

**LAKE CHARLES HARBOR AND TERMINAL DISTRICT
LAKE CHARLES, LOUISIANA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2025**

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, 2025

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INTRODUCTORY SECTION

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PORT OF LAKE CHARLES

June 25, 2026

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, 2025 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 20-30. 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.

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. Though recovery has been slow, Dr. Loren Scott projects the Lake Charles MSA to be one of the fastest growing in the state over the next two years in percentage terms. With many potential and developing 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 around 4,000 employees, generates monthly average gaming revenues of approximately \$60.2 million and generates monthly average taxable sales of approximately \$13.0 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 to 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.
- Venture Global is currently constructing its CP2 LNG project encompassing approximately 1,150 acres in Cameron Parish. CP2, upon completion, will have a minimum export capacity of 20 million tons per annum. With the addition of this facility, along with its current Calcasieu Pass facility, Venture Global will increase their export capacity to roughly 30 million tons of LNG per annum from the mouth of the Calcasieu Ship Channel.
- Along the Calcasieu Ship Channel there are approximately \$60.6 billion in energy related projects at various phases of development. \$34.5 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, 4 open berths, and can accommodate 9 ships in port simultaneously. Under current conditions, City Docks has approximately 1.2 million sq. ft. of usable covered storage. Post Hurricane renovations are ongoing at the District to update and replace multiple 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 preparation for use on multiple projects along the Calcasieu Ship Channel.

During 2025, the District began handling modules, project cargo, and aggregate for an LNG facility expansion project on the Ship Channel. The commodities are shipped to the District's City Docks and Industrial Canal facilities, where they are stored until needed.

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 2025, lease revenues accounted for approximately \$22.8 million, or 44% 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 \$284 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. During 2025, the district obtained \$50 million in interim bond financing to assist in funding the completion of multiple 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, 2024. 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,

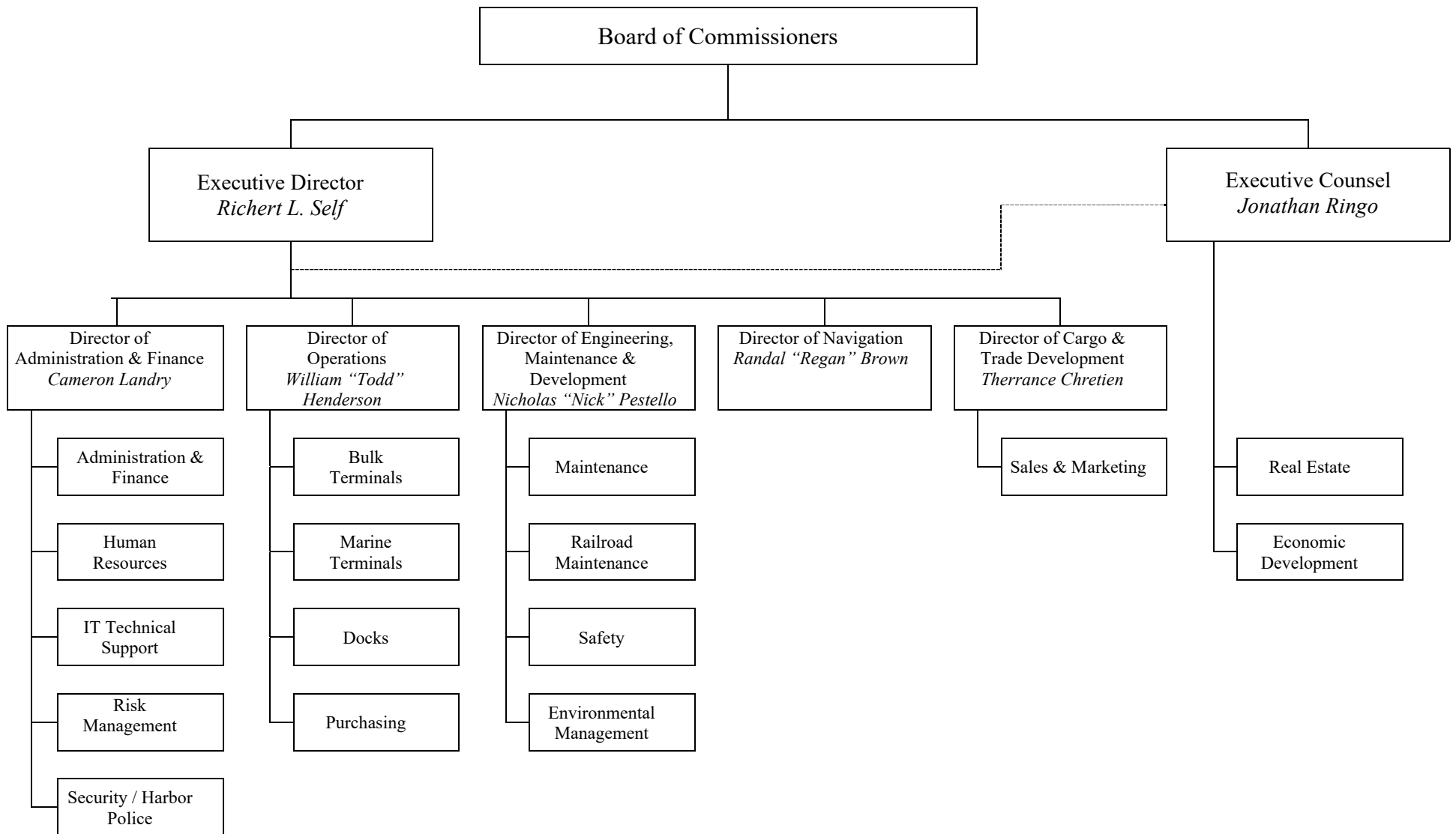


Richert L. Self
Executive Director



Cameron S. Landry
Director of Administration
and Finance







Government Finance Officers Association

**Certificate of
Achievement
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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, 2024

Christopher P. Morill

Executive Director/CEO

LAKE CHARLES HARBOR AND TERMINAL DISTRICT

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

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EXECUTIVE DIRECTOR

Richert L. Self

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, 2025, 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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, the insurance in force schedule, and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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, the insurance in force schedule, and the schedule of expenditures of federal awards 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 25, 2026, 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.

McElroy Quirk & Bunch

Lake Charles, Louisiana
June 25, 2026

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, 2025. It provides an introduction to the District's 2025 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, 2025 by \$479.9 million (*net position*). Net position totaled \$428.4 million as of December 31, 2024.
- As a result of the excess revenues over expenses, the District's net position increased \$51.4 million during 2025 compared to a \$85.3 million increase during 2024.
- During 2025, operating revenues were \$52.0 million, an increase of \$5.1 million (11%) from 2024. Operating expenses were \$48.2 million, a decrease of \$2.7 million (5%) compared to 2024.

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 32-39 of this report.

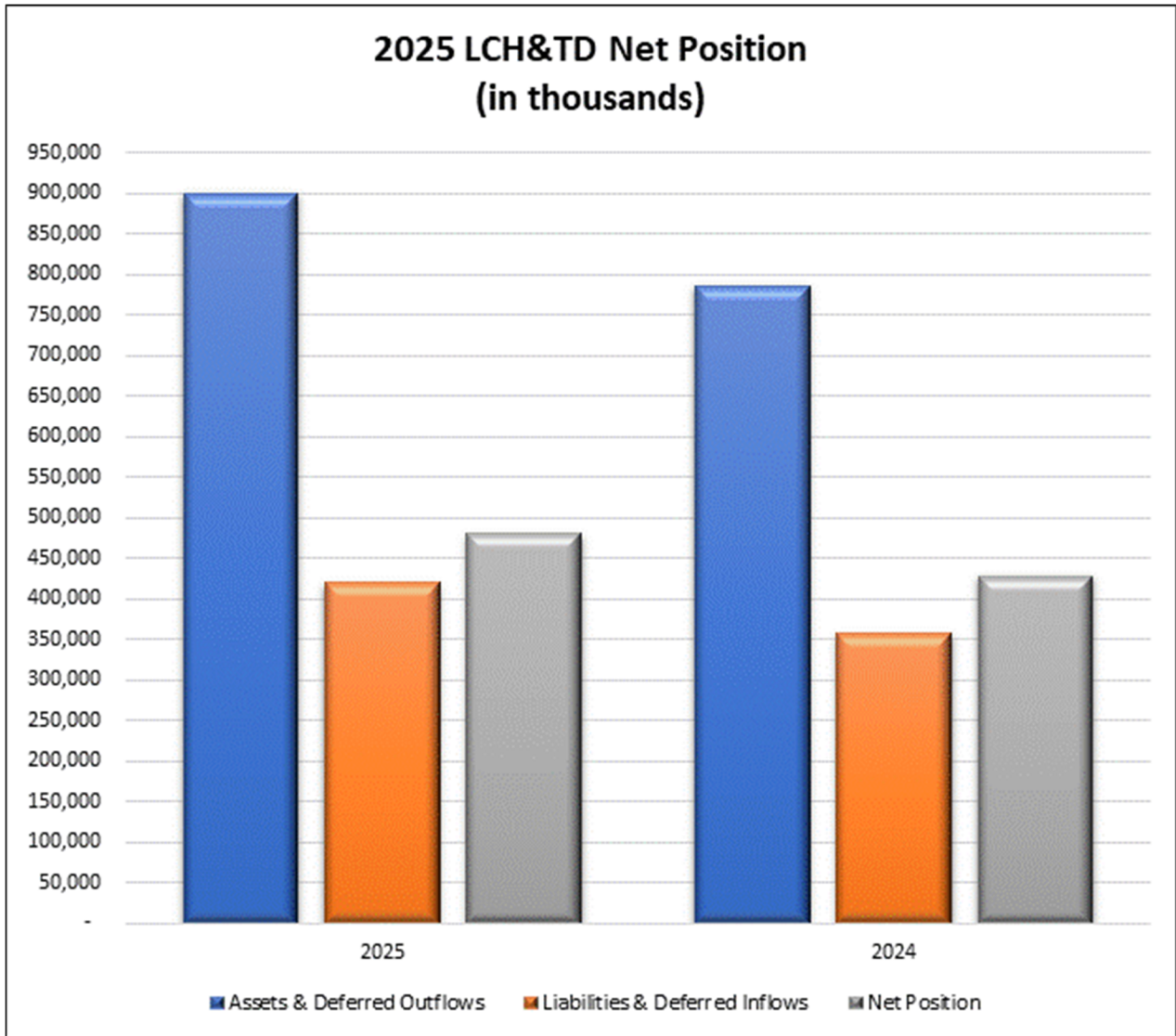
The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to financial statements can be found on pages 40-68 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information on pages 70-74, other supplementary information on pages 76-80, and a statistical section on pages 81-111.

