

PLAQUEMINES PORT, HARBOR, & TERMINAL DISTRICT
FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2024

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INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Plaquemines Port, Harbor, & Terminal District
Belle Chasse, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of the Plaquemines Port, Harbor and Terminal District, as of and for the year ended December 31, 2024 and the related notes to the financial statements, which collectively comprise the Plaquemines Port, Harbor and Terminal District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plaquemines Port, Harbor and Terminal District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion, the schedule of employer's proportionate share of net pension liability and schedule of employer's contributions, schedule of change in net OPEB liability and related ratios on pages 4-11 and 48-50 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Plaquemines Port, Harbor and Terminal District's basic financial statements. The accompanying schedule of employer's contributions, benefits and other payments to agency head or chief executive officer and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the and the schedule of employer's contributions, benefits and other payments to agency head or chief executive officer schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2025, on our consideration of the Plaquemines Port, Harbor and Terminal District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Plaquemines Port, Harbor and Terminal District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Plaquemines Port, Harbor and Terminal District's internal control over financial reporting and compliance.

Camnetar & Co.

Camnetar & Co., CPAs

a professional accounting corporation

Gretna, Louisiana

October 17, 2025

REQUIRED SUPPLEMENTAL INFORMATION (PART 1)

**PLAQUEMINES PORT, HARBOR, & TERMINAL District
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024**

The Plaquemines Port Harbor & Terminal District’s (District) discussion and analysis provides an overview of District’s financial activities for the December 31, 2024, fiscal year. Since this information is designed to focus on the current year’s activities, resulting changes, and currently known facts, it should be read in conjunction with the financial statements and the accompanying notes to those financial statements in this report. It is essential to highlight that tariffs, leases, and grant revenues generate 100 percent of District’s operating and non-operating revenues, and it does not receive any funds from Plaquemines Parish sales tax or ad valorem taxes.

Financial Highlights

For the year ended December 31, 2024 the District reports the following financial highlights:

- Net position increased by \$27,188,957 or 24% for the year ended December 31, 2024. Assets and deferred outflows of resources exceeded its liabilities and deferred inflows (net position) by \$141,030,694 as of December 31, 2024.
- Total assets decreased by \$244,574. This change is primarily due to:
 - An increase in Capital Assets of \$15,355,288, due primarily to the Water Booster Station and Pointe-à-la-hache Ferry Ramp Repair Projects, the purchase of land and the purchase of the District’s administration building.
 - An increase in cash of \$1,905,070 and an increase in investments of \$1,352,074.
 - An increase in grant receivables of \$1,205,646 compared to the prior year.
 - A decrease in lease receivables of \$14,241,570. The lease receivables are measured at the present value of lease payments expected to be received during the lease term.
 - A decrease of \$5,750,000 related to the receivable of service concession agreement intellectual property.
- Total liabilities increased by \$6,498,555 or 54%, primarily due to increases in accounts payable, compensated absences, accrued expenses offset by decreases in net pension liability, lease liability and other post-employment benefits payable.
- The District reports income from operations of \$21,904,689, a decrease of 10% from the prior year. The following items had a significant impact on results from operations:
 - Operating revenue increased \$488,171 or 1%, to \$39,862,186
 - Net tariff revenue increased \$220,429 or 3% to \$6,885,495
 - Lease revenue increased \$267,922 or 1% to \$32,976,691

**PLAQUEMINES PORT, HARBOR, & TERMINAL District
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Financial Highlights - continued

- Operating expenses increased \$2,886,248 or 19% to \$17,957,497
 - Interagency fees as charged by Plaquemines Parish Government and budgeted by the Board of Commissioners increased by \$553,954 or 40% to \$1,925,637. This increase is due to an interagency fee percentage increase as well as increased departmental costs of Plaquemines Parish Government in 2024.
 - Professional service fees increased \$1,863,947 or 154% to \$3,077,151.
 - Repairs and maintenance increased \$516,528 or 129% to \$915,635
 - Depreciation expense increased 5% or \$77,852.
 - District had a 2% increase of \$115,343 in salaries and related expenses primarily due to an increase in salaries, overtime, retirement system and post-employment benefit expenses for the year.
- Nonoperating revenue increased 42% to \$5,923,889, specifically related to following:
 - Increase in grant revenue of \$1,538,696 or 66% to \$2,330,873
 - Increase in dredging revenue of \$850,027 or 34% to \$2,480,708
 - Increase in interest income of \$356,134 or 10% to \$3,519,334
- Nonoperating expenses decreased \$30,761,528 or 98% specifically due to the sale of land in 2023.

Overview of the Required Financial Statements

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

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

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

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

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

**PLAQUEMINES PORT, HARBOR, & TERMINAL District
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Financial Analysis of District

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

Net Position

Net position may serve over time as a helpful indicator of District's financial position. The District's net position increased by \$27,188,957 for the year ended December 31, 2024.

The District's Condensed Statements of Net Position can be seen below:

**Condensed Statements of Net Position
As of December 31, 2024 and 2023**

	2024	2023	Dollar Change	Percent Change
Assets				
Total current assets	\$ 56,237,069	\$ 51,163,045	\$ 5,074,024	9.9%
Capital assets - net	60,964,224	45,608,936	15,355,288	33.7%
Other noncurrent assets	1,666,713,208	1,687,387,094	(20,673,886)	-1.2%
Total assets	1,783,914,501	1,784,159,075	(244,574)	0.0%
Total deferred outflows of resources	5,456,329	6,744,620	(1,288,291)	-19.1%
Liabilities				
Current liabilities	10,623,816	2,096,146	8,527,670	406.8%
Non-current liabilities	7,922,216	9,951,331	(2,029,115)	-20.4%
Total liabilities	18,546,032	12,047,477	6,498,555	53.9%
Total deferred inflows of resources	1,629,794,104	1,665,014,481	(36,023,999)	-2.2%
Net Position				
Invested in capital assets, net of related debt	60,914,223	45,539,248	15,374,975	33.8%
Restricted	5,081,051	3,928,988	1,152,063	29.3%
Unrestricted	75,035,420	64,373,501	10,661,919	16.6%
Total Net Position	<u>\$ 141,030,694</u>	<u>\$ 113,841,737</u>	<u>\$ 27,188,957</u>	<u>23.9%</u>

**PLAQUEMINES PORT, HARBOR, & TERMINAL District
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Financial Analysis of District (continued)

Revenues and Expenses

As described above, for the year ended December 31, 2024 the District's net position increased by \$27,188,957. The elements of the increase can be seen below:

