PLAQUEMINES PORT, HARBOR
& TERMINAL DISTRICT

FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2015

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MANAGEMENT'S DISCUSSION AND ANALYSIS

PLAQUEMINES PORT, HARBOR
& TERMINAL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2015
Unaudited

The Plaquemines Port, Harbor & Terminal District's (the "District") discussion and analysis provides an overview of the District's financial activities for the fiscal year ended December 31, 2015. This should be read in conjunction with the financial statements and the accompanying notes to those financial statements in this report.

Financial Highlights

- The District's assets exceeded its liabilities and deferred inflows (net position) by $27,757,594 as of December 31, 2015.

- The District's net position increased by $4,256,626 for the year ended December 31, 2015.

- The Districts's total assets increased by $5,645,454, or approximately 13.7%, primarily due to the District entering into a lease option agreement with Venture Global Plaquemines LNG, LLC which resulted in the District receiving $6,000,000 of which $5,000,000 has been restricted for the District's project Land Acquisition Phase I. The District's total liabilities decreased $3,469,525 or 39.6% due to additional bond principal retirement in the amount of $1,000,000 and an $888,425 decrease in accounts payable.

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- During the year, the District's total operating revenue decreased $210,731 or 3.9%, to $5,225,122 from the prior year while operating expenses increased $317,919 or 6.1% to $5,540,868. The District had a loss from operations of $315,746, which is approximately 6.0% of total operating revenue. This compares to the prior fiscal year's income from operations of $212,904, or 3.9% of operating revenue.

- During the fiscal year, the District's depreciation expense increased 68.9% from prior year due to three new vessel engines, security enhancements and mobile tower equipment upgrades capitalization.

Overview of the Required Financial Statements

This discussion and analysis serves as a basic introduction to the District's financial statements. The District's financial statements consist of the Statement of Net Position, the Statement of Revenues, Expenses and Change in Net Position, the Statement of Cash Flows, and the accompanying Notes to the Financial Statements.

The Statement of Net Position includes all of the District's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to the District's creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the District, and assessing the liquidity and financial flexibility of the District. Increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating.

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Change in Net Position. This statement measures changes in the District's operations over the past year and can be used to determine whether the District has been able to recover all of its costs through its service revenue and other revenue sources.

Overview of the Required Financial Statements (continued)

The primary purpose of the Statement of Cash Flows is to provide information about the District's cash from operations, investing, and financing and to provide answers to questions such as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

The accompanying notes to the financial statements provide additional information essential to a full understanding of the data provided in the financial statements.

Financial Analysis of the District

The Condensed Statements of Net Position and the Condensed Statements of Revenues, Expenses, and Changes in Net Position report information about the District's activities. These two statements report the net position of the District and changes in it. As noted earlier, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating.

Net Position

The District's Condensed Statements of Net Position can be seen in Table 1. As noted earlier, the net position may serve over time as a useful indicator of the District's financial position.

- Total assets increased by $5,645,454, total liabilities decreased by $3,469,525, total deferred outflows of resources increased by $180,386 and total deferred inflows of resources increased by $5,038,739.
- The net increase in assets and liabilities is attributed to the increase in earned and unearned lease revenue.
- The increase of the deferred outflows of resources is due primarily to the district's pension plan liability.
- The increase of the deferred inflows of resources is due primarily to receiving unearned lease revenue.

Financial Analysis of the District (continued)

Table 1
Plaquemines Port, Harbor & Terminal District
Condensed Statements of Net Position
As of December 31, 2015 and 2014

	2015	2014 (Restated)
Assets		
Total current assets	$ 18,518,844	$ 12,074,172
Capital assets - net	22,358,227	23,092,179
Other non current assets	217,554	282,820
Total assets	41,094,625	35,449,171
Deferred Outflows of Resources		
Deferred outflow pension	472,598	292,212
Liabilities		
Current liabilities	2,425,513	3,295,559
Non-current liabilities	6,345,377	8,944,856
Total liabilities	8,770,890	12,240,415
Deferred Inflows of Resources		
Unearned ground lease revenue	5,000,000	-
Deferred inflow pension	38,739	-
Total deferred inflows of resources	5,038,739	-
Net Position		
Invested in capital assets, net of related debt	15,668,227	13,592,179
Restricted for land fund	4,352,226	3,441,725
Restricted for debt service	3,445,512	3,253,843
Unrestricted	4,291,629	3,213,221
Total Net Position	$ 27,757,594	$ 23,500,968

Summary of Revenue and Expenses

During the year, the District's net position increased by $4,256,626. The elements of the increase can be seen in Table 2.

Financial Analysis of the District (continued)

Table 2
Plaquemines Port, Harbor & Terminal District
Condensed Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended December 31, 2015 and 2014

	2015	2014 (Restated)
Operating Revenue		
Charges for services, net of allowances	$ 5,155,140	$ 5,435,853
Recovery of prior bad debt	69,982	-
Total operating revenue	5,225,122	5,435,853
Operating Expenses		
Salaries and related expenses	2,846,174	2,464,376
Supplies, contract services, materials and other	1,635,154	2,131,122
Depreciation & amortization	1,059,540	627,451
Total operating expenses	5,540,868	5,222,949
Operating income (loss)	(315,746)	212,904
Nonoperating Revenue (Expense)		
Ad valorem tax revenue, net of allowances	3,198,628	3,253,815
Ad valorem tax collection fees	(10,559)	(8,092)
Grant revenue	245,862	7,461,993
Interest and investment income	705	3,880
Rent income	187,404	175,692
Other income	1,126,143	13,384
Gain (Loss) on disposal of assets	-	(338,847)
Interest expense	(374)	(603)
Bond interest expense	(198,185)	(190,306)
Inter-governmental revenue	22,748	-
Total nonoperating revenue (expense):	4,572,372	10,370,916
Change in net position	4,256,626	10,583,820
Total net position - beginning of year	23,500,968	12,917,148
Total net position - end of year	$27,757,594	$23,500,968

Financial Analysis of the District (continued)

As seen in Table 2, the District's Condensed Statements of Revenues, Expenses and Changes in Net Position:

- Operating revenue decreased by $210,731 or 3.9% due to decrease in volume of cargo including petroleum, agricultural and coal.
- The increase in operating expenses is due primarily to the increase in depreciation expenses of $432,089.
- The decrease in non-operating revenue is due to:
    - A decrease in federal and state grant revenue of $7,216,131.
    - An increase in other revenue of $1,112,759.

Budget

Annually the District adopts an Operating Budget for best practice internal controls. The District is not required to report a budget according to the Local Government Budget Act. The District's operational expenses are balanced by 80% of its expected operating revenues.

Source of Revenue

Operation

All vessels engaged in foreign, coastwise, inter-coastal or intra-coastal trade and inland watercraft engaged in interstate or intrastate commerce shall be assessed fees as provided in the Plaquemines Port, Harbor and Terminal District Tariff to assist in defraying necessary and essential, direct and indirect, port, harbor and marine services to port and harbor users and other persons located in proximity to and affected by such activities due to the unique geographic and environmental characteristics of the Plaquemines Port, Harbor and Terminal District.

Such fees and charges are to be used for the expenses of the administration and maintenance of the port and harbor including: Administering, regulating, and monitoring of the shipping traffic and handling of cargo in the harbor; supervising shipping of the port with the view of preventing collisions and fires; policing the river and riverfront and all navigable waterways, as well as the banks, battures, and contiguous and adjacent areas affected by port, harbor, terminal, water, and marine activities; providing emergency services to vessels in distress, including extinguishing fires in vessels and equipment and in cargo handled in and upon the areas of the Port's contiguous waterways and located in wharves and facilities upon the banks, battures, contiguous waterways and adjacent areas in Port administered facilities; without additional charge (except for the cost of supplies, materials, and equipment expended by the Plaquemines Port, Harbor and Terminal District in the performance of such services).