Financial Analysis of the District

The following table presents the condensed statements of fund net position as of December 31, 2025 and 2024:

Lake Charles Harbor and Terminal District Comparative Condensed Statements of Net Position		
	2025 <u>in thousands</u>	2024 <u>in thousands</u>
Current and other assets	\$ 362,507	\$ 320,769
Capital assets	<u>535,080</u>	<u>461,568</u>
Total assets	<u>897,587</u>	<u>782,337</u>
Deferred outflow of resources	<u>2,332</u>	<u>3,381</u>
Current liabilities	29,072	28,592
Non-current liabilities	<u>197,259</u>	<u>149,985</u>
Total liabilities	<u>226,331</u>	<u>178,577</u>
Deferred inflows of resources	<u>193,725</u>	<u>178,721</u>
Net position:		
Net investment in capital assets	433,363	414,510
Restricted	5,616	4,585
Unrestricted	<u>40,883</u>	<u>9,325</u>
Total net position	<u>\$ 479,862</u>	<u>\$ 428,420</u>



2025

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 \$479.9 million compared to \$428.4 million as of December 31, 2024.

The largest portion of the District's net position reflects its investment in capital assets in the amount of \$433.4 million as of December 31, 2025 compared to \$414.5 million as of December 31, 2024. 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.

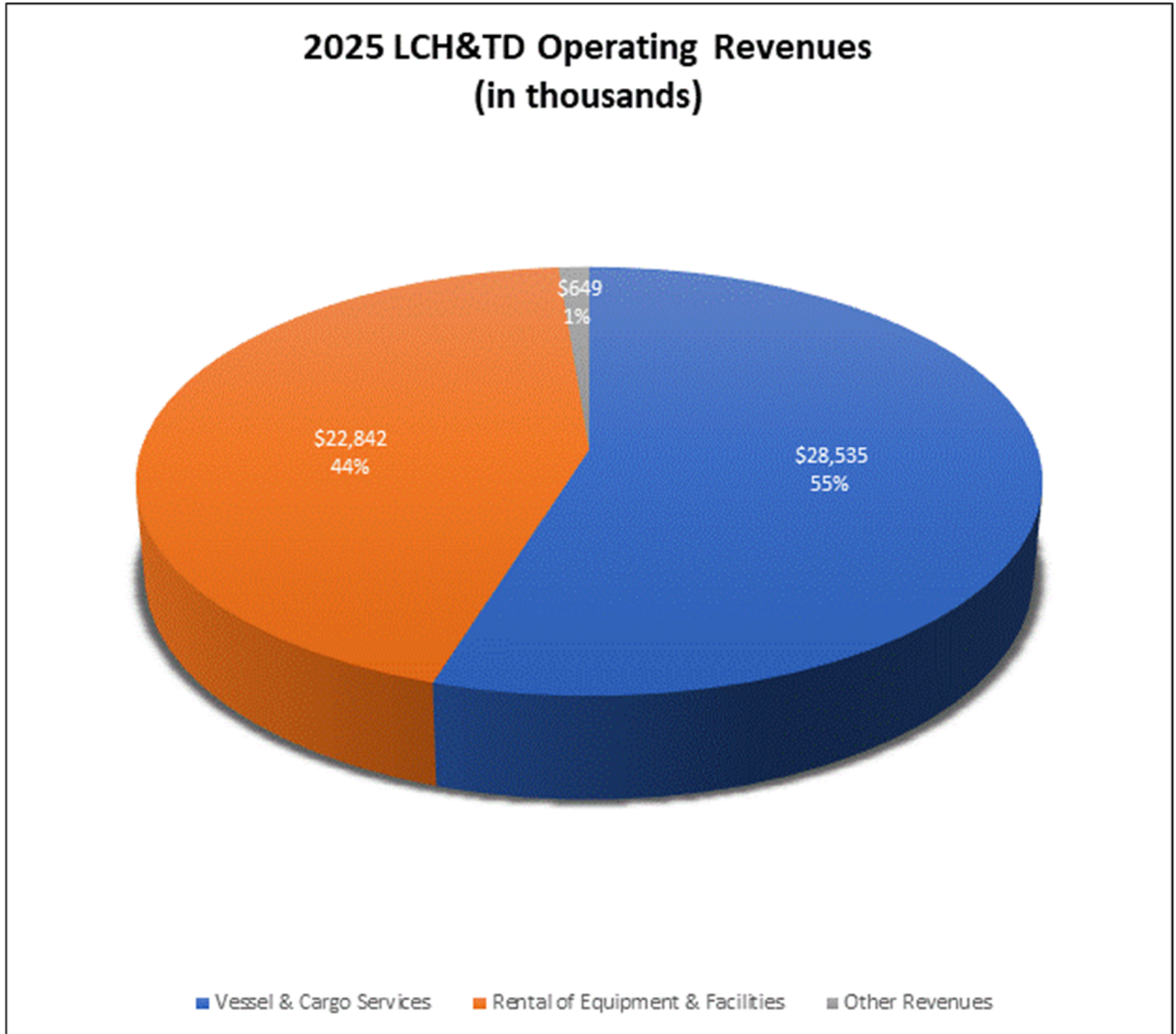
The District's restricted net position of \$5.6 million and \$4.6 million as of December 31, 2025 and 2024, respectively, represent amounts restricted for debt service in accordance with existing bond covenants. The Board of Commissioners has designated \$40.9 million in unrestricted net position as of December 31, 2025 to be used for commitments on construction contracts and ongoing obligations compared to \$9.3 million as of December 31, 2024.

The following table shows condensed revenue and expense data for the years ended December 31, 2025 and 2024:

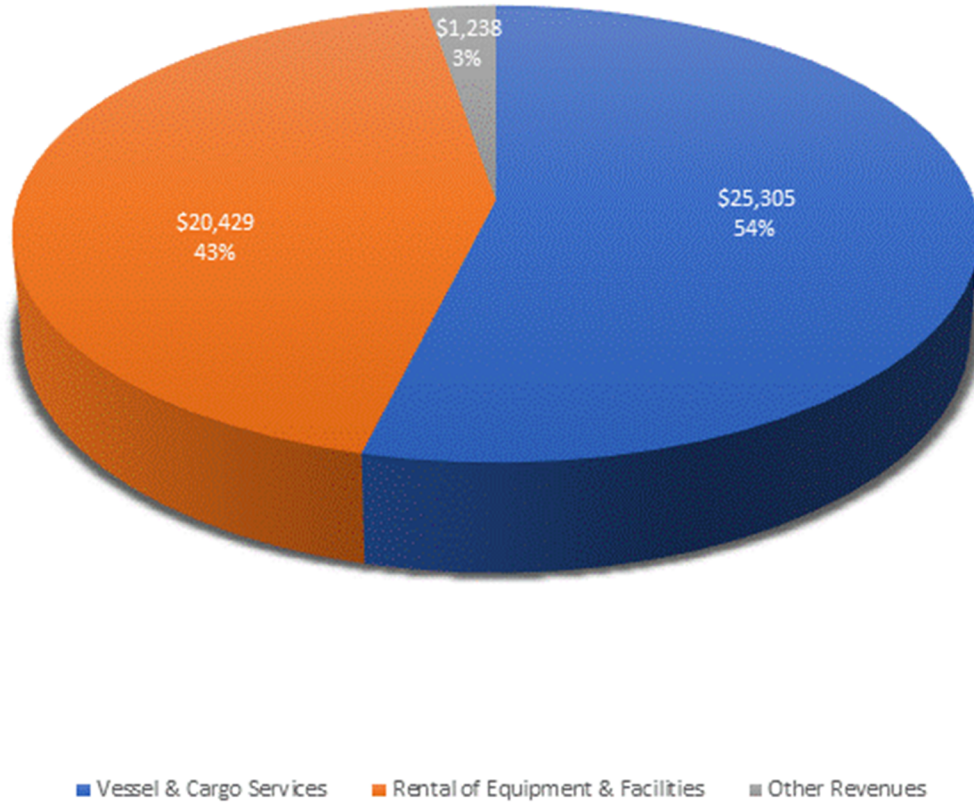
Lake Charles Harbor and Terminal District Comparative Statements of Revenues, Expenses, and Changes in Net Position		
	2025	2024
Operating revenues:		
Vessel and cargo services	\$ 28,534,805	\$ 25,304,810
Rental of equipment and facilities	22,842,499	20,429,114
Other	648,754	1,238,497
Total operating revenues	<u>52,026,058</u>	<u>46,972,421</u>
Operating expenses:		
Personnel services	12,909,192	14,813,457
Contractual services	6,999,472	8,221,910
Supplies, maintenance and operation of facilities	11,147,352	11,797,032
Heat, light and power	941,252	802,641
Depreciation and amortization	16,158,464	15,258,041
Total operating expenses	<u>48,155,732</u>	<u>50,893,081</u>
Operating income (loss)	<u>3,870,326</u>	<u>(3,920,660)</u>
Nonoperating revenues (expenses):		
Property taxes	5,226,672	5,005,657
Intergovernmental revenue	95,019	94,570
Interest income	2,663,757	2,940,837
Interest expense and fiscal charges	(2,778,766)	(1,956,229)
Loss on retirement of assets	(10,351)	(3,674,613)
Gain/Loss on impairment of assets	-	-
Intergovernmental expenses	(2,841,619)	(3,166,667)
Hurricane recovery expenses	-	-
Settlement of claims	175,000	-
Insurance recoveries	-	13,173
Bad debt expense	-	-
Other	<u>(10,000)</u>	<u>(10,000)</u>
Net nonoperating revenues (expenses)	<u>2,519,712</u>	<u>(753,272)</u>
Net income (loss) before contributions	6,390,038	(4,673,932)
Capital contributions	<u>45,052,690</u>	<u>89,935,488</u>
Change in net position	51,442,728	85,261,556
Net position - beginning balance	<u>428,419,858</u>	<u>343,158,302</u>
Net position - ending balance	<u>\$ 479,862,586</u>	<u>\$ 428,419,858</u>

