assets	1,171,007,338	163,508,766	(197,412,573)	1,137,103,531
Total Assets	1,273,383,563	205,347,057	(197,412,573)	1,281,318,047
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred loss on bond refunding	3,492,678	-	-	3,492,678
Deferred amounts related to total OPEB liability	1,201,403	-	-	1,201,403
Deferred amounts related to net pension liability	11,431,962	-	-	11,431,962
Total Deferred Outflows of Resources	16,126,043	-	-	16,126,043

(Continued)

*See accompanying independent auditors' report.*

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS  
CONSOLIDATING STATEMENT OF NET POSITION**

<i>June 30, 2023</i>	<b>Port</b>	<b>PBRC</b>	<b>Elimination</b>	<b>Board Total</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable and accrued expenses	\$ 17,529,672	\$ 2,695,987	\$ -	\$ 20,225,659
Revenue bonds payable - current	5,505,000	-	-	5,505,000
Line of credit	30,000,000	-	-	30,000,000
Accrued interest payable	2,313,106	-	-	2,313,106
Financing leases payable - current	2,035,000	-	-	2,035,000
Subscription liabilities - current	774,775	39,804	-	814,579
Unearned income - current	4,301,768	580,129	-	4,881,897
Total other post employment benefit liability - current	1,093,471	-	-	1,093,471
Compensated absences payable - current	1,034,634	1,153,882	-	2,188,516
Workers compensation and casualty reserve - current	40,772	1,557,291	-	1,598,063
Other liabilities	4,489,750	965,740	-	5,455,490
<b>Total Current Liabilities</b>	<b>69,117,948</b>	<b>6,992,833</b>	<b>-</b>	<b>76,110,781</b>
<b>Non-Current Liabilities</b>				
Revenue bonds payable	221,803,682	-	-	221,803,682
Financing leases payable	25,965,000	-	-	25,965,000
Subscription liabilities	1,243,137	20,836	-	1,263,973
Unearned income	35,711,368	-	-	35,711,368
Net pension liability	47,557,580	-	-	47,557,580
Total other post employment benefit liability	7,599,921	-	-	7,599,921
Compensated absences payable	519,053	-	-	519,053
Workers compensation and casualty reserve	1,503,279	-	-	1,503,279
Environmental remediation liability	4,450,241	-	-	4,450,241
<b>Total Non-Current Liabilities</b>	<b>346,353,261</b>	<b>20,836</b>	<b>-</b>	<b>346,374,097</b>
<b>Total Liabilities</b>	<b>415,471,209</b>	<b>7,013,669</b>	<b>-</b>	<b>422,484,878</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred amounts related to leases	133,713,441	920,815	-	134,634,256
Deferred amounts related to total OPEB liability	1,229,549	-	-	1,229,549
Deferred amounts related to net pension liability	165,197	-	-	165,197
<b>Total Deferred Inflows of Resources</b>	<b>135,108,187</b>	<b>920,815</b>	<b>-</b>	<b>136,029,002</b>
<b>NET POSITION</b>				
Net investment in capital assets	686,324,861	161,669,638	(161,669,638)	686,324,861
Restricted for revenue bond debt service	66,869,393	-	-	66,869,393
Unrestricted net position	(14,264,044)	35,742,935	(35,742,935)	(14,264,044)
<b>TOTAL NET POSITION</b>	<b>\$ 738,930,210</b>	<b>\$ 197,412,573</b>	<b>\$ (197,412,573)</b>	<b>\$ 738,930,210</b>