Non-Operation

The District currently has multiple sources of non-operating revenue.

- The District receives a 3 mill ad valorem tax revenue on all properties located in the District dedicated to the retirement of debt.

Source of Revenue (continued)

- The District receives federal and state grant revenue through application approval and award.

- The District receives monthly lease payments from Marine Spill Response Corporation for the propose of leasing a warehouse, dock facilities and parking area located at Fort Jackson, Louisiana.

- The District entered into a option lease agreement with Venture Global Plaquemines LNG, LLC for the purpose of leasing property located in Point Celeste, Louisiana in 2015.

Capital Assets

During the year, the District had a net investment decrease of $733,952 in net capital assets see table below. This amount represents a net decrease of 3.2% over last year.

In fiscal year 2015, the District completed improvements of its port security system with software and equipment upgrades.

	December 31, 2014	Additions	Deletions	December 31, 2015
Capital assets, not depreciated				
Land	$9,564,557	-	-	$9,564,557
Construction in progress	4,774,359	92,218	(1,767,085)	3,099,492
Total capital assets, not depreciated	14,338,916	92,218	(1,767,085)	12,664,049
Capital assets, being depreciated				
Buildings	4,887,055	-	-	4,887,055
Improvements other than buildings	550,787		-	550,787
Machinery and equipment	8,479,793	1,935,189		10,414,982
Less accumulated depreciation	(5,164,372)	(994,274)		(6,158,646)
Total capital assets, depreciated	8,753,263	940,915	0	9,694,178
Capital assets, net	$23,092,179	$1,033,133	($1,767,085)	$22,358,227

Debt Administration

At year end, the District had $6,690.000 in bond indebtedness outstanding. During the year the District made scheduled principal and interest payments and an additional $1,000,000 principal payment. The port was liable for interest expense totaling $198,185.

Economic Factors and Next Year's Budget and Rates

The Plaquemines Port, Harbor & Terminal District considered the following factors and indicators when setting next year's budget, rates and fees. These factors include:

- Millage—the District adopted a 3 mill ad valorem tax on all properties located in the District beginning in 2014, dedicated to the retirement of debt. It is anticipated that the millage will generate approximately $3,332,374 in the upcoming fiscal year. The District anticipates the millage will terminate upon the retirement of the debt.

- Security Fees- the District increased Security Dockage Fees assessed to vessels using the District by 3% for the total dockage security fee assessed per vessel call and a 3% increase for break bulk cargos as per the vote of the membership of the Gulf Seaports Marine Terminal Conference, of which the Plaquemines Port, Harbor & Terminal District is a member port.

- Harbor & Supplemental Harbor Fees—the District made no changes to the Harbor and Supplemental Harbor Fees due to the significantly low yearly Consumer Price Index adjustment calculation.

- Grants—the District is to receive $245,862 in Federal and State Grants for the Mobile Tower Equipment and Cyber Security Upgrades.

- Port Development—the Port's Management has successfully entered into an option lease agreement for property purchased in 2013 with Venture Global Plaquemines LNG, LLC. This agreement resulted in $1,000,000 of earned revenue and $5,000,000 of unearned revenue.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the District's finances. If you have questions about this report or need additional financial information, contact Chambrel Riley, Comptroller, 8056 Highway 23, Belle Chasse, LA 70037.

INDEPENDENT AUDITOR’S REPORT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Plaquemines Port, Harbor & Terminal District

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Plaquemines Port, Harbor & Terminal District (the District) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the respective financial position of the business-type activities of Plaquemines Port, Harbor & Terminal District as of December 31, 2015, and the respective changes in financial position, and cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, *Schedule of Funding Progress for Plaquemines Port, Harbor & Terminal District's Retiree Health Plan, Schedule of Employer's Proportionate Share of Net Pension Liability, and Schedule of Employer's Contribution* found on pages i-vii and 35-37 be presented to supplement the basic financial statements. Such information, although not a part of the 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Plaquemines Port, Harbor & Terminal District's basic financial statements. The *Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer* is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The *Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer* is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the 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, *Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer* is fairly stated in all material respects in relation to the basis financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2016, on our consideration of the Plaquemines Port, Harbor & Terminal District'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 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 Plaquemines Port, Harbor & Terminal District's internal control over financial reporting and compliance.

Camnetar & Co.

Camnetar & Co., CPAs
a professional accounting corporation

Gretna, Louisiana
June 30, 2016

FINANCIAL STATEMENTS

PLAQUEMINES PORT, HARBOR
& TERMINAL DISTRICT
STATEMENT OF NET POSITION
For The Year Ended December 31, 2015

ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$	3,479,354
Investments		826,897
Receivables trade, net of allowance for doubtful accounts of $134,129		1,039,514
Grant receivable		136,511
Prepaid expenses		238,830
Restricted current assets		
Cash and cash equivalents		9,738,322
Investments - debt service		9,894
Ad valorem tax receivable, net of allowance doubtful accounts of $122,272		3,049,522
Total Current Assets		18,518,844
NON CURRENT ASSETS		
Capital assets, net of accumulated depreciation		22,358,227
Bond acquisition costs, net of accumulated amortization		217,554
Total Non Current Assets		22,575,781
TOTAL ASSETS		41,094,625
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflow pension		472,598
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable		242,997
Accrued expenses		49,227
Unearned grant revenue		155,188
Compensated absences		120,480
Other Liabilities		170
Capital leases, current maturities of long term debt		2,451
Bond payable, current maturities of long term debt		1,855,000
Total Current Liabilities		2,425,513
NON CURRENT LIABILITIES		
Net pension liability		87,144
Other post employment benefits payable		1,423,233
Bond payable, less current maturities		4,835,000
Total Non Current Liabilities		6,345,377
TOTAL LIABILITIES		8,770,890
DEFERRED INFLOWS OF RESOURCES		
Unearned ground lease revenue		5,000,000
Deferred inflow pension		38,739
Total deferred inflows of resources		5,038,739
NET POSITION		
Invested in capital assets, net of related debt		15,668,227
Restricted for port land fund		4,352,226
Restricted for debt service		3,445,512
Unrestricted		4,291,629
TOTAL NET POSITION	$	27,757,594

The accompanying notes are an integral part of these statements.

PLAQUEMINES PORT, HARBOR
& TERMINAL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
For The Year Ended December 31, 2015

OPERATING REVENUES	
Charges for services, net of allowances for uncollectibles of $22,364	$ 5,155,140
Recovery of prior bad debt	69,982
TOTAL OPERATING REVENUES	5,225,122
OPERATING EXPENSES	
Advertising	7,168
Amortization	65,266
Depreciation	994,274
Dues and subscriptions	27,389
Fuel	91,404
Insurance	272,210
Legal fees	176,643
Materials and supplies	107,002
Other office charges and supplies	105,977
Professional service fees	561,992
Rentals and leases	101,435
Repairs and maintenance	80,906
Salaries and related expenses	2,846,174
Travel	54,049
Utilities and communications	48,979
TOTAL OPERATING EXPENSES	5,540,868
OPERATING INCOME (LOSS)	(315,746)
NON-OPERATING REVENUES (EXPENSES)	
Ad valorem tax revenue, net of allowances of $65,278	3,198,628
Ad valorem tax collection fees	(10,559)
Grant revenue	245,862
Interest income	705
Rent income	187,404
Other revenue	1,126,143
Interest expense	(374)
Bond interest expense	(198,185)
Inter-governmental revenue	22,748
TOTAL NON-OPERATING REVENUES (EXPENSES)	4,572,372
CHANGE IN NET POSITION	4,256,626
Total net position, beginning of year, restated	23,500,968
Total net position, end of year	$ 27,757,594

The accompanying notes are an integral part of these statements.

