

Terrebonne Port Commission

Annual Financial Report
As of and for the
Year Ended December 31, 2022

Terrebonne Port Commission
Terrebonne Parish Consolidated Government

Annual Financial Report
Year Ended December 31, 2022

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-9
Financial Statements	
Statement of Net Position	10
Statement of Revenues, Expenses, and Change in Net Position	11
Statement of Cash Flows	12
Notes to Financial Statements	13-23
Other Information	
Schedule of Compensation, Benefits, and Other Payments to the Port Director	24
Report Required by <i>Government Auditing Standards</i>	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	25-26
Schedule of Findings and Responses	27-28
Management's Corrective Action Plan for Current Year Findings	29
Schedule of Prior Findings and Responses	30
Statewide Agreed-Upon Procedures	
Independent Accountant's Report on Applying Agreed-Upon Procedures	31-32
Schedule of Procedures and Associated Findings of the Statewide Agreed-Upon Procedures	33-50

**Martin
and
Pellegrin**

103 Ramey Road
Houma, Louisiana 70360

*Certified Public Accountants
(A Professional Corporation)*

Ph. (985) 851-3638
Fax (985) 851-3951

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Terrebonne Port Commission
Terrebonne Parish Consolidated Government
Houma, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements the Terrebonne Port Commission (the Commission), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Terrebonne Port Commission, as of December 31, 2022, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Terrebonne Port Commission 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 opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including 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 opinion. 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 GAAS 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 GAAS, 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 Commission'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 Commission's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 9 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.

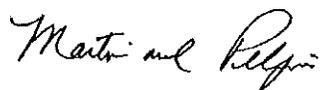
Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Terrebonne Port Commission's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to the Port Director on page 24 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Compensation, Benefits, and Other Payments to the Port Director is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the 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 Schedule of Compensation, Benefits, and Other Payments to the Port Director is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2023 on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 Commission's internal control over financial reporting and compliance.



Houma, Louisiana
May 12, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

Terrebonne Port Commission
Terrebonne Parish Consolidated Government

Management's Discussion and Analysis
Year Ended December 31, 2022

As management of the Terrebonne Port Commission (the Commission), we offer readers of the Commission's financial statements this narrative overview and analysis of the financial activities of the Port for the year ended December 31, 2022.

FINANCIAL HIGHLIGHTS

- The Port Commission's assets exceeded its liabilities by \$92,146,992 (net position) as of December 31, 2022.
- The Commission's total net position decreased by \$1,129,767.
- The Port Commission received state and local contributions totaling \$651,371 for capital projects.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the Commission's basic financial statements. The Terrebonne Port Commission's basic financial statements consist of four components: 1) Statement of Net Position 2) Statement of Revenues, Expenses, and Change in Net Position, 3) Statement of Cash Flows, and 4) Notes to Financial Statements.

Statement of Net Position. This statement presents the Terrebonne Port Commission's assets and liabilities, with the difference of assets and liabilities reported as net position. The fluctuation in net position can be used as an indication of whether the financial position of the Commission is improving or deteriorating.

Statement of Revenues, Expenses, and Change in Net Position. Consistent with the full accrual basis method of accounting, this statement accounts for current year revenues and expenses regardless of when cash is received or paid. The statement also exhibits the relationship of revenues and expenses with the change in net position.

Statement of Cash Flows. The statement of cash flows illustrates the cash inflows and outflows of the Terrebonne Port Commission.

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

Terrebonne Port Commission
Terrebonne Parish Consolidated Government

Management's Discussion and Analysis
Year Ended December 31, 2022

BASIC FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of the Commission, assets exceeded liabilities by \$92,146,992 at the close of the most recent year, December 31, 2022. The largest portion of the Commission's total assets is net capital assets (96%).

The Commission's Net Position

	December 31,	
	2022	2021
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,348,562	\$ 2,630,640
Investments	1,707,470	1,753
Lease receivable	1,725,761	-
Other	13,538	11,785
Total current assets	5,795,331	2,644,178
Capital assets, net of accumulated depreciation	95,239,189	98,363,668
Lease receivable	29,359,884	-
Total assets	130,394,404	101,007,846
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	30,360	294,862
Due to Terrebonne Parish Consolidated Government	20,658	20,658
Revenue bonds		
Due within one year	314,812	304,818
Due in more than one year	6,795,937	7,110,749
Total liabilities	7,161,767	7,731,087
DEFERRED INFLOWS OF RESOURCES - LEASES	31,085,645	-
NET POSITION		
Net investment in capital assets	88,128,440	90,948,101
Unrestricted	4,018,552	2,328,658
Total net position	\$ 92,146,992	\$ 93,276,759

- Total assets increased by \$29,386,558, and total liabilities decreased by \$569,320.
- The increase in assets is primarily attributable to the implementation of a new GASB statement related to leases.
- The decrease in liabilities is attributable to the decrease in accounts payable and payment of revenue bonds.

Terrebonne Port Commission
Terrebonne Parish Consolidated Government

Management's Discussion and Analysis
Year Ended December 31, 2022

During the year, the Commission's net position decreased by \$1,129,767. The elements of the decrease are as follows:

The Commission's Change in Net Position

	Year Ended December 31,	
	2022	2021
REVENUES		
Rental fees - bulkhead and dry dock	\$ 1,476,467	\$ 2,114,713
Rental fees - parcels of land	369,151	509,132
Rental fees - office	239,485	344,056
Other revenue	-	83,112
Total revenues	2,085,103	3,051,013
OPERATING EXPENSES		
Depreciation	3,801,256	3,795,274
Personal services	409,931	401,918
Contractual services	316,346	314,645
Other services and charges	89,728	106,829
Repairs and maintenance	39,868	29,584
Supplies, materials, and technology	13,957	14,047
Total expenses	4,671,086	4,662,297
OTHER INCOME (EXPENSE)		
Interest income	976,624	2,213
Interest expense	(171,779)	(297,556)
Total other income (expense)	804,845	(295,343)
LOSS BEFORE CONTRIBUTIONS	(1,781,138)	(1,906,627)
CAPITAL CONTRIBUTIONS	651,371	2,096,851
INCREASE (DECREASE) IN NET POSITION	\$ (1,129,767)	\$ 190,224

As indicated above, net position decreased by \$1,129,767. This decrease is primarily the result of less capital contributions received compared to the previous year. The decrease in rental fees and increase in interest income is related to the implementation of a new GASB statement related to leases.