**Condensed Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended December 31, 2024 and 2023**

	2024	2023	Dollar Change	Percent Change
Operating Revenue				
Charges for services, net	\$ 6,885,495	\$ 6,665,246	\$ 220,249	3.3%
Lease revenue	32,976,691	32,708,769	267,922	0.8%
Total operating revenue	39,862,186	39,374,015	488,171	1.2%
Nonoperating Revenue				
Ad valorem tax revenue, net	-	8,338	(8,338)	-100.0%
Grant revenue	2,330,873	792,177	1,538,696	194.2%
Interest income	3,519,334	3,163,200	356,134	11.3%
Other income	13,423	1,272	12,151	955.3%
Rights fee-IP revenue	-	143,750	(143,750)	-100.0%
Inter-governmental revenue, pension	60,259	50,620	9,639	19.0%
Total nonoperating revenue	5,923,889	4,159,357	1,764,532	42.4%
Total Revenue	45,786,075	43,533,372	2,252,703	5.2%
Operating Expenses				
Salaries and related expenses	7,563,578	7,448,235	115,343	1.5%
Supplies, contract svcs, materials and other	6,854,477	4,715,378	2,139,099	45.4%
Interagency service fee	1,925,637	1,371,683	553,954	40.4%
Depreciation & amortization	1,613,805	1,535,953	77,852	5.1%
Total operating expenses	17,957,497	15,071,249	2,886,248	19.2%
Nonoperating Expense				
Usage right expense	354,230	607,252	(253,022)	-41.7%
Interest expenses-Leases	2,015	4,186	(2,171)	-51.9%
Loss on disposition of assets	283,376	30,789,711	(30,506,335)	-99.1%
Total nonoperating expense	639,621	31,401,149	(30,761,528)	-98.0%
Total Expenses	18,597,118	46,472,398	(27,875,280)	-60.0%
Change in net position	27,188,957	(2,939,026)	30,127,983	-1025.1%
Net position - beginning of year	113,841,737	116,780,763	(2,939,026)	-2.5%
Net position - end of year	<u>\$ 141,030,694</u>	<u>\$ 113,841,737</u>	<u>\$ 27,188,957</u>	<u>23.9%</u>

**PLAQUEMINES PORT, HARBOR, & TERMINAL District
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Budget

Annually District adopts an Operating Budget for best-practice internal controls. District is not required to report a budget according to the Local Government Budget Act.

Source of Revenue

Operating Revenues

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

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

The District continues to generate recurring revenue from several long-term lease agreements involving the use of Port-owned property. These leases include a right-of-way lease for a pipeline corridor located in Point Celeste, Louisiana, as well as agreements for the use of warehouse, dock, and parking facilities at Fort Jackson. In addition, the District leases property in Point Celeste for industrial development purposes. Collectively, these lease arrangements provide a stable source of nonoperating income and support the District’s ongoing infrastructure and development objectives

Non-Operating Revenues

In 2024, the District’s non-operating revenues were derived from several sources. The District earned interest income on deposits held in various bank accounts and through its participation in the Louisiana Asset Management Pool (LAMP). In addition, the District recognized federal grant revenue under awards from the Port Security Grant Program for projects that enhance port safety, security, and operational resilience. These non-operating revenues continue to provide important supplemental funding for the District’s financial stability and capital planning efforts.

**PLAQUEMINES PORT, HARBOR, & TERMINAL District
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Capital Assets

During the year, District had an increase of \$15,374,975 in capital assets and right of use assets; see table below. A significant part of this total was due to ongoing construction projects.

	December 31, 2023	Additions	Deletions	December 31, 2024
Capital assets, not depreciated				
Land	\$ 20,806,388	\$ 3,735,767	\$ -	\$ 24,542,155
Construction in progress	4,049,226	14,073,562	(3,735,767)	14,387,021
Total Capital assets, not depreciated	24,855,614	17,809,329	(3,735,767)	38,929,176
Capital assets, being depreciated				
Buildings	5,447,556	2,204,309	-	7,651,865
Land Improvements	138,138	-	-	138,138
Improvements other than buildings	16,255,073	-	-	16,255,073
Machinery and Equipment	22,918,480	736,658	(107,626)	23,547,512
Less accumulated depreciation	(24,075,613)	(1,613,805)	81,878	(25,607,541)
Total Capital assets, being depreciated	20,683,634	1,327,161	(25,749)	21,985,047
Right-to-use lease assets, being amortized				
Right-to-use lease assets	430,762	-	(207,421)	223,341
Less accumulated amortization	(361,073)	(19,687)	207,421	(173,340)
Total Right-to-use lease assets, being amortized	69,688	(19,687)	-	50,001
Total Capital Assets and Right of Use Assets, net	\$ 45,608,936	\$ 19,116,803	\$ (3,761,516)	\$ 60,964,224

Economic Factors and Next Year’s Budget and Rates

The District considered the following factors and indicators when setting next year’s budget, rates, and fees. These factors include:

- **Vision** – Be the leading U.S. International Gateway Port in the Gulf of America.
- **People** – Improving organizational morale over the next 18 months remains a high priority. Culture eats strategy for lunch. We are creating a value-based culture where people want to work.
- **Process** – We are initiating an ISO 9000 process control and improvement system as a high priority over the next 12 months.
- **Port Development**—District’s strategic goal is to grow as a landlord port through the continued acquisition of real estate.

**PLAQUEMINES PORT, HARBOR, & TERMINAL District
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Economic Factors and Next Year’s Budget and Rates - continued

- **Technology** - The implementation of advanced technology, such as high-definition cameras, GIS, and AIS, combined with innovative practices to develop and enhance the accuracy and timeliness of the port’s tariff billing procedures. Additionally, these advancements aim to improve safety and security by providing real-time visibility of all critical assets within the region.
- **World Class Ferry System** - Investing in critical transportation infrastructure is a priority for the Port. The Port’s ferry system provides essential emergency transportation routes for the public. From 2024 to 2025, the Port allocated \$5.3 million for emergency repairs to the PALH ferry boat landings, including ramp emergency repairs. Additionally, the Port secured \$18.5 million in Federal Grants to replace the PALH ferry landings, and \$26.5 million from DOTD LA for the construction of a new diesel-electric ferry. Both projects are to be delivered in 2028.
- **Navy Business Case Analysis** - In 2025, the Port initiated a Navy Business Case Analysis aimed at integrating the Joint Base Naval Air Station Belle Chasse with the Intermodal network for air cargo. This initiative was proposed as part of the Port’s 2025 Master Plan.
- **Rebranding** – The Port’s 2025 rebranding initiative, named “Louisiana Gateway Port,” has garnered global brand recognition and is anticipated to support the port’s future expansion.
- **Economic Impact** – We are focused on growing the Port creating a ripple effect driving Parish, Region, and Louisiana growth. Our Economic Impact Report June 2025 “Economic Impacts of the Louisiana Gateway Port Tenants on the Regional and State Economies,” illustrates how LGP, a key trade gateway, boosts economic output by billions. It shows how our port fosters growth, creates jobs, and links us to global trade. We detail strategic initiatives like the Louisiana Gateway Venture Global LNG Terminal, Container Terminal, and Gulfstream LNG Terminal, which aim to enhance national competitiveness and sustainability. The report covers direct, indirect, and economic impacts in sectors such as maritime, energy, and construction. LGP significantly contributes to the state economy through capital investments and operating expenditures, generating substantial returns from 2021 to 2024 as follows:
 - \$18 billion in sales at business in Louisiana
 - \$6 billion in new earnings for Louisiana households
 - \$419 million in revenues for the State Treasury
 - Over 57,000 construction jobs annually are added to Louisiana from the Venture Global Project
 - Plaquemines Parish’s construction jobs grew by 157% during this period

On May 11, 2023, the District adopted Ordinance 23-59, which approved the project to start developing a Port Master Plan in a phased approach with the final master plan to be completed by the second quarter of 2024. Phase 1 includes a market analysis of all the District’s tonnages and commodities to be used as a forecasting tool for its future planned growth; Phase 2 includes an economic impact analysis to create a baseline for the District’s current economic contribution; Phase 3 includes the full master plan with implementation plan, including a capital improvement program. The Master Plan was fully implemented in 2025.