PLAQUEMINES PORT, HARBOR
& TERMINAL DISTRICT
Statement of Cash Flows
For The Year Ended December 31, 2015

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 5,319,259
Cash payments to employees for employee related costs	(2,710,475)
Cash payment to suppliers for operating expenses	(2,638,276)
Net cash provided (used) from operating activities	(29,492)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Ad valorem income	2,931,237
Grant income	207,281
Rent income	187,404
Miscellaneous	1,126,143
Ground lease	5,000,000
Net cash provided from non-capital financing activities	9,452,065
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from sale of assets	-
Purchase of capital assets	(260,322)
Principal paid on capital leases	(2,434)
Interest paid on capital leases	(374)
Principal paid on bond payable	(2,810,000)
Interest paid on bond payable	(198,185)
Net cash provided (used) from capital and related financing activities	(3,271,315)
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES	
Interest income received	705
Purchase of investments	(10,348)
Net cash provided by investing activities	(9,643)
Net increase (decrease) in cash and cash equivalents	6,141,615
CASH AND CASH EQUIVALENTS, beginning	7,076,061
CASH AND CASH EQUIVALENTS, ending	$ 13,217,676
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Loss	$ (315,746)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	994,274
Amortization	65,266
Bad debt expense - trade receivables	23,365
Pension expense, net of employer contribution	(54,375)
Decrease in:	
Due to other governments	-
Trade Receivables	70,772
Compensated absences	(3,374)
Accounts payable and accrued expenses	(899,946)
Increase in:	
Trade Receivables	-
Prepaid Expenses	(103,176)
Accounts payable and accrued expenses	-
Compensated absences	-
Post-employment benefits obligation	193,448
Net cash flows provided by operating activities	$ (29,492)

The accompanying notes are an integral part of these statements.

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Plaquemines Port, Harbor & Terminal District (the "District") was officially established in 1954 as an agency of the State of Louisiana, as per Act No. 567 of the Louisiana Legislature. The District's territorial jurisdiction is coextensive with the parish of Plaquemines, Louisiana. The Plaquemines Parish Council is empowered through the 1974 Constitution of Louisiana (R.S.34:1351-1356) and the Plaquemines Parish Home Rule Charter Section 4.01, A (27): Legislative Powers, as the sole governing authority of the Plaquemines Port, Harbor & Terminal District. The Plaquemines Parish Council serves as the local government, and as the Port Board of Commissioners (the "Board"). The Board sets policies and regulates tariffs and governs the operations of the District.

Plaquemines Parish Ordinance 12-139 was enacted by Plaquemines Parish Government on July 12, 2012, which segregated the District from the Plaquemines Parish Government, specifically providing that the executive director of the District be the appointing authority under the current Civil Service rules for all positions serving the District. Ordinance 12-139 also specifically provided that the following functions be performed by the District: (1) civil service, payroll, personnel, and human resources; (2) budgeting, auditing, financial and accounting; (3) administrative and data processing; (4) procurement, purchasing and accounts payable; (5) operations, safety, public service and telecommunications; and (6) facilities and equipment management functions. While Ordinance 12-139 was written to be effective immediately, for convenience of administration, the actual transfer of employment, accounting records, etc. was done on January 1, 2013.

Prior to 2013, the District financial statements were reported as a blended component unit of the Plaquemines Parish Government on its annual financial report. The District was fiscally dependent upon the parish government. The District's financial statements were reported as a blended component unit of the Plaquemines Parish Government due to the significance of the relationship and not doing so would be misleading.

The District is responsible for maintaining the waterways of the Plaquemines Parish. The District is responsible for administering, regulating, and monitoring of the shipping traffic and handling of cargo in the harbor; supervising shipping of the port with the view of preventing collisions and fires; policing the river and riverfront and all navigable waterways, as well as the banks, battures, and contiguous and adjacent areas affected by port, harbor, terminal, water, and marine activities; and providing emergency services to vessels in distress, including extinguishing fires in vessels and equipment and in cargo handled in and upon the areas of the Port's contiguous waterways and located in wharves and facilities upon the banks, battures, contiguous waterways and adjacent areas in Port administered facilities.

The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting principles and reporting standards. These principles are found in the *Codification of Governmental Accounting and Reporting Standards*, published by GASB. The accompanying financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America as applied to governmental units.

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Reporting Entity

The Governmental Accounting Standards Board issued GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statement No. 14 and No. 34,* which established criteria for determining the reporting entity and component units that should be included within the reporting entity and other reporting relationships. The basic criteria for including a potential component unit within the reporting is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

- Appointing a voting majority of an organization's governing body, and the ability of the primary government to impose its will on that organization and/or the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.

- Organizations for which the primary government does not appoint a voting majority but are fiscally dependent on the primary government.

- Organization for which the reporting entity financial statements would be misleading if the data of the organization is not included because of the nature or significance of the relationship.

Based upon the previous criteria, the District has determined it has no component units.

The Plaquemines Parish Government of Plaquemines Parish is considered to be a related organization to the District as the Plaquemines Parish Council makes up the members of the Board of the District.

The financial statements only include the funds of the District, the reporting entity.

B. Fund Accounting

The accounts of the District are organized and operate on a fund basis whereby a self-balancing set of accounts (Enterprise Fund) is maintained that comprises its assets, liabilities, net position, revenues, and expenses.

The Enterprise Fund is used to account for the operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that cost (expenses, including depreciation) of providing services on a continuing basis be financed primarily through user charges.

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accrual basis of accounting, whereby revenues are recognized when they are earned and expenses are recognized when incurred is used to account for the Enterprise Fund.

D. Accounting Standards

GASB No. 62*, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, incorporates the text of certain FASB, APB, and ARB pronouncements that were issued before November 30, 1989, that applied to governments. Those pronouncements had become nonauthoritative for governmental entities when the FASB established the FASB Accounting Standards Codification as the single source of authoritative, nongovernmental GAAP for nonpublic entities in September 2009. While GASB No. 62 kept the substance of that guidance, it nevertheless modified the guidance to recognize the effects of the governmental environment and the needs of governmental financial statement users.

E. Income Taxes

The District is a governmental entity under Section 517 of the Internal Revenue Code and is therefore exempt from Federal income taxes.

F. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates are depreciation expense and deferred inflows and deferred outflows relating to pension liability.

G. Cash and Cash Equivalents

Cash and cash equivalents, for cash flow statement purposes, include investments in highly liquid debt instruments with maturities of three months or less.

H. Receivables

All receivables are reported net of estimated uncollectible amounts.

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Capital Assets

Capital assets purchased or acquired are reported at cost. Contributed assets are reported at fair market value at date received. Additions, improvements, and other capital outlays that are $5,000 or more that extended the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets, other than land and construction in progress, is provided on the straight line basis over the following estimated useful lives:

Description	Years Depreciated	Reporting Threshold
Land	N/A	$ 1
Land improvements	20-30	25,000
Buildings	25-40	50,000
Building improvements	7-30	50,000
Infrastructure	20-50	250,000
Machinery and Equipment	5-15	5,000

J. Assets Whose Use Is Restricted

Assets whose use is limited or restricted consists of cash, investments, and ad valorem tax receivable reported at fair value with gains and losses included in the consolidated statements of revenues and expenses. These assets are amounts that can only be spent for specific purposes because of internally imposed or externally imposed conditions by grantors or creditors.