Terrebonne Port Commission
Terrebonne Parish Consolidated Government

Management's Discussion and Analysis
Year Ended December 31, 2022

The Commission's Cash Flows

	Year Ended December 31,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from tenants	\$ 2,085,103	\$ 3,035,456
Cash received from other sources	-	83,112
Cash paid to employees and suppliers	<u>(1,134,332)</u>	<u>(1,020,604)</u>
Net cash flows provided by operating activities	<u>950,771</u>	<u>2,097,964</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(1,707,470)	-
Interest income	<u>976,624</u>	<u>2,213</u>
Net cash flows used in operating activities	<u>(730,846)</u>	<u>2,213</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(676,777)	(1,123,747)
Capital contributions	651,371	2,096,851
Principal payments on revenue bonds	(304,818)	(4,139,824)
Interest payments	<u>(171,779)</u>	<u>(297,556)</u>
Net cash flows used in capital and related financing activities	<u>(502,003)</u>	<u>(3,464,276)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u><u>\$ (282,078)</u></u>	<u><u>\$ (1,364,099)</u></u>

Total cash and cash equivalents decreased by \$282,078. This decrease is primarily due to the purchase of investments.

Terrebonne Port Commission
Terrebonne Parish Consolidated Government

Management's Discussion and Analysis
Year Ended December 31, 2022

CAPITAL ASSETS

Capital assets include land, construction in progress, land improvements, equipment, buildings, and infrastructure recorded at a historical cost of \$130,709,578. Accumulated depreciation as of December 31, 2022 is \$35,470,389 resulting in an ending book balance of \$95,239,189. Capital additions during the year totaled \$676,777, consisting of infrastructure and construction in progress. Depreciation expense of \$3,801,256 was recorded for the year.

More detailed information about the capital assets is presented in the notes to financial statements. However, a summary of current and prior year capital assets is found below:

	<u>2022</u>	<u>2021</u>
Land	\$ 2,500,797	\$ 2,500,797
Construction in progress	1,624,406	1,034,943
Land improvements	4,139,902	4,139,902
Equipment	93,986	93,986
Buildings	8,911,181	8,911,181
Infrastructure	<u>113,439,306</u>	<u>113,351,992</u>
	130,709,578	130,032,801
Less accumulated depreciation	<u>(35,470,389)</u>	<u>(31,669,133)</u>
Total capital assets, net	<u><u>\$ 95,239,189</u></u>	<u><u>\$ 98,363,668</u></u>

BOND AGREEMENTS

Principal of \$304,818 was paid on the 2018 Series revenue bond during the year resulting in an ending balance of \$7,110,749 as of December 31, 2022. Interest paid on this revenue bond was \$171,779 for the year ended December 31, 2022.

More detailed information about these bonds is presented in the notes to financial statements.

Terrebonne Port Commission
Terrebonne Parish Consolidated Government

Management's Discussion and Analysis
Year Ended December 31, 2022

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Commission's finances for all those with such an interest. Call the Terrebonne Port Commission office (985-873-6428), and speak to David Rabalais, Port Director, if you should have any further questions concerning any of the information provided in this report or have a request for additional financial information.

FINANCIAL STATEMENTS

Terrebonne Port Commission
Terrebonne Parish Consolidated Government
Proprietary Fund – Enterprise Fund

Statement of Net Position
December 31, 2022

ASSETS

Current assets

Cash and cash equivalents	\$ 2,348,562
Investments	1,707,470
Lease receivable	1,725,761
Other	13,538
Total current assets	5,795,331

Capital assets, net of accumulated depreciation of \$35,470,389	95,239,189
---	------------

Lease receivable	29,359,884
------------------	------------

TOTAL ASSETS	130,394,404
---------------------	-------------

LIABILITIES

Current liabilities

Accounts payable and accrued expenses	30,360
Due to Terrebonne Parish Consolidated Government	20,658
Total current liabilities	51,018

Revenue bonds

Due within one year	314,812
Due in more than one year	6,795,937
	6,795,937

TOTAL LIABILITIES	7,161,767
--------------------------	-----------

DEFERRED INFLOWS OF RESOURCES - LEASES	31,085,645
---	------------

NET POSITION

Net investment in capital assets	88,128,440
Unrestricted	4,018,552
	4,018,552

TOTAL NET POSITION	\$ 92,146,992
---------------------------	---------------

See accompanying notes.

Terrebonne Port Commission
 Terrebonne Parish Consolidated Government
 Proprietary Fund – Enterprise Fund

Statement of Revenues, Expenses,
 and Change in Net Position
 Year Ended December 31, 2022

REVENUES

Rental fees - bulkhead and dry dock	\$ 1,476,467
Rental fees - parcels of land	369,151
Rental fees - office	<u>239,485</u>

TOTAL REVENUES 2,085,103

EXPENSES

Depreciation	3,801,256
Personal services	409,931
Contractual services	316,346
Other services and charges	89,728
Repairs and maintenance	39,868
Supplies, materials, and technology	<u>13,957</u>

TOTAL EXPENSES 4,671,086

OPERATING LOSS (2,585,983)

OTHER INCOME (EXPENSE)

Interest income - investments	28,157
Interest income - leases	948,467
Interest expense	<u>(171,779)</u>

TOTAL OTHER INCOME (EXPENSE) 804,845

LOSS BEFORE CONTRIBUTIONS (1,781,138)

CAPITAL CONTRIBUTIONS 651,371

CHANGE IN NET POSITION (1,129,767)

NET POSITION - Beginning 93,276,759

NET POSITION - Ending \$ 92,146,992

See accompanying notes.