**PLAQUEMINES PORT, HARBOR, & TERMINAL District
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Economic Factors and Next Year’s Budget and Rates - continued

On March 28, 2024, the district adopted ordinance 24-66 which funded the Pointe-ala-Hache Ferry Ramp Replacement Project by appropriating \$18,623,506 with a grant from the Federal Transit Authority Emergency Relief Program. DOTD has selected Hardesty & Hanover as the Engineer for the Project. Location of the replacement landing has been confirmed. surveying and engineering efforts have begun. the project is expected to begin construction in 2027.

On February 13, 2025, the District adopted Resolution 25-40 which authorized the rebranding of Plaquemines Port Harbor and Terminal District to the Louisiana Gateway Port. The new logo was publicly presented at Port Night event on March 11, 2025.

On March 19, 2025, the District re-opened the Pointe ala Hache ferry crossing upon the completion of the emergency Pointe ala Hache ferry ramp repair. The M/V Pointe ala Hache has been operating at this crossing.

On August 8, 2024, the District adopted Ordinance 24-150, authorizing the District to move forward with the M/V Pride Drydock project. This project was partially funded by a grant from the State of Louisiana, Department of Transportation and Development, Federal Highways Administration, and the US Department of Transportation, Federal Transit Administration, Section 5307 funds. The project was completed in July 2025 and the M/V Pride returned to service.

The District continues to move forward with the Alliance Water Booster Station and Feed Lines Upgrades Project which funded in part by the Louisiana Transportation Trust Fund through the Port Construction and Development Priority Program. The project is estimated to be completed in the first quarter of 2026.

Contacting the District’s Financial Management

This financial report is designed to give our Plaquemines Parish Government, citizens, tenants, customers, and creditors a general overview of District’s finances. If you have questions about this report or need additional financial information, contact Charles Tillotson, Port Executive Director, 8056 Highway 23, 3rd Floor, Belle Chasse, LA 70037.

FINANCIAL STATEMENTS

PLAQUEMINES PORT, HARBOR, & TERMINAL DISTRICT
STATEMENT OF NET POSITION
For the Year Ended December 31, 2024

ASSETS

Current Assets

Cash and cash equivalents	\$ 1,541,668
Investments	26,841,963
Receivables	
Trade receivables, net	1,616,618
Grant receivable	1,455,499
Lease receivable	14,856,279
Other receivables	12,036
Prepaid expenses	151,150
Restricted current assets	
Cash and cash equivalents	9,761,856
Total Current Assets	<u>56,237,069</u>

Noncurrent Assets

Capital assets and right of use assets, net	60,964,224
Grant receivable	109,674
Lease Receivable	<u>1,666,603,534</u>
Total Non Current Assets	<u>1,727,677,432</u>

TOTAL ASSETS \$ 1,783,914,501

DEFERRED OUTFLOWS OF RESOURCES

Pensions	\$ 1,820,922
Other postemployment benefits	<u>3,635,407</u>

**TOTAL DEFERRED OUTFLOWS
OF RESOURCES** \$ 5,456,329

LIABILITIES

Current Liabilities

Accounts payable	\$ 2,203,961
Accrued expenses	7,842,367
Lease Liability	22,233
PILOT liability	<u>555,255</u>
Total Current Liabilities	<u>10,623,816</u>

Noncurrent Liabilities

Compensated absences	319,816
Net pension liability	580,185
Lease liability	44,092
Other post employment benefits payable	<u>6,978,123</u>
Total Non Current Liabilities	<u>7,922,216</u>

TOTAL LIABILITIES \$ 18,546,032

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

PLAQUEMINES PORT, HARBOR, & TERMINAL DISTRICT
STATEMENT OF NET POSITION
For the Year Ended December 31, 2024

DEFERRED INFLOWS OF RESOURCES

Dredging revenue	\$ 1,669,079
Grant Funding-DOTD	358,006
Pensions	325,730
Other post-employment benefits	3,353,500
Option revenue	803,622
Lease revenue	1,623,284,167

**TOTAL DEFERRED INFLOWS OF
RESOURCES**

1,629,794,104

NET POSITION

Invested in capital assets, net of related debt	60,914,223
Restricted for:	
Land fund	2,076,313
Relocation project	6,345
Maintenance	63,734
PALH Ferry Ramp Repair	2,934,659
Unrestricted	75,035,420

TOTAL NET POSITION

\$ 141,030,694

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

PLAQUEMINES PORT, HARBOR, & TERMINAL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Year Ended December 31, 2024

OPERATING REVENUES

Charges for services, net	\$ 6,885,495
Lease revenue	32,976,691
TOTAL OPERATING REVENUES	<u>39,862,186</u>

OPERATING EXPENSES

Advertising	23,739
Depreciation	1,613,805
Dues and subscriptions	58,342
Fuel	849,983
Insurance	858,535
Interagency service charge	1,925,637
Legal fees	146,362
Materials and supplies	56,864
Other office charges and supplies	114,114
Professional service fees	3,077,151
Rentals and leases	57,435
Repairs and maintenance	915,635
Salaries and related expenses	7,563,578
Technical services	409,657
Travel	83,341
Utilities and communications	203,319
TOTAL OPERATING EXPENSES	<u>17,957,497</u>

OPERATING INCOME

21,904,689

NON-OPERATING REVENUES (EXPENSES)

Grant revenue	2,330,873
Dredging revenue	2,480,708
Dredging expense	(2,480,708)
Interest income	3,519,334
Imputed interest expense-leases	(2,015)
Service concession agreement expenses	(354,230)
Service concession agreement disposition	(283,376)
Other revenue	13,423
Inter-governmental revenue, pension	60,259
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>5,284,268</u>

CHANGES IN NET POSITION

27,188,957

Total net position, beginning of year

113,841,737

Total net position, end of year

\$ 141,030,694

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

PLAQUEMINES PORT, HARBOR, & TERMINAL DISTRICT
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 6,985,256
Receipts from lessees	14,850,752
Cash payments to employees for employee related costs	(7,011,368)
Cash payments to suppliers for operating expenses	<u>(8,394,146)</u>
Net cash used by operating activities	<u>6,430,494</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Receipts from operating grants	1,483,233
Receipts from dredging grant	2,686,449
Receipts from option to lease	803,622
Receipts from intergovernmental revenue, pension	60,259
Miscellaneous receipts	6,675
Payments related to dredging grant	(205,820)
Payment related to interest expense-leases	(2,015)
Payments related to service concession agreement	<u>(306,793)</u>
Net cash provided by non-capital financing activities	<u>4,525,610</u>

**CASH FLOWS FROM CAPITAL AND RELATED
FINANCING ACTIVITIES**

Purchase of capital assets	<u>(11,240,526)</u>
Net cash used by capital and related financing activities	<u>(11,240,526)</u>

CASH FLOWS PROVIDED BY INVESTING ACTIVITIES

Interest income received	3,519,334
Purchase of investments	<u>(1,352,075)</u>
Net cash provided by investing activities	<u>2,167,259</u>

Net increase in cash and cash equivalents 1,882,837

CASH AND CASH EQUIVALENTS, beginning 9,398,454

CASH AND CASH EQUIVALENTS, ending \$ 11,281,291

Cash as shown on the Statement of Net Position:

