

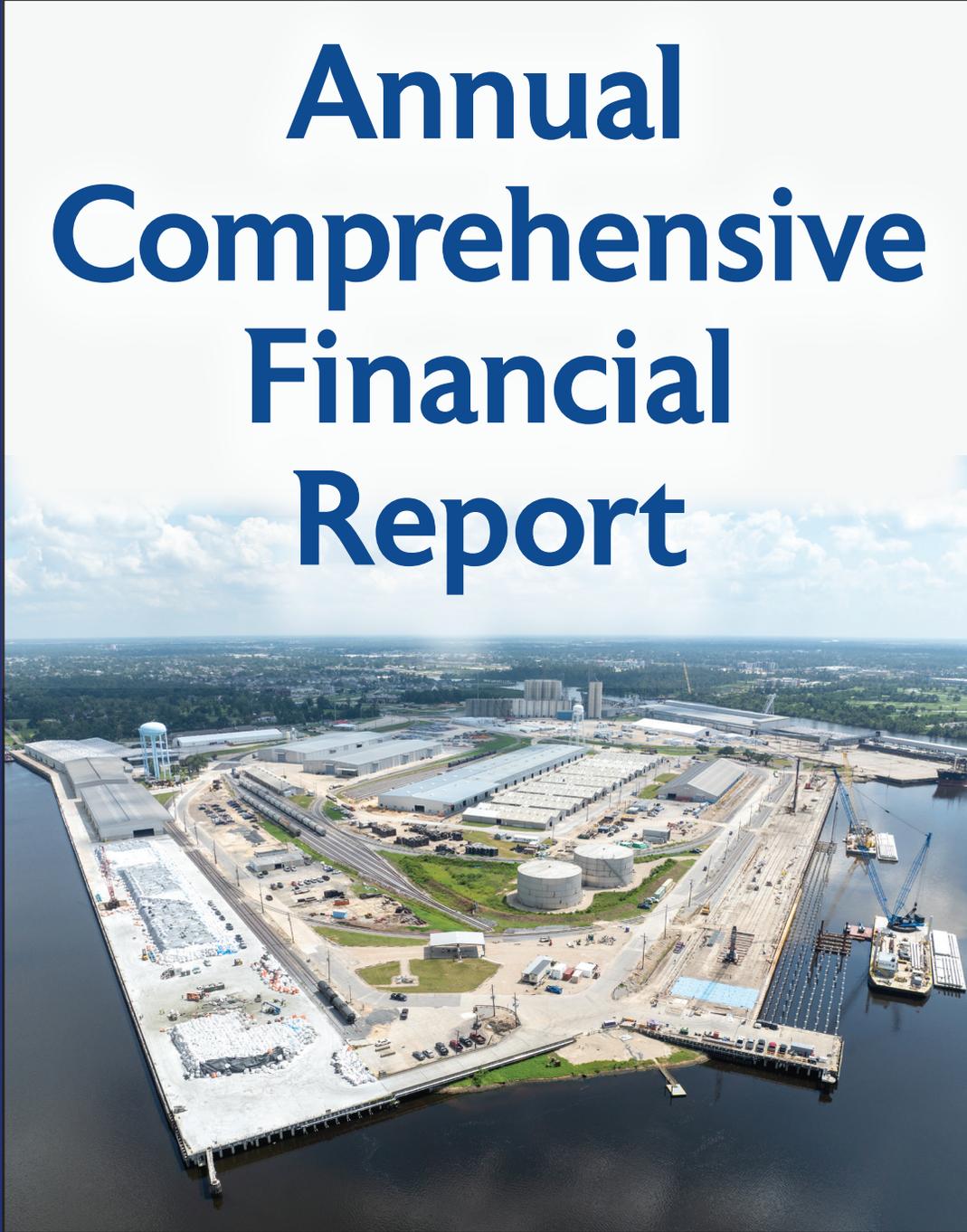
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PORT OF LAKE CHARLES

Annual Comprehensive Financial Report



For the Year Ended December 31, 2024

Lake Charles Harbor & Terminal District
Lake Charles, Louisiana

**LAKE CHARLES HARBOR AND TERMINAL DISTRICT
LAKE CHARLES, LOUISIANA**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2024

Prepared by the
Staff of Administration and Finance
Lake Charles Harbor and Terminal District

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LAKE CHARLES HARBOR AND TERMINAL DISTRICT

FINANCIAL REPORT
December 31, 2024

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INTRODUCTORY SECTION

INTRODUCTORY SECTION

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PORT OF LAKE CHARLES

June 26, 2025

Board of Commissioners
Lake Charles Harbor and Terminal District
PO Box 3753
Lake Charles, LA 70602

Dear Commissioners & Citizens:

The Annual Comprehensive Financial Report (ACFR) of the Lake Charles Harbor and Terminal District (District) for the year ended December 31, 2024 is hereby submitted for your review. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all note disclosures, rests with the District. The financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) and have been independently audited in accordance with generally accepted auditing standards. The purpose of the independent audit is to provide reasonable assurance that the financial statements are free of material misstatement. This transmittal letter should be read in conjunction with Management's Discussion and Analysis on pages 22-32. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities and operations have been included.

Certain demographic information and miscellaneous statistics included in the ACFR were not obtained from the financial records of the District but are presented for the ACFR user's information and understanding of the District and the environment in which the District operates.

The enclosed ACFR has been prepared in accordance with guidelines recommended by the Governmental Accounting Standards Board and the Government Finance Officers Association.

1611 W. Sallier St. | Lake Charles, LA 70601
337-439-3661 | 337-493-3523 fax | portlc.com

Overview of the Lake Charles Harbor and Terminal District

The District is an independent political subdivision of the State of Louisiana created by action of the Louisiana Legislature in 1924 and authorized by Louisiana Revised Statutes 34:201 et seq. The District operates a deep-water port on the Calcasieu Ship Channel and encompasses 203 square miles in Southwest Louisiana. Presently, the District owns and manages five public marine terminal facilities commonly designated as the Port of Lake Charles.

The District provides the infrastructure for marine terminal facilities designed to accommodate a wide range of cargoes. Some of these facilities are owned and operated by the District; some are owned by the District and leased to private terminal operators.

Cargoes shipped through District facilities are classified into bulk cargoes and break-bulk cargoes. Bulk cargoes include primarily dry bulk commodities such as petroleum coke, barite, rutile, alumina trihydrate, and grains. These cargoes are generally loaded through one of the District's bulk terminals, with the most active bulk terminal being Bulk Terminal No. 1. Break-bulk cargoes are unitized cargoes such as bagged rice, bagged cement, lumber, logs, and steel. Break-bulk cargoes typically move through the transit sheds, berths and warehouses in the area of the District called the City Docks.

Local Economy

Southwest Louisiana's economic base can be classified into three primary categories: Petrochemical, Gaming, and Aircraft Maintenance and Repair.

- According to Dr. Loren Scott, economics professor emeritus, at Louisiana State University, the Lake Charles region has historically been not only the fastest growing MSA in the State of Louisiana, but often the fastest growing in the entire country. Following multiple years of disasters including COVID, hurricanes, a winter storm, and a flood, Lake Charles became one the slowest recovering MSAs between 2020 and 2024. Dr. Loren Scott anticipates the Lake Charles MSA beginning to rebound in 2025-2026. He projects Lake Charles to be the fastest growing MSA in the state over the next two years in percentage terms. With many potential projects on the horizon, he anticipates employment to grow significantly as the area continues to recover. Job growth in the area is due largely to the deep draft Calcasieu Ship Channel, the abundance of domestic natural gas and existing pipeline infrastructure.
- Lake Charles is currently the home of three riverboat casinos, two of which are located on land leased from the District. Overall, the riverboat gaming sector of Southwest Louisiana provides a total employment of approximately 4,000 employees, generates monthly average gaming revenues of approximately \$58.0 million and generates monthly average taxable sales of approximately \$14.2 million.



- The Golden Nugget Lake Charles Casino and Resort is located on land leased from the District. The resort features 1,040 hotel rooms and suites, an 18-hole championship golf course, an 18,000 square-foot ballroom, a 30,000 square-foot meeting and event center, spa, pool and a number of Landry's signature restaurants.
- L'Auberge Casino Resort Lake Charles is 26 stories with approximately 1,000 rooms, a 26,000 square-foot event center, spa, pool, numerous restaurants and an 18-hole championship golf course designed by Tom Fazio.
- Following the 2020 hurricane season, the Horseshoe Casino (formerly Isle of Capri) underwent an extensive remodel due to damages. As part of the remodel, an additional 110,000 square feet of building space was added, which includes approximately 63,000 square feet of new gaming space. The attached Tower Hotel also received a complete renovation, leading up the reopening in December 2022.
- Cameron LNG operates a multi-billion-dollar liquefaction export facility in Southwest Louisiana. The liquefaction facility is currently comprised of three natural gas liquefaction trains with an export capability of 15 million tons annually. Cameron LNG is currently working on adding a 4th train, which is expected to increase their export capability to 20-22 million tons annually.
- Along the Calcasieu Ship Channel there is approximately \$55.5 billion in proposed energy related projects. \$44.5 billion of these projects are located on District owned properties.

Dry Bulk Cargo Terminals

The District owns 3 dry bulk terminals specializing in commodities such as petroleum coke, barite, rutile, aggregate, grains, and caustic soda. These terminals are equipped with loading and unloading facilities that include ship loaders, ship unloaders, rail car rollover, truck and rail hoppers, pits and chutes, conveyor systems, scales, silos and open-air storage pads. The process of repairing or replacing portions of the District's equipment due to damages caused by Hurricanes Laura and Delta is ongoing.

General Cargo Docks

The City Docks area currently has 5 usable transit sheds, 13 usable warehouses, 5 open berths, and can accommodate 9 ships in port simultaneously. Under current conditions, City Docks has approximately 1.0 million sq. ft. of usable covered storage. Post Hurricane renovations are underway at the District to update and replace multiple unusable docks, sheds, and warehouses accounting for an additional 1,700 linear feet of dock space and 306,000 sq. ft. of covered storage. City Docks is an intermodal facility accessible via road, rail, or water.



Cargo Diversity

In 2023, the District attracted a transporter of bagged cement. The bags are brought to City Docks via vessel, and are stored on open berths or pads. The cement is stored in expectation of use for significant projects along the Calcasieu Ship Channel.

During 2020, the District secured a new customer shipping lumber into City Docks from multiple European countries. From City Docks, the lumber is trucked out domestically to various suppliers. The movement of lumber through City Docks has grown significantly in recent years and has become a notable commodity for the District.

Real Estate

The District owns approximately 5,500 acres in Southwest Louisiana. These properties include leased acreage to both traditional and non-traditional port related tenants, spoil disposal sites, and acreage available for future development. During 2024, lease revenues accounted for approximately \$20.4 million, or 43% of total District operating revenues.

Security Initiatives

The District has been awarded various security related grants by the Department of Homeland Security to assist in undertaking necessary District security initiatives. The grants have provided resources to install long-range radars and cameras at various District Terminals and along the Calcasieu River Waterway, a command and control center at City Docks which opened in 2014 and to reconfigure the front entrance at City Docks to facilitate a more efficient flow of traffic while checking TWIC cards.

Long-Term Financial Planning

Over the next five years, the District's capital budget calls for approximately \$386 million in new construction and major improvements. The funding sources for these projects will be provided primarily by grant funding, District revenues, and Federal Emergency Management Agency (FEMA) reimbursement funds associated with hurricane damages. During 2013, the District issued \$39.6 million in bonds for the financing and reimbursing of the District for the costs of construction of a dock and wharf and related improvements on land owned by the District to facilitate shipping of various products as well as the construction of various capital improvements for the benefit of the District and paying the cost of issuance of the bonds. In 2024, the District participated in a bond refunding of the 2013 bonds to reduce the overall interest cost over the life of the bonds. The district anticipates a need for roughly \$50 million in interim funding in 2025 to complete projects while awaiting reimbursements specifically designated for those projects.



Internal Controls

The management of the District is responsible for establishing and maintaining internal controls over its operations. These internal controls are designed to provide management with reasonable, though not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that financial transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. The concept of reasonable assurance recognizes that the costs of a control should not exceed the benefits likely to be derived there from and that the evaluation of the costs and benefits requires certain estimates and judgments by management.

Budgetary Control

The District prepares an annual budget that is based upon the expected cargo movements and rental activity of the District. The Board of Commissioners adopts the annual operating budget and capital budget, which establishes budgetary appropriations for the operation and capital improvements of the District.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial reporting to the Lake Charles Harbor and Terminal District for its annual comprehensive financial report for the fiscal year ended December 31, 2023. In order to be awarded the Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. Such reports must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for one year only. We believe our current report continues to meet Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this annual comprehensive financial report could not have been accomplished without the efficient and dedicated efforts from the Administration and Finance Department staff.

Respectfully submitted,

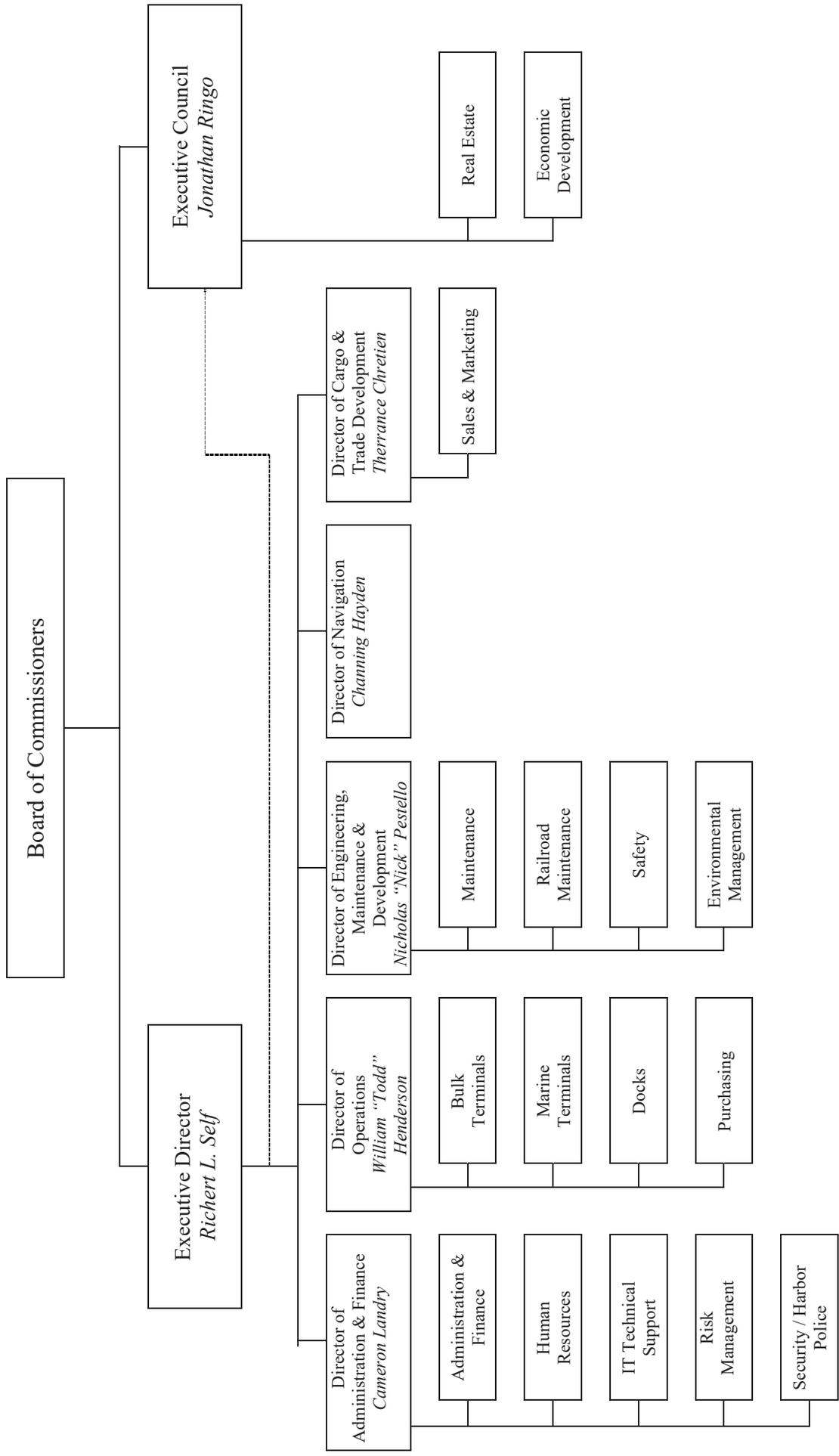


Richert L. Self
Executive Director



Cameron S. Landry
Director of Administration
and Finance







Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Lake Charles Harbor and Terminal District
Louisiana**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2023

Christopher P. Morill

Executive Director/CEO

LAKE CHARLES HARBOR AND TERMINAL DISTRICT

P.O. BOX 3753
LAKE CHARLES, LOUISIANA 70602
337-439-3661

BOARD OF COMMISSIONERS

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Mary J. Bayles	Vice President
John M. Cradure	Secretary/Treasurer
Jonathan L. Johnson	Assistant Secretary/Treasurer
Thomas L. Lorenzi	Commissioner
Cheyenne F. Boudreaux	Commissioner
Julie M. Miller	Commissioner

EXECUTIVE DIRECTOR

Richert L. Self

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FINANCIAL SECTION

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Lake Charles Harbor and Terminal District
Lake Charles, Louisiana

Opinions

We have audited the accompanying financial statements of the business-type activities and each major fund of the Lake Charles Harbor and Terminal District (District), Lake Charles, Louisiana, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the Lake Charles Harbor and Terminal District, as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Lake Charles Harbor and Terminal District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Lake Charles Harbor and Terminal District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Lake Charles Harbor and Terminal District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of changes in total OPEB liability and related ratios, schedule of employer's proportionate share of net pension liability and schedule of employer's pension contributions, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lake Charles Harbor and Terminal District, Lake Charles, Louisiana's basic financial statements. The budgetary comparison schedule, schedule of compensation, benefits and other payments to Executive Director, and the insurance in force schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedules, schedule of compensation, benefits and other payments to Executive Director, and the insurance in force schedule are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2025, on our consideration of the Lake Charles Harbor and 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Lake Charles Harbor and Terminal District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Lake Charles Harbor and Terminal District's internal control over financial reporting and compliance.