Terrebonne Port Commission
Terrebonne Parish Consolidated Government
Proprietary Fund – Enterprise Fund

Statement of Cash Flows
Year Ended December 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from tenants	\$ 2,085,103
Cash paid to employees and suppliers	(1,134,332)
	950,771
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(1,707,470)
Interest income received	976,624
	(730,846)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	(676,777)
Capital contributions	651,371
Principal payments on revenue bonds	(304,818)
Interest payments	(171,779)
	(502,003)
Net decrease in cash and cash equivalents	(282,078)
CASH AND CASH EQUIVALENTS, beginning	2,630,640
CASH AND CASH EQUIVALENTS, ending	\$ 2,348,562
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating loss	\$ (2,585,983)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	3,801,256
Decrease in:	
Accounts payable and accrued expenses	(264,502)
	950,771
Net cash flows provided by operating activities	\$ 950,771
SUPPLEMENTAL DISCLOSURE:	
Cash paid during the year for interest	\$ 171,779

See accompanying notes.

Terrebonne Port Commission
Terrebonne Parish Consolidated Government

Notes to Financial Statements
Year Ended December 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Terrebonne Port Commission was created by the City of Houma and the Terrebonne Parish Police Jury in 1964, as authorized by Louisiana Revised Statute 34:2201. On January 9, 1984, after a vote of the citizens of Terrebonne Parish, the City of Houma and the Terrebonne Parish Police Jury were consolidated to form the Terrebonne Parish Consolidated Government. The Port Commission is governed by a seven-member board. The Terrebonne Parish Consolidated Government (Parish Council) appoints three members, the Parish President nominates two, and the South Central Industrial Association and the Houma-Terrebonne Chamber of Commerce nominate one each. The Port Commission is responsible for maintaining, operating, and developing the Terrebonne Port, located on the Houma Navigation Canal within one-mile of its intersection with the Gulf Intracoastal Waterway. The Port Commission is also responsible for maintaining and improving the waterways of Terrebonne Parish.

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

A. REPORTING ENTITY

Because the Consolidated Government and Parish President appoint a majority of the governing board and can therefore impose their will, the Terrebonne Port Commission was determined to be a component unit of the Terrebonne Parish Consolidated Government, the governing body of the Parish and the governmental body with financial accountability.

The accompanying financial statements present information only on the funds maintained by the Commission and do not present information on the Consolidated Government, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

The Commission has reviewed all of its activities and determined that there are no potential component units that should be included in its financial statements.

B. BASIS OF PRESENTATION

GASB statements established standards for external financial reporting for all state and local governmental entities. For enterprise funds such as the Port, this includes a statement of net position, a statement of revenues, expenses and change in net position, and a statement of cash flows. It requires the classification of net position

Terrebonne Port Commission
Terrebonne Parish Consolidated Government

Notes to Financial Statements
Year Ended December 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

into three components – net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – This component of net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets”.

The basic financial statements of the Commission are prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred.

C. FUND TYPES

The Terrebonne Port Commission is organized and operated on a fund basis whereby a self-balancing set of accounts (Enterprise Fund) is maintained that comprises its assets, liabilities, net position, revenues, and expenses. The operations are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the cost (expenses, including depreciation) of providing services on a continuing basis be financed primarily through user charges.

D. BASIS OF ACCOUNTING

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

The Enterprise Fund is accounted for using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recorded when they are incurred.

Terrebonne Port Commission
Terrebonne Parish Consolidated Government

Notes to Financial Statements
Year Ended December 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

E. CASH AND CASH EQUIVALENTS

The Commission considers all highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents.

F. ACCOUNTS RECEIVABLE

The financial statements of the Commission contain no allowance for bad debts. Uncollectible amounts are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operation of the Commission.

G. CAPITAL ASSETS

Capital assets of the Port Commission, excluding donated property and equipment, are valued at cost. All donated property and equipment are recorded at estimated fair market value on the date of the donation. Assets are capitalized if costs exceed \$500 and if they have an estimated useful life of at least one year. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Capital assets reported on the statement of net position are net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful life of the individual asset. Estimated useful lives of assets range from 5 to 40 years.

H. ACCUMULATED VACATION AND SICK LEAVE

Upon separation of employment, employees are compensated for accumulated vacation leave at the employee's current rate of pay. As of December 31, 2022, employees had accumulated \$22,015 of employee leave benefits. Sick leave is not a vested benefit and will not be paid upon termination.

I. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Terrebonne Port Commission
Terrebonne Parish Consolidated Government

Notes to Financial Statements
Year Ended December 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

J. RECENT PRONOUNCEMENT

Statement No. 87, "Leases", increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management has implemented the statement and determined that it had a material effect on the financial statements (see note 6).

NOTE 2 – DEPOSITS AND INVESTMENTS

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

State law also requires that deposits of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes the FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana, and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

The year end balances of deposits are as follows:

	<u>Bank Balance</u>	<u>Reported Amount</u>
Cash	\$ 2,370,340	\$ 2,348,562

Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it. The Commission has a written policy for custodial credit risk. As of December 31, 2022, \$2,120,340 of the Commission's bank balances of \$2,370,340 was exposed to credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Commission's name.

Terrebonne Port Commission
Terrebonne Parish Consolidated Government

Notes to Financial Statements
Year Ended December 31, 2022

NOTE 2 – DEPOSITS AND INVESTMENTS (Cont.)

As of December 31, 2022, cash was adequately collateralized in accordance with state law by federal deposit insurance and securities held by an unaffiliated bank for the account of the Commission. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers the securities subject to custodial credit risk. Even though the pledged securities are considered subject to custodial credit risk under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

Investments:

State statutes authorize the Commission to invest in obligations of the U.S. Treasury, agencies and instrumentalities; guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations; repurchase agreements; and the Louisiana Asset Management Pool (LAMP).