Unrestricted Cash	\$ 1,541,668
Restricted Cash	<u>9,761,856</u>
Total Cash and Cash Equivalents, end of year	<u><u>\$ 11,303,524</u></u>

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

PLAQUEMINES PORT, HARBOR, & TERMINAL DISTRICT
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2024

**RECONCILIATION OF OPERATING INCOME TO
NET CASH USED BY OPERATING ACTIVITIES**

Operating income	\$ 21,904,689
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	1,613,805
(Increase) Decrease in Assets & Deferred Outflows	
Trade receivables	99,761
Leases	14,241,570
Prepaid expenses	(21,933)
Pension	1,056,884
Post employment benefits obligation	231,407
Increase (Decrease) in Liabilities & Deferred Inflows	
Compensated absences	42,161
Leases	(32,410,986)
Pension	(1,513,176)
Post employment benefits obligation	734,934
Accounts payable and accrued expenses	451,378
Net cash flows used by operating activities	<u>\$ 6,430,494</u>

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

PLAQUEMINES PORT, HARBOR, & TERMINAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

The District is responsible for maintaining the waterways of Plaquemines Parish. The District is responsible for administering, regulating, and monitoring of the shipping traffic and handling of cargo in the harbor; supervising shipping of the port with the view of preventing collisions and fires; policing the river and riverfront and all navigable waterways, as well as the banks, battures, and contiguous and adjacent areas affected by port, harbor, terminal, water, and marine activities; and providing emergency services to vessels in distress, including extinguishing fires in vessels and equipment and in cargo handled in and upon the areas of the District’s contiguous waterways and located in wharves and facilities upon the banks, battures, contiguous waterways and adjacent areas in the District’s administered facilities. The district is also responsible for the operations of ferries at two locations in the 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 Reporting Standards*, published by GASB. The accompanying financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America as applied to governmental units.

PLAQUEMINES PORT, HARBOR, & TERMINAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

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

Reporting Entity

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

- Appointing a voting majority of an organization's governing body, and the ability of the primary government to impose its will on that organization and/or the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.
- Organizations for which the primary government does not appoint a voting majority but are fiscally dependent on the primary government.
- Organization for which the reporting entity financial statements would be misleading if the data of the organization is not included because of the nature or significance of the relationship.

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

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

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

Measurement focus and Basis of Accounting

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

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

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

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

PLAQUEMINES PORT, HARBOR, & TERMINAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

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

Use of Estimates

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

Cash and Cash Equivalents

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

Receivables

Accounts receivable consists of amounts due from customers and tenants under the terms of their respective agreements. Receivables are reported net of an allowance for doubtful accounts, which is established when, in the judgment of management, it is probable that certain amounts will not be collected. The allowance is based on historical collection experience, specific account review, and other information available to management regarding the collectability of outstanding balances.

Capital Assets

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

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

Assets Whose Use Is Restricted

These cash assets are amounts that can only be spent for specific purposes because of internally or externally imposed limits or restricting conditions by grantors or creditors. When the District has both restricted and unrestricted resources available to finance a particular program, it is the District's policy to use restricted resources before unrestricted resources.

PLAQUEMINES PORT, HARBOR, & TERMINAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

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

Operating Revenues and Expenses

The District's statement of revenues, expenses and change in net position distinguishes between operating and non-operating revenues and expenses. Operating revenues result from transactions associated with maintaining the waterways of Plaquemines Parish and leasing the District's property. Non-exchange revenues, including taxes, grants, pilot (payment in lieu of taxes), and contributions received for purposes other than capital asset acquisition, are reported as non-operating revenues. Operating expenses include the cost of providing services, administrative services and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Leases

The District has adopted the provisions of GASB Statement No. 87, Leases. The objective of this Statement is to improve the usefulness and comparability of financial reporting related to lease transactions by requiring recognition of certain lease assets and liabilities that were previously classified as operating leases. GASB 87 establishes a single model for lease accounting based on the principle that leases represent the financing of a right to use an underlying asset during the lease term. Under this standard, lessees are required to recognize a lease liability and an intangible right-to-use lease asset, and lessors are required to recognize a lease receivable and a corresponding deferred inflow of resources

Grants

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

Deferred Outflows and Inflows of Resources

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

Net Position

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

- Net Investment in Capital Assets - This component of net position consists of the historical cost of capital assets, including any restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.
- Restricted - This component of net position consists of assets that have constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted - All other net position is reported in this category.

PLAQUEMINES PORT, HARBOR, & TERMINAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

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

Compensated Absences

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

At December 31, 2024, employees accumulated \$319,816 of annual leave benefits, which is recorded as a current liability.

Recently Issued and Implemented Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued several Statements that became effective, or will become effective, for the District in upcoming fiscal years. Management continually evaluates the impact of these standards on the District's financial reporting.

GASB Statement No. 99 addresses a variety of practice issues by amending existing authoritative guidance on topics including leases, public-public and public-private partnerships, subscription-based information technology arrangements, financial guarantees, and classification of certain derivative instruments. The provisions relating to financial guarantees and certain derivative instruments are effective for fiscal years beginning after June 15, 2023. Implementation of GASB 99 did not have a material effect on the District's financial statements.

GASB Statement No. 100 establishes uniform guidance for reporting accounting changes and the correction of errors, enhancing transparency and comparability. The standard is effective for fiscal years beginning after June 15, 2023, and was implemented by the District for the year ended December 31, 2024. Adoption of GASB 100 did not result in any restatements or adjustments to beginning net position.

GASB Statement No. 101 provides updated recognition and measurement guidance for compensated absences, including leave that accumulates or is attributable to prior service. The Statement is effective for fiscal years beginning after December 15, 2023. Implementation of GASB 101 did not have a material effect on the District's financial statements.

NOTE 2 – CASH AND CASH EQUIVALENTS

These deposits are stated at cost, which approximates market value. Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of another state in the Union, or the laws of the United States. Under state law, the deposits held at a fiscal agent bank (or the resulting bank balances) must be secured by federal deposit insurance or the pledged securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must, at all times, equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties

PLAQUEMINES PORT, HARBOR, & TERMINAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 2 – CASH AND CASH EQUIVALENTS (CONTINUED)

At December 31, 2024, the District has cash and cash equivalents (book balances) totaling \$ 11,303,524 as follows:

<u>Components of Cash & Cash Equivalents</u>	<u>Amounts</u>
Unrestricted	
Demand deposits	\$ 1,541,668
Total unrestricted cash	<u>1,541,668</u>
Restricted	
Land	2,076,313
Payment in Lieu of Taxes	555,255
Designated for Land Maintenance	63,734
Designated for Relocation Project	6,345
Designated for Dredging Project	4,125,550
Designated for Pointe-a-la Hache Ferry Ramp Repair	<u>2,934,659</u>
Total restricted cash	9,761,856
Total amount of Cash & Cash Equivalents	<u><u>\$ 11,303,524</u></u>

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. Cash was adequately collateralized with state law by the Federal Deposit Insurance Corporation (FDIC) coverage and by securities held. At December 31, 2024, the District had \$11,517,651 in deposits (collected bank balances). These deposits are secured from risk by \$500,000 of federal deposit insurance and \$11,331,358 of pledged securities held by the custodial bank in the name of the fiscal agent bank. Even though the pledged securities are considered to be subject to custodial credit risk under the provisions of GASB Statement No. 40, Louisiana Revised Statue 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

Supplemental cash flow disclosure:

For the year ended December 31, 2024, the District had no noncash investing and financing transactions.