*See accompanying independent auditors' report.*

## BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS

### CONSOLIDATING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

<i>For the Year Ended June 30, 2023</i>	Port	PBRC	Elimination	Board Total
<b>OPERATING REVENUES</b>				
Terminal operations	\$ 25,468,677	\$ -	\$ -	\$ 25,468,677
Terminal operations - rentals	23,019,792	-	-	23,019,792
Cruise and tourism	17,255,872	-	-	17,255,872
Switching	-	29,144,322	-	29,144,322
Real estate rentals	9,132,420	1,399,597	-	10,532,017
Railcar repair	-	2,451,314	-	2,451,314
Railcar storage	-	4,822,601	-	4,822,601
Bridge charges	-	13,127,156	-	13,127,156
Lease interest income	4,299,282	27,924	-	4,327,206
Miscellaneous	-	155,755	-	155,755
Total Operating Revenues	79,176,043	51,128,669	-	130,304,712
<b>OPERATING EXPENSES</b>				
Payroll and benefits:				
Payroll expense	16,551,770	15,691,782	-	32,243,552
Pension expense (benefit)	5,044,163	-	-	5,044,163
Other benefits expense	4,362,770	7,149,772	-	11,512,542
Total Payroll and Benefits	25,958,703	22,841,554	-	48,800,257
Other operating expenses:				
Travel, promotion and advertising	980,767	66,335	-	1,047,102
Professional fees	1,852,536	280,308	-	2,132,844
Utilities	4,974,826	239,814	-	5,214,640
Maintenance agreements	1,338,681	702,022	-	2,040,703
Maintenance expenses	5,212,932	12,152,965	-	17,365,897
Other costs	2,969,600	1,843,788	-	4,813,388
Capital allocations	(1,226,350)	-	-	(1,226,350)
Security fees	(1,249,268)	-	-	(1,249,268)
Insurance	7,635,669	1,771,008	-	9,406,677
Workers' compensation and casualty losses	672,467	696,720	-	1,369,187
Service allocations	(2,000,000)	2,000,000	-	-
Total Other Operating Expenses	21,161,860	19,752,960	-	40,914,820
Depreciation and amortization	29,215,192	3,852,732	-	33,067,924
Total Operating Expenses	76,335,755	46,447,246	-	122,783,001
<b>OPERATING INCOME</b>	\$ 2,840,288	\$ 4,681,423	\$ -	\$ 7,521,711

(Continued)

*See accompanying independent auditors' report .*

## BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS

### CONSOLIDATING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

<i>For the Year Ended June 30, 2023</i>	<b>Port</b>	<b>PBRC</b>	<b>Elimination</b>	<b>Board Total</b>
<b>NON-OPERATING REVENUE (EXPENSES)</b>				
Investment income (loss)	\$ 3,477,800	\$ 544,536	\$ -	\$ 4,022,336
Intercompany investment income	11,667,789	-	(11,667,789)	-
Interest expense	(10,526,839)	-	-	(10,526,839)
Hurricane gain (loss)	5,910,721	-	-	5,910,721
Gain (loss) on disposal of assets	14,890	312,802	-	327,692
Miscellaneous, net	946,671	(1,168,393)	-	(221,722)
<b>Total Non-Operating (Expense) Revenue, net</b>	<b>11,491,032</b>	<b>(311,055)</b>	<b>(11,667,789)</b>	<b>(487,812)</b>
<b>INCOME BEFORE CONTRIBUTIONS</b>	<b>14,331,320</b>	<b>4,370,368</b>	<b>(11,667,789)</b>	<b>7,033,899</b>
<b>CAPITAL CONTRIBUTIONS</b>				
Capital contributions	26,489,041	7,297,421	-	33,786,462
<b>Total Capital Contributions</b>	<b>26,489,041</b>	<b>7,297,421</b>	<b>-</b>	<b>33,786,462</b>
<b>CHANGE IN NET POSITION</b>	<b>40,820,361</b>	<b>11,667,789</b>	<b>(11,667,789)</b>	<b>40,820,361</b>
NET POSITION, BEGINNING OF YEAR	697,921,136	185,541,778	(185,541,778)	697,921,136
PRIOR YEAR RESTATEMENT	188,713	203,006	(203,006)	188,713
NET POSITION, BEGINNING OF YEAR, RESTATED	698,109,849	185,744,784	(185,744,784)	698,109,849
<b>NET POSITION, END OF YEAR</b>	<b>\$ 738,930,210</b>	<b>\$ 197,412,573</b>	<b>\$ (197,412,573)</b>	<b>\$ 738,930,210</b>

(Concluded)

*See accompanying independent auditors' report .*

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS  
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER  
PAYMENTS TO THE AGENCY HEAD**