2025

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



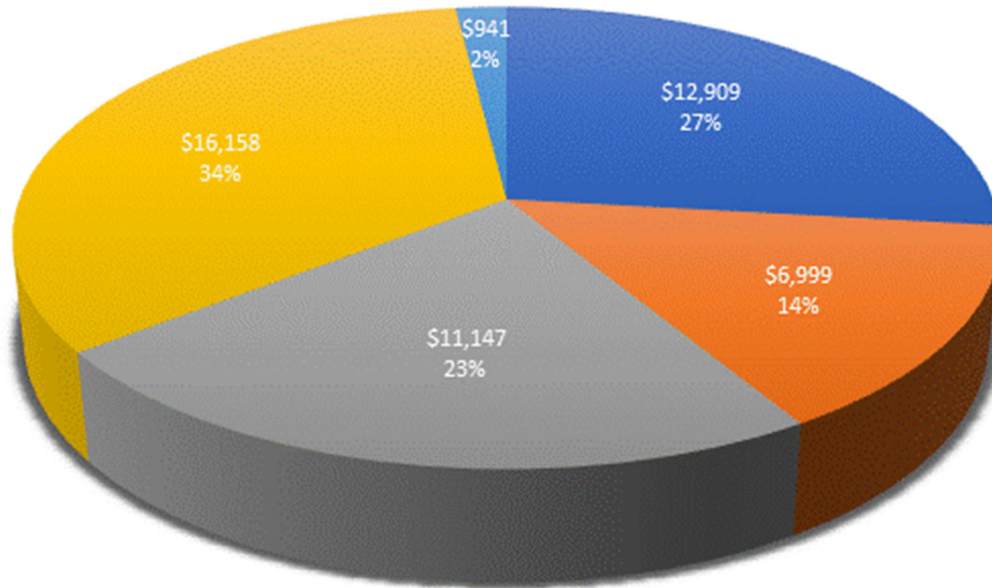
2024 LCH&TD Operating Revenues (in thousands)



Operating Revenues

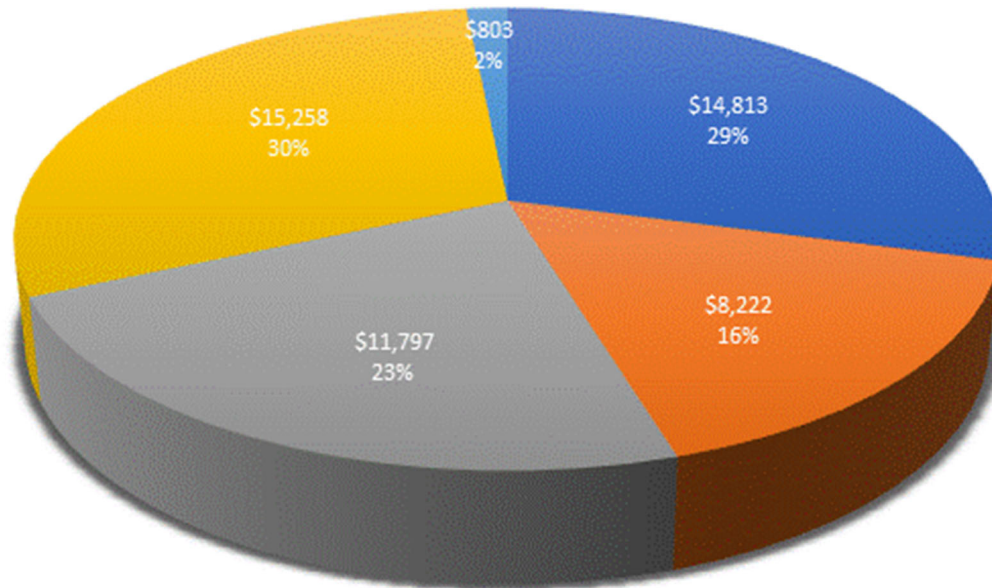
- Total operating revenues increased \$5.1 million or 11% during 2025 as compared to 2024. The increase is primarily attributable to a growth in demand for handling and storage of bagged concrete and project cargo associated with multiple projects underway along the ship channel. Further influencing the increase is higher lease revenues caused by periodic adjustments and commencement of multiple new leases.
- Partially offsetting the overall increase in revenues is lower barite and petroleum coke tonnages and the associated revenues. The lower barite tonnage is largely due to the timing of vessels, as one vessel generates considerable revenue. The lower petroleum coke tonnage is attributable to extended maintenance shutdowns at customer facilities throughout 2025. The final factor yielding a year to year decrease in revenue is a receipt of funds in 2024 related to a claim settlement, not applicable in 2025.
- The District's total operating revenues of \$52.0 million in 2025, are the highest observed in the history of the District.

2025 LCH&TD Operating Expenses (in thousands)



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

2024 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 \$2.7 million or 5% during 2025 as compared to 2024. The decrease is primarily due to lower overall operating expenses associated with the lower barite and petroleum coke tonnages, as well as the increased handling efficiency of the new shiploaders at BT-1. An additional factor contributing to the decrease is lower legal expenses associated with the timing of ongoing litigations.
- Partially offsetting the decrease in operating expenses is higher supplies and maintenance expenses due to anticipated and necessary maintenance repairs throughout District facilities.
- Net nonoperating revenues increased \$3.3 million in 2025, compared to 2024. The net increase is primarily due to a decrease in expenses caused by a significant asset write off in 2024, not required in 2025. Furthering the net increase is lower intergovernmental expenses associated with the completion

of certain committed contributions prior to 2025. The final factors influencing the revenue increase are higher ad valorem tax revenue, and a receipt of funds related to a claim settlement.

- Partially offsetting the nonoperating revenue increase is higher bond interest expense associated with the 2025 bond issue, and lower interest income caused by significant capital expenditures reducing the interest-bearing cash balances.
- The District recognized \$45.1 million in Federal, State, and private capital contributions for the year ended December 31, 2025 compared to \$89.9 million for the year ended 2024. Capital contributions during 2025 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, Capital Outlay, and Restore LA, 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 \$57.2 million relating to hurricanes Laura and Delta as of year-end 2025 based on funds currently obligated by FEMA.
- The District's net position increased \$51.4 million during the twelve months ended December 31, 2025. The increase is partially due to higher demand for handling, storage, and lease space associated with ongoing projects along the Calcasieu Ship Channel. Additionally increasing the net position is lower overall operating expenses associated with certain lower tonnages and increased efficiency of newer 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 barite and petroleum coke tonnages and associated revenues. Additionally offsetting the increase is higher supplies and maintenance expenses due to necessary repairs throughout District facilities. The final offsetting factors include higher bond interest expense associated with the 2025 bond issue, and lower interest income caused by significant capital expenditures reducing the interest-bearing cash balances.

Capital and Debt Administration

The District's capital assets were \$535.1 million and \$461.6 million (net of accumulated depreciation and amortization) as of December 31, 2025 and 2024, respectively. These balances include land, buildings, improvements, equipment, construction in progress, and right to use lease and subscription assets.

Major capital asset events during the year ended December 31, 2025 included the following:

- Construction continued on additional facilities for the District; construction in progress as of December 31, 2025 was \$164.5 million compared to \$191.3 million as of December 31, 2024.

- Relocation of the District's Railroad along W Sallier Street, in preparation for the Nelson Road bridge project, was completed in the second quarter of 2025.
- Rehabilitation of conveyors 6A and 5B at the District's Bulk Terminal No. 1 was completed in the third quarter of 2025.
- Construction of Warehouse 300 at City Docks, which replaced 7 smaller hurricane damaged warehouses, was completed in the third quarter of 2025.
- Construction of a new 4-acre storage pad and wind fence at Bulk Terminal No. 1 was also completed in the third quarter of 2025.
- Dock improvements and tie-downs for the two new shiploaders at Bulk Terminal No. 1 were performed in coordination with delivery and commissioning of the shiploaders, all aspects were completed by the fourth quarter of 2025.

Additional information on the Lake Charles Harbor and Terminal District's capital assets can be found in Note 8 which begins on page 51.

Lake Charles Harbor and Terminal District
Capital Assets

	2025 (in thousands)	2024 (in thousands)
Land	\$ 78,975	\$ 69,722
Building and facilities	420,007	387,368
Equipment	131,886	66,962
Construction in progress	164,460	191,315
Right to use leased assets	10,250	2,350
Right to use subscription assets	394	294
Accumulated depreciation and amortization	<u>(270,892)</u>	<u>(256,443)</u>
Total	<u>\$ 535,080</u>	<u>\$ 461,568</u>

Debt Administration

As of December 31, 2025, the District had \$197.3 million in non-current liabilities as compared to \$150.0 million as of December 31, 2024. Approximately 38% of the total is bonded debt and approximately 45% is due within ten years.