Lake Charles, Louisiana
June 26, 2025

Management's Discussion and Analysis

The following is the Lake Charles Harbor and Terminal District's Management Discussion and Analysis (MD&A) of the financial activities and performance for the year ended December 31, 2024. It provides an introduction to the District's 2024 financial statements. Information contained in this MD&A has been prepared by District management and should be considered in conjunction with the financial statements.

Financial Highlights

- The assets and deferred outflows of resources of the Lake Charles Harbor and Terminal District exceeded its liabilities and deferred inflows of resources as of December 31, 2024 by \$428.4 million (*net position*). Net position totaled \$343.2 million as of December 31, 2023.
- As a result of the excess revenues over expenses, the District's net position increased \$85.3 million during 2024 compared to a \$21.3 million increase during 2023.
- During 2024, operating revenues were \$47.0 million, an increase of \$2.6 million (6%) from 2023. Operating expenses were \$50.9 million, a decrease of \$1.3 million (3%) compared to 2023.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Lake Charles Harbor and Terminal District's basic financial statements. The District is a special-purpose government engaged only in business type activities.

The basic financial statements report information about the District using full accrual accounting methods as utilized by similar business activities in the private sector. The financial statements include a statement of fund net position, a statement of revenues, expenses, and changes in fund net position, and a statement of cash flows.

- The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.
- The statement of revenues, expenses, and changes in net position presents information showing how the District's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The statement of cash flows presents changes in cash and cash equivalents from operational, financing, and investing activities. This statement presents cash receipt and disbursement information without consideration of the earnings event, when obligations arise, or depreciation of capital assets.

The basic financial statements can be found on pages 34-40 of this report.

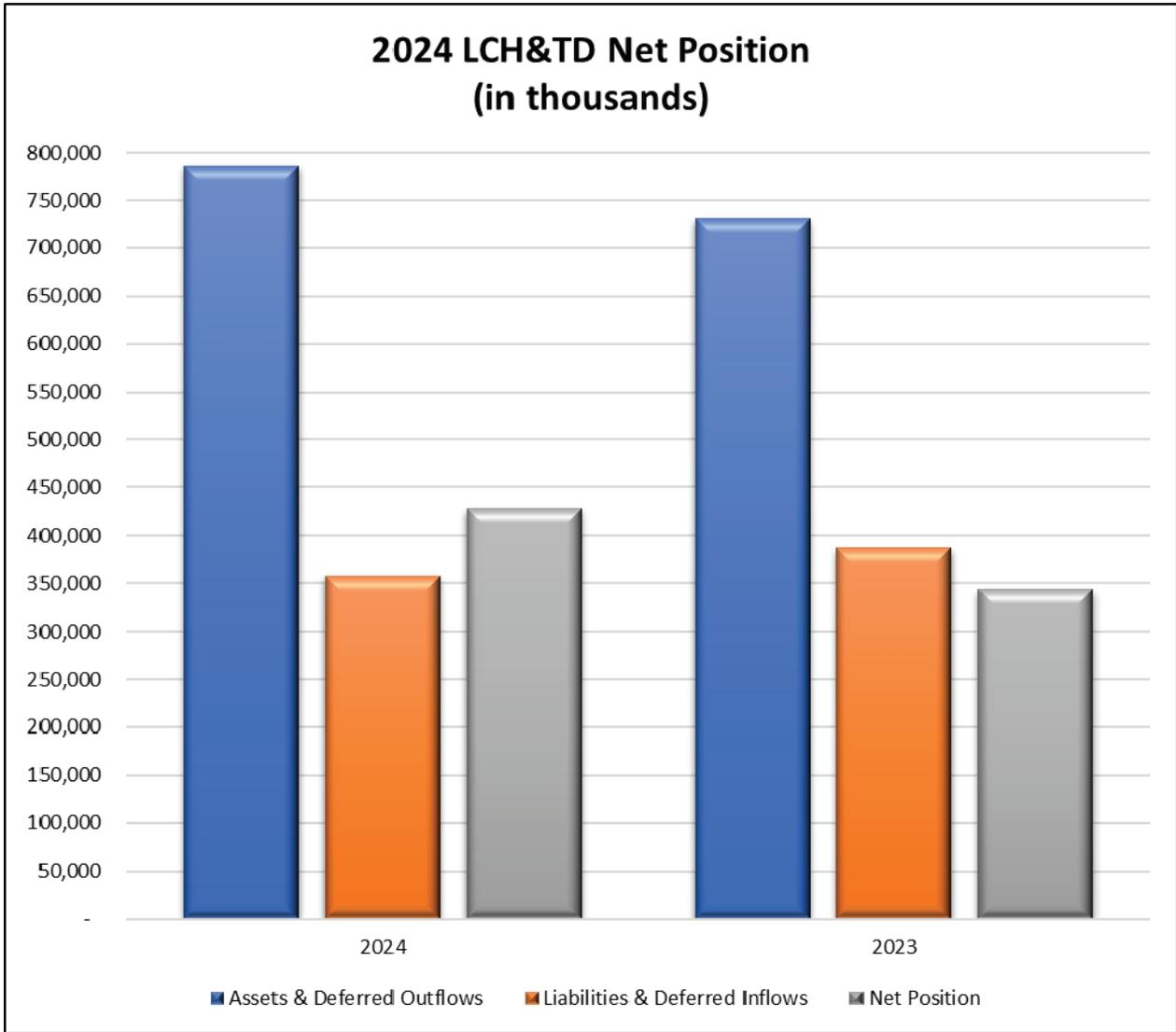
The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to financial statements can be found on pages 42-70 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information on pages 72-76, other supplementary information on pages 78-81, and a statistical section on pages 85-113.

Financial Analysis of the District

The following table presents the condensed statements of fund net position as of December 31, 2024 and 2023:

Lake Charles Harbor and Terminal District			
Comparative Condensed Statements of Net Position			
	2024	2023	
	<u>in thousands</u>	<u>in thousands</u>	
Current and other assets	\$ 320,769	\$ 375,460	
Capital assets	<u>461,568</u>	<u>351,239</u>	
Total assets	<u>782,337</u>	<u>726,699</u>	
Deferred outflow of resources	<u>3,381</u>	<u>3,550</u>	
Current liabilities	28,592	20,023	
Non-current liabilities	<u>149,985</u>	<u>194,231</u>	
Total liabilities	<u>178,577</u>	<u>214,254</u>	
Deferred inflows of resources	<u>178,721</u>	<u>172,837</u>	
Net position:			
Net investment in capital assets	414,510	319,252	
Restricted	4,585	5,510	
Unrestricted	<u>9,325</u>	<u>18,396</u>	
Total net position	<u>\$ 428,420</u>	<u>\$ 343,158</u>	



2024

The assets and deferred outflows of the Lake Charles Harbor and Terminal District exceeded its liabilities and deferred inflows as of December 31, 2024 by \$428.4 million compared to \$343.2 million as of December 31, 2023.

The largest portion of the District’s net position reflects its investment in capital assets in the amount of \$414.5 million as of December 31, 2024 compared to \$319.3 million as of December 31, 2023. These capital assets include land, buildings, improvements, equipment and construction in progress, less any related outstanding debt used to acquire those assets. These assets are not available for future spending.

The District’s restricted net position of \$4.6 million and \$5.5 million as of December 31, 2024 and 2023, respectively, represent amounts restricted for debt service in accordance with existing bond covenants. The Board of Commissioners has designated \$9.3 million in unrestricted net position as of December 31, 2024 to be used for commitments on construction contracts and ongoing obligations compared to \$18.4 million as of December 31, 2023.

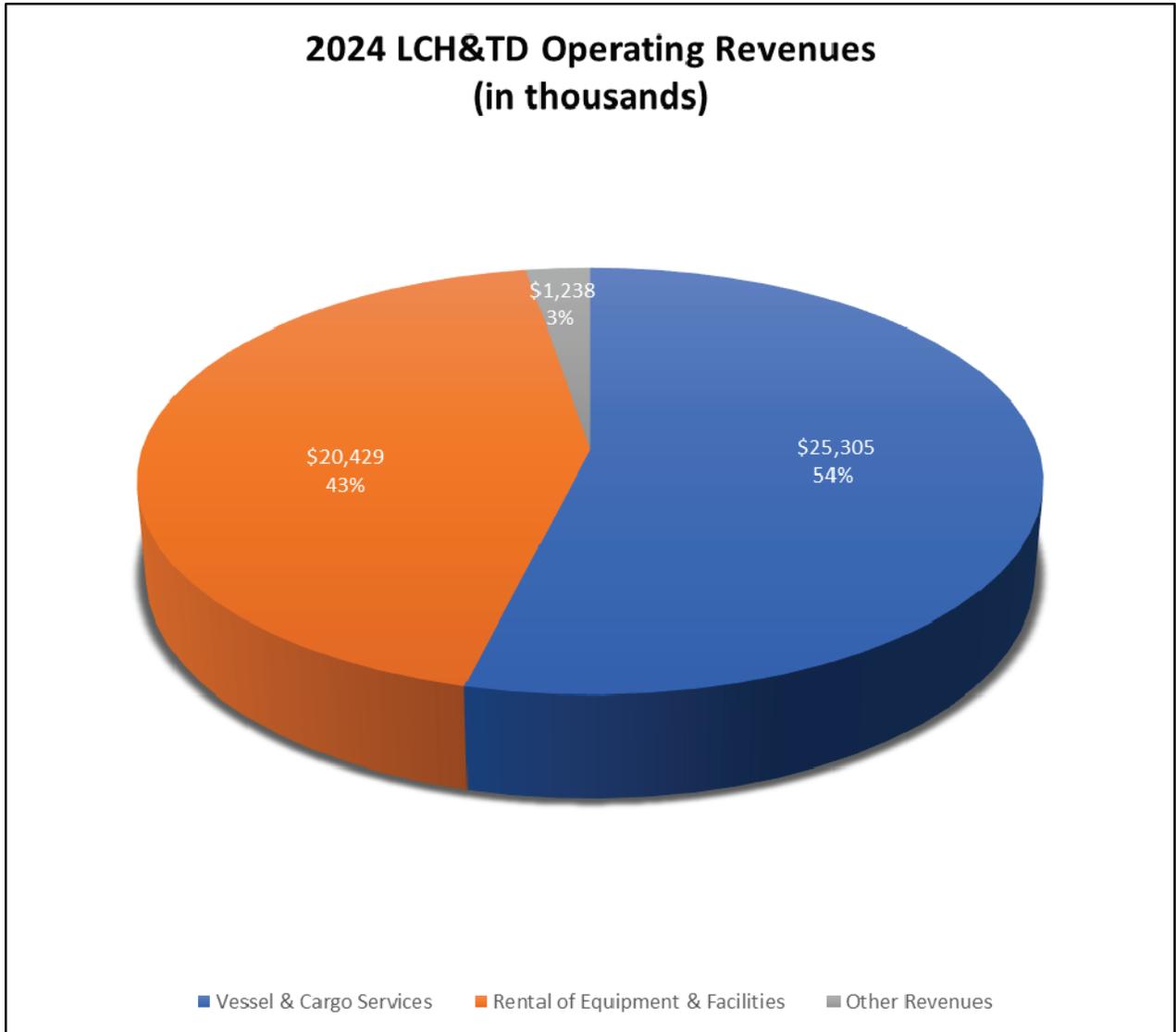
The following table shows condensed revenue and expense data for the years ended December 31, 2024 and 2023:

Lake Charles Harbor and Terminal District
Comparative Statements of Revenues, Expenses,
and Changes in Net Position

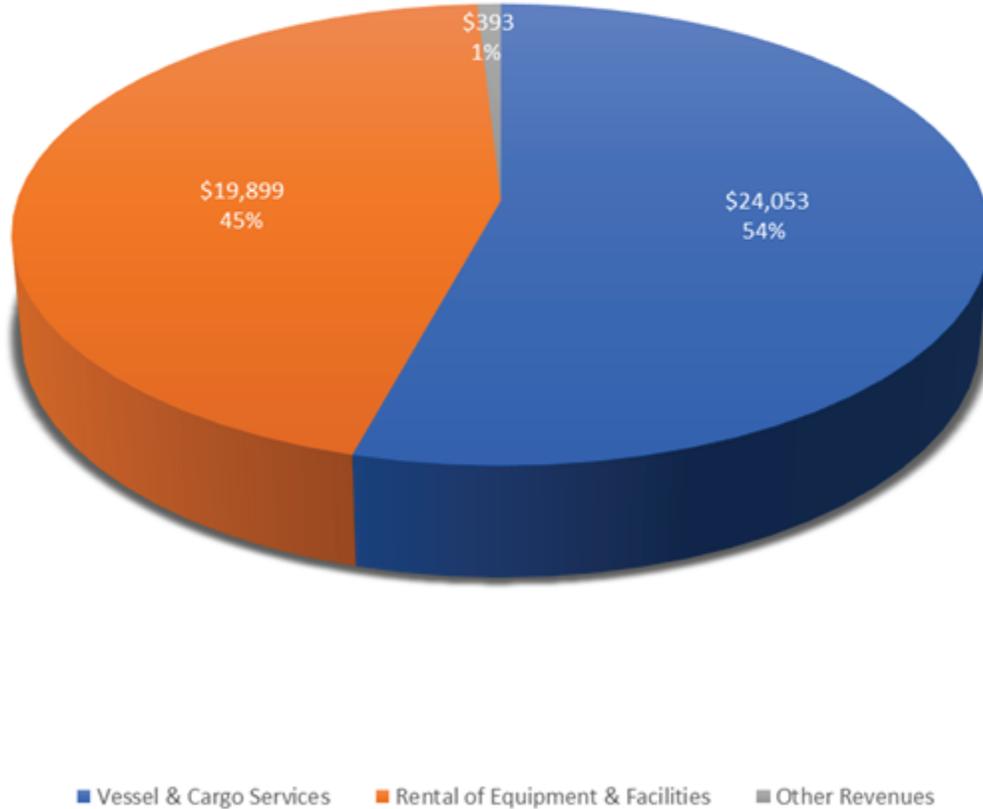
	<u>2024</u>	<u>2023</u>
Operating revenues:		
Vessel and cargo services	\$ 25,304,810	\$ 24,052,545
Rental of equipment and facilities	20,429,114	19,898,976
Other	<u>1,238,497</u>	<u>393,487</u>
Total operating revenues	<u>46,972,421</u>	<u>44,345,008</u>
Operating expenses:		
Personnel services	14,813,457	15,097,611
Contractual services	8,221,910	9,889,993
Supplies, maintenance and operation of facilities	11,797,032	11,776,627
Heat, light and power	802,641	807,051
Depreciation and amortization	<u>15,258,041</u>	<u>14,654,123</u>
Total operating expenses	<u>50,893,081</u>	<u>52,225,405</u>
Operating income (loss)	<u>(3,920,660)</u>	<u>(7,880,397)</u>
Nonoperating revenues (expenses):		
Property taxes	5,005,657	5,239,226
Intergovernmental revenue	94,570	96,221
Interest income	2,940,837	4,752,358
Interest expense and fiscal charges	(1,956,229)	(1,562,294)
Loss on retirement of assets	(3,674,613)	(2,237,540)
Gain/Loss on impairment of assets	-	-
Intergovernmental expenses	(3,166,667)	(3,025,000)
Hurricane recovery expenses	-	-
Settlement of claims	-	-
Insurance recoveries	13,173	55,214
Bad debt expense	-	-
Other	<u>(10,000)</u>	<u>(10,000)</u>
Net nonoperating revenues (expenses)	<u>(753,272)</u>	<u>3,308,185</u>
Net income (loss) before contributions	(4,673,932)	(4,572,212)
Capital contributions	<u>89,935,488</u>	<u>25,921,754</u>
Change in net position	85,261,556	21,349,542
Net position - beginning balance	<u>343,158,302</u>	<u>321,808,760</u>
Net position - ending balance	<u>\$ 428,419,858</u>	<u>\$ 343,158,302</u>

2024

The District generates revenue utilizing marine terminal facilities designed to accommodate a wide range of bulk and break-bulk cargoes.