*For the Year Ended June 30, 2023*

---

**Agency Head Name:** Brandy Christian, CEO

---

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 369,833
Benefits - Insurance	23,949
Benefits - Retirement	127,388
Benefits - Board match - deferred compensation	2,400
Benefits - 401(A) plan	48,308
Car allowance	12,000
Non-travel reimbursements	7,240
Travel reimbursements	40,090
<b>Total</b>	<b>\$ 631,208</b>

*See accompanying independent auditors' report .*

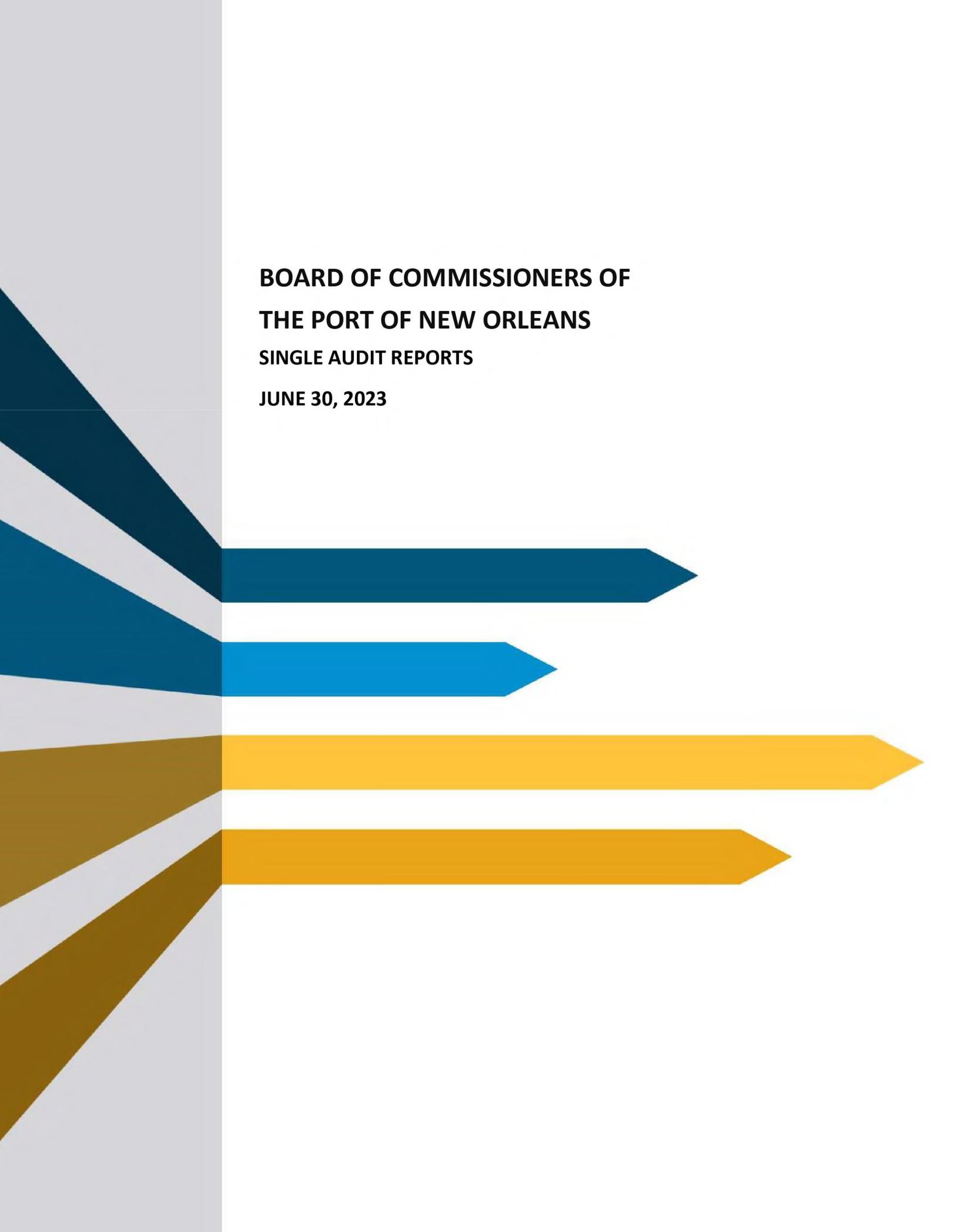
**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS  
REVENUE BONDS DEBT SERVICE COVERAGE**