As a means of limiting its exposure to fair value losses arising from interest rates, the Commission's investment policy limits investments to securities with maturity dates less than six months from the date of purchase unless the investment is matched to a specific cash flow.

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Commission's investment policy requires the application of the prudent-person rule. The policy states, *investments shall be made with the judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. Primary emphasis shall be placed upon the safety of such funds in an effort to minimize risk while earning maximum returns.* The Commission's investment policy limits investments to those discussed earlier in this note.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments in external investment pools are not exposed to custodial credit risk because of their natural diversification and the diversification required by Securities and Exchange Commission.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP

Terrebonne Port Commission
Terrebonne Parish Consolidated Government

Notes to Financial Statements
Year Ended December 31, 2022

NOTE 2 – DEPOSITS AND INVESTMENTS (Cont.)

is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA - R.S. 33:2955.

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

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

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for US Government floating/variable rate investments. The WAM for LAMP's total investments is 52 days as of December 31, 2022.
- Foreign currency risk: Not applicable.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares. Investments in LAMP as of December 31, 2022 amounted to \$1,707,470 and are classified on the Statement of Net Position as "Investments".

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

Terrebonne Port Commission
Terrebonne Parish Consolidated Government

Notes to Financial Statements
Year Ended December 31, 2022

NOTE 2 – DEPOSITS AND INVESTMENTS (Cont.)

A reconciliation of deposits and investments as shown on the Statement of Net Position is as follows:

Reported amount of deposits	\$	2,348,562
Reported amount of investments		1,707,470
Total		\$ 4,056,032
Cash		2,348,562
Investments		1,707,470
Total		\$ 4,056,032

NOTE 3 – CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance January 1, 2022	Additions/ Reclassifications	Deletions/ Reclassifications	Balance December 31, 2022
Capital assets, not being depreciated:				
Land	\$ 2,500,797	\$ -	\$ -	\$ 2,500,797
Construction in progress	1,034,943	589,463	-	1,624,406
Total capital assets not being depreciated	3,535,740	589,463	-	4,125,203
Capital assets being depreciated:				
Land improvements	4,139,902	-	-	4,139,902
Equipment	93,986	-	-	93,986
Buildings	8,911,181	-	-	8,911,181
Infrastructure	113,351,992	87,314	-	113,439,306
Total capital assets being depreciated	126,497,061	87,314	-	126,584,375
Less accumulated depreciation:				
Land improvements	(1,065,258)	(273,349)	-	(1,338,607)
Equipment	(75,434)	(8,728)	-	(84,162)
Buildings	(1,536,491)	(255,794)	-	(1,792,285)
Infrastructure	(28,991,950)	(3,263,385)	-	(32,255,335)
Accumulated depreciation	(31,669,133)	(3,801,256)	-	(35,470,389)
Totals	\$ 98,363,668	\$ (3,124,479)	\$ -	\$ 95,239,189

Construction in progress includes expansion projects, bulkhead extension, building renovations, canal deepening, and smaller projects.

Terrebonne Port Commission
Terrebonne Parish Consolidated Government

Notes to Financial Statements
Year Ended December 31, 2022

NOTE 3 – CAPITAL ASSETS (Cont.)

For the year ended December 31, 2022, depreciation expense was \$3,801,256.

NOTE 4 – REVENUE BOND

Terrebonne Port Commission issued a Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bond on March 1, 2018. The amount of the bond is not to exceed \$8,000,000. The funds are to be used for a bulkhead upgrade and extension project. The loan includes an interest rate of 2.31% on outstanding balances and is secured by all lawfully available revenue of the Commission. Interest payments are due each March 1st and September 1st. Principal payments are due each March 1st beginning in 2020 and ending on March 1, 2039. The outstanding balance on this bond was \$7,110,749 as of December 31, 2022. Future maturities are as follows:

Year	Principal	Interest	Total
2023	\$ 314,812	\$ 160,622	\$ 475,434
2024	383,883	154,782	538,665
2025	392,802	145,863	538,665
2026	401,928	136,737	538,665
2027	411,266	127,399	538,665
2028-2032	2,204,177	489,149	2,693,326
2033-2037	2,472,407	220,919	2,693,326
2038-2039	529,474	9,191	538,665
Totals	\$ 7,110,749	\$ 1,444,662	\$ 8,555,411

NOTE 5 – CAPITAL CONTRIBUTIONS

During the year ended December 31, 2022, the Commission received capital contributions from the following:

Louisiana Department of Transportation and Development	\$ 439,257
Tenants	212,114
	\$ 651,371

These contributions were designated for use in the expansion projects.

Terrebonne Port Commission
Terrebonne Parish Consolidated Government

Notes to Financial Statements
Year Ended December 31, 2022

NOTE 6 – LEASES

The Commission leases various parcels of land, bulkhead space, dry dock, and office space located at the port to industrial and business concerns. These are noncancelable leases with obligated terms ranging from one to forty years.

The Commission recognized \$2,085,103 of lease revenue and \$948,467 in interest revenue during the current fiscal year. As of December 31, 2022, the Commission's lease receivable balance for lease payments and deferred inflow of resources with these leases that will be recognized as revenue over the lease term is \$31,085,645.

The lease agreements may contain variable payments or termination penalties that are not know or certain to be exercised at the time of the lease receivable valuation. When applicable, these inflows are recognized as revenues in the period that they occur. During the year ended December 31, 2022, the Commission did not recognize revenues for variable lease payments or termination penalties.

The following is a schedule of future lease payments to be received:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 1,725,761	\$ 948,467
2024	1,725,761	948,467
2025	1,725,761	948,467
2026	1,725,761	948,467
2027	1,725,761	948,467
2028 - 2032	8,628,805	4,742,335
2033 - 2037	8,628,805	4,742,335
2038 - 2042	5,199,230	2,845,400
	<u>\$ 31,085,645</u>	<u>\$ 17,072,405</u>

NOTE 7 – POSTEMPLOYMENT BENEFITS

The Commission's personnel are employees of the Terrebonne Parish Consolidated Government. As such, they are offered postemployment healthcare and life insurance benefits through the Parish's group plan. Plan information, including actuarial valuation information and funding status, can be found in the annual report of the Terrebonne Parish Consolidated Government.