K. Operating Revenues and Expenses

The District's statement of revenues, expenses and change in net position distinguishes between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions associated with maintaining the waterways of Plaquemines Parish – the District's principal activity. Nonexchange revenues, including taxes, grants, and contributions received for purposes other than capital asset acquisition, are reported as nonoperating revenues. Operating expenses are all expenses incurred to provide services, other than financing costs.

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Grants

From time to time, the District receives grants from the State of Louisiana and the Federal government. Revenues from grants are recognized when all eligibility requirements, including time requirements are met. Grants may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as nonoperating revenues. Amounts restricted to capital acquisitions are reported after nonoperating revenues and expenses.

M. Deferred Outflows and Inflows of Resources

In addition to assets and liabilities, the statement of financial position will sometimes report a separate section for deferred outflows and inflows of resources. These separate financial statement elements represent an acquisition of net position that applies to future period(s) and will not be recognized as an outflow of resources (expense) or inflow of resources (revenue) until that time.

N. Restricted Resources

When the District has both restricted and unrestricted resources available to finance a particular program, it is the District 's policy to use restricted resources before unrestricted resources.

O. Net Position

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as amended, net position is classified into three components - net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

- Net Investment in Capital Assets - This component of net position consists of the historical cost of capital assets, including any restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.

- Restricted - This component of net position consists of assets that have constraints that are externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

- Unrestricted - All other net position is reported in this category.

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. Compensated Absences

Accumulated vacation and sick leave are accrued as an expense of the period in which incurred. Employees of the District earn vacation pay and sick pay based on an employee's length of employment and is earned ratably during the span of employment. Upon termination, employees are paid full value for any accrued general leave earned.

At December 31, 2015, employees have accumulated and vested $120,480 of annual leave benefits, which is recorded as a current liability.

Q. Other Post-Employment Benefits

GASB Statement No. 45. *Accounting and Financial Reporting by Employers for Post-employment Benefits other than Pensions*, requires governments to accrue postemployment benefits to the extent it is probable the employer will provide benefits conditioned on the employees' retirement. The District has recorded liabilities for postemployment benefits in the amount of $1,423,233 as of December 31, 2015.

The postemployment benefit obligation is recorded as a long term liability and recorded as an other salaries and employee expense.

NOTE 2 – CASH AND CASH EQUIVALENTS

At December 31, 2015, the District has cash and cash equivalents (book balances) totaling $13,217,676 as follows:

Unrestricted	
Demand deposits	$ 3,479,354
Total unrestricted cash	3,479,354
Restricted	
Land fund	4,352,226
Ad valorem tax	386,096
Land acquisition phase I	5,000,000
Total restricted cash	9,738,322
Total amount of Cash & Cash Equivalent held at a fiscal agent bank	$ 13,217,676

These deposits are stated at cost, which approximates market.

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of another state in the Union, or the laws of the United States.

NOTE 2 – CASH AND CASH EQUIVALENTS (continued)

Under state law, the deposits held at a fiscal agent bank (or the resulting bank balances) must be secured by federal deposit insurance or the pledged securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must, at all times, equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial credit risk is the risk that in event of a bank failure, the District's deposits may not be returned to it. Cash was adequately collateralized with state law by Federal Deposit Insurance Corporation (FDIC) coverage and by securities held. At December 31, 2015, the District had $8,317,648 in deposits and $5,000,000 in deposits in a control deposit account (collected bank balances) . These deposits are secured from risk by $500,000 of federal deposit insurance and $12,817,650 of pledged securities held by the custodial bank in the name of the fiscal agent bank. Even though the pledged securities are considered to be subject to custodial credit risk under the provisions of GASB Statement No. 40, Louisiana Revised Statue 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3 – INVESTMENTS

At December 31, 2015, the District investments totaled $836,791 as follows:

Description	Interest Rate	Market Value/ Carrying Amount	Cost	Percentage of Investment
Louisiana Asset Management Pool	Various	$826,897	$826,897	98.8%
Regions / Fidelity Investments - Restricted	Various	9,894	9,894	1.2%
Total		$836,791	$836,791	100.0%

Louisiana Asset Management Pool

The District's investments in the Louisiana Asset Management Pool (LAMP) total $826,897. These deposits are stated at cost. LAMP is a local government investment pool established as a cooperative effort to enable public entities of the State of Louisiana to aggregate funds for investments.

In accordance with GASB Codification Section 150.165, the investment in LAMP is not categorized in the three risk categories provided by GASB Codification Section 150.165 because the Investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a nonprofit corporation organized under the laws of the State of Louisiana, and is governed by a board of directors comprised of representatives from various local governments and state wide professional organizations.

NOTE 3 – INVESTMENTS (continued)

Only local governments 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. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

As a condition of the paying agent agreement for the revenue bond issued in 2013, the funds held in the Project Fund, the Capitalized Interest Fund, and the Bond Proceeds Fund shall be invested by the paying agent as directed by the District in qualified investments. These investments are held at Regions Bank. Qualified investements are specified in Louisiana R.S. 33:2955. This statute allows the District to invest in mutual or trust fund institutions 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 consistent solely of and limited to securities of the United States government or its agencies.

Interest Rate Risk - Interest Rate Risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal investment policy that limits maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk - Investments. Custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the District will not be able to fully recover the value of the investment. Investments in external investment pools are not exposed to custodial credit risk because of their natural diversification and the diversification required by the Securities and Exchange Commission.

<u>Fidelity Investments</u>

The District's restricted investments held at Regions Bank are investments in the Fidelity Institutional Money Market Treasury Portfolio Class III. The District's deposits totaled $9,894. These deposits are stated at cost. This investment represents 1.2% of the District's total investments at the year ended December 31, 2015. Fidelity Instituional Money Market Treasury Portfolio Class III normally has invested at least 80% of its assets in U.S. Treasury securities and repurchase agreements for those securities. The Fidelity Instituional Money Market Treasury Portfolio Class III has a AAA credit rating.

Concentration of Credit Risk

GASB Statement No. 40 *Deposit and Investment Risk Disclosure*- An Amendment of GASB Statement No. 3 defines concentration of risk as the risk of loss attributed to the magnitude of a government's investment in a single issuer. GASB 40 further defines an at-risk investment to be one that represents more than five percent (5%) of the market value of the total investment

NOTE 3 – INVESTMENTS (continued)

portfolio and requires disclosure of such at-risk investments. GASB 40 specifically excludes investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments from the disclosure requirement. At December 31, 2015, the District had no investments requiring a Concentration of Credit Risk disclosure.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The investments held are uncollateralized.

Interest Rate Risk

Interest Rate Risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal investment policy that limits maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The investments held at Regions Bank at December 31, 2015, will mature in less than one year.

NOTE 4 – PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. These items, totaling $238,830 primarily include insurance premiums, membership dues, and technical service software support for upcoming years.

NOTE 5- AD VALOREM TAX

Ordinance#13-248 authorized the levy and collection of an ad valorem tax of three (3) mills on land within the boundaries of the District as authorized by chapter 8 of title 34 of the Louisiana revised statutes of 1950, as amended, and other constitutional and statutory authority, as applicable, to be dedicated and used for all lawful purposes by the District, including but not limited to the acquisition of immovable property and the construction of capital improvements.

The District's tax is to be levied and collected for duration of five (5) years beginning January 1, 2014. The ad valorem taxes are levied in October of each year on the assessed value of property within the District as determined by the assessor of Plaquemines Parish. Taxes are due and payable by December 31 and an enforceable lien attaches to the property on January 1. The taxes are collected on behalf of the District by the Plaquemines Parish Sheriff and then remitted to the District.