Fiscal Year	Operating Revenue (a)	Direct Operating Expenses (b)	Net Revenue Available for Debt Service	Debt Service Requirement			Senior Debt Coverage	Total Debt Coverage
				Senior Debt	Subordinate Debt	Total		
2023	\$ 134,327,048	\$ 91,027,978	\$ 43,299,070	\$ 12,985,234	\$ 1,270,098	\$ 14,255,332	3.33	3.04
2022	\$ 112,157,561	\$ 74,725,595	\$ 37,431,966	\$ 9,278,502	\$ 1,272,811	\$ 10,551,313	4.03	3.55

(a) Includes non-restricted investment income.

(b) Excludes depreciation and amortization.

*See accompanying independent auditors' report.*



**BOARD OF COMMISSIONERS OF  
THE PORT OF NEW ORLEANS  
SINGLE AUDIT REPORTS  
JUNE 30, 2023**

**REPORT**

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1
Independent Auditors' Report on Compliance for the Major Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	3
Schedule of Expenditures of Federal Awards	6
Notes to Schedule of Expenditures of Federal Awards	7
Schedule of Findings and Questioned Costs	8
Summary Schedule of Prior Audit Findings	10

**INDEPENDENT AUDITORS' 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**

The Board of Commissioners of the  
Port of New Orleans  
New Orleans, 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 statement of net position of the Board of Commissioners of the Port of New Orleans (the "Board") as of June 30, 2023, and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated December 19, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Board'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 Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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 or significant deficiencies may exist that were not identified.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board'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 financial statements. 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 Board'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 Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

*Carr, Riggs & Ingram, L.L.C.*

Metairie, Louisiana  
December 19, 2023

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

The Board of Commissioners of the  
Port of New Orleans  
New Orleans, Louisiana

**Report on Compliance for the Major Federal Program**

***Opinion on the Major Federal Program***

We have audited the Board of Commissioners of the Port of New Orleans' (the "Board") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Board's major federal program for the year ended June 30, 2023. The Board's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

***Basis for Opinion on the Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Board and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Board's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Board's federal programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Board's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Board's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Board's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Board's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

#### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the Board, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements. We issued our report thereon dated December 19, 2023, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such 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. The information has been subjected to the auditing procedures applied in the audit of the 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 expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Carr, Riggs & Ingram, L.L.C.*

Metairie, Louisiana  
December 19, 2023

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

<b>Federal Grantor/Program Title</b>	<b>Assistance Listing Number</b>	<b>Passed-Through to Subrecipients</b>	<b>Expenditures</b>
<b>Department of Transportation</b>			
Consolidated Rail Infrastructure and Safety Improvements	20.325	\$ -	\$ 5,532,919
Total Department of Transportation		-	5,532,919
<b>Department of Homeland Security</b>			
Passed through the State of Louisiana Office of Homeland Security and Emergency Preparedness			
Disaster Grants - Public Assistance (Presidentially Declared Disasters) - Port of New Orleans	97.036	-	152,778
Disaster Grants - Public Assistance (Presidentially Declared Disasters) - Public Belt Railroad	97.036	-	274,907
Total Disaster Grants - Public Assistance (Presidentially Declared Disasters)		-	427,685
Passed through the State of Louisiana Office of State and Local Government Coordination and Preparedness			
Port Security Grant Program	97.056	-	193,833
Total Department of Homeland Security		-	621,518
<b>United States Environmental Protection Agency</b>			
Diesel Emissions Reduction Act (DERA) National Grants	66.039	-	394,227
Passed through the State of Louisiana Department of Environmental Quality			
Diesel Emissions Reduction Act (DERA) State Grants	66.040	-	204,917
Total United States Environmental Protection Agency		-	599,144
<b>Total Expenditures of Federal Awards</b>		<b>\$ -</b>	<b>\$ 6,753,581</b>

*See accompanying Notes to Schedule of Expenditures of Federal Awards.*

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 1: BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the Board's financial statements for the year ended June 30, 2023.