Terrebonne Port Commission
Terrebonne Parish Consolidated Government

Notes to Financial Statements
Year Ended December 31, 2022

NOTE 8 – PENSION PLAN

Employees of the Terrebonne Parish Consolidated Government are members of the State of Louisiana Parochial Employees' Retirement System (PERS). Membership in the retirement system is compulsory at date of employment. Membership is cancelled only by death, resignation, or retirement. Retirement benefits are based upon PERS provisions in place at the time of retirement. Retirement expense for the year ended December 31, 2022 was \$22,416. Plan information, including actuarial valuation information and funding status, can be found in the annual report of the Terrebonne Parish Consolidated Government.

NOTE 9 – COMPENSATION OF BOARD MEMBERS

As provided by Louisiana Revised Statute 2:603, the Commissioners have elected to use the monthly meeting method of compensation. Under this method, the chairman and other board members receive a \$60 payment for each meeting attended with a limit of two paid meetings per month. The compensation is included in personal services expense on the statement of revenues, expenses, and change in net position.

The following amounts were paid to commissioners for the year ended December 31, 2022:

Chris Erny	\$ 720
Greg Landry	660
John DeBlieux	660
Andrew Blanchard	600
Dan Davis	540
Paul "Bill" Purvis	540
Steve Crispino	<u>-</u>
Total	<u>\$ 3,720</u>

NOTE 10 – RISK MANAGEMENT

The Commission is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to the public; and natural disasters for which the Commission carries commercial insurance or other insurance for the losses to which it is exposed. No settlements were made during the year that exceeded the Commission's insurance coverage. The Commission's premiums for general liability are based on various factors such as its operations and maintenance budget, exposure, and claims experience.

Terrebonne Port Commission
Terrebonne Parish Consolidated Government

Notes to Financial Statements
Year Ended December 31, 2022

NOTE 11 – SUBSEQUENT EVENTS

Subsequent events were evaluated through May 12, 2023, which is the date the financial statements were available to be issued, and it was determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

OTHER INFORMATION

Terrebonne Port Commission
Terrebonne Parish Consolidated Government

Schedule of Compensation, Benefits, and Other
Payments to the Port Director
Year Ended December 31, 2022

Agency Head Name: David Rabalais, Port Director

Purpose	Amount
Salary	\$ 162,848
Car allowance/automobile expense	8,400
Benefits - retirement	4,673
Reimbursements	6,803
Cell phone allowance	1,800
Benefits - insurance	-
Travel	-
Benefits - other	-
Deferred compensation	-
Vehicle provided by government	-
Per diem	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-

This schedule is used to satisfy the reporting requirements
of R.S. 24:513(A)(3).

REPORT REQUIRED BY GOVERNMENT AUDITING STANDARDS

**Martin
and
Pellegrin**

103 Ramey Road
Houma, Louisiana 70360

*Certified Public Accountants
(A Professional Corporation)*

Ph. (985) 851-3638
Fax (985) 851-3951

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

To the Board of Commissioners
Terrebonne Port Commission
Terrebonne Parish Consolidated Government
Houma, Louisiana

We have audited, 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, the financial statements of the business-type activities of the Terrebonne Port Commission (the Commission), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated May 12, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2022-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

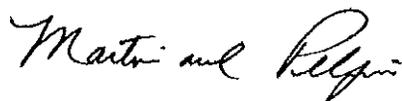
As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

The Commission's Response to Finding

The Commission's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The Commission's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



Houma, Louisiana
May 12, 2023

Terrebonne Port Commission
Terrebonne Parish Consolidated Government

Schedule of Findings and Responses
Year Ended December 31, 2022

Section I – Summary of Auditor’s Results

1. The auditor's report expresses an unmodified opinion on the basic financial statements of the Terrebonne Port Commission.
2. One significant deficiency in internal control (see finding 2022-001) was noted during the audit of the financial statements.
3. No instances of noncompliance required to be reported in accordance with *Government Auditing Standards* were noted during the audit.
4. A management letter was not issued.
5. The Commission received no federal funding during the year.

Section II – Financial Statement Findings

This section is not applicable.

Section III – Internal Control Findings

2022-001

Statement of Condition: A significant deficiency in the Commission's internal control.

Criteria: In our consideration of internal control, we noted that the size of the Commission's operations and its limited accounting staff preclude an inadequate segregation of duties and other features of an adequate system of control.

Effect of Condition: The internal control, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Cause of Condition: The size of Commission's operations and its limited accounting staff preclude an inadequate segregation of duties and other features of an adequate system of internal control.

Recommendation: The Board of Commissioners of the Commission should closely monitor the day-to-day activities of the Commission.

Response: The management of Terrebonne Port Commission concurs with this finding.

Questioned Costs: \$ -0-

Terrebonne Port Commission
Terrebonne Parish Consolidated Government

Schedule of Findings and Responses (Cont.)
Year Ended December 31, 2022

Section IV – Federal Awards

This section is not applicable.

Terrebonne Port Commission
Terrebonne Parish Consolidated Government

Management's Corrective Action Plan for Current Year Findings
Year Ended December 31, 2022

The contact person for all corrective actions noted below is Mr. David Rabalais, Executive Director.

Section I – Internal Control and Compliance

Inadequate Internal Control

Condition: A significant deficiency in the internal control related to lack of segregation of duties.

Recommendation: The Board of Commissioners of the Commission should closely monitor the day-to-day activities of the Commission.

Planned Action: The Board of Commissioners will closely monitor the day-to-day activities of the Commission.

Section II – Internal Control and Compliance Material to Federal Awards

This section is not applicable.

Section III – Management Letter

This section is not applicable.