NOTE 3 – INVESTMENTS

At December 31, 2024, the District's unrestricted investments in the Louisiana Asset Management Pool (LAMP) totaled \$26,841,963. These deposits are stated at cost. LAMP is a local government investment pool established as a cooperative effort to enable public entities of the State of Louisiana to aggregate funds for investments.

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

NOTE 3 – INVESTMENTS (CONTINUED)

Only local governments have contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP is rated AAAM by Standard & Poor.

LAMP issues a publicly available financial report that includes financial statements and required supplementary information. The financial report is designed to provide a general overview of LAMP's finances for those with an interest in LAMP's finances. Access to the reports can be found on the Louisiana Legislative Auditor's website, www.lila.la.gov or by contacting LAMP at 228 St. Charles Ave., Suite 1123, New Orleans, LA 70130.

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

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

GASB Statement No. 40 *Deposit and Investment Risk Disclosure*- An Amendment of GASB Statement No. 3 defines concentration of risk as the risk of loss attributed to the magnitude of a government's investment in a single issuer. GASB 40 further defines an at-risk investment as one that represents more than five percent (5%) of the market value of the total investment portfolio and requires disclosure of such at-risk investments. GASB 40 specifically excludes investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments from the disclosure requirement. At December 31, 2024, the District had no investments requiring a Concentration of Credit Risk disclosure.

NOTE 4 – PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. These items, totaling \$151,150 primarily include insurance payments applicable to future years.

PLAQUEMINES PORT, HARBOR, & TERMINAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 5 – TRADE RECEIVABLE

The District's trade receivable account totaled \$2,338,480 for the year ended December 31, 2024. The District's cumulative allowance for doubtful accounts was \$721,860 at year end which resulted in a net trade receivable of \$1,616,618 for the year ended December 31, 2024.

An allowance for uncollectible accounts is estimated and recorded based upon the District's historical experience. For the year ended December 31, 2024, the District recorded bad debt expense related to trade receivables of \$ 32,957.

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

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

NOTE 6 – LEASE RECEIVABLE AND REVENUE

Lease receivable

As the lessor, the District applies GASB 87 accounting standard to record lease revenue on the above leases. Lease receivable and corresponding deferred inflow of resources are recorded applying a discount rate. Leases that have terms less than 12 months or on a month-to-month basis revenue is recognized when earned. No lease receivable or deferred inflows are recorded for these leases.

As shown on the Statement of Net Position, the District has recorded lease receivables in the amount of \$1,681,459,813 and deferred inflows of resources-lease in the amount of \$1,623,284,167 pursuant to the leases detailed below.

	RECEIVABLE	DEFERRED INFLOWS
RIGHT OF WAY	\$ -	\$ 10,298
HIGHPOINT	-	105,298
MSRC DOCK	70,504	59,973
VG LAYDOWN AREA	1,771,426	1,756,056
VG PARCEL 2	1,668,295,535	1,608,963,979
VG PARCEL 3	10,983,219	12,053,298
VG ADMIN BLDG	339,129	335,266
	<u>\$ 1,681,459,813</u>	<u>\$ 1,623,284,167</u>

PLAQUEMINES PORT, HARBOR, & TERMINAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 6 – LEASE RECEIVABLE AND REVENUE (CONTINUED)

Lease revenue

The District has entered into lease agreements involving land it owns. The terms and conditions of the leases are noted below. The rate used was 0.130% for Venture Global leases. The total amount of principal and interest received from these agreements amounted to \$15,654,375.

Lease revenue recognized for the year ended December 31, 2024, apply the standards of GASB 87 to the lease agreement is shown below for each tenant:

Venture Global Plaquemines LNG LLC	\$ 25,768,890
Venture Global Port Admin Bldg-Second Floor	167,441
Plaquemines Land Ventures LLC	6,830,168
Marine Spill Response Corporation	179,917
Plaquemines Parish Government	14,702
Highpoint Gas Transmission LLC	9,573
Phylway	6,000
	<u>\$ 32,976,691</u>

Venture Global Plaquemines LNG, LLC

The lease for parcel 2 is for an initial term of 30 years with options of 4 additional terms of 10 years each for a total term of 70 years. The initial ground lease payment is \$738,498 monthly. After the fifth anniversary of the lease agreement and every five years thereafter, the annual lease payment will increase by the greater of 15% or the current CPI percentage, not to exceed 20%. The District applied a discount rate of 0.13% to recognize the lease revenue under this lease.

The lease for the laydown area parcel of land is for a term of 5 years, unless cancelled earlier. The ground lease payment is \$93,334 monthly. The District applied a discount rate of 0.13% to recognize the lease revenue under this lease.

Venture Global Port Admin Bldg.-Second Floor

On May 24, 2024 when the District purchased the Port Administration Building, and through the passage of Ordinance 24-131 on July 11, 2024, the District's Board authorized the District to assume the lease between PPG and Plaquemines Land Ventures for use of the 2nd floor of the Port Administration Building. The district recognized \$167,441 of lease revenue in 2024.

Plaquemines Land Ventures, LLC

The lease for parcel 3 (approximately 584 acres) is for a term of 5 years. The ground lease payment is \$610,807 monthly. The District applied a discount rate of 0.13% to recognize the lease revenue under this lease.

In 2024, the District, received \$803,622 for a lease option for the remainder of parcel 3 (approximately 584 acres) is for a term expiring July 19, 2026. The Option Lease payment annually is \$876,428. The District's intent is to convert this option to a long-term lease under the same payment terms as the first parcel 3 lease for the Venture Global Phase 3 project. Venture Global cancelled its Delta Project FERC application and replaced it in its entirety with a Phase 3 FERC application. The \$803,622 is recorded a deferred inflow – option revenue until the option is exercised or expires.

PLAQUEMINES PORT, HARBOR, & TERMINAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 6 – LEASE RECEIVABLE AND REVENUE (CONTINUED)

Marine Spill Response Corporation (MSRC)

On June 14, 1994, the District entered into a written lease agreement with MSRC, for property for the purpose of leasing a warehouse, dock facilities and parking area. The term of the lease is 30 years beginning June 1, 1995, and ending May 31, 2025. The lessee has the option to renew every 10 years. Monthly rent payments are increased by 10% every 60 months. The lessor currently agrees to pay the District a sum of \$17,715 monthly for the year 2024. Payments are due on the first day of each month. The District applied a discount rate of 2.42% to recognize the lease revenue under this lease.

High Point Gas Transmission, LLC

On December 31, 2015, the District entered into a pipeline right-of-way agreement with High Point Gas Transmission, LLC for a nonexclusive twenty-five (25) foot right-of-way, easement and servitude over, across and under District- owned tract of land located in Sections 1, 2 & 3, Township 17 South, Range 25 East, Plaquemines Parish, LA; to construct, lay, install, maintain, operate, inspect, alter, repair and, or, remove in whole or in part, one twelve (12”) inch diameter pipeline, +/- 4,512.68 feet in length, containing a total of +/- 273.50 rods, for the transportation on of oil, gas, and water and/or any other gasses or liquids that can be transported in a pipeline.