**NOTE 2: PROGRAM COSTS**

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including the Board's portion, are more than shown. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 3: LOANS**

The Board did not expend federal awards related to loans or loan guarantees during the year ended June 30, 2023.

**NOTE 4: FEDERALLY FUNDED INSURANCE**

The Board has no federally funded insurance.

**NOTE 5: NONCASH ASSISTANCE**

The Board did not receive any federal noncash assistance for the year ended June 30, 2023.

**NOTE 6: INDIRECT COST RATE**

The Board did not elect to use the 10 percent (10%) de minimis indirect cost rate.

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**A. SUMMARY OF AUDITORS' RESULTS**

*Financial Statements*

- |  |            |
|--|------------|
| 1. Type of auditors' report issued   | Unmodified |
| 2. Internal control over financial reporting:                                    |            |
| a. Material weaknesses identified?   | No         |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| c. Noncompliance material to the financial statements noted?                     | No         |

*Federal Awards*

- | 1. Type of auditors' report issued on compliance for major programs   | Unmodified                          |          |  |        |  |
|---|-------------------------------------|----------|--|--------|--|
| 2. Internal control over major programs:  |                                     |          |  |        |  |
| a. Material weaknesses identified?  | No                                  |          |  |        |  |
| b. Significant deficiencies identified not considered to be material weaknesses?  | None noted                          |          |  |        |  |
| 3. Any audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a)?   | No                                  |          |  |        |  |
| 4. Identification of the major programs:  |                                     |          |  |        |  |
| <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Name of Federal Awards (or Cluster)</th> <th style="text-align: right; border-bottom: 1px solid black;">CFDA No.</th> </tr> </thead> <tbody> <tr> <td style="padding-left: 20px;">Consolidated Rail Infrastructure and Safety Improvements</td> <td style="text-align: right; padding-left: 20px;">20.325</td> </tr> </tbody> </table> | Name of Federal Awards (or Cluster) | CFDA No. | Consolidated Rail Infrastructure and Safety Improvements | 20.325 |  |
| Name of Federal Awards (or Cluster)   | CFDA No.                            |          |  |        |  |
| Consolidated Rail Infrastructure and Safety Improvements  | 20.325                              |          |  |        |  |
| 5. Dollar threshold used to distinguish between type A and type B programs:   | \$750,000                           |          |  |        |  |
| 6. Auditee qualified as a low-risk auditee?   | Yes                                 |          |  |        |  |

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS**

There were no findings related to the financial statements for the year ended June 30, 2023.

**C. FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS**

There were no findings related to compliance and other matters for the year ended June 30, 2023.

**D. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM**

There were no findings or questioned costs related to the major federal award program for the year ended June 30, 2023.

**BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2023**

**A. PRIOR AUDIT FINDINGS RELATED TO THE FINANCIAL STATEMENTS**

There were no findings related to the financial statements for the year ended June 30, 2022.

**B. PRIOR AUDIT FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS**

There were no findings related to compliance and other matters for the year ended June 30, 2022.

**C. PRIOR AUDIT FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS**

There were no findings or questioned costs related to the major federal award programs for the year ended June 30, 2022.

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

The Board of Commissioners of the  
Port of New Orleans  
New Orleans, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022 through June 30, 2023. The Board of Commissioners of the Port of New Orleans (the "Port NOLA") management is responsible for those C/C areas identified in the SAUPs.

Port NOLA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated results are as follows:

### ***Written Policies and Procedures***

---

1. Obtain and inspect Port NOLA's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and Port NOLA's operations:
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.  
**Results: No exceptions were found as a result of applying the above procedure.**
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.  
**Results: No exceptions were found as a result of applying the above procedure.**
  - c) ***Disbursements***, including processing, reviewing, and approving.  
**Results: No exceptions were found as a result of applying the above procedure.**

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

**Results: No exceptions were found as a result of applying the above procedure.**

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

**Results: No exceptions were found as a result of applying the above procedure.**

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

**Results: No exceptions were found as a result of applying the above procedure.**

- g) **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

**Results: No exceptions were found as a result of applying the above procedure.**

- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

**Results: No exceptions were found as a result of applying the above procedure.**

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to Port NOLA's ethics policy.