Terrebonne Port Commission
Terrebonne Parish Consolidated Government

Schedule of Prior Findings and Responses
Year Ended December 31, 2022

Note: All prior findings relate to the December 31, 2021 audit engagement.

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

Under Collateralization of Cash Deposits

Condition: The Commission's cash deposits were under collateralized at one of its financial institutions from the end of August 2020 to the beginning of October 2020 due to a \$5,000,000 deposit on August 24, 2020.

Recommendation: The management of the Commission should contact its fiscal agent when a significant deposit is to be made to ensure that deposits are fully collateralized at all times. As the fiscal agent monitors deposits versus collateralization only at the beginning of each month, management should adopt procedures whereby the monitoring of cash deposits, and related collateral, are more frequently performed to ensure that cash deposits are fully collateralized at all times.

Planned Action: The Commission will implement the recommendation as detailed above.

Status: Resolved.

Inadequate Internal Control

Condition: A significant control deficiency in the internal control related to lack of segregation of duties.

Recommendation: The Board of Commissioners should closely monitor the day-to-day activities of the Commission.

Planned Action: The Board of Commissioners will closely monitor the day-to-day activities of the Commission.

Status: Ongoing. The Commission has implemented the recommendation, but the lack of segregation of duties continues to exist. As such, the Board will continue to perform the recommendation.

Section II – Internal Control and Compliance Material to Federal Awards

This section is not applicable.

Section III – Management Letter

This section is not applicable.

STATEWIDE AGREED-UPON PROCEDURES

**Martin
and
Pellegrin**

103 Ramey Road
Houma, Louisiana 70360

*Certified Public Accountants
(A Professional Corporation)*

Ph. (985) 851-3638
Fax (985) 851-3951

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Board of Commissioners
Terrebonne Port Commission
Terrebonne Parish Consolidated Government
Houma, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2022 through December 31, 2022. Terrebonne Port Commission's management is responsible for those C/C areas identified in the SAUPs.

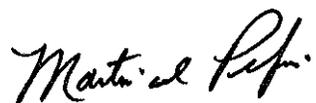
Terrebonne Port Commission has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2022 through December 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are described on pages 33-50.

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

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

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

A handwritten signature in black ink, appearing to read "Martin L. Papp". The signature is written in a cursive, flowing style.

Houma, Louisiana
May 12, 2023

Terrebonne Port Commission

Schedule of Procedures and Associated Findings of the
Statewide Agreed-Upon Procedures
Year Ended December 31, 2022

The required procedures and our findings are as follows:

Procedures performed on the Commission's written policies and procedures:

Written Policies and Procedures

1. Obtain and inspect the Commission's written policies and procedures and observe that they address each of the following categories and subcategories, as applicable:

a. Budgeting, including preparing, adopting, monitoring, and amending the budget

Performance: Obtained and read the written policy for budgeting and found it to contain the requirements included above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

b. Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes

Performance: Obtained and read the written policy for purchasing and found it to contain all requirements above except for the requirement noted below.

Exceptions: The policy does not include purchase orders.

Management's response: Management will consider adding purchase orders to the purchasing policy.

c. Disbursements, including processing, reviewing, and approving

Performance: Obtained and read the written policy for disbursements and found it to contain the requirements included above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

d. Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions

Performance: Obtained and read the written policy for receipts and found it to contain the requirements listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

e. Payroll/Personnel, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3)

Terrebonne Port Commission

Schedule of Procedures and Associated Findings of the Statewide Agreed-Upon Procedures Year Ended December 31, 2022

approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

Performance: Obtained and read the written policy for payroll and personnel and found it to contain the requirements listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Obtained and read the written policy related to contracting and found it to contain the requirements listed above.

Exceptions: The policy does not include the types of services requiring written contracts.

Management's response: Management will consider adding the types of services requiring written contracts to its policy.

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

Performance: Obtained and read the written policy related to credit cards and found it to contain the requirements listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Obtained and read the travel and expense reimbursement policy and found it contained all requirements listed above except for the requirements below.

Exceptions: Dollar thresholds by category of expense are not disclosed. The policy mentions that meals shall be reimbursed to employees while traveling out of town on any business forum in an amount not to exceed the Internal Revenue Service per diem rates. Mileage reimbursement is not discussed in the policy.

Management's response: Management will consider adding dollar thresholds to the written policy.

- i. Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is

Terrebonne Port Commission

Schedule of Procedures and Associated Findings of the Statewide Agreed-Upon Procedures Year Ended December 31, 2022

maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

Performance: Obtained and read the written policy related to ethics and found it to contain the requirements listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Determined whether the Commission has a written debt service policy.

Exceptions: While the Commission does have a debt service policy, it is not written.

Management's response: The Commission will include its debt service policy in its written policies.

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

Performance: Determined whether the Commission has a written disaster recovery/business continuity policy.

Exceptions: While the Commission does have a disaster recovery/business continuity policy, it is not written.

Management's response: The Commission will include its disaster recovery/business continuity policy in its written policies.

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

Performance: Determined whether the Commission has a written sexual harassment policy.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Terrebonne Port Commission

Schedule of Procedures and Associated Findings of the
Statewide Agreed-Upon Procedures
Year Ended December 31, 2022

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Performance: Determined that the board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document except for the conflict below.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b) Observe that the minutes referenced or included monthly budget-to-actual comparisons, at a minimum, on proprietary funds.

Performance: Determined whether the minutes referenced or included monthly budget-to-actual comparisons.

Exceptions: While the minutes reference the monthly financial statements, budget to actual is not mentioned.

Management's response: The monthly board meeting minutes will include the presentation of budget to actual financial statements.

- c) Obtain the prior year audit report and observe the unrestricted net position in the enterprise fund. If the enterprise fund had a negative ending unrestricted net position in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted net position in the enterprise fund.

Performance: Determined that the unrestricted net position did not have a negative balance.