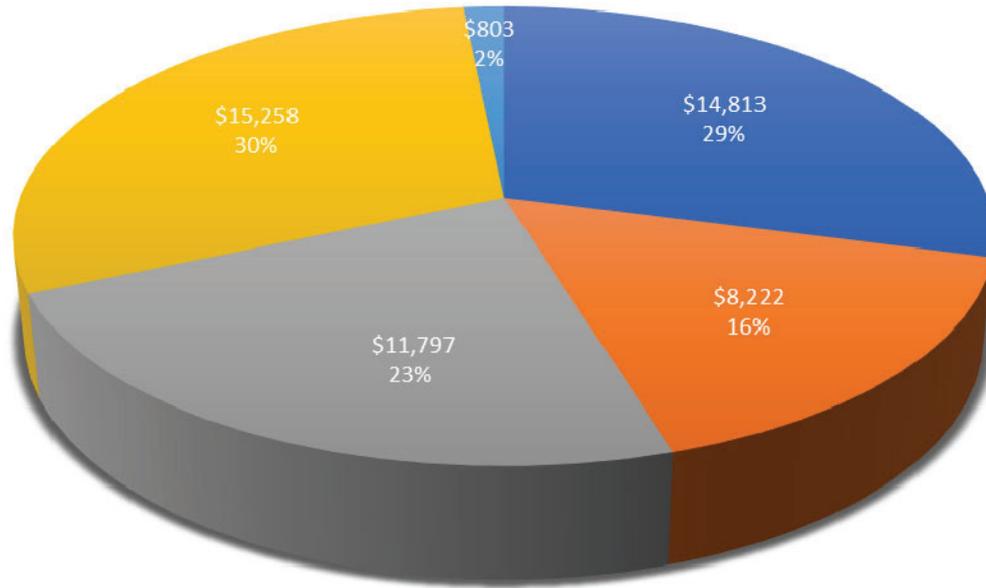
2023 LCH&TD Operating Revenues (in thousands)



Operating Revenues

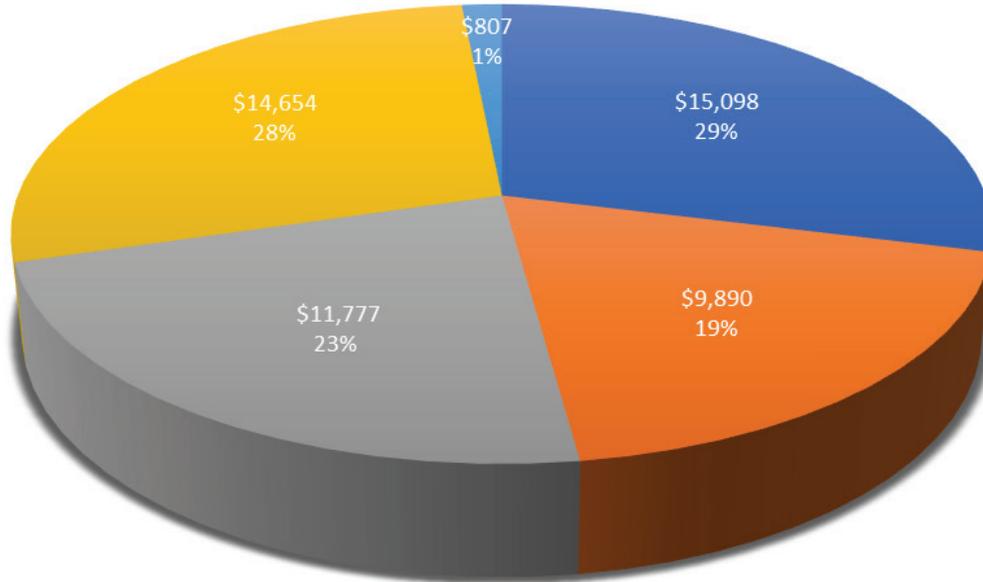
- Total operating revenues increased \$2.6 million or 6% during 2024 as compared to 2023. The increase is partially driven by a higher volume of barite and the related revenues due to timing, as one vessel can generate a significant revenue fluctuation. Additional revenue growth is attributable to increased demand for storage of bagged concrete and lumber. Further influencing the increase is higher lease revenues caused by periodic adjustments and commencement of multiple new leases. The final factor influencing the increase is a claim settlement receipt related to dock damage caused by a vessel.
- The District's total operating revenues of \$47.0 million in 2024, are the highest observed in the history of the District.

2024 LCH&TD Operating Expenses (in thousands)



- Personnel Services
- Contract Services
- Supplies, Maintenance, and Operation of Facilities
- Depreciation & Amortization
- Heat, Light, and Power

2023 LCH&TD Operating Expenses (in thousands)



- Personnel Services
- Contract Services
- Supplies, Maintenance, and Operation of Facilities
- Depreciation & Amortization
- Heat, Light, and Power

- Total operating expenses decreased \$1.3 million or 3% during 2024 as compared to 2023. The decrease is primarily due to lower overall operating expenses associated with the commissioning of the new shiploader at BT-1, which replaced one of the four hurricane damaged cranes.
- Partially offsetting the decrease in operating expenses is higher legal expenses associated with ongoing litigations. Additionally, offsetting the decrease is greater supplies and maintenance expenses due to anticipated and necessary maintenance repairs throughout District facilities.
- Net nonoperating revenues decreased \$4.1 million in 2024, compared to 2023. The net decrease is primarily due to lower interest income caused by significant capital expenditures reducing the interest-bearing cash balances. Further influencing the decrease is the demolition, and subsequent write off, of additional hurricane damaged buildings and docks.

- The District recognized \$89.9 million in Federal, State, and private capital contributions for the year ended December 31, 2024 compared to \$25.9 million for the year ended 2023. Capital contributions during 2024 include payments received relating to the Port's hurricane recovery claim with FEMA, funds to assist with specific Capital Projects from Louisiana's Port Priority Program and Capital Outlay, and funds from LADOTD in coordination with the District's Rail Relocation Project in preparation for the Nelson Road Bridge Project.
- The District has also recorded a net receivable of \$64.1 million relating to hurricanes Laura and Delta as of year-end 2024 based on funds currently obligated by FEMA.
- The District's net position increased \$85.3 million during the twelve months ended December 31, 2024. The increase is partially due to higher barite tonnage and the associated revenues, as well as additional lumber and bagged cement storage revenue. Further influencing the increase is higher lease revenue caused by periodic adjustments and the commencements of multiple new leases. Additionally increasing the net position is lower overall operating expenses associated with the commissioning of newer equipment, primarily replacing decommissioned hurricane damaged equipment. The most significant factor effecting the increase is capital contributions which are primarily linked to capital projects and hurricane recovery.
- Partially offsetting the overall increase in net position is lower interest income caused by significant capital expenditures reducing the interest-bearing cash balances, and the demolition, and subsequent write off, of additional hurricane damaged buildings and docks.

Capital and Debt Administration

The District's capital assets were \$461.6 million and \$351.2 million (net of accumulated depreciation and amortization) as of December 31, 2024 and 2023, respectively. These balances include land, buildings, improvements, equipment, construction in progress, and right to use leased and subscription assets.

Major capital asset events during the year ended December 31, 2024 included the following:

- Construction continued on additional facilities for the District; construction in progress as of December 31, 2024 was \$191.3 million compared to \$65.1 million as of December 31, 2023.
- Rehabilitation of the rail crossings throughout the District's City Docks was completed in the second quarter of 2024

Additional information on the Lake Charles Harbor and Terminal District's capital assets can be found in Note 8 which begins on page 53.

Lake Charles Harbor and Terminal District
Capital Assets

	2024	2023
	(in thousands)	(in thousands)
Land	\$ 69,722	\$ 69,722
Building and facilities	387,368	390,583
Equipment	66,962	69,710
Construction in progress	191,315	65,072
Right to use leased assets	2,350	2,349
Right to use subscription assets	294	294
Accumulated depreciation and amortization	<u>(256,443)</u>	<u>(246,491)</u>
Total	<u>\$ 461,568</u>	<u>\$ 351,239</u>

Debt Administration

As of December 31, 2024, the District had \$150.0 million in non-current liabilities as compared to \$194.2 million as of December 31, 2023. Approximately 18% of the total is bonded debt and approximately 60% is due within ten years.

In 2024, the District's Standard and Poor's and Moody's ratings were reviewed resulting in affirmation of its "AA-" rating and "A3" rating respectively.

During 2013 the District issued \$6.9 million in Non-AMT revenue bonds and \$32.6 million in AMT revenue bonds. The bonds are limited obligations of the District payable solely from and secured by a pledge of the revenue derived from the operation of the properties and facilities maintained and operated by the District. The purpose of the bonds is for the financing and reimbursing of the District for the costs of construction of a dock and wharf and related improvements on land owned by the District to facilitate shipping of various products as well as the construction of various capital improvements for the benefit of the District and paying the costs of issuance of the bonds. In 2024, the District participated in a bond refunding of the 2013 bonds to reduce the overall interest cost over the life of the bonds.

The district identified a need for, and issued, \$50 million in private placement bonds in 2025 to complete projects while awaiting reimbursements specifically designated for those projects.

Additional information on the District's long-term debt can be found in Note 11 which begins on page 55 of this report.

Economic Factors

The following factors were considered in preparing the District's budget for 2025:

- Continued additional capital expenditures and receipts associated with hurricane recovery and reconstruction.
- Need for interim financing to assist in funding the ongoing capital projects while awaiting reimbursements from sources in which funds have been designated to those projects.
- An increase in depreciation expense associated with the completion of multiple large capital projects.
- A decrease in overall operating expenses associated with the commissioning of the new loaders, which replaced the decommissioned hurricane damaged loaders.

Requests for Information

This financial report is designed to provide a general overview of the Lake Charles Harbor and Terminal District's finances. Questions concerning this report or requests for additional information should be addressed to Cameron Landry, Director of Administration and Finance, Lake Charles Harbor and Terminal District, 1611 West Sallier Street, Lake Charles, LA 70601.

BASIC FINANCIAL STATEMENTS

Exhibit 1

LAKE CHARLES HARBOR AND TERMINAL DISTRICT

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2024

	<u>Business-type Activities-Enterprise Funds</u>		
	<u>Lake Charles Harbor and Terminal District</u>	<u>Port Rail, Inc.</u>	<u>2024</u>
ASSETS			
Current assets:			
Cash	\$ 29,896,556	\$ 1,031,418	\$ 30,927,974
Restricted cash	13,282,355	-	13,282,355
Receivables:			
Trade, net of allowance for doubtful accounts	5,388,693	183,997	5,572,690
Lease	192,172,395	-	192,172,395
Intergovernmental	64,389,398	-	64,389,398
Property taxes, net of allowance for doubtful accounts	5,550,698	-	5,550,698
Due from other funds	2,049,996	-	2,049,996
Inventory	3,587,433	-	3,587,433
Prepaid expenses	1,432,485	54,506	1,486,991
Insurance deposits	1,749,385	-	1,749,385
Total current assets	<u>319,499,394</u>	<u>1,269,921</u>	<u>320,769,315</u>
Capital assets:			
Right to use leased assets, net of amortization	72,326	744,857	817,183
Right to use subscription assets, net of amortization	87,882	-	87,882
Capital assets, net of depreciation	<u>460,659,583</u>	<u>3,354</u>	<u>460,662,937</u>
Total capital assets	<u>460,819,791</u>	<u>748,211</u>	<u>461,568,002</u>
Total assets	<u>780,319,185</u>	<u>2,018,132</u>	<u>782,337,317</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred amounts related to net pension liabilities	2,026,283	-	2,026,283
Deferred amounts related to OPEB	<u>1,355,001</u>	<u>-</u>	<u>1,355,001</u>
Total deferred outflow of resources	3,381,284	-	3,381,284

	<u>Business-type Activities-Enterprise Funds</u>		
	Lake Charles Harbor and Terminal District	Port Rail, Inc.	<u>2024</u>
LIABILITIES			
Current liabilities:			
Current maturities of long-term debt	\$ 1,991,201	\$ 226,168	\$ 2,217,369
Accounts payable	949,952	32,172	982,124
Contracts payable	17,074,333	-	17,074,333
Claims payable	586,779	-	586,779
Accrued expenses	5,421,601	25,914	5,447,515
Accrued interest payable	233,921	-	233,921
Due to other funds	-	2,049,996	2,049,996
Total current liabilities	<u>26,257,787</u>	<u>2,334,250</u>	<u>28,592,037</u>
Non-current liabilities:			
Compensated absences, less current portion	699,190	-	699,190
Claims payable	48,723,150	-	48,723,150
OPEB liability	4,986,394	-	4,986,394
Net pension liability	14,880,057	-	14,880,057
Unearned revenue, less current portion	52,988,334	-	52,988,334
Right to use leased asset liabilities, less current maturities	-	541,550	541,550
Right to use subscription asset liabilities, less current maturities	19,161	-	19,161
Long-term debt, less current maturities	27,147,733	-	27,147,733
Total non-current liabilities	<u>149,444,019</u>	<u>541,550</u>	<u>149,985,569</u>
Total liabilities	<u>175,701,806</u>	<u>2,875,800</u>	<u>178,577,606</u>
DEFERRED INFLOW OF RESOURCES			
Deferred amounts related to Bond refunding, net	57,885	-	57,885
Deferred amounts related to Right to use leased asset liabilities	173,132,749	-	173,132,749
Deferred amounts related to OPEB liabilities	3,649,366	-	3,649,366
Deferred amounts related to Pension liabilities	1,881,137	-	1,881,137
Total deferred inflow of resources	<u>178,721,137</u>	<u>-</u>	<u>178,721,137</u>
NET POSITION			
Net investment in capital assets	414,529,478	(19,507)	414,509,971
Restricted for debt service	4,584,686	-	4,584,686
Unrestricted	10,163,362	(838,161)	9,325,201
Total net position	<u>\$ 429,277,526</u>	<u>\$ (857,668)</u>	<u>\$ 428,419,858</u>

The notes to the financial statements are an integral part of this statement.

Exhibit 2

LAKE CHARLES HARBOR AND TERMINAL DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2024

	<u>Business-type Activities-Enterprise Funds</u>		
	<u>Lake Charles Harbor and Terminal District</u>	<u>Port Rail, Inc.</u>	<u>2024</u>
Operating revenues:			
Vessel and cargo services	\$ 24,027,646	\$ 1,277,164	\$ 25,304,810
Rental of equipment and facilities	20,429,114	-	20,429,114
Other	1,238,497	-	1,238,497
Total operating revenues	<u>45,695,257</u>	<u>1,277,164</u>	<u>46,972,421</u>
Operating expenses:			
Personnel services	13,921,965	891,492	14,813,457
Contractual services	7,857,796	364,114	8,221,910
Supplies, maintenance and operation of facilities	11,674,129	122,903	11,797,032
Heat, light and power	794,879	7,762	802,641
Depreciation and amortization	15,031,798	226,243	15,258,041
Total operating expenses	<u>49,280,567</u>	<u>1,612,514</u>	<u>50,893,081</u>
Net operating income (loss)	<u>(3,585,310)</u>	<u>(335,350)</u>	<u>(3,920,660)</u>
Nonoperating revenues (expenses):			
Property taxes	5,005,657	-	5,005,657
Intergovernmental revenue	94,570	-	94,570
Interest income	2,937,110	3,727	2,940,837
Interest expense and fiscal charges	(1,956,229)	-	(1,956,229)
Loss on retirement of assets	(3,674,613)	-	(3,674,613)
Intergovernmental expenses	(3,166,667)	-	(3,166,667)
Insurance recoveries	13,173	-	13,173
Other	(10,000)	-	(10,000)
Total nonoperating revenues	<u>(756,999)</u>	<u>3,727</u>	<u>(753,272)</u>
Income (loss) before capital contributions	(4,342,309)	(331,623)	(4,673,932)
Capital contributions:			
Grants	<u>89,935,488</u>	<u>-</u>	<u>89,935,488</u>
Change in net position	85,593,179	(331,623)	85,261,556
Net position at beginning of year	<u>343,684,347</u>	<u>(526,045)</u>	<u>343,158,302</u>
Net position at end of year	<u>\$ 429,277,526</u>	<u>\$ (857,668)</u>	<u>\$ 428,419,858</u>

The notes to the financial statements are an integral part of this statement.