**Results: No exceptions were found as a result of applying the above procedure.**

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

**Results: No exceptions were found as a result of applying the above procedure.**

- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

**Results: No exceptions were found as a result of applying the above procedure.**

- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

**Results: No exceptions were found as a result of applying the above procedure.**

### ***Board or Finance Committee***

---

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.  
**Results: No exceptions were found as a result of applying the above procedure.**
  - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.  
**Results: No exceptions were found as a result of applying the above procedure.**
  - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal year period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.  
**Results: Not applicable. The Port does not have a general fund.**
  - d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved,  
**Results: Not applicable. The Board did not have any audit findings from the prior year.**

### ***Bank Reconciliations***

---

3. Obtain a listing of Port NOLA bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify Port NOLA's main operating account. Select Port NOLA's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:  
**Results: No exceptions were found as a result of applying the above procedure.**
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);  
**Results: No exceptions were found as a result of applying the above procedure.**
  - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and  
**Results: No exceptions were found as a result of applying the above procedure.**

- c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

**Results: No exceptions were found as a result of applying the above procedure.**

### ***Collections (excluding electronic funds transfers)***

---

- 4. 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 5 deposit sites (or all deposit sites if less than 5).

**Results: No exceptions were found as a result of applying the above procedure.**

- 5. 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., 5 collection locations for 5 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 responsible for cash collections do not share cash drawers/registers.

**Results: No exceptions were found as a result of applying the above procedure.**

- 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.

**Results: No exceptions were found as a result of applying the above procedure.**

- 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.

**Results: No exceptions were found as a result of applying the above procedure.**

- 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/official verifies the reconciliation.

**Results: No exceptions were found as a result of applying the above procedure.**

- 6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

**Results: No exceptions were found as a result of applying the above procedure.**

- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

**Results: No exceptions were found as a result of applying the above procedure.**

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

**Results: No exceptions were found as a result of applying the above procedure.**

- c) Trace the deposit slip total to the actual deposit per the bank statement.

**Results: No exceptions were found as a result of applying the above procedure.**

- d) Observe 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 and the cash is stored securely in a locked safe or drawer).

**Results: No exceptions were found as a result of applying the above procedure.**

- e) Trace the actual deposit per the bank statement to the general ledger.

**Results: No exceptions were found as a result of applying the above procedure.**

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

---

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

**Results: No exceptions were found as a result of applying the above procedure.**

- 9. For each location selected under #8 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.

**Results: No exceptions were found as a result of applying the above procedure.**

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

**Results: No exceptions were found as a result of applying the above procedure.**

- 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.

**Results: No exceptions were found as a result of applying the above procedure.**

- 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: No exceptions were found as a result of applying the above procedure.**

- e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic transfer (EFT), wire transfer, or some other electronic means.

**Results: No exceptions were found as a result of applying the above procedure.**

10. For each location selected under #8 above, obtain Port NOLA's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by Port NOLA.

**Results: No exceptions were found as a result of applying the above procedure.**

- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

**Results: No exceptions were found as a result of applying the above procedure.**

11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signer's per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected, the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

**Results: No exceptions were found as a result of applying the above procedure.**

#### ***Credit Cards/Debit Cards/Fuel Cards/Purchase Cards***

---

12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

**Results: No exceptions were found as a result of applying the above procedure.**

13. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

**Results: No exceptions were found as a result of applying the above procedure.**

- b) Observe that finance charges and late fees were not assessed on the selected statements.