In 2025, the District's Standard and Poor's rating was reviewed resulting in affirmation of its "AA-" rating. In 2024, Moody's affirmed the District's "A3" rating.

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. During 2025, the district obtained \$50 million in interim bond financing to assist in funding the completion of multiple projects while awaiting reimbursements specifically designated for those projects.

Additional information on the District's long-term debt can be found in Note 10 which begins on page 53 of this report.

Economic Factors

The following factors were considered in preparing the District's budget for 2026:

- Continued additional capital expenditures and receipts associated with hurricane recovery and reconstruction.
- An increase in depreciation expense associated with the completion of multiple large capital projects.
- An increase in certain commodities associated with ongoing projects along the Calcasieu Ship Channel.

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, 2025

	<u>Business-type Activities-Enterprise Funds</u>		
	<u>Lake Charles Harbor and Terminal District</u>	<u>Port Rail, Inc.</u>	<u>2025</u>
ASSETS			
Current assets:			
Cash	\$ 56,947,869	\$ 949,728	\$ 57,897,597
Restricted cash	19,076,312	-	19,076,312
Receivables:			
Trade, net of allowance for doubtful accounts of \$5,716,307	7,499,250	334,756	7,834,006
Lease	205,055,721	-	205,055,721
Intergovernmental	57,182,006	-	57,182,006
Property taxes, net of allowance for doubtful accounts of \$57,186	5,661,383	-	5,661,383
Due from other funds	2,117,514	-	2,117,514
Inventory	2,951,642	-	2,951,642
Prepaid expenses	1,664,146	67,901	1,732,047
Insurance deposits	2,998,489	-	2,998,489
Total current assets	<u>361,154,332</u>	<u>1,352,385</u>	<u>362,506,717</u>
Capital assets:			
Right to use lease assets, net of amortization	8,592,839	521,400	9,114,239
Right to use subscription assets, net of amortization	192,409	-	192,409
Capital assets, net of depreciation	<u>525,771,948</u>	<u>1,525</u>	<u>525,773,473</u>
Total capital assets	<u>534,557,196</u>	<u>522,925</u>	<u>535,080,121</u>
Total assets	<u>895,711,528</u>	<u>1,875,310</u>	<u>897,586,838</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred amounts related to net pension liabilities	1,504,957	-	1,504,957
Deferred amounts related to OPEB	<u>826,881</u>	<u>-</u>	<u>826,881</u>
Total deferred outflow of resources	2,331,838	-	2,331,838

	Business-type Lake Charles Harbor and Terminal District	Activities-Enterprise Port Rail, Inc.	Funds 2025
LIABILITIES			
Current liabilities:			
Current maturities of long-term debt	\$ 1,938,161	\$ 229,698	\$ 2,167,859
Accounts payable	1,008,450	33,630	1,042,080
Contracts payable	15,120,829	-	15,120,829
Claims payable	418,202	-	418,202
Accrued expenses	6,600,557	14,746	6,615,303
Accrued interest payable	1,590,000	-	1,590,000
Due to other funds	-	2,117,514	2,117,514
Total current liabilities	<u>26,676,199</u>	<u>2,395,588</u>	<u>29,071,787</u>
Non-current liabilities:			
Compensated absences, less current portion	838,619	-	838,619
Claims payable	48,723,150	-	48,723,150
OPEB liability	4,402,723	-	4,402,723
Net pension liability	11,978,520	-	11,978,520
Unearned revenue	46,598,477	-	46,598,477
Right to use lease asset liabilities, less current maturities	8,632,647	311,852	8,944,499
Right to use subscription asset liabilities, less current maturities	55,007	-	55,007
Long-term debt, less current maturities	75,718,292	-	75,718,292
Total non-current liabilities	<u>196,947,435</u>	<u>311,852</u>	<u>197,259,287</u>
Total liabilities	<u>223,623,634</u>	<u>2,707,440</u>	<u>226,331,074</u>
DEFERRED INFLOW OF RESOURCES			
Deferred amounts related to Bond refunding, net	53,703	-	53,703
Deferred amounts related to Right to use leased asset liabilities	188,089,269	-	188,089,269
Deferred amounts related to OPEB liabilities	3,290,492	-	3,290,492
Deferred amounts related to Pension liabilities	2,291,552	-	2,291,552
Total deferred inflow of resources	<u>193,725,016</u>	<u>-</u>	<u>193,725,016</u>
NET POSITION			
Net investment in capital assets	433,381,737	(18,625)	433,363,112
Restricted for debt service	5,616,094	-	5,616,094
Unrestricted	41,696,716	(813,505)	40,883,380
Total net position	<u>\$ 480,694,716</u>	<u>\$ (832,130)</u>	<u>\$ 479,862,586</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, 2025

	Business-type Lake Charles Harbor and Terminal District	Activities-Enterprise Port Rail, Inc.	Funds 2025
Operating revenues:			
Vessel and cargo services	\$ 26,539,357	\$ 1,995,448	\$ 28,534,805
Rental of equipment and facilities	22,842,499	-	22,842,499
Other	648,754	-	648,754
Total operating revenues	<u>50,030,610</u>	<u>1,995,448</u>	<u>52,026,058</u>
Operating expenses:			
Personnel services	11,782,251	1,126,941	12,909,192
Contractual services	6,568,167	431,305	6,999,472
Supplies, maintenance and operation of facilities	10,969,123	178,229	11,147,352
Heat, light and power	930,011	11,241	941,252
Depreciation and amortization	15,933,178	225,286	16,158,464
Total operating expenses	<u>46,182,730</u>	<u>1,973,002</u>	<u>48,155,732</u>
Net operating income (loss)	<u>3,847,880</u>	<u>22,446</u>	<u>3,870,326</u>
Nonoperating revenues (expenses):			
Property taxes	5,226,672	-	5,226,672
Intergovernmental revenue	95,019	-	95,019
Interest income	2,660,665	3,092	2,663,757
Interest expense and fiscal charges	(2,778,766)	-	(2,778,766)
Loss on retirement of assets	(10,351)	-	(10,351)
Intergovernmental expenses	(2,841,619)	-	(2,841,619)
Settlement of claims	175,000	-	175,000
Other	(10,000)	-	(10,000)
Total nonoperating revenues	<u>2,516,620</u>	<u>3,092</u>	<u>2,519,712</u>
Income (loss) before capital contributions	6,364,500	25,538	6,390,038
Capital contributions:			
Grants	<u>45,052,690</u>	<u>-</u>	<u>45,052,690</u>
Change in net position	51,417,190	25,538	51,442,728
Net position at beginning of year	<u>429,227,526</u>	<u>(857,668)</u>	<u>428,419,858</u>
Net position at end of year	<u>\$ 480,694,716</u>	<u>\$ (832,130)</u>	<u>\$ 479,862,586</u>

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

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Exhibit 3

LAKE CHARLES HARBOR AND TERMINAL DISTRICT

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 Year Ended December 31, 2025

	Business-type Lake Charles Harbor and Terminal District	Activities-Enterprise Port Rail, Inc.	Funds 2025
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 54,935,443	\$ 1,912,207	\$ 56,847,650
Payments to employees and related benefits	(14,003,932)	(1,138,109)	(15,142,041)
Payments to suppliers	(18,276,509)	(632,712)	(18,909,221)
Net cash provided by operating activities	<u>22,655,002</u>	<u>141,386</u>	<u>22,796,388</u>
NET FLOWS FROM INVESTING ACTIVITIES:			
Receipts of interest	<u>2,660,665</u>	<u>3,092</u>	<u>2,663,757</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Shared revenue from governmental agencies	95,019	-	95,019
Receipts from general property taxes	5,115,987	-	5,115,987
Payments to governmental agencies	(2,841,619)	-	(2,841,619)
Net cash provided by noncapital financing activities	<u>2,369,387</u>	<u>-</u>	<u>2,369,387</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from sale of assets	9,948	-	9,948
Proceeds from capital grants	40,860,511	-	40,860,511
Payments for capital acquisitions	(82,624,821)	-	(82,624,821)
Settlement of claims	175,000	-	175,000
Principal payments on long-term debt	(1,556,260)	-	(1,556,260)
Proceeds from issuance of long-term debt	50,000,000	-	50,000,000
Principal payments on lease liabilities	(182,830)	(226,168)	(408,998)
Principal payments on subscription liabilities	(94,463)	-	(94,463)
Interest and fiscal charges paid	(1,426,869)	-	(1,426,869)
Net cash provided by (used for) capital and related financing acquisitions	<u>5,160,216</u>	<u>(226,168)</u>	<u>4,934,048</u>
Net increase (decrease) in cash and cash equivalents	32,845,270	(81,690)	32,763,580
Cash and cash equivalents at beginning of year	<u>43,178,911</u>	<u>1,031,418</u>	<u>44,210,329</u>
Cash and cash equivalents at end of year	<u>\$ 76,024,181</u>	<u>\$ 949,728</u>	<u>\$ 76,973,909</u>
Cash	56,947,869		
Restricted cash	<u>19,076,312</u>		
	<u>\$ 76,024,181</u>		

(Continued on next page)

Exhibit 3 (continued)

LAKE CHARLES HARBOR AND TERMINAL DISTRICT

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 Year Ended December 31, 2025