Exhibit 3

LAKE CHARLES HARBOR AND TERMINAL DISTRICT

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 Year Ended December 31, 2024

	<u>Business-type Activities-Enterprise Funds</u>		
	<u>Lake Charles Harbor and Terminal District</u>	<u>Port Rail, Inc.</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 47,574,228	\$ 1,533,605	\$ 49,107,833
Payments to employees and related benefits	(10,842,026)	(919,123)	(11,761,149)
Payments to suppliers	(23,426,576)	(472,751)	(23,899,327)
Net cash provided by operating activities	<u>13,305,626</u>	<u>141,731</u>	<u>13,447,357</u>
NET FLOWS FROM INVESTING ACTIVITIES:			
Receipts of interest	<u>2,937,110</u>	<u>3,727</u>	<u>2,940,837</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Shared revenue from governmental agencies	94,570	-	94,570
Receipts from general property taxes	4,882,026	-	4,882,026
Payments to governmental agencies	(3,166,667)	-	(3,166,667)
Net cash provided by noncapital financing activities	<u>1,809,929</u>	<u>-</u>	<u>1,809,929</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from sale of assets	21,778	-	21,778
Capital grants earned but not collected	87,971,448	-	87,971,448
Payments for capital acquisitions	(122,346,608)	-	(122,346,608)
Insurance proceeds-capital	13,173	-	13,173
Principal payments on long-term debt	(1,484,199)	-	(1,484,199)
Principal payments on lease liabilities	(276,761)	(222,691)	(499,452)
Principal payments on subscription liabilities	(77,262)	-	(77,262)
Interest and fiscal charges paid	(2,439,223)	-	(2,439,223)
Net cash (used for) capital and related financing acquisitions	<u>(38,617,654)</u>	<u>(222,691)</u>	<u>(38,840,345)</u>
Net increase (decrease) in cash and cash equivalents	(20,564,989)	(77,233)	(20,642,222)
Cash and cash equivalents at beginning of year	<u>63,743,900</u>	<u>1,108,651</u>	<u>64,852,551</u>
Cash and cash equivalents at end of year	<u>\$ 43,178,911</u>	<u>\$ 1,031,418</u>	<u>\$ 44,210,329</u>

(Continued on next page)

Exhibit 3 (continued)

LAKE CHARLES HARBOR AND TERMINAL DISTRICT

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 Year Ended December 31, 2024

	<u>Business-type Activities-Enterprise Funds</u>		
	<u>Lake Charles Harbor and Terminal District</u>	<u>Port Rail, Inc.</u>	<u>2024</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating income (loss)	\$ (3,585,310)	\$ (335,350)	\$ (3,920,660)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization expense	15,031,798	226,243	15,258,041
(Increase) decrease in accounts receivable	2,877,333	(48,755)	2,828,578
(Increase) decrease in internal balance	-	305,196	305,196
(Increase) decrease in lease receivable	(925,036)	-	(925,036)
(Increase) decrease in inventories	236,027	-	236,027
(Increase) decrease in prepaid items	(943,038)	1,411	(941,627)
(Increase) decrease in deferred outflows of resources	168,651	-	168,651
(Decrease) increase in accounts payable and accrued expenses	(1,687,922)	(7,014)	(1,694,936)
(Decrease) increase in unearned revenue	(73,326)	-	(73,326)
(Decrease) increase in net pension liability	(2,138,908)	-	(2,138,908)
(Decrease) increase in deferred inflows of resources	4,355,357	-	4,355,357
(Decrease) increase in other operating expenses	(10,000)	-	(10,000)
Total adjustments	<u>16,890,936</u>	<u>477,081</u>	<u>17,368,017</u>
Net cash provided by (used in) operating activities	<u>\$ 13,305,626</u>	<u>\$ 141,731</u>	<u>\$ 13,447,357</u>
NONCASH FINANCING/INVESTING ACTIVITIES:			
Acquisition of an asset by entering into an operating lease	<u>\$ 82,340</u>	<u>\$ -</u>	<u>\$ 82,340</u>

The notes to the financial statements are an integral part of this statement.

Exhibit 4

LAKE CHARLES HARBOR AND TERMINAL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUND

December 31, 2024

	<u>Calcasieu River Fund</u>
ASSETS	
Cash	\$ <u>15,718,777</u>
Total assets	<u>15,718,777</u>
NET POSITION	
Restricted for:	
Channel maintenance	<u>15,718,777</u>
Total net position	<u>\$ 15,718,777</u>

The notes to the financial statements are an integral part of this statement.

Exhibit 5

LAKE CHARLES HARBOR AND TERMINAL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
Year Ended December 31, 2024

	<u>Calcasieu River Fund</u>
ADDITIONS	
Member contributions	\$ 10,000,012
Interest income	<u>138,838</u>
Total additions	10,138,850
DEDUCTIONS	
Payments for channel maintenance	<u>12,166,204</u>
Net increase (decrease) in fiduciary net position	(2,027,354)
Net position - beginning	<u>17,746,131</u>
Net position - ending	<u>\$ 15,718,777</u>

The notes to the financial statements are an integral part of this statement.

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LAKE CHARLES HARBOR AND TERMINAL DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2024

Note 1. Summary of Significant Accounting Policies

The Lake Charles Harbor and Terminal District operates a deep-water port on the Calcasieu River Pass to the Gulf of America and embraces all areas served by rail lines, highways, and waterways that converge on Lake Charles, Louisiana.

The financial statements of the Lake Charles Harbor and Terminal District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District's more significant accounting policies are described below.

- Reporting Entity

The Lake Charles Harbor and Terminal District is an independent political subdivision of the State of Louisiana and is authorized by Louisiana Revised Statutes 34:201-217. Portions of these statutes were amended and reenacted on May 29, 2003, by Act No. 149 relative to the appointment and terms of the District's Board of Commissioners; to the Board's responsibility for management of the District; and to provide for the employment of an Executive Director; and other matters.

In accordance with the provisions of Act No. 149, the District is governed by a Board of seven commissioners appointed by the Governor, subject to Senate confirmation. Except for initial appointments and terms, commissioners shall serve four-year terms. The Governor shall appoint one commissioner each from nominees submitted by the City of Lake Charles, the Calcasieu Parish Police Jury, the Cameron Parish Police Jury, and the City of Westlake. The remaining three commissioners shall be appointed from nominees submitted jointly by the State Legislators who represent any part of the District. No member shall serve more than three consecutive terms. After having served three consecutive terms, a commissioner shall not be eligible for appointment to the Board for a period of eight years after completing the third term.

GASB Statement 80 requires that primary governments present certain component unit information in a manner similar to the reporting of the primary government's balances and transactions, which is referred to as blending. This method of reporting is required if an entity is incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. Port Rail, Inc. meets these criteria and is presented as a blended component unit of the District.

- Fund Accounting

The Lake Charles Harbor and Terminal District uses proprietary funds to report on its financial position and results of operations. Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities provided to outside parties are accounted for by enterprise fund types of the proprietary fund.

Fiduciary Fund - Calcasieu River Fund

In September 2020, the District entered into a cooperative endeavor agreement with the Department of Transportation and Development and the Louisiana Mid-Continent Oil and Gas Association to fulfill the duties and obligations of the non-federal sponsor of the Calcasieu River Ship Channel according to the Dredge Material Maintenance Plan dated December 10, 2010. The District is charged by the agreement with maintaining the account and providing recordkeeping for the fund.

The fund is accounted for as a fiduciary fund classified as a Private-Purpose Trust Fund. It is considered a Private-Purpose Trust Fund because the activity is not required to be reported as a pension trust fund or an investment trust fund and is held in a trust in which the assets are dedicated to providing benefits to recipients in accordance with the benefit terms and the assets are legally protected from the creditors of the District. The financial statements of the fund are reported using the economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are not reflected in the Statement of Position or the Statement of Revenues, Expenses and Changes in Fund Net Position because the resources are not available to support District operations.

- Basis of Accounting

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governments. The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses, excluding depreciation and amortization, are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. The District's accounts are organized into two proprietary funds including its blended component unit, Port Rail. The District's operations are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges. Operating revenues and expenses are distinguished from nonoperating items. Operating revenues and expenses generally result from leasing properties or providing services. Operating expenses include the cost of providing services,

administrative services and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

- Budgets

Budgetary practices differ from generally accepted accounting principles (GAAP). Perspective differences result from the structure of financial information for budgetary purposes. Capital contributions (grants) received by the District also are not budgeted.

- Cash, Cash Equivalents, and Investments

Cash and cash equivalents include amounts in demand deposits and money market deposits.

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

- Receivables

Trade receivables are carried at their estimated collectible amounts. Receivables are periodically evaluated for collectability based on past credit history with customers. Allowance for doubtful accounts is determined on the basis of the evaluation of collectability.

- Property Taxes

Property taxes levied in any one year are recognized as revenues of that year. An allowance for uncollectible property taxes is based on historical experience in collecting property taxes.

- Inventories

Inventories consist of parts, supplies, and fuel and are valued at cost (first-in, first-out).

- Prepaid Expenses

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

- Restricted Assets

Certain resources are set aside as part of the District's relationship with the U.S. Army Corps of Engineers. As part of its Dredge Material Management Plan, certain amounts are required to be on deposit in designated bank accounts. These resources are classified as restricted assets on the balance sheet. Certain cash balances are required by outstanding debt instruments and as such are also included as restricted assets.

- Capital Assets

Property constructed or acquired by purchase is stated at cost or estimated historical cost if actual historical cost is not available. Donated property received by the District should be stated at the property's acquisition at the time of the donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Assets with an individual cost in excess of \$5,000 are generally capitalized.

Depreciation and amortization are computed using the straight-line method over the following useful lives:

Buildings and marine construction	15 to 40 years
Machinery and equipment	3 to 15 years
Furniture and fixtures	3 to 10 years
Right to use leased assets	lease term
Right to use subscription assets	lease term

- Compensated Absences

Employees of the District earn annual leave and sick leave for each hour of regular duty, including time the employee is on paid leave or observing a paid holiday, based on the equivalent of years of full-time state service at varying rates. Employees may carry any unused accumulated annual and sick leave forward to succeeding years. As a result, there is no limit on the amount of such leave an individual may accumulate through the years of his employment. Upon his retirement or

resignation, he must be paid at his current rate of pay, for all unused annual leave in an amount not to exceed 300 hours. An employee cannot be paid for any unused sick leave upon separation.

Effective July 12, 1989, employees who are required to perform overtime duty may, at the option of the District, be credited with compensatory leave for the hours they have been required to work. Upon separation from the District such employees will be paid for accumulated compensatory leave.

- Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources represent a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expense) until then. Deferred inflows of resources represent an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The District has the following items that are reported as deferred inflows or outflows of resources: deferred inflows/outflows of resources related to other post-employment benefits (OPEB), pensions, lease accounting, and bond refunding.

- Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

Net Position

Net position is displayed in three components:

1. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net position - Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use, either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

3. Unrestricted net position - Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

- Statement of Cash Flows

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

- Right to use Lease Assets

The District has recorded right to use lease assets as a result of implementing GASB 87. The right to use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use lease assets are amortized on a straight-line basis over the life of the related lease.

- Right to use Subscription Assets

The District has recorded right to use subscription assets as a result of implementing GASB 96. The right to use subscription assets are initially measured at an amount equal to the initial measurement of the related subscription liability plus any subscription payments made prior to the subscription term, less subscription incentives, and plus ancillary charges necessary to place the subscription into service. The right to use subscription assets are amortized on a straight-line basis over the life of the related subscription term.

- Leases

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

The District uses the stated rate in the lease or its estimated incremental borrowing rate as the discount rate for the leases. The lease term includes the non-cancellable period of the lease.

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

- Adoption of New Accounting Principle

For the year ended December 31, 2024, the following statement was implemented: GASB Statement No. 101, Compensated Absences. This statement updated the recognition and measurement guidance for compensated absences.

Note 2. Legal Compliance - Budget

The Executive Director prepares a proposed budget and submits same to the Board of Commissioners no later than fifteen days prior to the beginning of each fiscal year. The budget is prepared by function and activity, and includes information on the past year, current year estimates and requested appropriations for the next year.

A summary of the proposed budget is published, a public hearing is held, and the budget is adopted through passage of a resolution prior to the commencement of the fiscal year for which the budget is adopted.

All changes in the budget must be approved by an affirmative vote of a majority of the Board of Commissioners.

Note 3. Cash, Cash Equivalents, and Investments

Interest rate risk. The District's investment policy is to not hold any investments with maturity greater than five years.

Credit risk. In accordance with state law, the Port limits investments to the following:

- Direct United States Treasury obligations, the principal and interest of which are fully guaranteed by the government of the United States with maturities less than five years.
- United States federal instrumentalities, the principal and interest of which are fully guaranteed by the government of the United States, or United States government obligations, the principal and interest of which are guaranteed by any United States government agency or Government Sponsored Enterprise (GSE) with maturities less than five years.
- Direct security repurchase agreements of any federal book entry only securities enumerated in subparagraphs 1 and 2. "Direct security repurchase agreement," means an agreement under which the political subdivision buys, holds for a specified time, and then sells back those securities and obligations enumerated in subparagraphs 1 and 2.

- Time certificates of deposit of state banks organized under the laws of Louisiana, or national banks having their principal offices in the State of Louisiana, savings accounts or shares of savings and loan associations and savings banks, as defined by LA. R.S. 6:703 and as authorized by LA. R.S. 6:949, or share accounts and share certificate accounts of federally or state chartered credit unions issuing time certificates of deposit. For those funds made available for investment in time certificates of deposit, the rate of interest paid by the banks shall be established by contract between the bank and the political subdivision; however, the interest rate at the time of investment shall be a rate not less than fifty basis points below the prevailing market interest rate on direct obligations of the United States Treasury with a similar length of maturity.
- 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 consisting solely of and limited to securities of the United States government or its agencies and which meet the requirements of applicable state law.
- Funds invested in accordance with the provisions of subsection 4 above shall not exceed at any time the amount insured by the Federal Deposit Insurance Corporation in any one banking institution or in any one savings and loan association, unless the uninsured portion is collateralized by the pledge of securities in the manner provided by law.
- Guaranteed investment contracts issued by a bank, financial institution, insurance company, or other entity having one of the two highest short-term rating categories of either Standard & Poor's Corporation or Moody's Investors Service, provided that no such investment may be made except in connection with a financing program for political subdivisions which financing program is approved by the State Bond Commission and offered by a public trust having the state as its beneficiary, provided further that no such investment shall be for a term longer than eighteen months, and provided further that any such guaranteed investment contract shall contain a provision providing that in the event the issuer of the guaranteed investment contract is at any time no longer rated in either of the two highest short-term rating categories of Standard & Poor's Corporation or Moody's Investors Service, the investing unit of local government may either be released from the guaranteed investment contract without penalty, or be entitled to require that the guaranteed investment provider collateralize the guaranteed investment contract with any bonds or other obligations which as to principal and interest constitute direct general obligations of or are unconditionally guaranteed by, the United States of America, including obligations set forth in subparagraphs 1 and 2 to the extent unconditionally guaranteed by the United States of America.

- In no event will any investment be selected and utilized until the Port Director is fully convinced that the appropriate District personnel have full familiarity with the nature and nuances of the specific investment vehicle. Furthermore, the Port Director will reasonably endeavor to make available whatever professional training is necessary to assist appropriate District personnel in the performance of their cash management duties and responsibilities.
- Generally, the District will invest in "money market instruments", which shall be those allowable investments outlined in the policy (see item IV, A, 1-8). An investment plan will be developed and carried out by the Executive Director and/or his designee, which generally provides for investments with staggered maturity dates not exceeding five (5) years except in exceptional circumstances. The investment plan will provide for appropriate liquidity in accordance with the cash needs of the District while at the same time providing for an appropriate portion of the District's investment portfolio to be invested on a staggered maturity basis in accordance with policy. Quarterly reports reflecting all investments, including cost and fair value and yields shall be furnished to the Board of Commissioners.
- Other forms of investments as may be authorized by law for the investment of public funds of political subdivisions of the State of Louisiana.