**Results: No exceptions were found as a result of applying the above procedure.**

14. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

**Results: No exceptions were found as a result of applying the above procedure.**

#### ***Travel and Travel-Related Expense Reimbursements (excluding card transactions)***

---

15. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

**Results: No exceptions were found as a result of applying the above procedure.**

- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

**Results: No exceptions were found as a result of applying the above procedure.**

- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

**Results: No exceptions were found as a result of applying the above procedure.**

- c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

**Results: No exceptions were found as a result of applying the above procedure.**

- d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Results: No exceptions were found as a result of applying the above procedure.**

#### ***Contracts***

---

16. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management’s representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and:

**Results: No exceptions were found as a result of applying the above procedure.**

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

**Results: No exceptions were found as a result of applying the above procedure.**

- b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

**Results: No exceptions were found as a result of applying the above procedure.**

- c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

**Results: No exceptions were found as a result of applying the above procedure.**

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

**Results: No exceptions were found as a result of applying the above procedure.**

### ***Payroll and Personnel***

---

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

**Results: No exceptions were found as a result of applying the above procedure.**

- 18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #17 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

**Results: No exceptions were found as a result of applying the above procedure.**

- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.

**Results: No exceptions were found as a result of applying the above procedure.**

- c) Observe any leave accrued or taken during the pay period is reflected in Port NOLA's cumulative leave records.

**Results: No exceptions were found as a result of applying the above procedure.**

- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

**Results: No exceptions were found as a result of applying the above procedure.**

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

**Results: No exceptions were found as a result of applying the above procedure.**

20. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

**Results: No exceptions were found as a result of applying the above procedure.**

### ***Ethics***

---

21. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above: obtain ethics documentation from management, and:

- a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

**Results: No exceptions were found as a result of applying the above procedure.**

- b. Observe whether Port NOLA maintains documentation which demonstrates each employee and official were notified of any changes to Port NOLA's ethics policy during the fiscal period, as applicable.

**Results: No exceptions were found as a result of applying the above procedure.**

22. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

**Results: No exceptions were found as a result of applying the above procedure.**

### ***Debt Service***

---

23. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.

**Results: Not applicable. No debt was issued during the fiscal period.**

24. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

**Results: No exceptions were found as a result of applying the above procedure.**

## ***Fraud Notice***

---

25. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the Board reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which Port NOLA is domiciled, as required by R.S. 24:523.

**Results: No exceptions were found as a result of applying the above procedure.**

26. Observe Port NOLA has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

**Results: No exceptions were found as a result of applying the above procedure.**

## ***Information Technology Disaster Recovery/Business Continuity***

---

27. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

a. Obtain and inspect Port NOLA's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

**Results: We performed the procedure and discussed the results with management.**

b. Obtain and inspect Port NOLA's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

**Results: We performed the procedure and discussed the results with management.**

c. Obtain a listing of Port NOLA's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

**Results: We performed the procedure and discussed the results with management.**

28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network.

**Results: No exceptions were found as a result of applying the above procedure.**

## ***Prevention of Sexual Harassment***

---

29. Using the 5 randomly selected employees/officials from procedure #17 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

**Results: No exceptions were found as a result of applying the above procedure.**

30. Observe Port NOLA has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on Port NOLA’s premises if Port NOLA does not have a website).

**Results: No exceptions were found as a result of applying the above procedure.**

31. Obtain Port NOLA’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

**Results: No exceptions were found as a result of applying the above procedure.**

a. Number and percentage of public servants in the agency who have completed the training requirements;

**Results: No exceptions were found as a result of applying the above procedure.**

b. Number of sexual harassment complaints received by the agency;

**Results: No exceptions were found as a result of applying the above procedure.**

c. Number of complaints which resulted in a finding that sexual harassment occurred;

**Results: No exceptions were found as a result of applying the above procedure.**

d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

**Results: No exceptions were found as a result of applying the above procedure.**

e. Amount of time it took to resolve each complaint.

**Results: No exceptions were found as a result of applying the above procedure.**

We were engaged by the Board of Commissioners of the Port of New Orleans to perform this agreed-upon procedures engagement and conducted our engagement 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 engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. 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.

We are required to be independent of Port NOLA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended 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.

*Carr, Riggs & Ingram, L.L.C.*

Metairie, Louisiana  
December 19, 2023