	Business-type Lake Charles Harbor and Terminal District	Activities-Enterprise Port Rail, Inc.	Funds 2025
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating income (loss)	\$ 3,847,880	\$ 22,446	\$ 3,870,326
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization expense	15,933,178	225,286	16,158,464
(Increase) decrease in accounts receivable	(2,178,075)	(150,759)	(2,328,834)
(Increase) decrease in internal balance	-	67,518	67,518
(Increase) decrease in lease receivable	2,073,194	-	2,073,194
(Increase) decrease in inventories	635,791	-	635,791
(Increase) decrease in prepaid items	(1,480,765)	(13,395)	(1,494,160)
(Increase) decrease in deferred outflows of resources	1,049,446	-	1,049,446
(Decrease) increase in accounts payable and accrued expenses	624,635	(9,710)	614,925
(Decrease) increase in unearned revenue	5,009,714	-	5,009,714
(Decrease) increase in net pension liability	(2,901,537)	-	(2,901,537)
(Decrease) increase in deferred inflows of resources	51,541	-	51,541
(Decrease) increase in other operating expenses	(10,000)	-	(10,000)
Total adjustments	<u>18,807,122</u>	<u>118,940</u>	<u>18,926,062</u>
Net cash provided by (used in) operating activities	<u>\$ 22,655,002</u>	<u>\$ 141,386</u>	<u>\$ 22,796,388</u>
NONCASH FINANCING/INVESTING ACTIVITIES:			
Acquisition of an asset by entering into an operating lease	8,835,310	-	8,835,310
Acquisition of an asset by entering into a SBITA	184,257	-	184,257
Acquisition of capital assets through increase in contracts payable	<u>26,535,321</u>	<u>-</u>	<u>26,535,321</u>
	<u>\$ 35,554,888</u>	<u>\$ -</u>	<u>\$ 35,554,888</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, 2025

	<u>Calcasieu River Fund</u>
ASSETS	
Cash	<u>\$ 16,020,074</u>
Total assets	<u>16,020,074</u>
NET POSITION	
Restricted for:	
Channel maintenance	<u>16,020,074</u>
Total net position	<u><u>\$ 16,020,074</u></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, 2025

	<u>Calcasieu River Fund</u>
ADDITIONS	
Member contributions	\$ 10,000,000
Interest income	<u>45,609</u>
Total additions	10,045,609
DEDUCTIONS	
Payments for channel maintenance	<u>9,744,312</u>
Net increase (decrease) in fiduciary net position	301,297
Net position - beginning	<u>15,718,777</u>
Net position - ending	<u>\$ 16,020,074</u>

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

LAKE CHARLES HARBOR AND TERMINAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

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.

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, 2025, 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, 2025, cash equivalents and investments were restricted as shown below:

Wetlands restoration escrow accrual	\$ 4,911,660
Trust funds pursuant to the issuance of the 2024 Port Improvement Revenue Refunding Bonds:	
Debt Service Reserve Fund	2,683,296
Debt Service Fund	1,972,271
Trust funds pursuant to the issuance of the 2025 Revenue Bonds:	
Debt Service Fund	960,527
PRM-C&E	120,243
PRM-LTM	337,265
Settlement of Claims	3,091,050
Insurance Deductible	<u>5,000,000</u>
Total	<u>\$ 19,076,312</u>

Note 4. Allowances for Doubtful Accounts

The changes in allowances for doubtful accounts during 2025 follow:

	Property Taxes	Accounts Receivable
Balance January 1, 2025	\$ 56,068	\$ 5,771,666
Additions	1,118	212,141
Reductions	<u>-</u>	<u>(267,500)</u>
Balance December 31, 2025	<u>\$ 57,186</u>	<u>\$ 5,716,307</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 2025 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, 2025 were \$5,910,879 on property with assessed valuation totaling \$2,615,964,767 less exempt valuation of \$232,545,885, for a net valuation of \$2,383,418,882.

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 \$192,312 for 2025.

Note 6. Intergovernmental Receivable

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

	<u>2025</u>
FEMA Public Assistance Grant	<u>\$ 57,182,006</u>

Note 7. Interfund Receivables and Payables

Due to/from other funds at December 31, 2025 consists of the following:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Lake Charles Harbor and Terminal District	\$ 2,117,514	\$ -
Port Rail, Inc.	<u>-</u>	<u>2,117,514</u>
	<u>\$ 2,117,514</u>	<u>\$ 2,117,514</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, 2025 is as follows:

	Beginning of Year	Additions	Reductions	End of Year
Capital assets not being depreciated:				
Land	\$ 69,721,508	\$ 9,253,067	\$ -	\$ 78,974,575
Construction in progress	<u>191,315,046</u>	<u>80,525,116</u>	<u>(107,380,338)</u>	<u>164,459,824</u>
Total capital assets not being depreciated	<u>261,036,554</u>	<u>89,778,183</u>	<u>(107,380,338)</u>	<u>243,434,399</u>
Capital assets being depreciated/amortized:				
Buildings and operating facilities	387,367,896	32,686,040	(46,554)	420,007,382
Equipment, furniture and fixtures	66,962,256	65,600,867	(677,225)	131,885,898
Intangible right of use assets:				
Lease assets:				
Equipment	2,350,271	8,835,310	(935,044)	10,250,537
Subscription assets	<u>294,284</u>	<u>184,257</u>	<u>(84,328)</u>	<u>394,213</u>
Total capital assets being depreciated/amortized	<u>456,974,707</u>	<u>107,306,474</u>	<u>(1,743,151)</u>	<u>562,538,030</u>
Less accumulated depreciation/ amortization for:				
Buildings and operating facilities	207,469,359	9,991,357	(30,863)	217,429,853
Equipment, furniture and fixtures	47,234,409	5,549,124	(659,180)	52,124,353
Intangible right of use assets:				
Lease assets:				
Equipment	1,533,089	538,253	(935,044)	1,136,298
Subscription assets	<u>206,402</u>	<u>79,730</u>	<u>(84,328)</u>	<u>201,804</u>
Total accumulated depreciation/ amortization	<u>256,443,259</u>	<u>16,158,464</u>	<u>(1,709,415)</u>	<u>270,892,308</u>
Total capital assets being depreciated/ amortized, net	<u>200,531,448</u>	<u>91,148,010</u>	<u>(33,736)</u>	<u>291,645,722</u>
Total capital assets, net	<u>\$ 461,568,002</u>	<u>\$ 180,926,193</u>	<u>\$ (107,414,074)</u>	<u>\$ 535,080,121</u>

Depreciation and amortization expense was \$16,158,464 for the year ended December 31, 2025.

Note 9. Leases

The District leases to others a portion of its land, property and equipment under various lease agreements. The District recognized \$15,969,612 in lease revenue and \$6,336,688 in interest revenue during the year ended December 31, 2025 related to these leases. As of December 31, 2025, the District's receivable for lease payments was \$205,055,721. 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, 2025, the balance of deferred inflow of resources was \$188,089,269.

Future payments included in the measurement of the lease receivable as of December 31, 2025 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>
2026	\$ 8,118,042	\$ 5,985,654	\$ 14,103,696
2027	6,840,532	5,755,786	12,596,318
2028	7,023,484	5,547,711	12,571,195
2029	5,861,817	5,352,565	11,214,382
2030	5,568,360	5,185,114	10,753,474
2031-2035	24,618,959	23,527,487	48,146,446
2036-2040	19,415,211	20,429,720	39,844,931
2041-2045	12,204,222	18,062,028	30,266,250
2046-2050	14,235,730	16,085,241	30,320,971
2051-2055	11,528,074	14,148,498	25,676,572
2056-2060	13,167,857	12,314,635	25,482,492
2061-2065	15,360,588	10,181,703	25,542,291
2066-2070	17,909,382	7,694,247	25,603,629
2071-2075	19,253,980	4,822,257	24,076,237
2076-2080	14,859,231	2,307,854	17,167,085
2081-2085	8,617,327	501,580	9,118,907
2086-2090	<u>472,925</u>	<u>8,310</u>	<u>481,235</u>
Total	<u>\$ 205,055,721</u>	<u>\$ 157,910,390</u>	<u>\$ 362,966,111</u>

Note 10. Noncurrent Liabilities

Bonds:

Bonds payable at December 31, 2025 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 18,965,000

\$50,000,000 Lake Charles Harbor and Terminal District State of Louisiana Revenue Bonds 2025 (AMT), interest is due semi-annually beginning January 1, 2026 and principal amounts are due annually beginning January 1, 2028; interest rate 3.82% for the life of the bond maturing January 1, 2045 50,000,000

Total bonds payable \$ 75,400,000

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, 2025 are as follows:

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 1,295,000	\$ 3,147,625
2027	1,360,000	3,081,250
2028	2,175,000	2,997,300
2029	3,610,000	2,869,549
2030	3,765,000	2,710,544
2031-2035	21,420,000	10,910,898
2036-2040	23,915,000	5,806,495
2041-2045	<u>17,860,000</u>	<u>1,756,817</u>
Total	<u>\$ 75,400,000</u>	<u>\$ 33,280,478</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, 2025 are as follows:

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 322,694	\$ 265,708	\$ 588,402
2027	300,170	260,042	560,212
2028	147,488	255,284	402,772
2029	71,016	253,035	324,051
2030	73,176	250,875	324,051
2031-2035	400,654	1,219,606	1,620,260
2036-2040	465,406	1,154,853	1,620,259
2041-2045	540,623	1,079,636	1,620,259
2046-2050	627,997	992,262	1,620,259
2051-2055	729,492	890,767	1,620,259
2056-2060	847,390	772,869	1,620,259
2061-2065	984,343	635,917	1,620,260
2066-2070	1,143,429	476,830	1,620,259
2071-2075	1,328,226	292,033	1,620,259
2076-2080	1,276,712	81,019	1,357,731
2081-2085	<u>8,377</u>	<u>42</u>	<u>8,419</u>
Total	<u>\$ 9,267,193</u>	<u>\$ 8,880,778</u>	<u>\$ 18,147,971</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, 2025 are as follows:

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 72,544	\$ 3,499	\$ 76,043
2027	<u>55,007</u>	<u>1,391</u>	<u>56,398</u>
Total	<u>\$ 127,551</u>	<u>\$ 4,890</u>	<u>\$ 132,441</u>

Changes in Long-Term Liabilities:

Noncurrent liabilities activity for the year ended December 31, 2025 is as follows:

	<u>January 1, 2025</u>	<u>Additions</u>	<u>Reductions</u>	<u>December 31, 2025</u>	<u>Due Within One Year</u>
2024 Revenue refunding bonds	27,165,000	-	1,765,000	25,400,000	\$ 1,295,000
2024 Premium on revenue refunding bonds	1,882,174	-	134,441	1,747,733	134,441
2025 Revenue bond	-	50,000,000	-	50,000,000	-
Right to use lease assets liability	840,882	8,758,416	332,105	9,267,193	322,694
Right to use subscription assets liability	37,755	108,391	18,595	127,551	72,544
Net pension liability	14,880,057	-	2,901,537	11,978,520	-
OPEB liability	4,986,394	329,432	663,103	4,652,723	250,000
Compensated absences	776,878	154,921	-	931,799	93,180
Unearned revenue	52,988,334	5,190,984	11,580,841	46,598,477	-
Claims payable	<u>48,723,150</u>	<u>-</u>	<u>-</u>	<u>48,723,150</u>	<u>-</u>
	<u>\$152,280,624</u>	<u>\$64,542,144</u>	<u>\$17,395,622</u>	<u>\$199,427,146</u>	<u>\$ 2,167,859</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 2025 was \$4,135, the net carrying value of the deferred inflow as of December 31, 2025 is \$53,703.