This lease shall have a primary term of twenty (20) years with the option to renew and extend the agreement at the end of the primary term for one additional period of twenty years by notifying the District in writing 90 days prior to the end of the primary term. High Point is required to pay the District in full prior to the first day of the primary term of rental payment the amount of \$191,450. The established annual rental fee of \$35.00 per rod for a pipeline with a diameter of 9 to 24 inches was established by ordinance 03-55 on April 10, 2003.

Phylway

On October 22, 2020, resolution 20-256 was adopted by the District’s Board which authorized the Executive Director to lease a particular tract of land to Phylway Construction LLC for the purpose of aiding in the construction of the back-levees in Plaquemines Parish. The lease is \$500 per month. This lease is considered a month-to-month lease.

Plaquemines Parish Government Port Admin Bldg.- PPG 911/EOC

On August 8, 2024, with the adoption of Resolution 24-244, the District’s Board authorized the Executive Director to lease a portion of 3rd floor of the Port Administration Building to PPG for Emergency Operations Center and 911 Dispatch Center for a monthly rental of \$1,497. In 2024, the District recognized leave revenue of \$7,147. This lease is considered a month-to-month lease.

Plaquemines Parish Government-ROW

In May 2020, the District received a payment from PPG in the amount of \$45,330, for a Temporary Work order easement for the land from Woodpark to Pointe Celeste Pump Station for a duration of 72 months. In 2024, the District recognized \$7,555 of lease revenue. The remaining \$10,296 has been recorded as Deferred Revenue to be recognized in future years.

PLAQUEMINES PORT, HARBOR, & TERMINAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 6 – LEASE RECEIVABLE AND REVENUE (CONTINUED)

The future lease payments under these tenant agreements are as follows:

	Year	Principal Payments	Interest Payments	Total
Y1	2025	14,856,279	2,184,328	17,040,607
Y2	2026	12,375,901	2,162,120	14,538,021
Y3	2027	8,045,569	2,145,703	10,191,272
Y4	2028	8,056,035	2,135,238	10,191,272
Y5	2029	8,066,514	2,124,759	10,191,272
Y6-10	2030-2034	45,852,550	10,454,230	56,306,780
Y11-15	2035-2039	54,623,827	10,128,970	64,752,797
Y16-20	2040-2044	64,723,141	9,742,575	74,465,717
Y21-25	2045-2049	76,349,780	9,285,794	85,635,574
Y26-30	2050-2054	89,732,922	8,747,988	98,480,910
Y31-35	2055-2059	105,136,125	8,116,921	113,253,047
Y36-40	2060-2064	122,862,481	7,378,523	130,241,004
Y41-45	2065-2069	143,260,544	6,516,611	149,777,154
Y46-50	2070-2074	166,731,154	5,512,574	172,243,728
Y51-55	2075-2079	193,735,276	4,345,010	198,080,286
Y56-60	2080-2084	224,803,023	2,989,307	227,792,329
Y61-65	2085-2089	260,544,021	1,417,157	261,961,179
Y66-70	2090-2091	81,704,671	84,114	81,788,784
TOTAL		\$ 1,681,459,813	\$ 95,471,922	\$ 1,776,931,735

NOTE 7 – GRANT RECEIVABLE

Port Priority Grant Program

On March 10, 2022, the District executed an agreement between the State of Louisiana Department of Transportation and Development (DOTD) and the District, which allocated funding and funding obligation authority for the Alliance Booster Station and Feed Lines Upgrades project through the Port Construction and Development Priority Program. The District is required to use its own funds to finance the project and will be reimbursed by DOTD only after funding for the project is available and has been approved by the legislature. In no event shall reimbursement by the DOTD exceed 90% of the amount of eligible costs.

The construction for this project began in 2023 and the District incurred reimbursable expenses of \$1,238,744 in the year 2024. The amount due from the State of Louisiana Department of Transportation and Development, Port Construction and Development Priority Program at December 31, 2024 is \$660,154.

PLAQUEMINES PORT, HARBOR, & TERMINAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 7 – GRANT RECEIVABLE (CONTINUED)

Port Security Grant Receivable

The Port Security Grant Program (PSGP) provides funding to port authorities, facility operators, and state and local agencies for activities associated with implementing Area Maritime Security Plans, facility security plans, and other port-wide risk management efforts.

In 2024, the District was awarded a 2024 Port Security Grant in the total amount of \$2,180,912. The District is required to contribute a cost match of 25% in the amount of \$545,228 of non-federal funds. The 2024 award included 3 District projects which are Sustainment for Cybersecurity Networks and IT Systems, Sustainment of Security Cameras Upgrades and Maintenance and Security Equipment. Funds were available for reimbursement beginning on September 1, 2024.

The District also continued to utilize Port Security Grant awards received for 2020 and 2021 until their expiration in August 2024, and Port Security Grant awards received for 2022 and 2023 which are still active. Other projects include Port Property Enhancements, Port Security Communication Equipment, for Sustainment and Enhancement of Port Rescue Boats, New Port Security Dock for New Barge Phase II, GIS Acquisition and Implementation Phase II, Sustainment for Cybersecurity and IT Systems, and Camera/FLIR and Camera System for Port Helicopter.

The District incurred expenses of \$1,456,172 for 2024 of which \$ 1,092,129 qualified for reimbursement. The District received reimbursements for expenses in May and August 2024. The amount due from FEMA is \$846,790 on December 31, 2024.

Hurricane Isaac Reimbursement

In 2012 the PPG filed a Project Worksheet (PW) with FEMA on behalf of the District in regard to reimbursement of overtime labor due to the impact of Hurricane Isaac. This PW continues to be re-worked with FEMA. The amount receivable due from FEMA at December 31, 2024, is \$109,674. This receivable is not expected to be collected in one year and shown as a noncurrent asset on the Statement of Net Position.

Deferred Inflows - Grant Funding-

The District and the State of Louisiana through the Louisiana Department of Transportation (DOTD) entered into an intergovernmental agreement for funding the District Port Security Project in the amount of \$358,006.

On September 10, 2024, the District received grant funds totaling \$358,006 from DOTD. As of December 31, 2024, the District had incurred no expenses for this grant and had \$358,006 of unearned grant revenue.

NOTE 8 – CAPITAL ASSETS AND RIGHT OF USE ASSETS

Capital Assets

During 2024, the district adopted ordinances authorizing the Executive Director to purchase tracts of land to continue port development. The expenditures related to these purchases totaled \$3,735,767. In 2024, the District expended \$2,204,309 on the building at 8056 Hwy 23, which will function as the Port Administrative Building. The District added \$629,032 of various machinery and equipment assets.

The District added \$14,073,561 of construction in progress assets, which included the expenses associated with the process of purchasing of tracts of land, as well as expenses related to the B3 Relocation, Pointe ala Hache Ferry Ramp Repair and Water Booster Station Projects. In 2024, \$3,735,767 was transferred from Construction in Progress to Land. Depreciation charged for the year ended December 31, 2024, was \$1,613,805.

PLAQUEMINES PORT, HARBOR, & TERMINAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 8 – CAPITAL ASSETS AND RIGHT OF USE ASSETS (CONTINUED)

Operating Lease – Right of Use Assets

The District has entered into lease agreements involving buildings, land and equipment for operations. that is required to be recognized by GASB 87 as right of use assets. Leases for less than one year are not recognized as right of use assets.