As of December 31, 2024, the District did not hold any assets that would be classified as investments.

Custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure or a failure of the counter party, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy requires that deposits in commercial banks and savings and loan associations be made only in those institutions that qualify to accept public-sector deposits that are protected or federally insured under the terms of prevailing laws. However, certain "sweep" or "automatic repo" accounts, and certain funds held under the terms of a "repurchase agreement" arrangement may not be protected or federally insured under the provisions of prevailing law. Therefore, such balances shall be protected through the appropriate application of securities safekeeping procedures, which will insure the reasonable safety and integrity of all District monies.

In accordance with a fiscal agency agreement that is approved by the Board of Commissioners, the District maintains demand and time deposits through an administrator bank at participating local depository banks that are members of the Federal Reserve System.

For reporting purposes, cash and cash equivalents include cash and demand deposits.

The District's deposits as of the balance sheet dates are entirely covered by FDIC insurance or by pledged collateral held by the District's agent banks in the District's name. Under state law these deposits must be secured by federal deposit insurance, or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent.

At December 31, 2024, cash equivalents and investments were restricted as shown below:

Wetlands restoration escrow accrual	\$ 162,033
Trust funds pursuant to the issuance of the 2024 Port Improvement Revenue Refunding Bonds:	
Debt Service Reserve Fund	2,579,717
Debt Service Fund	2,004,969
PRM-C&E	118,231
PRM-LTM	326,355
Settlement of Claims	3,091,050
Insurance Deductible	<u>5,000,000</u>
Total	<u>\$ 13,282,355</u>

Note 4. Allowances for Doubtful Accounts

The changes in allowances for doubtful accounts during 2024 follow:

	<u>Property Taxes</u>	<u>Accounts Receivable</u>
Balance January 1, 2024	\$ 54,819	\$ 5,190,233
Additions	1,249	581,433
Reductions	<u>-</u>	<u>-</u>
Balance December 31, 2024	<u>\$ 56,068</u>	<u>\$ 5,771,666</u>

Note 5. Property Taxes

The Lake Charles Harbor and Terminal District is authorized by Louisiana Revised Statute Number 34:209 to levy annually, when necessary, a property tax not to exceed 2.92 mills on the property subject to taxation situated within the District. All funds derived from this tax may be used for any lawful expenses or purposes by the Board. The 2024 assessed millage is 2.48 mills.

Property taxes are levied on behalf of the District each November 15, the date the enforceable lien attaches, by the Tax Assessor for the Parish of Calcasieu. The levy is based on the assessed value listed as of June 1. Assessed values are established by the Tax Assessor and are approved and certified by the State Tax Commission. The tax levy is approved and certified by the Louisiana Legislative Auditor.

Total taxes levied for the year ended December 31, 2024 were \$5,794,342 on property with assessed valuation totaling \$2,566,734,129 less exempt valuation of \$230,305,767, for a net valuation of \$2,336,428,362.

The Sheriff and Tax Collector for the Parish of Calcasieu bills and collects taxes for the District. Taxes are due and payable on or before December 31. Interest charges are assessed on delinquent taxes at a rate of 15% per annum. Deductions from tax collections, for the billing and collection of taxes, totaled \$187,578 for 2024.

Note 6. Intergovernmental Receivable

Intergovernmental receivable represents amounts due from federal and state governments for the following:

	<u>2024</u>
Port Priority Program	\$ 300,000
FEMA Public Assistance Grant	<u>64,089,398</u>
	<u>\$ 64,389,398</u>

Note 7. Interfund Receivables and Payables

Due to/from other funds at December 31, 2024 consists of the following:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Lake Charles Harbor and Terminal District	\$ 2,049,996	\$ -
Port Rail, Inc.	<u>-</u>	<u>2,049,996</u>
	<u>\$ 2,049,996</u>	<u>\$ 2,049,996</u>

The interfund balance represents a long-term loan between the funds.

Note 8. Capital Assets

A summary of changes in capital assets for the year ended December 31, 2024 is as follows:

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>End of Year</u>
Capital assets not being depreciated:				
Land	\$ 69,721,508	\$ -	\$ -	\$ 69,721,508
Construction in progress	<u>65,071,976</u>	<u>129,083,604</u>	<u>(2,840,534)</u>	<u>191,315,046</u>
Total capital assets not being depreciated	<u>134,793,484</u>	<u>129,083,604</u>	<u>(2,840,534)</u>	<u>261,036,554</u>
Capital assets being depreciated:				
Buildings and operating facilities	390,583,348	156,669	(3,372,121)	387,367,896
Equipment, furniture and fixtures	69,709,663	2,815,389	(5,562,796)	66,962,256
Right to use leased assets	2,349,184	82,340	(81,253)	2,350,271
Right to use subscription assets	<u>294,284</u>	<u>-</u>	<u>-</u>	<u>294,284</u>
Total capital assets being depreciated	<u>462,936,479</u>	<u>3,054,398</u>	<u>(9,016,170)</u>	<u>456,974,707</u>
Less accumulated depreciation and amortization for:				
Buildings and operating facilities	200,785,333	9,838,810	(3,154,784)	207,469,359
Equipment, furniture and fixtures	44,534,613	4,769,579	(2,069,783)	47,234,409
Right to use leased assets	1,039,195	575,147	(81,253)	1,533,089
Right to use subscription assets	<u>131,897</u>	<u>74,505</u>	<u>-</u>	<u>206,402</u>
Total accumulated depreciation	<u>246,491,038</u>	<u>15,258,041</u>	<u>(5,305,820)</u>	<u>256,443,259</u>
Total capital assets being depreciated, net	<u>216,445,441</u>	<u>(12,203,643)</u>	<u>(3,710,350)</u>	<u>200,531,448</u>
Total capital assets, net	<u>\$ 351,238,925</u>	<u>\$ 116,879,961</u>	<u>\$ (6,550,884)</u>	<u>\$ 461,568,002</u>

Depreciation and amortization expense was \$15,258,041 for the year ended December 31, 2024.

Note 9. Leases

The District leases to others a portion of its land, property and equipment under various lease agreements. The District recognized \$14,380,162 in lease revenue and \$5,620,626 in interest revenue during the year ended December 31, 2024 related to these leases. As of December 31, 2024, the District's receivable for lease payments was \$192,172,395. Also, the District has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease terms.

As of December 31, 2024, the balance of deferred inflow of resources was \$173,132,749.

Future payments included in the measurement of the lease receivable as of December 31, 2024 for each of the next five fiscal years and in five-year increments thereafter are as follows:

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	7,458,565	5,610,560	13,069,125
2026	7,022,617	5,395,101	12,417,718
2027	6,257,844	5,191,284	11,449,128
2028	6,423,509	5,000,972	11,424,481
2029	5,440,777	4,821,543	10,262,320
2030-2034	21,848,453	21,957,430	43,805,883
2035-2039	15,901,244	19,308,217	35,209,461
2040-2044	10,080,320	17,250,678	27,330,998
2045-2049	9,579,294	15,890,222	25,469,516
2050-2054	10,761,396	14,355,136	25,116,532
2055-2059	12,049,678	12,663,442	24,713,120
2060-2064	13,997,108	10,716,012	24,713,120
2065-2069	16,259,276	8,453,844	24,713,120
2070-2074	18,770,648	5,827,803	24,598,451
2075-2079	13,747,676	3,384,893	17,132,569
2080-2084	14,719,790	1,239,059	15,958,849
2085-2089	1,854,200	41,709	1,895,909
Total	<u>\$ 192,172,395</u>	<u>\$ 157,107,905</u>	<u>\$ 349,280,300</u>

Note 10. Compensated Absences

Compensated absences are included in personnel services expenses for 2024. The District's liabilities for accumulated compensated absences as of December 31, 2024 are as follows:

<u>Beginning Of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>End of Year</u>	<u>Due Within One Year</u>
\$ 769,965	\$ 66,687	\$ 59,774	\$ 776,878	\$ 77,688

Note 11. Noncurrent Liabilities

Bonds:

Bonds payable at December 31, 2024 comprised of the following:

Revenue bonds:

\$6,435,000 Lake Charles Harbor and Terminal District State of Louisiana Revenue Refunding Bonds 2024A (Non-AMT), interest is due semi-annually beginning January 1, 2025 and principal amounts are due annually beginning January 1, 2037; interest rate 5% for the life of the bonds maturing January 1, 2039

\$ 6,435,000

\$20,730,000 Lake Charles Harbor and Terminal District State of Louisiana Revenue Refunding Bonds 2024B (AMT), interest is due semi-annually beginning January 1, 2025 and principal amounts are due annually beginning January 1, 2025; interest rate 5% for the life of the bonds maturing January 1, 2037

20,730,000

Total bonds payable \$ 27,165,000

The bonds are limited obligations of the District payable solely from and secured by a pledge of the revenue derived from the operation of the properties and facilities maintained and operated by the District, including all or part of the dockage and other fees charged by the District after payment of the District's operating and maintenance costs.

The purpose of the bonds is for the financing and reimbursing of the District for the costs of construction of a dock and wharf and related improvements on land owned by the District to facilitate shipping of various products as well as the construction of various capital improvements for the benefit of the District and paying the costs of issuance of the bonds.

The bonds are subject to applicable federal arbitrage regulations.

The bonds require the District to meet a debt service coverage ratio equal to 1.25 times the current maturities of long-term debt plus interest.

Debt service requirements related to bonds outstanding as of December 31, 2024 are as follows:

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 1,765,000	\$ 868,921
2026	1,295,000	1,237,625
2027	1,360,000	1,171,250
2028	1,425,000	1,101,625
2029	1,500,000	1,028,500
2030-2034	8,710,000	3,908,750
2035-2039	<u>11,110,000</u>	<u>1,443,250</u>
Total	<u>\$ 27,165,000</u>	<u>\$ 10,759,921</u>

Leases:

The District has entered into lease agreements to lease land and equipment as outlined below. The lease agreements qualify as other than short-term leases under GASB Statement No. 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The lease liability is measured at a discount rate of 3%.

Future obligations over the remaining expected terms as of December 31, 2024 are as follows:

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 299,332	\$ 10,153	\$ 309,485
2026	229,698	6,462	236,160
2027	233,284	2,876	236,160
2028	<u>78,568</u>	<u>152</u>	<u>78,720</u>
Total	<u>\$ 840,882</u>	<u>\$ 19,643</u>	<u>\$ 860,525</u>

Subscription-Based Information Technology Agreements (SBITA):

The District has entered into subscription-based information technology agreements, SBITAs, to subscribe to Microsoft software, telecommunications software, and remote access software. The SBITAs qualify as other than short-term agreements under GASB Statement No. 96 and, therefore, have been recorded at the present value of the future minimum payments as of the date of their inception. The subscription liability is measured at a discount rate of 3%.

Future minimum subscription obligations over the remaining expected terms as of December 31, 2024 are as follows:

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 18,594	\$ 1,050	\$ 19,644
2026	<u>19,161</u>	<u>485</u>	<u>19,646</u>
Total	<u>\$ 37,755</u>	<u>\$ 1,535</u>	<u>\$ 32,290</u>

Changes in Long-Term Liabilities:

Noncurrent liabilities activity for the year ended December 31, 2024 is as follows:

	<u>January 1, 2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>December 31, 2024</u>	<u>Due Within One Year</u>
2013 Revenue bonds	\$ 30,350,000	\$ -	\$ 30,350,000	\$ -	\$ -
2013 Premium on revenue bonds	181,376	-	181,376	-	-
2024 Revenue refunding bonds	-	27,165,000	-	27,165,000	\$ 1,765,000
2024 Premium on revenue refunding bonds	-	1,904,581	22,407	1,882,174	134,441
Right to use leased assets liability	1,340,334	82,340	581,792	840,882	299,332
Right to use subscription assets liability	115,017	-	77,262	37,755	18,594
Net pension liability	17,018,965	-	2,138,908	14,880,057	-
OPEB liability	8,316,628	1,013,686	4,343,920	4,986,394	-
Compensated absences	769,965	66,687	59,774	776,878	77,688
Unearned revenue	89,471,239	422,531	36,905,436	52,988,334	-
Claims payable	<u>48,723,150</u>	<u>-</u>	<u>-</u>	<u>48,723,150</u>	<u>-</u>
	<u>\$196,286,674</u>	<u>\$30,654,825</u>	<u>\$74,660,875</u>	<u>\$152,280,624</u>	<u>\$ 2,295,055</u>

Refunding of Bonds:

On October 29, 2024 the District issued \$6,435,000 in Revenue Refunding Bonds, Series 2024A (Non-AMT) and \$20,730,000 in Revenue Refunding Bonds, Series 2024B (AMT). The proceeds of the bonds will be used by the District for the purpose of 1) advance refunding of the District's \$6,995,000 Revenue Bonds Series 2013A (Non-AMT) and \$32,620,000 in Revenue Bonds Series 2013B (AMT) (Revenue Bonds Series 2013A&B were originally issued for the financing and reimbursing of the costs of construction of various capital improvements) and 2) paying the cost of issuance of the Series 2024A&B bonds. The net carrying amount of the old debt exceeded the reacquisition price by \$58,575. This amount is being reported as a deferred inflow of resources and amortized over the life of the new debt, which is the same as the old debt. Amortization for 2024 was \$689.

As a result of the refunding, the cash flow difference between the old debt service and the new debt service amount to \$3,366,710. The present value difference between the old debt service cash flows and the new debt service cash flows amounted to an economic gain of \$2,579,042. The District recognized a premium on refunding of \$1,904,581 related to these bonds as of December 31, 2024.

Note 12. Retirement Benefits

Defined benefit pension plan:

Plan Description

Substantially all employees of the Lake Charles Harbor and Terminal District are members of the statewide retirement system: Louisiana State Employees' Retirement System (LASERS). This system is a cost-sharing, multiple-employer defined benefit pension plan administered by separate boards of trustees. The State of Louisiana guarantees benefits granted by the retirement system by provisions of the Louisiana Constitution of 1974. Article 10, Section 29 of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions to the state legislature. The system issues an annual, publicly available financial report that includes financial statements and required supplementary information for the system. The report for LASERS may be obtained at www.lasersonline.org.

Benefits Provided

Retirement benefits - LASERS

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

Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement

benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement throughout their life, with certain benefits being paid to their designated beneficiary after their death.

Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with twelve years of creditable service at age 55, 25 years of creditable service at any age or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement is ten years of service.

Deferred Retirement Benefits

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

Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

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

Disability Benefits

A member of LASERS with ten or more years of credited service who becomes disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age. Upon reaching retirement age, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees. For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation or 100% of final average compensation if the injury was the result of an intentional act of violence.

Survivor's Benefit

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

Cost of Living Increases

As fully described in Title 11 of the Louisiana Revised Statutes, LASERS allows for the payment of cost-of-living adjustments (COLAs), that are funded through investment earnings when recommended by the Board of Trustees and approved by the State of Louisiana.

Contributions

The employer contribution rate is established annually under LA R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's Actuary. Each plan pays a separate actuarially-determined employer contribution rate. However, all assets of LASERS are used for the payment of benefits for all classes of members, regardless of their plan membership. Employer contributions to LASERS were \$2,649,087 for the year ended December 31, 2024. Contribution rates for the year ended December 31, 2024 are as follows:

<u>Plan</u>	<u>Employee Contribution Rate</u>	<u>Employer Contribution Rate</u>
Regular Employees:		
Hired before 7/1/2006	7.5%	41.30%
Hired after 6/30/2006	8.0%	41.30%
Hired after 12/31/2010	8.0%	41.30%
Hired after 7/1/2015	8.0%	41.30%
Optional Retirement Plan (ORP):		
Hired before 7/1/2006	7.5%	38.80%
Hired after 6/30/2006	8.0%	38.80%
Hazardous Duty	9.5%	47.00%

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

At December 31, 2024, the Lake Charles Harbor and Terminal District reported a liability for LASERS of \$14,880,057 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liabilities used to calculate the net pension liability were determined by actuarial valuations as of that date. The Lake Charles Harbor and Terminal District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the Lake Charles Harbor and Terminal District's proportion for LASERS was 0.273620%. This reflects an increase for LASERS of 0.019360% from its proportion measured as of June 30, 2023.