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. The carrying value of the premium was \$1,747,733, net of amortization of \$134,441 as of December 31, 2025.

Note 11. 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 \$2,493,806 for the year ended December 31, 2025. Contribution rates for the year ended December 31, 2025 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, 2025, the Lake Charles Harbor and Terminal District reported a liability for LASERS of \$11,978,520 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2025 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, 2025, the Lake Charles Harbor and Terminal District's proportion for LASERS was 0.265710%. This reflects an decrease for LASERS of 0.007910% from its proportion measured as of June 30, 2024.

For the year ended December 31, 2025, the Lake Charles Harbor and Terminal District recognized pension expense, for which there were no forfeitures, of \$4,463,602.

At December 31, 2025, 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	\$ 166,389	\$ -
Changes in proportionate share	-	-
Changes in assumptions	-	-
Net difference between projected and actual earnings on investments	-	(2,051,379)
Changes in proportion and differences between employer contributions and proportionate share of contributions	124,512	(240,173)
Employer contributions subsequent to the measurement date	<u>1,214,056</u>	<u>-</u>
	-	
Total	<u>\$ 1,504,957</u>	<u>\$ (2,291,552)</u>

During the year ended December 31, 2025, employer contributions totaling \$1,214,056 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, 2026. 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:

2026	\$ 145,451
2027	(1,014,424)
2028	(781,261)
2029	(350,417)
Total	<u>\$ (2,000,651)</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, 2025 are as follows:

	<u>LASERS</u>
Total pension liability	\$ 21,731,329,104
Plan fiduciary net position	<u>17,223,211,406</u>
Total net pension liability	<u>\$ 4,508,117,698</u>

The Lake Charles Harbor and Terminal District's allocation is 0.265710% of the total net pension liability for LASERS.

The total pension liabilities for LASERS in the June 30, 2025 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 8.30% for 2025.

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, 2025 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
	<u>LASERS</u>
Cash	0.85%
Domestic equity	4.42%
International equity	5.22%
Domestic fixed income	2.53%
International fixed income	5.37%
Alternative investments	<u>7.43%</u>
Total fund	5.75%

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>\$ 18,234,008</u>	<u>\$ 11,978,520</u>	<u>\$ 7,813,354</u>

Payable to the Pension Plans

At December 31, 2025, payable to LASERS was \$151,109 for December, 2025 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 16, the District provides postretirement health care insurance benefits for retired employees. In 2025, the District paid 0% of the retirees' and retirees' dependents' premiums.

During 2025, eighteen (18) 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 2025. The participants' share of the costs totaled \$94,668 for 2025.

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, 2025 consisted of \$309,936 from the District and \$432,867 from employees.

Note 12. 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, 2024	\$ 598,272
Incurred and adjusted claims	2,560,712
Claim payments	<u>(2,572,205)</u>
Unpaid claims, January 1, 2025	586,779
Incurred and adjusted claims	1,743,735
Claim payments	<u>(1,912,312)</u>
Total unpaid claims, December 31, 2025	<u>\$ 418,202</u>

The District's insurance reserves to fund future claims on deposit with the Calcasieu Parish Police Jury totaled \$2,998,489 in 2025.

Note 13. 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, 2025, the District had committed approximately \$81.6 million for the purchase of equipment, the expansion of facilities, and repairs and maintenance of existing facilities.

Note 14. Unearned Revenue

	Unearned 12/31/25
PRM site-C&E	\$ 74,465
PRM site-LTM	337,265
Citgo	125,853
Wetland restoration	4,911,660
Energy transfer	18,923
Unearned grants	40,677,092
Unearned rent not subject to GASB 87	<u>453,219</u>
Total	<u>\$ 46,598,477</u>

Note 15. Major Customers

A significant portion of the District's operating revenue has been derived from two major customers that accounted for 24% of the District's operating revenue in 2025.

A significant portion of the District's accounts receivable has been derived from five customers that accounted for 72% of total trade receivables outstanding at December 31, 2025.

Note 16. 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, 2025 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>133</u>

Total OPEB Liability

The District's total OPEB liability of \$4,652,723 was measured at December 31, 2025 and was determined by an actuarial valuation as of January 1, 2024.

Actuarial Assumptions and Other Inputs

The total OPEB liability in January 1, 2024 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 4.83% 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, 2024	<u>\$ 4,986,394</u>
Change for the year:	
Service cost	125,240
Interest cost	204,192
Effect of economic/demographic gains or losses	-
Effect of assumptions changes or inputs	(447,055)
Benefit payments	<u>(216,048)</u>
Net changes	<u>(333,671)</u>
Balance at December 31, 2025	<u>\$ 4,652,723</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 (3.83%)</u>	<u>Current Discount Rate (4.83%)</u>	<u>1% Increase (5.83%)</u>
Total OPEB liability	<u>\$ 5,264,542</u>	<u>\$ 4,652,723</u>	<u>\$ 4,149,691</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 Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Total OPEB liability	<u>\$ 4,057,179</u>	<u>\$ 4,652,723</u>	<u>\$ 5,381,585</u>

For the year ended December 31, 2025, the District recognized OPEB expense of \$51,623. At December 31, 2025, 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	\$ -	\$ 500,064
Changes in assumptions	<u>(3,290,492)</u>	<u>326,817</u>
Total	<u>\$ (3,290,492)</u>	<u>\$ 826,881</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:	
2026	\$ (410,774)
2027	(592,876)
2028	(569,377)
2029	(618,099)
2030	(249,852)
Thereafter	<u>(22,633)</u>
	<u>\$ (2,463,611)</u>

Note 17. 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 March 2026, the District sold its Westlake property and warehouses to DOTD in preparation for the new I-10 bridge project.

Subsequent events have been evaluated through June 25, 2026, 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 2025
 (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>	<u>2025</u>
\$	275,244	\$ 158,193	\$ 181,269	\$ 125,240
	163,488	288,215	273,037	204,192
	-	-	-	-
	493,952	-	335,561	-
	(756,212)	424,793	(3,873,074)	(447,055)
	<u>(211,878)</u>	<u>(285,600)</u>	<u>(247,027)</u>	<u>(216,048)</u>
	(35,406)	585,601	(3,330,234)	(333,671)
	7,766,433	7,731,027	8,316,628	4,986,394
	7,731,027	8,316,628	4,986,394	4,652,723
	6,411,475	8,495,118	6,828,640	8,046,550
	120.58%	97.90%	73.02%	57.82%

LAKE CHARLES HARBOR AND TERMINAL DISTRICT

SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE
OF NET PENSION LIABILITY
Years Ended December 31, 2016 Through 2025

<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:					
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%
2025	0.26571%	11,978,520	7,096,501	168.8%	79.3%

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, 2016 through 2025

<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:					
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%
2025	2,493,806	2,493,806	-	7,138,053	34.9%

LAKE CHARLES HARBOR AND TERMINAL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year Ended December 31, 2025

PENSION - LASERS

Changes to benefit terms:

There were no changes in benefit terms for the measurement period ending June 30, 2025.

Changes of assumptions:

Investment rate of return continued at 7.25%

Expected long-term rate of return changed from 8.15% to 8.30%

OPEB

Changes to benefit terms:

There were no changes in benefit terms for the measurement period ending December 31, 2025.