The terms and conditions of the leases are noted below. The incremental borrowing rate of 2.42% was utilized by the District, based on the District's historical borrowing rate from 2013. The total of the Government's leased assets are recorded at a cost of \$223,341 less accumulated amortization of \$173,340. The future lease payments under these agreements are as follows

:

Year	Principal Payments	Interest Payments	Total
2025	22,233	1,493	23,726
2026	11,270	947	12,217
2027	11,107	668	11,775
2028 - 2032	21,715	536	22,251
TOTAL	66,325	3,644	69,969

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

	December 31, 2023	Additions	Deletions	December 31, 2024
Capital assets, not depreciated				
Land	\$ 20,806,388	\$ 3,735,767	\$ -	\$ 24,542,155
Construction in progress	4,049,226	14,073,562	(3,735,767)	14,387,021
Total Capital assets, not depreciated	24,855,614	17,809,329	(3,735,767)	38,929,176
Capital assets, being depreciated				
Buildings	5,447,556	2,204,309	-	7,651,865
Land Improvements	138,138	-	-	138,138
Improvements other than buildings	16,255,073	-	-	16,255,073
Machinery and Equipment	22,918,480	736,658	(107,626)	23,547,512
Less accumulated depreciation	(24,075,613)	(1,613,805)	81,878	(25,607,541)
Total Capital assets, being depreciated	20,683,634	1,327,161	(25,749)	21,985,047
Right-to-use lease assets, being amortized				
Right-to-use lease assets	430,762	-	(207,421)	223,341
Less accumulated amortization	(361,073)	(19,687)	207,421	(173,340)
Total Right-to-use lease assets, being amortized	69,688	(19,687)	-	50,001
Total Capital Assets and Right of Use Assets, net	\$ 45,608,936	\$ 19,116,803	\$ (3,761,516)	\$ 60,964,224

PLAQUEMINES PORT, HARBOR, & TERMINAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 9 – ACCRUED EXPENSES

Certain payments to vendors have been accrued in the account as they relate to 2024 activity. These payments will be made following the year end December 31, 2024. The amount of accrued expenses at year end December 31, 2024, was \$7,842,367.

NOTE 10 – PAYMENT IN LIEU OF TAXES (PILOT) – LIABILITY

In 2018, Plaquemines Liquids Terminal, LLC donated funds to the District for the purchase of 613.52 acres of land and to execute a lease and Cooperative Endeavor Agreement with the company. The lease required the tenant to make annual payments in lieu of taxes (PILOT) equal to the ad valorem taxes that would have been due if the property were privately owned. In 2023, the District sold the property and no longer collects PILOT payments. No PILOT revenue was earned during 2024. The District recorded a PILOT liability of \$555,255 at December 31, 2024, representing amounts to be shared with other Plaquemines Parish taxing bodies based on their approved millage rates. Cooperative Endeavor Agreements will be executed to outline payment terms.

NOTE 11 – NON CURRENT LIABILITIES

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

	<u>12/31/2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/2024</u>	<u>Due in one year</u>
Compensated absences	\$ 277,656	\$ 42,160	\$ -	\$ 319,816	\$ -
Net pension liability	2,090,831	-	(1,510,646)	580,185	-
Lease liability	87,569	-	(21,244)	66,325	22,233
Other post employment benefits payable	7,495,275	-	(517,152)	6,978,123	-
	<u>\$ 9,951,331</u>	<u>\$ 42,160</u>	<u>\$ (2,049,042)</u>	<u>\$ 7,944,449</u>	<u>\$ 22,233</u>

NOTE 12 - POST EMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan description – The Plaquemines Port Harbor & Terminal District (the Port) provides certain continuing health care and life insurance benefits for its retired employees. The Plaquemines Port Harbor & Terminal District's OPEB Plan (the OPEB Plan) is a single employer defined benefit OPEB plan administered by the Port. The authority to establish and/or amend the obligation of the employer, employees and retirees' rests with the Port. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB).

Benefits Provided – Medical, dental, vision and life insurance benefits are provided through comprehensive plans and are made available to employees upon actual retirement. Employees are covered by Plan A of the Parochial Employees' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service; or, age 65 and 7 years of service. For employees hired on and after January 1, 2007 retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 30 years of service; age 62 and 10 years of service; or age 67 and 7 years of service.

Life insurance coverage is provided to retirees and 83% of the rate is paid by the employer for the amount \$10,000. The amount of insurance coverage while active is continued after retirement, but insurance coverage amounts are reduced to 50% of the previous amount at age 70, and additionally by 50% upon retirement, if before age 70.

PLAQUEMINES PORT, HARBOR, & TERMINAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 12 - POST EMPLOYMENT BENEFITS (CONTINUED)

Employees covered by benefit terms – As of the measurement date December 31, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	11
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	58
Total	69

Total OPEB Liability

The Port's total OPEB liability is \$6,978,123 as of the measurement date December 31, 2024, the end of the fiscal year.

Actuarial Assumptions and other inputs – The total OPEB liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.0%
Salary increases	4.75%, including inflation
Discount rate	3.26% annually (Beginning of Year to Determine ADC)
	4.08%, annually (As of End of Year Measurement Date)
Healthcare cost trend rates	Getzen model, with initial trend of 6.0%
Mortality	PubG.H-2010

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2024, the end of the applicable measurement period. The actuarial assumptions used in the December 31, 2024 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2024.

Changes in the Total OPEB Liability

Balance at December 31, 2023	\$7,495,275
Changes for the year:	
Service cost	679,437
Interest	263,015
Differences between expected and actual experience	(1,857,006)
Changes in assumptions	612,652
Benefit payments and net transfers	(215,250)
Net changes	(517,152)
Balance at December 31, 2024	<u><u>\$6,978,123</u></u>

PLAQUEMINES PORT, HARBOR, & TERMINAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 12 - POST EMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Port, as well as what the Port’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.08%) or 1-percentage-point higher (5.08%) than the current discount rate:

	1.0% Decrease (3.08%)	Current Rate (4.08%)	Discount 1.0% Increase (5.08%)
Total OPEB liability	\$ 8,141,265	\$ 6,978,123	\$ 6,043,249

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the Port, as well as what the Port’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.0%) or 1-percentage-point higher (7.0%) than the current healthcare trend rates:

	1.0% Decrease (5.0%)	Current (6.0%)	Trend 1.0% Increase (7.0%)
Total OPEB liability	\$ 5,900,877	\$ 6,978,123	\$ 8,362,310

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
For the year ended December 31, 2024, the District recognized OPEB expense of \$1,181,591. At December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,737,213	\$ (2,412,339)
Changes in assumptions	898,194	(941,161)
Total	<u>\$ 3,635,407</u>	<u>\$ (3,353,500)</u>

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

Years ending December 31:	
2025	\$ 239,139
2026	\$ 239,139
2027	\$ 239,139
2028	\$ 239,133
2029	\$ (236,922)
Thereafter	\$ (437,721)

PLAQUEMINES PORT, HARBOR, & TERMINAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 13 – PENSION PLAN

A. Plan Description

Employees of the District are provided with a pension through a cost-sharing, multiple-employer, defined benefit plan administered by the Parochial Employees' Retirement System of Louisiana (PERSLA). PERSLA is governed by Louisiana Revised Statutes, Title 11, Sections 1901 through 2025, specifically, and other general laws of the State of Louisiana.