For the year ended December 31, 2024, the Lake Charles Harbor and Terminal District recognized pension expense, for which there were no forfeitures, of \$3,613,197.

At December 31, 2024, the Lake Charles Harbor and Terminal District reported deferred outflows of resources and deferred inflows of resources related to LASERS from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ -	\$ (65,810)
Changes in proportionate share	630,203	-
Changes in assumptions	104,015	-
Net difference between projected and actual earnings on investments	-	(1,774,117)
Changes in proportion and differences between employer contributions and proportionate share of contributions	39,105	-
Employer contributions subsequent to the measurement date	1,252,960	-
Legislative acts contributions	<u>-</u>	<u>(41,210)</u>
Total	<u>\$ 2,026,283</u>	<u>\$ (1,881,137)</u>

During the year ended December 31, 2024, employer contributions totaling \$1,252,960 were made subsequent to the measurement date for LASERS. These contributions are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Plan Year Ended June 30:

2025	\$ (438,768)
2026	458,386
2027	(683,767)
2028	(443,665)
Total	<u>\$ (1,107,814)</u>

Actuarial Assumptions

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position. The components of the net pension liability of LASERS employers as of June 30, 2024 are as follows:

	<u>LASERS</u>
Total pension liability	\$ 21,404,414,095
Plan fiduciary net position	<u>15,966,194,298</u>
Total net pension liability	<u>\$ 5,438,219,797</u>

The Lake Charles Harbor and Terminal District's allocation is 0.273620% of the total net pension liability for LASERS.

The total pension liabilities for LASERS in the June 30, 2024 actuarial valuations were determined using the following actuarial assumptions:

	<u>LASERS</u>
Actuarial cost method	Entry age normal
Expected remaining service lives	2 years
Investment rate of return	7.25% per annum, net of investment expense
Inflation rate	2.40% per annum
Projected salary increases	Regular 3.3%-14%; hazardous duty 4.4%-15.3%
Cost of living adjustments	None
Mortality	Non-disabled members - Mortality rates based on the PubG-2010 Healthy Retiree on a fully generational basis by Mortality Improvement Scale MP-2021. Disabled members - Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimated ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.40% and

an adjustment for the effect of rebalancing/diversification. The resulting expected long-term nominal rate of return for LASERS is 8.15% for 2024.

Best estimates of geometric real rates of return for each major asset class included in the target asset allocation for LASERS as of June 30, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return LASERS</u>
Cash	0.76%
Domestic equity	4.29%
International equity	5.22%
Domestic fixed income	2.04%
International fixed income	5.24%
Alternative investments	8.19%
Total fund	5.61%

Discount Rates

The discount rate used to measure the total pension liability for LASERS was 7.25%. 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 will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the actuary. Based on those assumptions, the net position of LASERS was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's proportionate Share of the Net Pension Liability to Changes in the Discount Rates

The following table presents the Lake Charles Harbor and Terminal District's proportionate share of the net pension liability using the discount rate of 7.25% for LASERS, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.25%) or one percentage-point higher (8.25%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
LASERS	<u>\$ 20,548,737</u>	<u>\$ 14,880,057</u>	<u>\$ 10,062,675</u>

Payable to the Pension Plans

At December 31, 2024, payable to LASERS was \$383,684 for December, 2024 employee and employer legally-required contributions.

Post-retirement Benefits

By action of the Board of Commissioners, in addition to the pension benefits described in Note 17, the District provides postretirement health care insurance benefits for retired employees. In 2024, the District paid 0% of the retirees' and retirees' dependents' premiums.

During 2024, twenty (20) retired employees were receiving benefits under this plan. These postretirement benefits are financed on a "pay-as-you-go basis" and the District recognizes the cost by expensing the annual insurance premiums. Total net cost to the District amounted to \$-0- for 2024. The participants' share of the costs totaled \$102,098 for 2024.

Deferred Compensation Plan

Certain employees of Lake Charles Harbor and Terminal District participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. Complete disclosures relating to the plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, PO Box 94397, Baton Rouge, Louisiana 70804-9397.

The contributions for the year ended December 31, 2024 consisted of \$308,834 from the District and \$431,844 from employees.

Note 13. Risk Management

In June, 2004, the District elected to enter into a joint cooperative agreement with the Calcasieu Parish Police Jury to implement a combined health and medical self-insurance plan for the employees of the District. The plan provides for both specific stop-loss and aggregate stop-loss coverage. For any one participant, the District is liable for the first \$200,000 of claims in any one calendar year. The aggregate stop-loss coverage will pay all claims over a maximum amount, which is calculated by multiplying the number of employees covered each month by the monthly stop-loss unit, which is determined by the insurance underwriter. Any claims not paid by the end of the calendar year will be considered in the calculation of next year's stop-loss coverage. In the aggregate, the amount of settlements has not exceeded insurance coverage since the inception of the plan. Non-incremental claims adjustment expenses have been included as part of the liability for claims and judgments.

Changes in the balances of claims liabilities during the past two years are as follows:

Unpaid claims, January 1, 2023	\$ 480,607
Incurred and adjusted claims	2,365,161
Claim payments	<u>(2,247,496)</u>
Unpaid claims, January 1, 2024	598,272
Incurred and adjusted claims	2,560,712
Claim payments	<u>(2,572,205)</u>
Total unpaid claims, December 31, 2024	<u>\$ 586,779</u>

The District's insurance reserves to fund future claims on deposit with the Calcasieu Parish Police Jury totaled \$1,749,385 in 2024.

Note 14. Contingent Liabilities and Commitments

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance for the risks of losses to which it is exposed, including general liability, property and casualty, workers' compensation, employee health and accident, and environmental.

The District is currently involved in litigation with IFG Port Holdings, LLC in which IFG alleged breach of contract between the two parties. The Court found the District liable to IFG for losses attributable to IFG's inability to market itself as a fully operational terminal and to load larger, deeper draft cargo vessels as was intended by its original business plan. U.S. Fifth Circuit remanded the case for an evidentiary hearing into the relationship between the Magistrate Judge and IFG's attorney. The evidentiary hearing was held in the Eastern District of Texas, resulting in an order vacating the referral to the Magistrate Judge, thus vacating her rulings, including the Final Judgment against the Port. IFG has appealed the ruling of the evidentiary hearing and we await a ruling from the U.S. Fifth Circuit.

Based on the information as it currently stands, the liability is neither "probable" or "remote". As such, the District has recorded its best estimate of liability of \$48,723,150 as a claim payable on the Statement of Net Position. As noted above, it is reasonably possible that total exposure to loss could be in excess of \$124 million.

The District is involved in various other lawsuits in the ordinary course of business. Management believes that the District's exposure will not exceed insurance coverage except for possible payment of insurance deductibles.

At December 31, 2024, the District had committed approximately \$100.8 million for the purchase of equipment, the expansion of facilities, and repairs and maintenance of existing facilities.

Note 15. Unearned Revenue

	Unearned 12/31/24
PRM site-C&E	\$ 77,465
PRM site-LTM	326,354
Wetland restoration	162,033
Energy transfer	18,923
Unearned grants	51,977,128
Unearned rent not subject to GASB 87	<u>426,431</u>
Total	<u>\$ 52,988,334</u>

Note 16. Major Customers

A significant portion of the District's operating revenue has been derived from two major customers that accounted for 27% of the District's operating revenue in 2024.

A significant portion of the District's accounts receivable has been derived from two customers that accounted for 35% of total trade receivables outstanding at December 31, 2024.

Note 17. Other Postemployment Benefits Other than Pensions (OPEB)

Plan Description

The District provides certain continuing health care benefits for its retired employees. The District's OPEB Plan is an Agent Multiple Employer Defined Benefit Healthcare Plan administered by the Calcasieu Parish Police Jury. The contribution requirements of the retirees and the participating employees are established in the annual operating budget and may be amended in the subsequent year by District management. No assets are accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75.

Benefits Provided

Employees are eligible for retiree health benefits if they are enrolled in the District's health plan at the time of retirement. For coverage under the plan, retirees pay 100% of the blended active premium. There is no retiree contribution to the OPEB plan other than the retiree share of insurance premiums paid monthly.

Employees Covered by Benefit Terms

The December 31, 2024 total OPEB liability was determined using the January 1, 2024 actuarial valuation that included the following employees covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	26
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>107</u>
Total	<u><u>133</u></u>

Total OPEB Liability

The District's total OPEB liability of \$4,986,394 was measured at December 31, 2024 and was determined by an actuarial valuation as of January 1, 2023.

Actuarial Assumptions and Other Inputs

The total OPEB liability in January 1, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified.

- Inflation rate was 2.3%
- Salary increase rate was 3.0%
- Discount rate was 4.08% net of expenses. The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index.
- Health care cost trend rate

Short-term trend rate for no Medicare retirees starts off at 7.2%, and at 9.2% for Medicare retirees and reflects the repeal of the ACA Excise Tax.

- Mortality rate

Pre-retirement: PUB-2010 General Employees Amount-Weighted Mortality Table projected with IRS 2024 Adjusted Mortality Improvement Scale MP-2021 on a generational basis.

Post-retirement: PUB-2010 General Retirees, Contingent Survivors, and Disabled Retirees Amount-Weighted Mortality Tables projected with IRS Adjusted Mortality Improvement Scale MP-2021 on a generational basis.

Changes in the Total OPEB Liability

Balance at December 31, 2023	<u>\$ 8,316,628</u>
Change for the year:	
Service cost	181,269
Interest cost	273,037
Effect of economic/demographic gains or losses	335,561
Effect of assumptions changes or inputs	(3,873,074)
Benefit payments	<u>(247,027)</u>
Net changes	<u>(3,330,234)</u>
Balance at December 31, 2024	<u>\$ 4,986,394</u>

Sensitivity Analysis

Sensitivity of the total OPEB liability to changes in the discount rate - The following table presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate.

	<u>1% Decrease</u> (3.08%)	<u>Current</u> <u>Discount Rate</u> (4.08%)	<u>1% Increase</u> (5.08%)
Total OPEB liability	<u>\$ 5,692,920</u>	<u>\$ 4,986,394</u>	<u>\$ 4,411,120</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate - The following table presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare trend rates.

	<u>1% Decrease</u>	<u>Current</u> <u>Healthcare Cost</u> <u>Trend Rate</u>	<u>1% Increase</u>
Total OPEB liability	<u>\$ 4,352,453</u>	<u>\$ 4,986,394</u>	<u>\$ 5,767,725</u>

For the year ended December 31, 2024, the District recognized OPEB expense of \$307,213. At December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 793,846
Changes in assumptions	<u>(3,649,366)</u>	<u>561,155</u>
Total	<u>\$ (3,649,366)</u>	<u>\$ 1,355,001</u>

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

Year ended December 31:	
2025	\$ (207,072)
2026	(340,037)
2027	(522,139)
2028	(498,640)
2029	(547,362)
Thereafter	<u>(179,115)</u>
	<u>\$ (2,294,365)</u>

Note 18. Subsequent Events

Subsequent to year end, the following events took place that will likely have a significant impact on the following year's financial statements:

- In April 2025, the District completed an interim \$50 million private placement bond issue to assist with capital expenditures, while awaiting reimbursements associated with specific projects.
- The second, and final, of the District's new shiploaders was delivered to Bulk Terminal No. 1. The two shiploaders were purchased to replace the decommissioned hurricane damaged shiploaders.
- Woodside Energy announced its Final Investment Decision for Louisiana LNG (previously Driftwood LNG), a project located on District owned property.

Subsequent events have been evaluated through June 26, 2025, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

LAKE CHARLES HARBOR AND TERMINAL DISTRICT

SCHEDULE OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS
 Years Ended December 31, 2018 through 2024
 (Unaudited)

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
TOTAL OPEB LIABILITY				
Service cost	\$ 168,071	\$ 141,889	\$ 208,652	\$ 261,057
Interest on total OPEB liability	167,600	175,619	149,927	161,028
Effect of plan changes	-	-	-	-
Effect of economic/ demographic gains or losses	(586,452)	-	1,061,007	-
Effect of assumption changes or inputs	(97,297)	1,011,023	859,297	124,255
Benefit payments	<u>(203,427)</u>	<u>(225,911)</u>	<u>(186,886)</u>	<u>(227,867)</u>
Net change in total OPEB liability	(551,505)	1,102,620	2,091,997	318,473
Total OPEB liability, beginning	4,804,848	4,253,343	5,355,963	7,447,960
Total OPEB liability, ending (a)	4,253,343	5,355,963	7,447,960	7,766,433
Covered-employee payroll	7,944,224	8,102,608	7,981,333	7,759,133
Total OPEB liability as a % of covered payroll	53.54%	66.10%	93.37%	100.00%

The schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.

<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 275,244	\$ 158,193	\$ 181,269
163,488	288,215	273,037
-	-	-
493,952	-	335,561
(756,212)	424,793	(3,873,074)
<u>(211,878)</u>	<u>(285,600)</u>	<u>(247,027)</u>
(35,406)	585,601	(3,330,234)
7,766,433	7,731,027	8,316,628
7,731,027	8,316,628	4,986,394
6,411,475	8,495,118	6,828,640
120.58%	97.90%	73.02%

LAKE CHARLES HARBOR AND TERMINAL DISTRICT

SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE
OF NET PENSION LIABILITY

Years Ended December 31, 2015 Through 2024

<u>Plan Year</u>	<u>Employer Proportionate % of the Net Pension Liability (Asset)</u>	<u>Employer Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of It's Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
LASERS:					
2015	0.31313%	\$ 21,297,567	\$ 5,935,106	358.8%	62.7%
2016	0.32847%	25,793,355	5,968,274	432.2%	57.7%
2017	0.34087%	23,993,259	6,329,316	379.1%	62.5%
2018	0.33629%	22,934,736	6,348,680	361.3%	64.3%
2019	0.31373%	22,729,472	6,600,274	344.4%	62.9%
2020	0.26445%	21,871,824	6,443,249	339.5%	58.0%
2021	0.25723%	14,157,867	6,102,288	232.0%	72.8%
2022	0.25708%	19,434,584	5,752,216	337.9%	63.7%
2023	0.25426%	17,018,965	5,938,743	286.6%	68.4%
2024	0.27362%	14,880,057	6,163,027	241.4%	74.6%

The amounts presented have a measurement date of the plan year end.

LAKE CHARLES HARBOR AND TERMINAL DISTRICT

SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS
 Years Ended December 31, 2015 Through 2024

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Employer's Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percent of Covered Payroll</u>
LASERS:					
2015	\$ 2,190,378	\$ 2,190,378	\$ -	\$ 5,908,712	37.1%
2016	2,287,025	2,287,025	-	6,266,472	36.5%
2017	2,304,479	2,304,479	-	6,249,062	36.9%
2018	2,469,497	2,469,497	-	6,510,947	37.9%
2019	2,576,699	2,576,699	-	6,549,254	39.3%
2020	2,543,027	2,543,027	-	6,275,868	40.5%
2021	2,405,733	2,405,733	-	5,929,713	40.6%
2022	2,334,990	2,334,990	-	5,729,711	40.8%
2023	2,577,478	2,577,478	-	6,163,027	41.8%
2024	2,649,087	2,649,087	-	6,798,629	39.0%

LAKE CHARLES HARBOR AND TERMINAL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year Ended December 31, 2024

PENSION - LASERS

Changes to benefit terms:

There were no changes in benefit terms for the measurement period ending June 30, 2024.

Changes of assumptions:

Investment rate of return continued at 7.25%

Expected long-term rate of return changed from 8.19% to 8.15%

OPEB

Changes to benefit terms:

There were no changes in benefit terms for the measurement period ending December 31, 2024.

Changes of assumptions:

Discount rate changed from 3.26% to 4.08%

Health care cost trend rate changed from 3.7%-7% to 3.7%-7.2%

Accumulated assets:

There were no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB No. 72.