Based on the Plaquemines 2015 Tax Roll the District's 2015 tax revenue totaled $3,263,906. The District received $332,461 of tax revenue in December of 2015. The District has a 2% allowance

NOTE 5- AD VALOREM TAX (continued)

for uncollectible tax revenue totaling $65,278 for 2015. Ad valorem tax receivable account totaled $3,171,794 for the year ended December 31, 2015. The District's cumulative allowance for uncollectibles was $122,272 at year end which resulted in a net ad valorem tax receivable of $3,049,522 for the year ended December 31, 2015. The Port receives most of the ad valorem taxes in January and February.

NOTE 6 – GRANT RECEIVABLE

The Port was awarded a Port Security Grant for command and control enhancements upgrades in 2015 for a total of $226,900. The District administers grant funds on a reimbursement basis. Federal grant portion totaled 75% of total project and state portion was the remaining 25%. The District's state grant receivable at December 31, 2015, is $26,837.

In 2012 the Plaquemines Parish Government filed a PW with FEMA in regards to reimbursement of overtime labor due to the impact of Hurricane Isaac. This PW is being re-worked with FEMA. The amount of the receivable at December 31, 2015, is $109,674.

NOTE 7 – CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2015, is as follows:

	December 31, 2014	Additions	Deletions	December 31, 2015
Capital assets, not depreciated				
Land	$9,564,557	-	-	$9,564,557
Construction in progress	4,774,359	92,218	(1,767,085)	3,099,492
Total capital assets, not depreciated	14,338,916	92,218	(1,767,085)	12,664,049
Capital assets, being depreciated				
Buildings	4,887,055	-	-	4,887,055
Improvements other than buildings	550,787		-	550,787
Machinery and equipment	8,479,793	1,935,189		10,414,982
Less accumulated depreciation	(5,164,372)	(994,274)		(6,158,646)
Total capital assets, depreciated	8,753,263	940,915	0	9,694,178
Capital assets, net	$23,092,179	$1,033,133	($1,767,085)	$22,358,227

Depreciation charged for the year ended December 31, 2015, was $994,274.

NOTE 8 – ACCRUED EXPENSES

Certain payments to vendors have been accrued in the account as they relate to 2015 activity. These payments will be made following the year end December 31, 2015. The amount of accrued expenses at year end December 31, 2015, was $49,227.

NOTE 9 – POST EMPLOYMENT BENEFITS

Plan Description **–** The District's medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement. Employees become eligible for these benefits when they reach normal retirement age while working for the District. Benefits are available upon retirement from service according to retirement eligibility provisions as follows: Those hired prior to January 1, 2007 are eligible for retirement upon meeting any of the following requirements: age 55 with 25 years of service; age 60 with 10 years of service; age 65 with 7 years of service; any age 30 years of service. For those hired on or after January 1, 2007 they are eligible for retirement upon meeting any of the following requirements: 30 years of service at age 55;

10 years of service at age 62 or 7 years of service at age 67. These benefits for retirees are similar benefits to active employees provided through an insurance company. Premiums are paid jointly by the District and the retiree. Those who retired from the District prior to 2013 are not eligible. They have been included in the valuation for the Plaquemines Parish Government. Prior to 2013, the District's financial report was included with those of the Plaquemines Parish Government. All employees of the District hired prior to January 1, 2013 will receive benefits based upon their original date of hire with the Plaquemines Parish Government.

Health, dental, and vision coverage includes a fully insured group health maintenance plan together with Medicare plans for those eligible. The plan provisions are contained in the office plan documents.

Life insurance coverage is available to retirees in the amount of $10,000 for retirees and $5,000 for the spouse.

Currently the District has one retiree. The District pays 83% of the retiree's life, dental, and vision annual premium.

Contribution Rates **–** Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Fund Policy **–** The District implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB 45). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

NOTE 9 – POST EMPLOYMENT BENEFITS (continued)

Annual Required Contribution – The District's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC is the amount employers must contribute annually to accont for the benefits earned during the year (the normal cost). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	2015
Normal cost	$128,626
Amortization fo unfunded accrued liability	92,501
Interest on amortization	4,379
Annual required contribution (ARC)	$225,506

Net Post-employment Benefit Obligation – The table below shows the District's Net Other Post-employment Benefit (OPEB) Obligation for the 2015 fiscal year:

	2015
Beginning Net OPEB Obligation	$1,229,785
Annual required contribution	225,506
Interest on net OPEB obligation	49,191
ARC Adjustment	(69,738)
Annual OPEB cost	204,959
Expected benefit payments	(11,511)
Increase in net OPEB obligation	193,448
Ending Net OPEB Obligation	$1,423,233

The following table shows the District's annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability for last year and this year:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Liability
December 31, 2015	$205,959	5.62%	$1,423,233

NOTE 9 – POST EMPLOYMENT BENEFITS (continued)

Funded Status and Funding Progress **–** In 2015, the District made no contributions to its post employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the December 31, 2015, actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year December 31, 2015, was $1,663,519 which is defined as the portion of each participant's present value of future benefits that has been accrued to date. It is the sum of all prior normal costs, had the normal costs been calculated according to the assumptions and data used in the most recent valuation.

	2015
Acturarial accrued liability (AAL)	$1,663,519
Actuarial value of plan assets	0
Unfunded actuarial accrued liability (UAAl	$1,663,519
Funded ratio (Assets / AAL)	0.00%
Covered payroll	$481,138
UAAL / Covered payroll	345.75%

Actuarial Methods and Assumptions **–** Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the District and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the District and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the District and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method **–** The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality and turnover.

NOTE 9 – POST EMPLOYMENT BENEFITS (continued)

Actuarial Value of Plan Assets – There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45, would be used.

Turnover Rate – An age-related turnover scale based on years of service has been used. The rates and years of service used for each are below:

Years of Service	Rate
0	25%
1	21%
2	15%
3	12%
4	10%
5	9%
6	8%
7	7%
8	6%
9	5%
10 or 11	4%
12 or 13	3%
14 through 19	2%
20 or more	1%

Post employment Benefit Plan Eligibility Requirements – It has been assumed that entitlement to benefits will commence after the earliest eligibility date to retire. For those employed: prior to January 1, 2007 are eligible for retirement upon meeting any of the following requirements: age 55 with 25 years of service; age 60 with 10 years of service; age 65 with 7 years of service; any age 30 years of service. For those hired on or after January 1, 2007 they are eligible for retirement upon meeting any of the following requirements: 30 years of service at age 55; 10 years of service at age 62 or 7 years of service at age 67. Entitlement to benefits continues through Medicare to death.

Investment Return Assumption (Discount Rate) – GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

Health Care Cost Trend Rate – The expected rate of increase in medical cost is based on a graded schedule beginning with 9% annually, down to an ultimate annual rate of 5.0% over a period of eight years. Dental and vision claims are expected to increase 5.0% per year. Life insurance premiums are expected to increase 3.0% per year.

NOTE 9 – POST EMPLOYMENT BENEFITS (continued)

Mortality Rate – The RP-2000 Combined Mortality Table – fully generational (projections used Scale BB), with separate rates for males and females.

Method of Determining Value of Benefits – The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid.

NOTE 10 – PENSION PLAN

Plan Description

Employees of the Plaquemines Port, Harbor & Terminal District (the "District") are provided with a pension through a cost-sharing, multiple-employer, defined benefit plan administered by the Parochial Employees' Retirement System of Louisiana (PERS). PERS is a state-wide public retirement system for the benefit of all employees of taxing districts of a parish or any branch or section of a parish within the State which does not have their own retirement system and which elect to become members of PERS. PERS was established and provided for within LSA-RS 11:1901 through 11:2025. The plan is a qualified plan as defined by the Internal Revenue Service Code Section 401 (a), effective January 1, 1993. Membership in PERS is a condition of employment for the full-time employees of the District.

Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised PERS to create Plan A and Plan B to replace the "regular plan" and the "supplemental plan". Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. The Employees of the District are members of Plan A.

For the year ended December 31, 2014, there were 230 contributing employers in Plan A and 57 in Plan B. Statewide retirement membership consisted of:

	Plan A	Plan B	Total
Inactive plan members or beneficiaries receiving benefits	6,523	714	7,237
Inactive plan members entitled to but not yet receiving benefits	7,686	1,666	9,352
Active members	14,061	2,321	16,382
Total Participating as of the Valuation Date	28,270	4,701	32,971

PERS administers a plan to provide retirement, disability, and survivor's benefits to eligible employees and their beneficiaries as defined in the plan. The age and years of creditable service (service) required in order for a member to receive retirement benefits are established by the plan and vary depending on the member's hire date.

NOTE 10 – PENSION PLAN (continued)

PERS issues a publicly available financial report that includes financial statements and required supplementary information for the system for the fiscal year ended December 31, 2014. Access to the report can be found on the Louisiana Legislative Auditor's website, www.lla.la.gov, or by contacting the Parochial Employees' Retirement System of Louisiana, 7905 Wrenwood Boulevard, Baton Rouge, Louisiana. 70809.

Eligibility Requirements

All permanent District employees who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate.

Retirement Benefits

A member of Plan A can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:
1. Any age with thirty (30) years or more of creditable service
2. Age 55 with twenty five (25) years of creditable service
3. Age 60 with a minimum of ten (10) years of creditable service
4. Age 65 with a minimum of seven (7) years of creditable service

For employees hired after January 1, 2007:
1. Age 55 with thirty (30) years of service
2. Age 62 with ten (10) years of service
3. Age 67 with seven (7) years of service

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to three percent of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions as outlined in the statues, the benefits are limited to specified amounts.

Survivor Benefits

Upon the death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children as outlined in the statutes.

Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit as outlined in the statutes.

Disability Benefits

For Plan A, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and has at least five (5) years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid

NOTE 10 – PENSION PLAN (continued)

a disability benefit equal to the lesser of an amount equal to three (3) percent of the member's final average compensation multiplied by his/her years of service, not to be less than fifteen (15), or three (3) percent multiplied by years of service assuming continued service to age sixty.

Deferred Retirement Option Plan (DROP)

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the Parochial Employees' Retirement System of Louisiana. DROP is an option for that member who is eligible for normal retirement.

In lieu of terminating employment and accepting a service retirement, any member of Plan A or B who is eligible to retire may elect to participate in DROP in which they are enrolled for three (3) years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his/her option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account.

Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

For individuals who become eligible to participate in the DROP on or after January 1, 2004, all amounts which remain credited to the individuals subaccount after termination in the Plan will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return, or at the option of PERS, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of this Plan must agree that the benefits payable to the participant are not the obligations of the State or PERS, and that any returns and other rights of the Plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

Cost of Living Adjustments

The Board of Trustees (the "Board") is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are age sixty-five (65) equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older as provided in Louisiana Revised Statute 11:1937. Lastly, Act 270 of 2009 provided for

NOTE 10 – PENSION PLAN (continued)

further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

Contributions

Contributions for all members are established by State statute at 9.5% of compensation for Plan A and 3.0% of compensation for Plan B. The contributions are deducted from the member's salary and remitted by the participating employer.

According to State statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2014, the actuarially determined contribution rate was 13.07% of member's compensation for Plan A and 8.60% of member's compensation for Plan B. However, the actual rate for the fiscal year ending December 31, 2014, was 16.00% for Plan A and 9.25% for Plan B.

According to State statute, PERS also receives ¼ of 1% of ad valorem taxes collected within the respective parishes except for Orleans and East Baton Rouge parishes. PERS also receives revenue sharing funds each year as appropriated by the Louisiana Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-contributing entities.

Administrative costs of PERS are financed through employer contributions.

The District's employer and employee contributions to PERS for the measurement date fiscal year ended December 31, 2014 were as follows:

Source	Contribution Amount	Covered Payroll	Percent of Covered Payroll
Employee	$ 173,501	1,826,321	9.5%
Employer	292,212	1,826,321	16.0%
	$ 465,712		

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2015, the District reported a liability of $87,144 for its proportionate share of the PERS Net Pension Liability (NPL). The NPL for PERS was measured as of December 31, 2014, and the total pension liability used to calculate the NPL was determined based on an actuarial valuation as of that date. The District's proportion of the NPL was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contribution of all participating employers, actuarially determined. As of December 31, 2014, the most recent measurement date, the

NOTE 10 – PENSION PLAN (continued)

District's proportion was 0.318732%, an increase of 0.000422% from the December 31, 2013, proportion.

For the year ended December 31, 2015, the District recognized a total pension expense of $233,200. This amount was made up of the following:

Components of Pension Expense	Amount
District's pension expense per the PERS	$ 231,895
District's amortization of actual contributions over its proprotionate share of contribution	1,305
Total Pension Expense Recognized by the District	$ 233,200

At year end, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 38,739
Differences between projected and actual investment earnings	180,938	-
Change in proprotionate share of the NPL	22	-
Differences between the District's contributions and its proportionate share of contributions	3,917	-
District's contributions subsequent to the December 31, 2014 measurement date	287,721	-
	$ 472,598	$ 38,739

Deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date in the amount of $287,721 will be recognized as a reduction of the PERS NPL in the year ended December 31, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended December 31,	Amount of Amortization
2015	$ 33,635
2016	33,635
2017	33,637
2018	45,231

NOTE 10 – PENSION PLAN (continued)

Actuarial Assumptions

The current year actuarial assumptions utilized for this report are based on the assumptions used in the December 31, 2014, actuarial valuation, which (with the exception of mortality) were based on results of an actuarial experience study for the period January 1, 2004 to December 31, 2009, unless otherwise specified. In cases where benefit structures were changed after the study period, assumptions were based on estimates of future experience. All assumptions selected were determined to be reasonable and represent expectations of future experience for PERS.

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2014, are as follows:

Description	**Assumptions / Methods**
Valuation Date	December 31, 2014
Acturial Cost Method	Plan A & B - Entry Age Normal
Investment Rate of Return	7.25% (Net of investment expense)
Expected Remaining Service Lives	4 years
Projected Salary Increases	Plan A & B - 5.75% (2.75% Merit / 3.00% Inflation)
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits being paid by PERS and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees
Mortality	RP-2000 Employee Mortality Table was selected for active members. RP-2000 Healthy Annuitant Mortality Table was selected for healthy annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.

The Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates 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 rates 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 of 2.30% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 8.11% for the year ended December 31, 2014.

NOTE 10 – PENSION PLAN (continued)

Best estimates of arithmetic real rates of return for each major asset class included in the PERS's target asset allocation as of December 31, 2014 are summarized in the following table:

Asset Class		Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed income		34%	1.30%
Equity		51%	3.55%
Alternatives		12%	0.77%
Real assets		3%	0.19%
	Totals	100%	5.81%
Inflation			2.30%
Expected Arithmetic Nominal Return			8.11%

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2004 through December 31, 2009. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the PERS's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a set back of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

Discount Rate

The discount rate used to measure the total pension liability was 7.25% for Plan A and 7.25% for Plan B. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the PERS's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of

NOTE 10 – PENSION PLAN (continued)

return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the NPL to Changes in the Discount Rate

The following presents the District's proportionate share of the NPL using the current discount rate of 7.25%, as well as what the District's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage higher than the current rate.