Changes of assumptions:

Discount rate changed from 4.08% to 4.83%

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, 2025

	2025			
	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	
Operating revenue:				
Vessel and cargo services	\$ 26,327,236	\$ 26,327,236	\$ 26,539,357	\$ 212,121
Rental of equipment and facilities	22,793,785	22,793,785	22,842,499	48,714
Other	348,460	348,460	648,754	300,294
Total operating revenue	49,469,481	49,469,481	50,030,610	561,129
Operating expenses:				
Personnel services	14,058,169	14,058,169	11,782,251	2,275,918
Contractual services	10,241,323	10,241,323	6,568,167	3,673,156
Dredging	1,500,000	1,500,000	1,500,000	-
Supplies, maintenance and operation of facilities	7,738,422	7,738,422	9,469,123	(1,730,701)
Heat, light and power	816,560	816,560	930,011	(113,451)
Depreciation and amortization	16,759,632	16,759,632	15,933,178	826,454
Total operating expenses	51,114,106	51,114,106	46,182,730	4,931,376
Operating income (loss)	(1,644,625)	(1,644,625)	3,847,880	5,492,505
Nonoperating revenue (expenses):				
Property taxes	5,664,000	5,664,000	5,226,672	(437,328)
Intergovernmental revenue	90,000	90,000	95,019	5,019
Interest income	2,809,184	2,809,184	2,660,665	(148,519)
Interest expense and fiscal charges	(3,262,847)	(3,262,847)	(2,778,766)	484,081
Loss on retirement of assets	-	-	(10,351)	(10,351)
Loss on impairment of assets	-	-	-	-
Hurricane recovery expense	-	-	-	-
Intergovernmental expense	(2,717,000)	(2,717,000)	(2,841,619)	(124,619)
Settlement of claims	-	-	175,000	175,000
Insurance recoveries	-	-	-	-
Other	(10,000)	(10,000)	(10,000)	-
Net nonoperating revenue (expenses)	2,573,337	2,573,337	2,516,620	(56,717)

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, 2025

(Continued)

	2025			
	Budgeted Amounts			Variance With Final
	Original	Final	Actual	Budget
Net income (loss) before contributions (budget basis)	\$ 928,712	\$ 928,712	6,364,500	\$ 5,435,788
Capital contributions			45,052,690	
Net income (GAAP basis)			51,417,190	
Net position, beginning of year			429,277,526	
Net position, end of year			\$ 480,694,716	

LAKE CHARLES HARBOR AND TERMINAL DISTRICT
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO EXECUTIVE DIRECTOR
Year Ended December 31, 2025

Agency Head Name: Richert L. Self, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 302,187
Benefits - insurance	13,572
Benefits - retirement (LASERS)	107,444
Benefits - deferred compensation	15,500
Auto allowance	13,922
Travel	10,017

LAKE CHARLES HARBOR AND TERMINAL DISTRICT

SCHEDULE OF INSURANCE IN FORCE

December 31, 2025

Insurance policies in force as of December 31, 2025:

Policy Type	Policy Number	Policy Provider	Policy	Period
Business travel	43-ETB-101464	Hartford		10/3/24-10/3/27
Commercial automobile	1525051490192Y	Pennsylvania Manufacturer's Assoc. Insurance Co.		10/1/25-10/1/26
Crime	CCP005316002	The Fidelity and Deposit Co. of Maryland		10/1/25-10/1/26
Equipment breakdown coverage	BME1-7S759630-TIL-25	Travelers Property Casualty Company		1/1/25-1/1/26
General liability	B5JH31908	Atlantic Specialty Insurance Company		10/1/25-10/1/26
Bumbershoot	MASILNW00099325	Starr Indemnity & Liability Company		10/1/25-10/1/26
Bumbershoot	QL25XS1M17589	QBE International Market/ QBE Insurance Co.		10/1/25-10/1/26
Inland marine equipment floater	RRP1365-20	Evanston Insurance Company		10/1/25-10/1/26
Marine terminal operators	SM0763025	Lloyd's of London		1/1/25-1/1/26
Maritime employers liability	BOUM-A-25-1372	StarNet Insurance Co.		10/1/25-10/1/26
Police professional liability	PPL0950202-07	Indian Harbor Insurance Company		6/18/25-6/18/26
Pollution liability	D3897A240101	Beazley Excess and Surplus Insurance Company		11/26/24-11/26/29
Primary property	B1262PW0425625	Lloyd's of London		1/1/25-1/1/26
Excess property	B1262PW0427125	Lloyd's of London		1/1/25-1/1/26
Public officials' liability	POL0954719-05	Indian Harbor Insurance Company		10/1/25-10/1/26
Railroad liability	RRNY962030-6	Liberty Mutual Insurance		10/1/25-10/1/26
Excess railroad protection	US00112930LI25A	Indian Harbor Insurance Company		10/1/25-10/1/26
Terrorism	US00115024SP25A	Indian Harbor Insurance Company		1/1/25-1/1/26
Workers compensation	100510-D	Louisiana Worker Compensation Corporation		6/18/25-6/18/26
Health care	Self-insured with CPPJ	Stop loss carrier through CPPJ		1/1/25-1/1/26

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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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Table 1

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>
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
2025	433,363	5,616	40,883	479,862

Table 2

LAKE CHARLES HARBOR AND TERMINAL DISTRICT

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
OPERATING REVENUES				
Charges for services	\$ 21,060,478	\$ 23,097,333	\$ 24,157,645	\$ 22,198,001
Rentals	18,305,150	17,284,286	17,375,854	17,564,904
Other	<u>1,492,785</u>	<u>2,330,980</u>	<u>918,468</u>	<u>549,400</u>
Total	<u>40,858,413</u>	<u>42,712,599</u>	<u>42,451,967</u>	<u>40,312,305</u>
NONOPERATING REVENUES				
Property taxes	3,476,800	3,633,932	3,777,885	4,099,984
Intergovernmental revenue	86,901	90,978	90,927	92,011
Interest income	403,205	653,401	1,598,483	1,687,068
Insurance recoveries	-	-	-	-
Other income	<u>13</u>	<u>-</u>	<u>-</u>	<u>500</u>
Total	<u>3,966,919</u>	<u>4,378,311</u>	<u>5,467,295</u>	<u>5,879,563</u>
OPERATING EXPENSES				
General and administrative	12,638,544	13,625,954	12,983,636	13,135,358
Maintenance and operation	12,773,160	13,489,026	13,145,919	13,925,833
Depreciation	<u>14,781,219</u>	<u>15,243,144</u>	<u>15,504,901</u>	<u>15,379,123</u>
Total	<u>40,192,923</u>	<u>42,358,124</u>	<u>41,634,456</u>	<u>42,440,314</u>
NONOPERATING EXPENSES				
Interest expense and fiscal charges	66,241	38,792	35,601	1,741,834
Intergovernmental expense	3,200,140	696,354	4,145,753	1,345,417
Other expenses	<u>72,027</u>	<u>45,859</u>	<u>33,879</u>	<u>213,119</u>
Total	<u>3,338,408</u>	<u>781,005</u>	<u>4,215,233</u>	<u>3,300,370</u>
Net income (loss) before contributions	<u>1,294,001</u>	<u>3,951,781</u>	<u>2,069,573</u>	<u>451,184</u>
Capital contributions				
Federal government	548,000	612,596	2,627,000	1,347,873
State government	362,221	-	-	-
Other	<u>388,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital Contributions	<u>1,298,221</u>	<u>612,596</u>	<u>2,627,000</u>	<u>1,347,873</u>
Change in net position	<u>\$ 2,592,222</u>	<u>\$ 4,564,377</u>	<u>\$ 4,696,573</u>	<u>\$ 1,799,057</u>

Table 2

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 17,890,360	\$ 17,460,239	\$ 22,593,476	\$ 24,052,545	\$ 25,304,810	\$ 28,534,805
17,671,565	19,071,668	20,413,989	19,898,976	20,429,114	22,842,499
<u>623,105</u>	<u>1,373,637</u>	<u>847,130</u>	<u>393,487</u>	<u>1,238,497</u>	<u>648,754</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>	<u>52,026,058</u>
4,328,175	4,098,396	4,703,773	5,239,226	5,005,657	5,226,672
93,417	93,720	94,248	96,221	94,570	95,019
507,332	222,838	1,792,826	4,752,358	2,940,837	2,663,757
24,500,000	25,500,000	220,854	55,214	13,173	-
<u>2,001</u>	<u>14,495</u>	<u>12,869,489</u>	<u>-</u>	<u>-</u>	<u>175,000</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>	<u>8,160,448</u>
11,606,078	10,995,784	14,073,151	14,961,594	14,672,266	12,766,306
12,859,193	17,768,951	20,293,387	22,609,688	20,962,774	19,230,962
<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>16,158,464</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>	<u>48,155,732</u>
1,709,702	1,666,635	1,606,969	1,562,294	1,956,229	2,778,766
6,923,559	2,429,067	3,115,111	3,025,000	3,166,667	2,841,619
<u>81,776,952</u>	<u>8,966,183</u>	<u>1,901,639</u>	<u>2,247,540</u>	<u>3,684,613</u>	<u>20,351</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>5,640,736</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>	<u>6,390,038</u>
6,421,173	9,007,096	17,152,953	18,821,337	40,405,939	19,853,144
-	-	11,346,520	7,100,417	49,529,549	25,199,546
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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>45,052,690</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>	<u>\$ 51,442,728</u>

Table 3

LAKE CHARLES HARBOR AND TERMINAL DISTRICT

VESSEL AND CARGO REVENUES
Last Ten Fiscal Years
(Unaudited)

<u>Fiscal Year Ended December 31</u>	<u>Dockage</u>	<u>Wharfage</u>	<u>Storage</u>	<u>Cargo Handling</u>
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
2025	6,745,494	5,964,253	1,213,051	12,616,560

SHIPPING ACTIVITIES
TONNAGE
(Unaudited)2025 CARGO IMPORTS/EXPORTS
(Tons)

<u>Cargo</u>	<u>Imports</u>	<u>Exports</u>	<u>Totals</u>
General cargo	1,436,682	59,434	1,496,116
Bulk	<u>1,436,672</u>	<u>15,511,876</u>	<u>16,948,548</u>
Totals	<u>2,873,354</u>	<u>15,571,310</u>	<u>18,444,664</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>
\$ 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
26,539,357	1.40	0.32	0.25	2.62	4.59

TEN YEAR CARGO
IMPORT/EXPORT TONNAGE

<u>Fiscal Year Ended December 31</u>	<u>Imports</u>	<u>Exports</u>	<u>Totals</u>
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	1,281,120	15,581,623	16,862,743
2025	2,873,354	15,571,310	18,444,664
Totals	<u>20,049,117</u>	<u>95,074,320</u>	<u>115,123,437</u>

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>
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	5,005,657	94,570	5,100,227
2025	<u>5,226,672</u>	<u>95,019</u>	<u>5,321,691</u>
Totals	<u>\$ 43,590,500</u>	<u>\$ 928,012</u>	<u>\$ 44,518,512</u>