- d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Performance: Determined that the Commission had no outstanding audit findings.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Terrebonne Port Commission

Schedule of Procedures and Associated Findings of the
Statewide Agreed-Upon Procedures
Year Ended December 31, 2022

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select four additional accounts (or all accounts if less than five). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

Performance: Obtained the listing of bank accounts from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- a) Bank reconciliations include evidence that they were prepared within two months of the related statement closing date;

Performance: Determined that randomly selected bank statements were reconciled within two months of the related statement closing date.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation;

Performance: Inspected documentation for management approvals of each randomly selected bank reconciliation.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Determined that there were no items outstanding for more than 12 months as of the end of the statement closing date.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Collections

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

Terrebonne Port Commission

Schedule of Procedures and Associated Findings of the Statewide Agreed-Upon Procedures Year Ended December 31, 2022

Performance: Observed the listing of deposit sites from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site, obtain and inspect written policies and procedures relating to employee job duties at each collection location, and observe that job duties are properly segregated at each collection location, and observe that job duties are properly segregated at each collection location such that:

Performance: Observed the listing of collection locations from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Determined that no cash drawers/registers are shared by employees.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Inspected policy manual and inquired of client to ensure separation of duties for those employees collecting cash and those employees preparing/making bank deposits.

Exceptions: The person responsible for making the deposit can also collect cash.

Management's response: Management will separate these duties when it is cost-beneficial to do so. Management will continue to closely monitor the collection activities of the Commission.

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

Performance: Inspected policy manual and inquired of client to ensure separation of duties for those employees collecting cash and those employees

Terrebonne Port Commission

Schedule of Procedures and Associated Findings of the Statewide Agreed-Upon Procedures Year Ended December 31, 2022

posting collection entries to the general ledger or subsidiary ledgers.

Exceptions: The person responsible for posting collection entries to the general ledger can also collect cash.

Management's response: Management will separate these duties when it is cost-beneficial to do so. Management will continue to closely monitor the collection activities of the Commission.

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

Performance: Inspected policy manual and inquired of client to ensure separation of duties for those employees collecting cash and those employees reconciling cash collections to the general ledger and/or subsidiary ledgers.

Exceptions: There are no segregation of duties.

Management's response: Management will separate these duties when it is cost-beneficial to do so. Management will continue to closely monitor the day-to-day activities of the Commission.

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

Performance: Determined whether employees who have access to cash are covered by a bond or insurance policy for theft.

Exceptions: The Commission does not have an employee honesty policy in place.

Management's response: Management will consider purchasing an insurance policy to cover those employees who handle cash.

7. Randomly select two deposit dates for each of the bank accounts selected for procedure #3 under "Bank Reconciliations" above. Obtain supporting documentation for each of the deposits and:

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

Performance: Determined that sequentially pre-numbered receipts are not required for the type of deposits that are received at the Commission.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Terrebonne Port Commission

Schedule of Procedures and Associated Findings of the Statewide Agreed-Upon Procedures Year Ended December 31, 2022

Performance: Inspected deposits from two random deposit dates to determine if they had collection documentation that agreed to the respective deposit slips. Noted that collections were supported by adequate documentation.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Inspected deposits from two random deposit dates to determine if the deposit slips agreed to the actual deposits per the bank statements.

Exceptions: Deposits with one bank are electronic. As such, there are no deposit slips. The other bank does not include copies of deposit slips on its bank statements.

Management's response: Management will make copies of deposit slips before they are deposited with the bank.

- d) Observe that the deposit was made within one business day of receipt at the collection location.

Performance: Determined if deposits from two random dates were deposited within one business day of receipt.

Exceptions: It appears that deposits tested were not deposited within one business day of receipt based on check dates. The check stubs are not stamped when they are received.

Management's response: Management will ensure that deposits are made in a timely manner.

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

Performance: Inspected deposits from two random deposit dates to determine if the deposits per the bank statements agree to the general ledger.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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

Performance: Obtained a listing of locations that processed payments for the fiscal period from management and received management's representation in a separate letter. Determined that only one location processed payments.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Terrebonne Port Commission

Schedule of Procedures and Associated Findings of the Statewide Agreed-Upon Procedures Year Ended December 31, 2022

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties, and observe that job duties are properly segregated such that:

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

Performance: Obtained a listing of those employees involved with non-payroll purchasing and payment functions along with written policies and procedures for those functions to determine if there was a proper segregation of duties for initiating, approving, and making purchases.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Obtained a listing of those employees involved with non-payroll purchasing and payment functions along with written policies and procedures for those functions to determine if there was a proper segregation of duties for processing and approving payments to vendors.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Inspected policy manual and inquired of management as to segregation of duties related to vendor files.

Exceptions: The employee who processes payments also adds vendors.

Management's response: These duties will be separated when the benefit of doing so exceeds the cost.

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

Performance: Inquired of management to determine if the employee responsible for processing payments mails those respective payments.

Exceptions: The employee who processes payments sometimes mails those payments out.

Management's response: These duties will be separated when the benefit of doing so exceeds the cost.

Terrebonne Port Commission

Schedule of Procedures and Associated Findings of the Statewide Agreed-Upon Procedures Year Ended December 31, 2022

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

Performance: Inquired of management to determine whether release of electronic disbursements are appropriately authorized.

Exceptions: No exceptions were noted.

Management's response: Not applicable.

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

Performance: Obtained the completed general ledger for the fiscal period and obtained management's representations in a separate letter. Randomly selected five disbursements using a random number generator for check numbers to test the requirements below.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Determined that the five random disbursements matched their respective original invoices and that the invoices indicate that deliverables were received by the entity.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Determined whether the documentation for the five random disbursements gave evidence of the segregation of duties tested under #9 above.

Exceptions: While there is a segregation of duties, this is no longer evident as the bank for the operating account does not include copies of checks with the bank statements. The Executive Director and applicable board member's signature cannot be seen on each check.

Management's response: Management will make copies of all checks before distributing them.