	Changes in Discount Rate 2014		
	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
District's Proportionate Share of the Net Pension Liability	$ 1,259,794	$ 87,144	$ (906,431)

Pension Plan Fiduciary Net Position

The components of the net position liability of PERS employers as of December 31, 2014, are as follows:

	Plan A	Plan B
Total Pension Liability	$ 3,202,990,836	$ 253,779,471
Plan Fiduciary Net Position	3,175,649,999	253,501,744
Total Pension Liability	$ 27,340,837	$ 277,727

Detailed information about PERS's fiduciary net position is available in the separately issued December 31, 2014, financial report. This report can be found on the Louisiana Legislative Auditor's website (www.lla.la.gov) in the database of reports.

Payables to the Pension Plan

At December 31, 2015, the District had $126,537 in payables to PERS for the fourth quarter 2015 employee ($49,500) and employer ($77,037) legally required contributions. The employer amount is accrued as a payable at year end and is also included in the deferred outflows figure since it is included as contributions made subsequent to the December 31, 2014, measurement date.

NOTE 11 – CAPITAL LEASES

The District records items under capital leases as assets and obligations in the accompanying financial statements. The District entered into a capital lease agreement for a copier machine.The remaining life of the lease is now current.

The following is a schedule of future minimum lease payments as of December 31, 2015:

Fiscal Year	Amount
2016	$2,451
	$2,451

NOTE 12 – UNEARNED REVENUE

Unearned Grant Revenue

In 2014, the District received $166,931 in a grant from the Federal government for construction oversite to finalize the purchase of two new rescue vessels. At the end of 2015, the District had not received the two vessels, but did expense $11,743 toward the purchase, therefore, the balance of $155,188 grant income is an unearned resource until all requirments of the grant are met (expenditure and receipt of the rescue vessels). The District identifies grant resources that have been received, but not yet earned. Grant revenues which are unearned at year-end are recorded as unearned grant revenue.

NOTE 13 – DEFERRED INLOWS OF RESOURCES

On August 19, 2015, the Distict entered into an option lease agreement with Venture Global Plaquemines LNG, LLC (VG) for the opportunity to lease the 632 acres of the District's property located in Point Celeste, LA for the purpose of constructing and operating a multi-purpose energy terminal facility. The irrevocable and exclusive option to lease the property contains three option periods. The initial option period was granted on August 19, 2015. The District received $1,000,000 of option revenue at that time. The initial option period is twelve months from the date of the executed agreement. The two subsequent option periods extend the intial option period if deemed necessary by VG. These subsequent option periods are subject to payments of $1,500,000 and $2,000,000 payable to the District if exercised.

In order to facilitate the acquisition by the District of additional real property for the project, VG shall make advance annual rent payments in relation to the Project in an amount equal to $5,000,000 until such time as VG has paid $20,000,000. The advance rent payments shall first be used by the District for the acquisition of additional real property within the Project site. In connection with acquistions by the District of any parcels of real property located in the Industrial Zone, the amounts funded as advance rent payments may also be used by the District for the payment of legal fees, closing costs, and other costs related, in VG's reasonable determination, to the acquisition of such parcels.

For the year ended December 31, 2015, the District received $5,000,000 in advance rent payments.

NOTE 13 – DEFERRED INLOWS OF RESOURCES (continued)

A restricted account was established for depositing the advance rent payments, and disbursements subject to approval of funds by VG, granting a security interest in proceeds to in event of default by the Port. The payments are allowed for acquiring property. If the Port chooses not to aquirire property, the advance rent payments must simply remain in the restricted account, to be offset against future rent payments, as they become due in the event a ground lease becomes active.

NOTE 14 – LONG TERM LIABILITIES

Bond Payable

In 2013, the District issued a revenue bond to be used to: finance capital improvements, fund a debt service reserve fund or pay premium for debt service, fund capitalized interest on the bonds, and pay the costs of issuing the bonds including premium for bond insurance.

The bond issuance costs are reported in the Statement of Net Position as Bond Acquisition Costs. The bond issuance costs are amoritized over the 5 year bond service schedule. The unamortized portion of the bond issuance cost at December 31, 2015, is $217,554. The District has a revenue bond outstanding at December 31, 2015, totaling $6,690,000 with maturity date of April 1, 2019, and an interest rate of 2.420%. Total principal paid in 2015 was $2,810,000. Total interest paid in 2015 was $198,185. Bond principal and interest payable in the next four fiscal years are detailed below in the Debt Service Schedule:

Fiscal Year Ending December 31	Principal Payment	Interest Payment	Fiscal Total
2016	$1,855,000	$139,453	$1,994,453
2017	1,900,000	94,017	1,994,017
2018	1,945,000	47,943	1,992,943
2019	990,000	11,979	1,001,979
Total	$6,690,000	$293,392	$6,983,392

The revenue bond is payable from ad valorem taxes which was assessed at 3-mills in 2015. The District earned $3,263,906 in ad valorem tax revenue in 2015. Cash received in 2015 totaled $332,461. The District has a net ad valorem tax receivable of $3,049,522 which is restricted to pay the debt per the collection of taxes.

Interest payment of $198,185 was paid in 2015 from a restricted capitalized interest fund.

NOTE 14 – LONG TERM LIABILITIES (continued)

Changes In Long Term Debt

Noncurrent liabilities activity for the year ended December 31,2015 is as follows:

	Jan.1, 2015	Additions	Reductions	Dec. 31, 2015	Due within One Year
Capital leases	$ 4,885	$ -	$ 2,434	$ 2,451	$ 2,451
OPEB	1,229,785	193,448	-	1,423,233	-
Pension Liability	22,620	64,524		87,144	-
Bond Payable	9,500,000	-	2,810,000	6,690,000	1,855,000
Total Long Term Debt	$ 10,757,290	$ 257,972	$ 2,812,434	$ 8,202,828	$ 1,857,451

NOTE 15 - RESTRICTED NET POSITION

Debt Service

The temporarily restricted for debt service fund balance at December 31, 2015 represents the following:

	2015
Bond debt service	$ 9,895
Cash and cash equivalent	386,096
Ad valorem tax receivable	3,049,522
Total	$ 3,445,513

Land Fund

The District adopted ordinance 02-45 on March 14,2002, to set aside twenty percent of total annual tariff revenue earned in an account dedicated to future land acquisition. Spending of these funds must be approved by council legislation. The balance in the Port’s Land Fund as of December 31, 2015, is $4,352,226.

NOTE 16 – SERVICE REVENUE

Services provided by the District range from monitoring of ship traffic and handling of cargo in the harbor to preventing collisions and accidents and providing emergency services such as firefighting, search,and rescue. The services provided by the District are funded primarily by the collection of tariff fees including harbor fees, security fees, and supplemental fees. These fees are assessed to all vessels engaged in waterborne commerce within the District. The District imposes tariff charges on ships, vessels, boats, barges, wharves and facilities.

NOTE 16 – SERVICE REVENUE (continued)

The service revenue for the year ended December 31, 2015, can be categorized as follows:

Description	Amount
Security - Harbor	$95,831
Security - Cargo	2,058,934
Harbor Fee	651,662
Docking Fee	452,846
Supplemental Harbor Fee	1,917,503
Minimum Charges	728
Less: Allowance for Bad Debts	(22,364)
	$5,155,140

NOTE 17 – GRANT INCOME

Grant income reported represents the amounts received by the District from State and Federal sources in the year 2015. The amounts were for the purchase of the following capital assets and expenses of the District:

Description	Amount
New Vessels	$11,743
Cyber Security	19,419
Mobile Communication Tower	214,700
Total	$245,862

NOTE 18 – CONCENTRATIONS

Concentration of Credit Risk

The District grants credit without collateral to its customers, most of whom are businesses within the Plaquemines Parish geographical area.