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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	
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
2025	986,799,822	136,361,270	1,424,112,565	263,208,244

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>
\$ 1,430,156,441	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%
2,547,273,657	2.48	27,098,655,926	9.40%

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
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
2025	2.48	2.48	17.00	20.95	37.95

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	
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
39.70	38.39	8.49	86.58	14.98	0.00	14.98	141.99

Table 7

LAKE CHARLES HARBOR AND TERMINAL DISTRICT

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

Taxpayer	Type of Business	2025	Rank	Percentage of Total Valuation
		Assessed Valuation 2025		
Phillips 66 (formerly Conoco)	Refinery	\$ 329,919,465	1	12.95%
CITGO Petroleum Corporation	Refinery	115,953,550	2	4.55%
Westlake US 2*	Chemical plant	105,787,130	3	4.15%
SASOL North America, Inc	Chemical plant	94,569,878	4	3.71%
Lake Charles LNG	LNG	48,945,860	5	1.92%
Golden Nugget	Hotel & casino	47,733,930	6	1.87%
Excel Paralubes	Lubricants	44,462,300	7	1.75%
Westlake Chemical	Chemical plant	38,861,470	8	1.53%
Penn Entertainment	Hotel & casino	34,814,833	9	1.37%
Axial Corporation	Chemical plant	32,544,420	10	1.28%
Entergy Gulf States, Inc.	LNG			
Lyondell Basell	Chemical Plant			
Totals		<u>\$ 893,592,836</u>		<u>35.08%</u>

Data source: Calcasieu Parish Assessor

* Westlake Chemical acquired Axiall (formerly PPG) in 2016

Table 7

2016		
Assessed Valuation 2016	Rank	Percentage of Total Valuation
\$ 64,535,818	2	4.83%
90,110,400	1	6.75%
42,903,990	3	3.21%
37,297,420	6	2.79%
28,051,510	8	2.10%
39,852,399	4	2.98%
32,528,040	7	2.44%
38,600,520	5	2.89%
20,529,920	9	1.54%
20,053,340	10	1.50%
<u>\$ 414,463,357</u>		<u>31.03%</u>

Table 8

LAKE CHARLES HARBOR AND TERMINAL DISTRICT

TOP CUSTOMERS

For the Current Year and Nine Years Ago
(Unaudited)

Customer	2025		2016	
	Revenue	Percent of Operating Revenue	Revenue	Percent of Operating Revenue
Citgo Petroleum Corporation	\$ 6,326,433	12.16%	\$ 9,397,661	21.85%
Phillips 66	5,651,067	10.86%	2,581,237	6.00%
Golden Nugget	3,896,170	7.49%	3,233,364	7.52%
Cameron LNG	3,839,681	7.38%		
Big Lake Fuels/G2X	3,523,636	6.77%		
Penn Entertainment	3,406,038	6.55%	3,327,423	7.74%
Basden			1,890,393	4.40%
Woodside/Driftwood LNG			1,841,650	4.28%
Totals	<u>\$ 26,643,025</u>	<u>51.21%</u>	<u>\$ 22,271,728</u>	<u>51.79%</u>

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Table 9

LAKE CHARLES HARBOR AND TERMINAL DISTRICT

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

Fiscal Year Ended December 31	Total Tax Levy	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
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%
2025	5,910,880	4,083,717	69.09%

Data source - Calcasieu Parish Tax Collector

Table 9

Collections in Subsequent Years	Total Collections to Date	
	Amount	Percentage of Levy
\$ 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%
1,479,113	5,081,785	89.95%
1,622,802	5,274,270	91.02%
1,163,904	5,247,621	88.78%

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Table 10

LAKE CHARLES HARBOR AND TERMINAL DISTRICT

RATIOS OF OUTSTANDING DEBT
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended <u>December 31</u>	<u>Bonded Debt</u>	<u>Other Debt</u>		<u>Total Debt</u>	Percentage of Personal <u>Income</u> ¹	Per <u>Capita</u> ¹
	Bonds and	Right of Use	Right of Use			
	Certificates of <u>Indebtedness</u>	Leased <u>Assets</u>	Subscription <u>Assets</u>			
2016	\$38,206,490	\$ -	\$ -	\$38,206,490	0.76%	187.96
2017	37,239,331	-	-	37,239,331	0.73%	182.28
2018	36,232,172	-	-	36,232,172	0.69%	178.97
2019	35,175,013	-	-	35,175,013	0.65%	173.85
2020	34,067,854	-	-	34,067,854	0.60%	166.45
2021	32,925,694	-	-	32,925,694	0.57%	161.95
2022	31,748,535	1,826,386	187,399	33,762,320	0.53%	164.47
2023	30,531,376	1,340,334	115,016	31,986,726	0.51%	158.02
2024	29,047,174	840,882	37,755	29,925,811	0.44%	144.67
2025	77,147,733	9,267,193	127,551	86,542,477	1.24%	415.14

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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Gross revenues	\$ 44,825,332	\$ 45,981,007	\$ 46,400,120	\$ 44,296,149
One-time revenues	-	-	-	-
One-time expenses	-	-	-	-
Deductible operating expenses	<u>25,385,463</u>	<u>26,494,054</u>	<u>29,116,142</u>	<u>27,133,350</u>
Net revenues available	<u>19,439,869</u>	<u>19,486,953</u>	<u>17,283,978</u>	<u>17,162,799</u>
Current maturities				
long-term debt	955,000	995,000	1,045,000	1,095,000
Certificates of indebtedness	-	-	-	-
Interest expense	<u>1,845,338</u>	<u>1,807,138</u>	<u>1,731,263</u>	<u>1,688,712</u>
CMLTD plus interest				
expense	<u>2,800,338</u>	<u>2,802,138</u>	<u>2,776,263</u>	<u>2,783,712</u>
Debt service coverage ratio	6.94	6.95	6.23	6.17

Table 11

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 38,430,982	\$ 66,009,348	\$ 62,611,376	\$ 53,472,868	\$ 53,745,767	\$ 58,187,966
24,500,000	25,500,000	13,011,923	55,214	13,173	175,000
81,566,952	8,741,688	1,858,505	2,237,540	3,674,613	10,351
<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>33,111,522</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>	<u>24,911,795</u>
1,130,000	1,165,000	1,205,000	1,250,000	1,320,000	1,295,000
-	-	-	-	-	-
<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>3,147,625</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>	<u>4,442,625</u>
3.04	3.88	4.82	5.10	5.90	5.61

Table 12

LAKE CHARLES HARBOR AND TERMINAL DISTRICT

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

(amounts expressed in thousands)

(Unaudited)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Debt limit	\$ 158,542	\$ 164,171	\$ 192,547	\$ 210,340
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 158,542</u>	<u>\$ 164,171</u>	<u>\$ 192,547</u>	<u>\$ 210,340</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 2025

Assessed value

Add back: Exempt real property

Total assessed value

Debt limit (10% of total assessed value)

Total restricted assets available for principal
paymentLegal 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>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 220,027	\$ 220,192	\$ 232,781	\$ 270,195	\$ 274,275	\$ 281,048
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 220,027</u>	<u>\$ 220,192</u>	<u>\$ 232,781</u>	<u>\$ 270,195</u>	<u>\$ 274,275</u>	<u>\$ 281,048</u>
0%	0%	0%	0%	0%	0%

\$ 2,547,273,657

263,208,244
2,810,481,901

281,048,190

77,147,733

203,900,457

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>
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
2025	208,466	6,994,659,698	33,553

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>
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
37	19.0	28,588	4.7

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>2025</u> <u>Number of</u> <u>Employees</u>	<u>2016</u> <u>Number of</u> <u>Employees</u>
Calcasieu Parish School Board	Education	4,800+	4,899
Turner Industries	Industrial contractor	3,000+	1,650
Lake Charles Memorial Health System	Health care	2,795+	2,148
Westlake Chemical	Basic chemical plant	2,000+	1,693
Golden Nugget	Gaming	1,800+	1,413
Penn Entertainment	Gaming	1,710+	1,300
CITGO Petroleum Corporation	Oil products	1,400+	1,113
Christus St. Patrick Hospital	Health care	1,260+	915
Recon Management Services	Industrial contractor	780+	-
Phillips 66	Oil products	750+	-
Calcasieu Parish Sheriff's Office	Government	-	869
City of Lake Charles	Government	-	810
Total		<u>N/A</u>	<u>16,810</u>

Source: City of Lake Charles

*Westlake Chemical acquired Axial (formerly PPG) in 2016

Table 15

LAKE CHARLES HARBOR AND TERMINAL DISTRICT

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

Function	<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>	<u>2025</u>
Board of Commissioners	7	7	7	6	7	7	7	7	7	7
Executive	2	3	3	3	3	3	2	2	2	2
Administrative	13	13	14	13	13	13	13	12	12	12
Legal	3	3	3	3	3	2	2	2	2	2
Engineering	3	3	3	2	2	2	2	3	3	3
Sales and Marketing	2	2	2	2	2	2	2	2	2	2
Navigation and Security	17	19	20	20	24	23	18	17	19	19
Traffic	1	1	1	1	1	1	1	1	1	2
Safety	3	1	1	1	0	0	0	0	0	0
Maintenance	26	26	26	25	26	25	26	26	31	29
Operation	<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>	<u>41</u>
Total	<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>	<u>119</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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Transit sheds - square feet	1,056,840	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	10	10	10	10
Bulk materials	3	3	3	3
Open berth	1	2	2	2
Grain elevator	1	1	1	1
Track - miles	39	39	39	39

Sources: Various District departments

Table 16

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
1,056,840	1,056,840	949,355	691,955	491,955	491,955
520,400	520,400	630,400	462,400	762,400	838,400
10	10	9	5	5	5
3	3	3	3	3	3
2	2	3	6	6	6
1	1	1	1	–	–
39	39	39	39	39	39

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