OTHER SUPPLEMENTARY INFORMATION

LAKE CHARLES HARBOR AND TERMINAL DISTRICT

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 BUDGET AND ACTUAL (BUDGETARY BASIS) - ENTERPRISE FUND
 Year Ended December 31, 2024

	2024			Variance With Final Budget
	Budgeted Amounts		Actual	
	Original	Final		
Operating revenue:				
Vessel and cargo services	\$ 26,071,353	\$ 26,071,353	\$ 24,027,646	\$(2,043,707)
Rental of equipment and facilities	21,764,584	19,864,584	20,429,114	564,530
Other	279,500	279,500	1,238,497	958,997
Total operating revenue	<u>48,115,437</u>	<u>46,215,437</u>	<u>45,695,257</u>	<u>(520,180)</u>
Operating expenses:				
Personnel services	13,782,963	13,782,963	13,921,965	(139,002)
Contractual services	9,667,539	9,667,539	7,857,796	1,809,743
Dredging	1,500,000	1,500,000	1,500,000	-
Supplies, maintenance and operation of facilities	7,736,448	7,736,448	10,174,129	(2,437,681)
Heat, light and power	892,295	892,295	794,879	97,416
Depreciation and amortization	<u>15,622,804</u>	<u>15,622,804</u>	<u>15,031,798</u>	<u>591,006</u>
Total operating expenses	<u>49,202,049</u>	<u>49,202,049</u>	<u>49,280,567</u>	<u>(78,518)</u>
Operating income (loss)	<u>(1,086,612)</u>	<u>(2,986,612)</u>	<u>(3,585,310)</u>	<u>(598,698)</u>
Nonoperating revenue (expenses):				
Property taxes	4,773,600	4,773,600	5,005,657	232,057
Intergovernmental revenue	90,000	90,000	94,570	4,570
Interest income	3,660,000	3,660,000	2,937,110	(722,890)
Interest expense and fiscal charges	(1,527,645)	(1,527,645)	(1,956,229)	(428,584)
Loss on retirement of assets	-	(3,650,000)	(3,674,613)	(24,613)
Loss on impairment of assets	-	-	-	-
Hurricane recovery expense	-	-	-	-
Intergovernmental expense	(3,217,000)	(3,217,000)	(3,166,667)	50,333
Settlement of claims	-	-	-	-
Insurance recoveries	-	-	13,173	13,173
Other	<u>(40,000)</u>	<u>(40,000)</u>	<u>(10,000)</u>	<u>(30,000)</u>
Net nonoperating revenue (expenses)	<u>3,738,955</u>	<u>88,955</u>	<u>(756,999)</u>	<u>(905,954)</u>

LAKE CHARLES HARBOR AND TERMINAL DISTRICT

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 BUDGET AND ACTUAL (BUDGETARY BASIS) - ENTERPRISE FUND
 Year Ended December 31, 2024
 (Continued)

	2024			Variance With Final Budget
	Budgeted Amounts		Actual	
	Original	Final		
Net income (loss) before contributions (budget basis)	<u>\$ 2,652,343</u>	<u>\$ (2,897,657)</u>	(4,342,309)	<u>\$ (1,504,652)</u>
Capital contributions			<u>89,935,488</u>	
Net income (GAAP basis)			85,593,179	
Net position, beginning of year			<u>343,684,347</u>	
Net position, end of year			<u>\$ 429,277,526</u>	

The notes to the financial statements are an integral part of this statement.

LAKE CHARLES HARBOR AND TERMINAL DISTRICT
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO EXECUTIVE DIRECTOR
Year Ended December 31, 2024

Agency Head Name: Richert L. Self, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 243,818
Benefits - insurance	13,572
Benefits - retirement (LASERS)	98,346
Benefits - deferred compensation	15,250
Auto allowance	14,295
Travel	10,564

LAKE CHARLES HARBOR AND TERMINAL DISTRICT

SCHEDULE OF INSURANCE IN FORCE

December 31, 2024

Insurance policies in force as of December 31, 2024:

Policy Type	Policy Number	Policy Provider	Policy Period
Business travel	43-ETB-101464	Hartford	10/3/24-10/3/27
Commercial automobile	1524011490192Y	Pennsylvania Manufacturer's Assoc. Insurance Co.	10/1/24-10/1/25
Crime	CCP005316001	The Fidelity and Deposit Co. of Maryland	10/1/22-10/1/25
Equipment breakdown coverage	BME1-7S759630-TIL-24	Travelers Property Casualty Company	1/1/24-1/1/25
General liability	B5JH31908	Atlantic Specialty Insurance Company	10/1/24-10/1/25
Bumbershoot	MASILNW00099324	Starr Indemnity & Liability Company	10/1/24-10/1/25
Bumbershoot	QL24XS1M16413	QBE International Market/ QBE Insurance Co.	10/1/24-10/1/25
Bumbershoot	ML2024MEE00017	RB Jones, Inc. behalf of New York Marine	10/1/24-10/1/25
Inland marine equipment floater	RRP1365-19	Evanston Insurance Company	10/1/24-10/1/25
Marine terminal operators	SM0763024	Lloyd's of London	1/1/24-1/1/25
Maritime employers liability	BOUM-A-24-1372	StarNet Insurance Co.	10/1/24-10/1/25
Police professional liability	PPL0950202-06	Indian Harbor Insurance Company	6/18/24-6/18/25
Pollution liability	D3897A240101	Beazley Excess and Surplus Insurance Company	11/26/24-11/26/29
Primary property	B1262PW0425624	Lloyd's of London	1/1/24-1/1/25
Excess property	B1262PW0427124	Lloyd's of London	1/1/24-1/1/25
Public officials' liability	POL0954719-04	Indian Harbor Insurance Company	10/1/24-10/1/25
Railroad liability	RRNY962030-5	Liberty Mutual Insurance	10/1/24-10/1/25
Excess railroad protection	US00112930LI24A	Indian Harbor Insurance Company	10/1/24-10/1/25
Terrorism	US00115024SP24A	Indian Harbor Insurance Company	1/1/24-1/1/25
Workers compensation	100510-D	Louisiana Worker Compensation Corporation	6/18/24-6/18/25
Health care	Self-insured with CPPJ	Stop loss carrier through CPPJ	1/1/24-1/1/25

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STATISTICAL SECTION

STATISTICAL SECTION

This part of the Lake Charles Harbor and Terminal District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements and note disclosures says about the government's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess government's more significant local revenue sources.

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

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LAKE CHARLES HARBOR AND TERMINAL DISTRICT

NET POSITION BY COMPONENT
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)
 (Amounts Expressed in Thousands)
 (Unaudited)

Fiscal Year Ended <u>December 31</u>	Net Investment in Capital <u>Assets</u>	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total</u>
2015	\$ 248,191	\$ 20,793	\$ 26,505	\$ 295,489
2016	262,894	13,886	21,302	298,082
2017	262,508	12,178	27,022	301,708
2018	264,253	5,152	34,985	304,390
2019	259,324	5,221	39,509	304,054
2020	236,636	5,238	4,221	246,095
2021	231,695	5,255	30,415	267,365
2022	260,357	5,316	55,013	320,686
2023	319,252	5,510	18,396	343,158
2024	414,510	4,585	9,325	428,420

Table 2

LAKE CHARLES HARBOR AND TERMINAL DISTRICT

SUMMARY OF REVENUES AND EXPENSES
Last Ten Fiscal Years
(Unaudited)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
OPERATING REVENUES				
Charges for services	\$ 19,429,820	\$ 21,060,478	\$ 23,097,333	\$ 24,157,645
Rentals	16,025,616	18,305,150	17,284,286	17,375,854
Other	<u>875,513</u>	<u>1,492,785</u>	<u>2,330,980</u>	<u>918,468</u>
Total	<u>36,330,949</u>	<u>40,858,413</u>	<u>42,712,599</u>	<u>42,451,967</u>
NONOPERATING REVENUES				
Property taxes	3,286,210	3,476,800	3,633,932	3,777,885
Intergovernmental revenue	90,441	86,901	90,978	90,927
Interest income	307,442	403,205	653,401	1,598,483
Insurance recoveries	-	-	-	-
Other income	<u>607</u>	<u>13</u>	<u>-</u>	<u>-</u>
Total	<u>3,684,700</u>	<u>3,966,919</u>	<u>4,378,311</u>	<u>5,467,295</u>
OPERATING EXPENSES				
General and administrative	10,769,611	12,638,544	13,625,954	12,983,636
Maintenance and operation	8,690,191	12,773,160	13,489,026	13,145,919
Depreciation	<u>14,011,819</u>	<u>14,781,219</u>	<u>15,243,144</u>	<u>15,504,901</u>
Total	<u>33,471,621</u>	<u>40,192,923</u>	<u>42,358,124</u>	<u>41,634,456</u>
NONOPERATING EXPENSES				
Interest expense and fiscal charges	18,697	66,241	38,792	35,601
Intergovernmental expense	4,044,732	3,200,140	696,354	4,145,753
Other expenses	<u>85,665</u>	<u>72,027</u>	<u>45,859</u>	<u>33,879</u>
Total	<u>4,149,094</u>	<u>3,338,408</u>	<u>781,005</u>	<u>4,215,233</u>
Net income (loss) before contributions	<u>2,394,934</u>	<u>1,294,001</u>	<u>3,951,781</u>	<u>2,069,573</u>
Capital contributions				
Federal government	-	548,000	612,596	2,627,000
State government	4,357,112	362,221	-	-
Other	<u>4,100,000</u>	<u>388,000</u>	<u>-</u>	<u>-</u>
Total capital Contributions	<u>8,457,112</u>	<u>1,298,221</u>	<u>612,596</u>	<u>2,627,000</u>
Change in net assets	<u>\$ 10,852,046</u>	<u>\$ 2,592,222</u>	<u>\$ 4,564,377</u>	<u>\$ 4,696,573</u>

Table 2

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 22,198,001	\$ 17,890,360	\$ 17,460,239	\$ 22,593,476	\$ 24,052,545	\$ 25,304,810
17,564,904	17,671,565	19,071,668	20,413,989	19,898,976	20,429,114
549,400	623,105	1,373,637	847,130	393,487	1,238,497
<u>40,312,305</u>	<u>36,185,030</u>	<u>37,905,544</u>	<u>43,854,595</u>	<u>44,345,008</u>	<u>46,972,421</u>
4,099,984	4,328,175	4,098,396	4,703,773	5,239,226	5,005,657
92,011	93,417	93,720	94,248	96,221	94,570
1,687,068	507,332	222,838	1,792,826	4,752,358	2,940,837
-	24,500,000	25,500,000	220,854	55,214	13,173
500	2,001	14,495	12,869,489	-	-
<u>5,879,563</u>	<u>29,430,925</u>	<u>29,929,449</u>	<u>19,681,190</u>	<u>10,143,019</u>	<u>8,054,237</u>
13,135,358	11,606,078	10,995,784	14,073,151	14,961,594	14,672,266
13,925,833	12,859,193	17,768,951	20,293,387	22,609,688	20,962,774
<u>15,379,123</u>	<u>15,120,974</u>	<u>13,744,750</u>	<u>14,466,973</u>	<u>14,654,123</u>	<u>15,258,041</u>
<u>42,440,314</u>	<u>39,586,245</u>	<u>42,509,485</u>	<u>48,833,511</u>	<u>52,225,405</u>	<u>50,893,081</u>
1,741,834	1,709,702	1,666,635	1,606,969	1,562,294	1,956,229
1,345,417	6,923,559	2,429,067	3,115,111	3,025,000	3,166,667
213,119	81,776,952	8,966,183	1,901,639	2,247,540	3,684,613
<u>3,300,370</u>	<u>90,410,213</u>	<u>13,061,885</u>	<u>6,623,719</u>	<u>6,834,834</u>	<u>8,807,509</u>
<u>451,184</u>	<u>(64,380,503)</u>	<u>12,263,623</u>	<u>8,078,555</u>	<u>(4,572,212)</u>	<u>(4,673,932)</u>
1,347,873	6,421,173	9,007,096	17,152,953	18,821,337	40,405,939
-	-	-	11,346,520	7,100,417	49,529,549
-	-	-	-	-	-
<u>1,347,873</u>	<u>6,421,173</u>	<u>9,007,096</u>	<u>28,499,473</u>	<u>25,921,754</u>	<u>89,935,488</u>
<u>\$ 1,799,057</u>	<u>\$ (57,959,330)</u>	<u>\$ 21,270,719</u>	<u>\$ 36,578,028</u>	<u>\$ 21,349,542</u>	<u>\$ 85,261,556</u>

Table 3

LAKE CHARLES HARBOR AND TERMINAL DISTRICT

VESSEL AND CARGO REVENUES
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended December 31	<u>Dockage</u>	<u>Wharfage</u>	<u>Storage</u>	<u>Cargo Handling</u>
2015	\$ 3,585,324	\$ 690,862	\$ 523,500	\$ 14,630,134
2016	4,515,802	1,344,410	687,236	14,513,031
2017	4,518,677	2,594,057	399,424	14,475,272
2018	4,565,193	1,381,942	507,466	16,183,901
2019	3,984,542	1,605,190	382,430	14,330,119
2020	3,267,834	1,676,633	355,021	9,905,899
2021	3,286,574	2,984,510	403,313	8,960,678
2022	5,275,602	3,313,010	691,945	12,389,007
2023	4,825,214	3,500,438	913,133	13,798,866
2024	4,681,388	3,888,559	1,113,456	14,344,243

SHIPPING ACTIVITIES
TONNAGE
(Unaudited)2024 CARGO IMPORTS/EXPORTS
(Tons)

<u>Cargo</u>	<u>Imports</u>	<u>Exports</u>	<u>Totals</u>
General cargo	350,003	94,900	444,903
Bulk	<u>931,117</u>	<u>15,486,723</u>	<u>16,417,840</u>
Totals	<u>1,281,120</u>	<u>15,581,623</u>	<u>16,862,743</u>

Table 3

<u>Total Vessel & Cargo Revenue</u>	<u>Per Ton Dockage</u>	<u>Per Ton Wharfage</u>	<u>Per Ton Storage</u>	<u>Per Ton Cargo Handling</u>	<u>Per Ton Vessel & Cargo Revenue</u>
\$ 19,429,820	\$ 0.74	\$ 0.14	\$ 0.11	\$ 3.02	\$ 4.01
21,060,479	0.85	0.25	0.13	2.74	3.97
21,987,430	0.90	0.52	0.08	2.88	4.38
22,638,503	1.05	0.32	0.12	3.71	5.20
20,302,282	1.08	0.30	0.10	3.89	5.37
15,205,387	1.08	0.16	0.12	3.28	4.64
15,635,075	1.22	0.20	0.15	3.32	4.89
21,669,564	1.69	0.20	0.22	3.97	6.08
23,037,651	1.39	0.21	0.26	3.96	5.82
24,027,646	1.31	0.23	0.31	4.02	5.87

TEN YEAR CARGO
IMPORT/EXPORT TONNAGE

<u>Fiscal Year Ended December 31</u>	<u>Imports</u>	<u>Exports</u>	<u>Totals</u>
2015	2,311,474	3,114,870	5,426,344
2016	2,500,662	2,587,962	5,088,624
2017	2,858,435	2,226,021	5,084,456
2018	2,208,079	2,735,848	4,943,927
2019	1,950,624	3,917,633	5,868,257
2020	1,910,340	9,256,106	11,166,446
2021	1,563,547	13,230,309	14,793,856
2022	1,639,622	14,637,229	16,276,851
2023	1,263,334	15,330,279	16,593,613
2024	<u>1,281,120</u>	<u>15,581,623</u>	<u>16,862,743</u>
Totals	<u>19,487,237</u>	<u>82,617,880</u>	<u>102,105,117</u>

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Table 4

LAKE CHARLES HARBOR AND TERMINAL DISTRICT

TAX REVENUES FOR BUSINESS TYPE ACTIVITIES

Last Ten Fiscal Years

(Accrual Basis of Accounting)

(Unaudited)

Fiscal Year Ended <u>December 31</u>	<u>Property Tax</u>	<u>Revenue Sharing</u>	<u>Total</u>
2015	3,286,210	90,441	3,376,651
2016	3,476,800	86,901	3,563,701
2017	3,633,932	90,978	3,724,910
2018	3,777,885	90,927	3,868,812
2019	4,099,984	92,011	4,191,995
2020	4,328,175	93,417	4,421,592
2021	4,098,396	93,720	4,192,116
2022	4,703,773	94,248	4,798,021
2023	5,239,226	96,221	5,335,447
2024	<u>5,005,657</u>	<u>94,570</u>	<u>5,100,227</u>
Totals	<u>\$ 41,650,038</u>	<u>\$ 923,434</u>	<u>\$ 42,573,472</u>

Table 5

LAKE CHARLES HARBOR AND TERMINAL DISTRICT

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended December 31	Real Property		Personal Property	Less: Tax Exempt Real Property
	Residential Property	Public Services	Other	
2015	\$ 512,094,719	\$ 88,527,727	\$ 734,831,111	\$ 154,218,082
2016	565,197,708	97,297,921	767,660,812	155,264,877
2017	591,940,193	102,601,952	790,775,605	156,396,254
2018	789,379,338	105,384,463	819,945,096	210,766,093
2019	810,592,733	115,556,182	947,337,404	229,916,623
2020	761,899,775	144,278,346	1,088,542,851	205,545,222
2021	865,455,272	110,316,294	979,223,058	246,925,281
2022	896,232,367	97,254,652	1,078,974,258	255,352,451
2023	938,769,546	114,102,335	1,387,658,779	261,422,311
2024	966,135,704	129,951,314	1,386,149,380	260,509,585

All property assessments are made by the Calcasieu Parish Tax Assessor.