Terrebonne Port Commission

Schedule of Procedures and Associated Findings of the Statewide Agreed-Upon Procedures Year Ended December 31, 2022

11. Using the entity's main operating accounts and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursement (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy.

Performance: Determined whether the documentation for the five random disbursements gave evidence of the disbursements being appropriately approved.

Exceptions: There were no exceptions noted.

Management's Response: Not applicable.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

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

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

a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

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

14. Using the monthly statements or combined statements selected under #13 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions. For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals.

Performance: Determined that the Commission does not have any of these cards and that numbers 12 through 14 do not apply.

Terrebonne Port Commission

Schedule of Procedures and Associated Findings of the
Statewide Agreed-Upon Procedures
Year Ended December 31, 2022

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

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

Performance: Obtained a list of all travel and related expense reimbursements. Management's representation of the listing was confirmed in a separate letter.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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

Performance: Determined that travel expenses were not reimbursed using a per diem.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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

Performance: Traced expenses to original itemized receipts, expense reports, and mileage reports.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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

Performance: Reviewed documentation of the business/public purpose for each expense.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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

Performance: Inspected each expense reimbursement request to find approval by supervisors and/or board member.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

Terrebonne Port Commission

Schedule of Procedures and Associated Findings of the
Statewide Agreed-Upon Procedures
Year Ended December 31, 2022

Contracts

16. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly select five contracts (or all contracts if less than five) from the listing, excluding the practitioner's contract, and:

Performance: Observed the listing of contracts in effect during the fiscal year from management and received management's representation of completeness in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law, if required by law.

Performance: Determined that the Commission does not have to comply with the Public Bid Law for any of the selected contracts in place.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b) Observe that the contract was approved by the governing body/board, if required by policy or law.

Performance: Determined that the selected contracts were approved by the board.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- c) If the contract was amended, observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms.

Performance: Determined that amended contracts were in compliance with the original contract terms.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Terrebonne Port Commission

Schedule of Procedures and Associated Findings of the
Statewide Agreed-Upon Procedures
Year Ended December 31, 2022

Performance: Inspected the randomly selected invoice and compared to the written contract information to determine that the invoice and related payment complied with the terms of the contract.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Payroll and Personnel

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

Performance: Observed the listing of three employees and received management's representation of completeness in a separate letter. Determined that the Terrebonne Parish Consolidated Government is responsible for the Commission's payroll. As such, the latter requirement of number 17 does not apply.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

a) Observe that all selected employees or officials documented their daily attendance and leave.

Performance: Determined that all selected employees documented their daily attendance and leave for the selected pay period.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Determined that the attendance and leave of each employee for the selected pay period was approved by each employee's respective supervisor.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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

Terrebonne Port Commission

Schedule of Procedures and Associated Findings of the Statewide Agreed-Upon Procedures Year Ended December 31, 2022

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

19. Obtain management's representation that employer and employee portions of third-party payroll-related amounts have been paid, and any associated forms have been filed, by required deadlines.

Performance: Determined that the Terrebonne Parish Consolidated Government is responsible for the Commission's payroll. As such, numbers 17c through 19 do not apply.

20. Obtain management's representation that employer and employee portions of third-party payroll-related amounts have been paid, and any associated forms have been filed, by required deadlines.

Performance – Obtained management's representation that employer and employee portions of third-party payroll-related amounts have been paid, and any related forms have been timely filed.

Exceptions: There were no exceptions noted.

Management's Response: Not applicable.

Ethics

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

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

Performance: Observed the ethics course completion certificates for the employees/officials tested.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

b) Observe that the entity maintains documentation which demonstrates each employee and official was notified of any changes to the entity's policy during the fiscal period, as applicable.

Performance: Determined that there were no changes to the ethics policy during the fiscal period to notify the employees/officials of.

Terrebonne Port Commission

Schedule of Procedures and Associated Findings of the Statewide Agreed-Upon Procedures Year Ended December 31, 2022

Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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

Performance: Inquired as to whether the agency has appointed an ethics designee as required by R.S. 42:1170.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

Debt Service

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

Performance: Determined that no new debt had been issued during the fiscal period and received management's representation of completeness in a separate letter.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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

Performance: Obtained a listing of the outstanding debt at the end of the fiscal period and received management's representation of completeness in a separate letter. Inspected debt covenants, obtained supporting documentation for the balance and payments, and agreed the actual balance and payments to the required debt covenants for the one outstanding loan.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

Fraud Notice

25. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Terrebonne Port Commission

Schedule of Procedures and Associated Findings of the Statewide Agreed-Upon Procedures Year Ended December 31, 2022

Performance: Inquired of management of any misappropriations of public funds or assets and determined that none were noted.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Inquired and observed such notice posted on the premises and website.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Information Technology Disaster Recovery/Business Continuity

27. Perform the following procedures and verbally discuss the results with management.

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week and was not stored on the local server or network. If backups are stored on a physical medium, observe evidence that backups are encrypted before being transported.
- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past three months.
- c) Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select five computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting software in use are currently supported by the vendor.

Performance: We performed the procedures and discussed with management.

28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #18. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Performance: Determined that there were no terminated employees during the year.

Terrebonne Port Commission

Schedule of Procedures and Associated Findings of the
Statewide Agreed-Upon Procedures
Year Ended December 31, 2022

Exceptions: No exceptions were noted.
Management's response: Not applicable

Prevention of Sexual Harassment

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

Performance – Observed that the documentation demonstrates each employee tested completed one hour of sexual harassment training during the calendar year.

Exceptions: There were no exceptions noted.

Management's Response: Not applicable.

30. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website.

Performance – Review the Commission's website to determine if its sexual harassment policy is posted.

Exceptions – The sexual harassment policy is not posted on the website.

Management's Response – Management will post the policy on the website.

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

- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

Performance – Asked management

Exceptions – Management did not draft a sexual harassment report because there were no complaints.

Management's Response – Going forward, the annual sexual harassment report will be drafted timely regardless of the number of complaints.