Economic Dependency

The District is located in Plaquemines Parish, Louisiana and relies primarily on tariffs collected from vessels engaged in waterborne commerce within the district. Prolonged interruption in vessel traffic in the Mississippi River as the result of natural and non made disasters would adversely affect the District’s primary source of revenue.

NOTE 19 – LEASE REVENUE

On June 14, 1994, the District entered into a written lease agreement with an unrelated party for property for the purpose of leasing a warehouse, dock facilities and parking area. The term of the lease is 30 years beginning June 1, 1995 and ending May 31, 2025. The lessee has the option to renew every 10 years. The unrelated party currently agrees to pay the District a sum of $16,105

NOTE 19 – LEASE REVENUE (continued)

monthly. Payments are due the first day of each month. Total rental income for 2015 is $187,404. Future minimum rental income for this lease is $193,260 for 2016.

The following is a schedule of future minimum rental income for non-concelable operating revenue leases as of December 31, 2015:

Year Ended December 31,	
2016	$193,260
2017	193,260
2018	193,260
2019	193,260
Thereafter	1,127,320
	$1,900,360

NOTE 20 – OPERATING LEASE(S)

On October 8, 2012, the District entered into a written lease agreement with an unrelated party for the office space located at 9063 Highway 23, Belle Chasse, LA 70037. The term of the lease was for three years beginning October 8, 2012 and ending October 8, 2015. The written agreement includes monthly payments of $5,600 per month, for the three (3) year primary term. The lease does not include an annual automatic renewal provision. On September 10, 2015, Ordinance 15-120 was passed to extend the Port's lease for one year with an option to cancel with a 90 day notice. Monthly payments remained $5,600. Total rent expense for 2015 is $67,200. The Port issued a 90 day termination notice on October 8, 2015. The future minimum rental payments required under this lease through January 31, 2016, total $5,600.

On January 1, 2010, the Plaquemines Parish Government entered into a written lease agreement with an unrelated party for the purposes of ferry boat docking, operations, parking and any public purpose. The consideration for the lease of this property is at the annual rate of $17,217, half of which is paid by the Plaquemines Parish Government and half of which is paid by the District. The term of the lease was for one year beginning January 1, 2010 and ending December 31, 2010. The written agreement includes monthly payments of $717 per month from the Port. The lease includes an annual automatic renewal provision. Total rent expense for 2015 is $8,609.

NOTE 21 – NEW ACCOUNTING PRONOUNCEMENTS

During the year ended December 31, 2015, the District implemented the provisions of Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27.* GASB Statement No. 68 established accounting and financial reporting requirement related to pensions for governments whose emplyees are provided with pensions through plans covered by GASB Statement No. 67, *Financial Reporting for Pension Plans*.

NOTE 21 – NEW ACCOUNTING PRONOUNCEMENTS (continued)

Statement No. 68 requires the restatement of net position for the initial measurement of the District's proportionate share of net pension liability as follows:

Beginning balance, before restatement	$23,231,376
Implementation of GASB Statement No. 68	269,592
Beginning balance, as restated	$23,500,968

NOTE 22 – SUBSEQUENT EVENTS

On January 5, 2016, the District entered into an operating lease agreement with Plaquemines Parish Government authorized by ordinance 15-272 adopted on September 24, 2015, for the purpose of leasing office space located at 8056 Highway 23 and an undeveloped tract of land located at 333 F. Edward Hebert Drive, both locations in Belle Chasse, Louisiana. The lease for office space is for a primary term of five (5) years beginning January 1, 2016 and ending December 31, 2020. The initial monthly rental is $5,900 for the District's office space. Upon signing the agreement the District paid one year of rental payments totaling $11,800. The initial monthly rental for the undeveloped tract of land is $1,000 a month. The initial payment for the land consisted of lease rental for one year totaling $12,000. Lease rentals for subsequent years for the office and land are due and payable for the entire year in advance of the anniversary date for each subsequent year of the agreement.

REQUIRED SUPPLEMENTAL INFORMATION

PLAQUEMINES PORT, HARBOR
& TERMINAL DISTRICT
SCHEDULE OF FUNDING PROGRESS FOR PLAQUEMINES PORT, HARBOR & TERMINAL DISTRICT'S RETIREE HEALTH PLAN
For The Year Ended December 31,2015

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as of Percentage of Covered Payroll ((b-a)/c)
1/1/2013	-	$ 1,242,302.00	$ 1,242,302.00	0.0%	$ 453,518.00	273.9%
1/1/2014	-	1,451,012.00	$ 1,451,012.00	0.0%	467,124.00	310.6%
1/1/2015	-	1,663,519.00	$ 1,663,519.00	0.0%	481,138.00	345.7%

Only three years of trend information is available for presentation due to 2013 being the first year for implementation of Government Standards Board (GASB) Statement No. 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.*

PLAQUEMINES PORT, HARBOR
& TERMINAL DISTRICT
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
For The Year Ended December 31,2015

Year Ended December 31,	Plan	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position As a Percentage of the Total Pension Liability
2015	PERS Plan A	0.318732%	$ 87,144	$ 1,826,321	4.8%	99.1%

*The amounts presented have a measurement date of December 31, 2014.

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

PLAQUEMINES PORT, HARBOR
& TERMINAL DISTRICT
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS
For The Year Ended December 31,2015

Year Ended December 31,	Plan	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2015	PERS Plan A	$ 287,721	$ 287,721	$ -	$ 1,953,629	14.7%

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

SUPPLEMENTAL INFORMATION

PLAQUEMINES PORT, HARBOR
& TERMINAL DISTRICT
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
Year Ended 2015

Agency Head: Maynard S. Sanders

Purpose	Amount
Salary	$183,750
Benefits- Insurance	20,851
Benefits- Retirement	26,644
Vehicle- Fuel	5,233
Vehicle-Fringe Benefits	718
Data/Wireless- Benefits	1,768
Reimbursements	13,356
Travel	18,668
Special Meals	1,825
	$272,813

COMPLIANCE AND INTERNAL CONTROL SECTION

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

To the Board of Commissioners
Plaquemines Port, Harbor & Terminal District

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 *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Plaquemines Port, Harbor & Terminal District (the District) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 30, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Camnetar & Co.

Camnetar & Co., CPAs
a professional accounting corporation

Gretna, Louisiana
June 30, 2016

We have audited the financial statements of the Plaquemine Port, Harbor & Terminal District as of and for the year ended December 31, 2015, and have issued our report thereon dated June 30, 2016. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the provisions 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 audit of the financial statements as of December 31, 2015, resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements.

Internal Control
Material Weaknesses ☐ Yes ☒ No   Significant Deficiencies ☐ Yes ☒ No

Compliance
Compliance Material to Financial Statements ☐ Yes ☒ No

Was a management letter issued? ☐ Yes ☒ No

b. Federal Awards

The Plaquemines Port, Harbor & Terminal District did not expend federal awards exceeding $750,000 during the year ended December 31, 2015, and therefore is exempt from the audit requirements under the Single Audit and the Uniform Guidance.

Section II Financial Statement Findings

A – Issues of Noncompliance

None

B – Significant Deficiencies

None

Section III Federal Award Findings and Questioned Costs

None

Section I – Internal Control and Compliance Material to the Financial Statements

None

Section II – Internal Control and Compliance Material to the Federal Awards

None

Section III – Management Letter

2014-1 – Adoption of Policies

In August 2015, the District amended their written policies adopted in 2014 to tailor to the unique operation of the District by formal adoption via an ordinance vote by the Plaquemines Port, Harbor & Terminal District Council.

(Resolved)