Table 5

<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value Percentage of Actual Value</u>
\$ 1,335,453,557	2.53	\$ 12,840,899,577	10.40%
1,430,156,441	2.53	14,593,433,071	9.80%
1,485,317,750	2.53	15,634,923,695	9.50%
1,714,708,897	2.53	18,638,151,054	9.20%
1,873,486,319	2.53	22,041,015,518	8.50%
1,994,720,972	2.48	25,249,632,557	7.90%
1,954,994,624	2.48	17,455,309,143	11.20%
2,072,461,277	2.48	18,840,557,064	11.00%
2,440,530,660	2.48	25,160,109,897	9.70%
2,482,236,398	2.48	26,128,804,189	9.50%

Table 6

LAKE CHARLES HARBOR AND TERMINAL DISTRICT

PROPERTY TAX MILLAGE RATES
 DIRECT AND OVERLAPPING GOVERNMENTS
 Last Ten Fiscal Years
 (Unaudited)

Fiscal Year Ended December 31	Lake Charles Harbor and Terminal District		Calcasieu Parish School Board		
	Operating Millage	Total	General Fund	Debt Service Funds	Total
2015	2.53	2.53	18.04	22.20	40.24
2016	2.53	2.53	17.23	21.00	38.23
2017	2.53	2.53	17.23	21.00	38.23
2018	2.53	2.53	17.23	29.85	47.08
2019	2.53	2.53	17.23	42.10	59.33
2020	2.48	2.48	17.00	37.00	54.00
2021	2.48	2.48	17.00	31.50	48.50
2022	2.48	2.48	17.00	21.30	38.30
2023	2.48	2.48	17.00	20.65	37.65
2024	2.48	2.48	17.00	19.00	36.00

Data source: Calcasieu Parish Assessor

Table 6

Calcasieu Parish				City of Lake Charles			Total Direct & Overlapping Rates
Parish Police Jury	Special Districts	Airport Harbor & Terminal	Total	General & Special Revenue Funds	Debt Service Fund	Total	
35.46	43.25	8.19	86.90	15.35	0.00	15.35	145.02
34.29	41.65	8.58	84.52	15.23	0.00	15.23	140.51
34.29	41.23	8.58	84.10	15.23	0.00	15.23	140.09
34.29	43.40	8.58	86.27	15.23	0.00	15.23	151.11
34.09	43.05	8.58	85.72	15.23	0.00	15.23	162.81
34.51	43.07	8.45	86.03	15.05	0.00	15.05	157.56
36.51	42.67	8.45	87.63	15.12	0.00	15.12	153.73
36.41	36.75	8.45	81.61	15.12	0.00	15.12	137.51
37.36	36.96	8.45	82.77	15.12	0.00	15.12	138.02
38.00	36.38	8.45	82.83	14.98	0.00	14.98	136.29

Table 7

LAKE CHARLES HARBOR AND TERMINAL DISTRICT

PRINCIPAL PROPERTY TAXPAYERS
For the Current Year and Nine Years Ago
(Unaudited)

Taxpayer	Type of Business	2024	
		Assessed Valuation 2024	Rank Percentage of Total Valuation
Phillips 66 (formerly Conoco)	Refinery	\$ 333,987,835	1 13.46%
CITGO Petroleum Corporation	Refinery	115,085,610	2 4.64%
SASOL North America, Inc	Chemical plant	112,298,178	3 4.52%
Westlake US 2*	Chemical plant	79,016,540	4 3.18%
Lake Charles LNG	LNG	57,348,070	5 2.31%
Excel Paralubes	Lubricants	55,151,670	6 2.22%
Golden Nugget	Hotel & casino	47,733,930	7 1.92%
Westlake Chemical	Chemical plant	39,552,810	8 1.59%
Penn Entertainment	Hotel & casino	32,544,420	9 1.31%
Firestone	Rubber plant	32,389,030	10 1.30%
Axial Corporation	Chemical plant		
Entergy Gulf States, Inc.	Electric Co.		
R S Cogen, LLC	Power plant		
Totals		<u>\$ 905,108,093</u>	<u>35.45%</u>

Data source: Calcasieu Parish Assessor

* Westlake Chemical acquired Axiall (formerly PPG) in 2016

Table 7

2015		
<u>Assessed Valuation 2014</u>	<u>Rank</u>	<u>Percentage of Total Valuation</u>
\$ 77,168,300	1	5.78%
51,741,260	2	3.87%
45,460,740	3	3.40%
33,023,310	8	2.47%
36,737,060	6	2.75%
25,079,740	9	1.88%
33,198,370	7	2.49%
39,143,840	4	2.93%
37,929,334	5	2.84%
<u>19,596,670</u>	10	<u>1.47%</u>
<u>\$ 399,078,624</u>		<u>29.88%</u>

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Table 8

LAKE CHARLES HARBOR AND TERMINAL DISTRICT

TOP CUSTOMERS
For the Current Year and Nine Years Ago
(Unaudited)

Customer	2024		2015	
	Revenue	Percent of Operating Revenue	Revenue	Percent of Operating Revenue
Phillips 66	\$ 6,281,813	13.37%	\$ 2,597,611	7.18%
Citgo Petroleum Corporation	6,150,006	13.09%	8,852,718	24.46%
Golden Nugget	3,900,612	8.30%	3,170,491	8.76%
Cameron LNG	3,833,666	8.16%		
Penn Entertainment	3,482,461	7.41%	3,064,750	8.47%
Trunkline LNG	-	-	1,740,663	4.81%
Totals	<u>\$ 23,648,558</u>	<u>50.33%</u>	<u>\$ 19,426,233</u>	<u>53.68%</u>

Table 9

LAKE CHARLES HARBOR AND TERMINAL DISTRICT

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended <u>December 31</u>	Total <u>Tax Levy</u>	Collected within the <u>Fiscal Year of the Levy</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>
2015	\$ 3,378,726	\$ 2,578,993	76.33%
2016	3,618,328	2,932,887	81.06%
2017	3,757,905	2,821,222	75.07%
2018	3,940,313	3,470,481	88.08%
2019	4,337,428	3,456,368	79.69%
2020	4,553,726	3,891,423	85.46%
2021	4,448,623	3,275,957	73.64%
2022	4,741,178	3,446,297	72.69%
2023	5,649,546	3,602,672	63.77%
2024	5,794,343	3,651,468	63.02%

Data source - Calcasieu Parish Tax Collector

Table 9

Collections in Subsequent Years	Total Collections to Date	
	Amount	Percentage of Levy
\$ 5,283	\$ 2,584,276	76.49%
6,009	2,938,896	81.22%
7,600	2,828,822	75.28%
(1,849)	3,468,632	88.03%
11,351	3,467,719	79.95%
105,529	3,996,952	87.77%
1,039,427	4,315,384	97.00%
1,011,093	4,457,390	94.01%
1,463,247	5,065,919	89.67%
1,582,091	5,233,559	90.32%

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Table 10

LAKE CHARLES HARBOR AND TERMINAL DISTRICT

RATIOS OF OUTSTANDING DEBT
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended December 31	<u>Bonded Debt</u>		<u>Other Debt</u>		Total Debt	Percentage of Personal Income ¹	Per Capita ¹
	Bonds and Certificates of Indebtedness		Right to Use Obligations				
2015	\$ 39,138,649		\$ -		\$ 36,330,949	0.81%	198.47
2016	38,206,490		-		40,858,413	0.76%	187.96
2017	37,239,331		-		42,712,599	0.73%	182.28
2018	36,232,172		-		42,451,967	0.69%	178.97
2019	35,175,013		-		40,312,305	0.65%	173.85
2020	34,067,854		-		36,185,030	0.60%	166.45
2021	32,925,694		-		37,905,544	0.57%	161.95
2022	31,748,535		1,826,386		33,574,921	0.53%	163.56
2023	30,531,376		1,455,350		31,986,726	0.51%	158.02
2024	29,047,174		878,637		29,925,811	0.44%	144.67

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

1 See the Schedule of Demographic and Economic Statistics for personal income and population data.

Table 11

LAKE CHARLES HARBOR AND TERMINAL DISTRICT

REVENUE BACKED DEBT COVERAGE
Last Ten Fiscal Years
(Unaudited)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Gross revenues	\$ 40,015,649	\$ 44,825,332	\$ 45,981,007	\$ 46,400,120
One-time revenues	-	-	-	-
One-time expenses	-	-	-	-
Deductible operating expenses	<u>19,481,105</u>	<u>25,385,463</u>	<u>26,494,054</u>	<u>29,116,142</u>
Net revenues available	<u>20,534,544</u>	<u>19,439,869</u>	<u>19,486,953</u>	<u>17,283,978</u>
Current maturities				
long-term debt	920,000	955,000	995,000	1,045,000
Certificates of indebtedness	-	-	-	-
Interest expense	<u>1,882,138</u>	<u>1,845,338</u>	<u>1,807,138</u>	<u>1,731,263</u>
CMLTD plus interest expense	<u>2,802,138</u>	<u>2,800,338</u>	<u>2,802,138</u>	<u>2,776,263</u>
Debt service coverage ratio	7.433	6.94	6.95	6.23

Table 11

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 44,296,149	\$ 38,430,982	\$ 66,009,348	\$ 62,611,376	\$ 53,472,868	\$ 53,745,767
-	24,500,000	25,500,000	13,011,923	55,214	13,173
-	81,566,952	8,741,688	1,858,505	2,237,540	3,674,613
<u>27,133,350</u>	<u>87,044,781</u>	<u>38,470,027</u>	<u>38,058,108</u>	<u>41,563,901</u>	<u>41,100,049</u>
<u>17,162,799</u>	<u>8,453,153</u>	<u>10,781,009</u>	<u>13,399,850</u>	<u>14,091,293</u>	<u>16,307,158</u>
1,095,000	1,130,000	1,165,000	1,205,000	1,250,000	1,320,000
-	-	-	-	-	-
<u>1,688,712</u>	<u>1,653,925</u>	<u>1,615,175</u>	<u>1,572,194</u>	<u>1,515,225</u>	<u>1,444,550</u>
<u>2,783,712</u>	<u>2,783,925</u>	<u>2,780,175</u>	<u>2,777,194</u>	<u>2,765,225</u>	<u>2,764,550</u>
6.17	3.04	3.88	4.82	5.10	5.90

Table 12

LAKE CHARLES HARBOR AND TERMINAL DISTRICT

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

(amounts expressed in thousands)

(Unaudited)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Debt limit	\$ 148,967	\$ 158,542	\$ 164,171	\$ 192,547
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 148,967</u>	<u>\$ 158,542</u>	<u>\$ 164,171</u>	<u>\$ 192,547</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%

Legal Debt Margin Calculated for Fiscal Year 2023

Assessed value

Add back: Exempt real property

Total assessed value

Debt limit (10% of total assessed value)

Total restricted assets available for principal payment

Legal capacity of Lake Charles Harbor and Terminal District

Note:

1. In the State of Louisiana, the first \$75,000 of a homeowners' primary residence is exempt from property tax. This is referred to as a "Homestead Exemption".
2. Under specific conditions, businesses can qualify for a ten year property tax exemption. The State grants this as an economic incentive for companies to locate or expand their business in Louisiana.

Table 12

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 210,340	\$ 220,027	\$ 220,192	\$ 232,781	\$ 270,195	\$ 274,275
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 210,340</u>	<u>\$ 220,027</u>	<u>\$ 220,192</u>	<u>\$ 232,781</u>	<u>\$ 270,195</u>	<u>\$ 274,275</u>
0%	0%	0%	0%	0%	0%

\$ 2,482,236,398

260,509,585

2,742,745,983

274,274,598

29,047,174

245,227,424

Table 13

LAKE CHARLES HARBOR AND TERMINAL DISTRICT

DEMOGRAPHIC STATISTICS IN THE PARISH
Last Ten Fiscal Years
(Unaudited)

<u>Fiscal Year Ended December 31</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>
2015	197,204	\$ 4,802,903,420	\$ 24,355
2016	203,274	5,041,545,664	24,802
2017	204,296	5,108,421,480	25,005
2018	202,445	5,250,896,170	25,937
2019	202,330	5,396,482,728	26,672
2020	204,676	5,659,517,832	27,651
2021	203,310	5,780,461,438	28,432
2022	205,282	6,372,774,408	31,044
2023	202,418	6,283,864,392	31,044
2024	206,861	6,839,652,104	33,064

Data sources:

Louisiana Department of Education
Calcasieu Parish School Board

Table 13

<u>Median Age</u>	<u>Average ACT Score Core</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
36	19.7	32,565	5.4
37	19.5	32,748	4.8
36	20.0	32,946	4.0
36	19.8	32,932	4.8
36	19.3	32,946	4.3
36	19.2	31,592	10.1
36	18.6	27,584	7.6
36	18.2	27,773	4.3
36	18.9	27,998	4.0
37	19.0	28,399	4.4

Table 14

LAKE CHARLES HARBOR AND TERMINAL DISTRICT

PRINCIPAL EMPLOYERS IN CALCASIEU PARISH
 For the Current Year and Nine Years Ago
 (Unaudited)

<u>Employers</u>	<u>Type of Business</u>	<u>2024</u> <u>Number of</u> <u>Employees</u>	<u>2015</u> <u>Number of</u> <u>Employees</u>
Calcasieu Parish School Board	Education	4,900+	4,827
Lake Charles Memorial Health System	Health care	2,600+	2,744
Turner Industries	Industrial contractor	2,100+	-
Westlake Chemical	Basic chemical plant	2,000+	-
Golden Nugget	Gaming	1,700+	2,129
Penn Entertainment	Gaming	1,600+	2,300
Sun Industrial Group	Industrial contractor	1,000+	-
Versa Integrity Group	Industrial contractor	1,000+	-
Christus St. Patrick Hospital	Health care	1,000+	1,117
CITGO Petroleum Corporation	Oil products	1,000+	1,139
Axiall Corporation	Basic chemical plant	-	1,169
City of Lake Charles	Government	-	1,093
Isle of Capri	Gaming	-	1,000
Total		<u>N/A</u>	<u>17,518</u>

Source: City of Lake Charles

*Westlake Chemical acquired Axial (formerly PPG) in 2016

LAKE CHARLES HARBOR AND TERMINAL DISTRICT

FULL-TIME EMPLOYEES BY FUNCTION
Last Ten Fiscal Years
(Unaudited)

Function	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Board of Commissioners	7	7	7	7	6	7	7	7	7	7
Executive	2	2	3	3	3	3	3	2	2	2
Administrative	13	13	13	14	13	13	13	13	12	12
Legal	3	3	3	3	3	3	2	2	2	2
Engineering	3	3	3	3	2	2	2	2	3	3
Sales and Marketing	2	2	2	2	2	2	2	2	2	2
Navigation and Security	16	17	19	20	20	24	23	18	17	19
Traffic	2	1	1	1	1	1	1	1	1	1
Safety	3	3	1	1	1	0	0	0	0	0
Maintenance	25	26	26	26	25	26	25	26	26	31
Operation	<u>44</u>	<u>42</u>	<u>44</u>	<u>46</u>	<u>43</u>	<u>41</u>	<u>40</u>	<u>39</u>	<u>43</u>	<u>44</u>
Total	<u>120</u>	<u>119</u>	<u>122</u>	<u>126</u>	<u>119</u>	<u>122</u>	<u>118</u>	<u>112</u>	<u>115</u>	<u>123</u>

Source: Various District departments

Table 16

LAKE CHARLES HARBOR AND TERMINAL DISTRICT

CAPITAL ASSET STATISTICS BY FUNCTION
Last Ten Fiscal Years
(Unaudited)

Function	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Transit sheds - square feet	1,221,760	1,056,840	1,056,840	1,056,840
Warehouses - square feet	520,400	520,400	520,400	520,400
Docks - number amount:				
Dry cargo	11	10	10	10
Bulk materials	3	3	3	3
Open berth	1	1	2	2
Grain elevator	1	1	1	1
Track - miles	39	39	39	39

Sources: Various District departments

Table 16

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
1,056,840	1,056,840	1,056,840	949,355	691,955	491,955
520,400	520,400	520,400	630,400	462,400	762,400
10	10	10	9	5	5
3	3	3	3	3	3
2	2	2	3	6	6
1	1	1	1	1	-
39	39	39	39	39	39

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