The PERSLA was established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana to provide retirement benefits to all employees of any parish in the State of Louisiana or any governing body or a parish which employs and pays persons serving the parish. Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised the PERSLA to create Plan A and Plan B to replace the "regular plan" and the "supplemental plan." Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. The PERSLA was established and provided for by R.S.11:1901 of the Louisiana Revised Statute (LRS).

Act #871 of the year 2010 eliminated the Expense Fund and requires all administrative expense to be paid from Plan A's Pension Accumulation Fund. Annually, a transfer of funds from Plan B shall be made to reimburse Plan A for Plan B's expenses.

The Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on its financial statements for the year ended December 31, 2024. Access to the audit report can be found on PERSLA's website: www.persla.org or on the Office of Louisiana Legislative Auditor's official website: <https://lla.la.gov>.

Membership

All persons who are employed as permanent employees of a parish who work at least twenty-eight hours a week and whose compensation is paid wholly or partly by said parish, but excluding all persons employed by a parish or city school board, and all persons eligible for any other public retirement system in this state are members of this system. In addition, all persons employed by either the Policy Jury Association of Louisiana, the Louisiana School Boards Association, or this retirement system, elected officials of the governing authority of parishes covered by this plan, members of school boards who opt to participate, and persons employed by a district indigent defender program or a soil and water conservation district in this state.

For the year ended December 31, 2024 there were 222 contributing employers in Plan A, and 53 in Plan B. Statewide retirement membership consisted of:

	<u>Plan A</u>	<u>Plan B</u>	<u>Total</u>
Active members	13,824	2,384	16,208
Inactive plan members or beneficiaries receiving benefits	8,477	1,116	9,593
Inactive plan members entitled to but not yet receiving benefits	<u>10,728</u>	<u>2,310</u>	<u>13,038</u>
Total Participating as of the Valuation Date	<u><u>33,029</u></u>	<u><u>5,810</u></u>	<u><u>38,839</u></u>

PLAQUEMINES PORT, HARBOR, & TERMINAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 13 – PENSION PLAN (CONTINUED)

Eligibility Requirements

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

Retirement Benefits

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

For employees hired prior to January 1, 2007:

1. Any age with thirty (30) years or more of creditable service
2. Age 55 with twenty five (25) years of creditable service
3. Age 60 with a minimum of ten (10) years of creditable service
4. Age 65 with a minimum of seven (7) years of creditable service

For employees hired after January 1, 2007:

1. Age 55 with thirty (30) years of service
2. Age 62 with ten (10) years of service
3. Age 67 with seven (7) years of service

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

Survivor Benefits

Upon the death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children as outlined in the statutes. Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit as outlined in the statutes.

Disability Benefits

For Plan A, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007 and has at least five (5) years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to three (3) percent of the member's final average compensation multiplied by his/her years of service, not to be less than fifteen (15), or three (3) percent multiplied by years of service assuming continued service to age sixty.

Deferred Retirement Option Plan (DROP)

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

NOTE 13 – PENSION PLAN (CONTINUED)

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

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

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

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

Cost of Living Adjustments

The Board of Trustees (the "Board") is authorized to provide a cost-of-living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements.

In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are age sixty-five (65) equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older as provided in Louisiana Revised Statute 11:1937. Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

B. Contributions

Contributions for all members are established by statute at 9.50% of compensation for Plan A members and 3.00% of compensation for Plan B. The contributions are deducted from the member's salary and remitted by the District.

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2024, the actuarially determined contribution rate was 7.34% of member's compensation for Plan A and 5.75% of member's compensation for Plan B. The actual rate for the fiscal year ended December 31, 2024 was 11.50% for Plan A and 7.50% for Plan B.

PLAQUEMINES PORT, HARBOR, & TERMINAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 13 – PENSION PLAN (CONTINUED)

According to state statute, the PERSLA also receives $\frac{1}{4}$ of 1.00% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The PERSLA also receives revenue sharing funds each year as appropriated by the legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

Administrative costs of PERSLA are financed through employer contributions. The District's employer and employee contributions to the PERSLA for the measurement date fiscal year ended December 31, 2024 were as follows:

Source	Contribution Amount	Covered Payroll	Percent of Covered Payroll
Employee	\$ 419,302	4,413,700	9.50%
Employer	507,576	4,413,700	11.50%
	<u>\$ 926,878</u>		

C. Allocations

The PERSLA's schedule of employer allocations reports the historical employer contributions, in addition to the employer allocation percentage for each participating employer. The historical employer contributions are used to determine the proportionate relationship of each employer to all employers of the Parochial Employees' Retirement System of Louisiana. The employer's proportion was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The resulting allocation percentages were used in calculating each employer's proportionate share of the pension amounts. The allocation method used in determining each employer's proportion was based on each employer's contributions to the plan during the fiscal year ended December 31, 2023 as compared to the total of all employers' contributions received by the plan during the fiscal year ended December 31, 2023.

The District's proportion of the Net Pension Liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contribution of all participating employers, actuarially determined. As of December 31, 2023, the most recent measurement date, the District's proportion was 0.608977%, an increase of 0.065733 % from the December 31, 2022 proportion.

The schedule of pension amounts by employer displays each employer's allocation of the net pension liability, the various categories of deferred outflows of resources, the various categories of deferred inflows of resources, and the various categories of pension expense.

The schedule of pension amounts by employer was prepared using the allocations included in the Schedule of Employer Allocations. The District's portion of the actuarial determined Net Pension Liability as of December 31, 2024, was \$580,186.

PLAQUEMINES PORT, HARBOR, & TERMINAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 13 – PENSION PLAN (CONTINUED)

D. Net Pension Liability of the System

The components of the net position liability(asset) of the PERSLA’s employers for Plan A and Plan B as of December 31, 2023, are as follows:

	Plan A	Plan B
Total Pension Liability	\$ 4,847,819,779	\$ 442,186,112
Plan Fiduciary Net Position	4,752,547,557	441,183,016
Net Pension Liability (Asset)	<u>\$ 95,272,222</u>	<u>\$ 1,003,096</u>

Plan Fiduciary Net Position
as a percentage of the Total
Pension Liability

98.03%

99.77%

E. Actuarial Assumptions

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees past periods of service, less the amount of the pension plan’s fiduciary net position.

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2024, are as follows:

Valuation Date	December 31, 2023	
Actuarial Cost Method	Plan A – Entry Age Normal	Plan B – Entry Age Normal
Investment Rate of Return	6.40%, net of investment expense, including inflation	
Expected Remaining Service lives	4 years	
Projected Salary Increase	Plan A – 4.75%	Plan B – 4.25%
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.	
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2021 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2021 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2021 scale for disable annuitants.	
Inflation Rate	2.3%	

PLAQUEMINES PORT, HARBOR, & TERMINAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 13 – PENSION PLAN (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 6.40% for Plan A and 6.40% for Plan B. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.40% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.50% for the year ended December 31, 2023.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2023 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed income	33%	1.12%
Equity	51%	3.20%
Alternatives	14%	0.67%
Real assets	2%	0.11%
Totals	100%	5.10%
Inflation		2.40%
Expected Arithmetic Nominal Return		7.50%

PLAQUEMINES PORT, HARBOR, & TERMINAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 13 – PENSION PLAN (CONTINUED)

Mortality Rate Assumption

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2018 through December 31, 2022. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. As a result of this study, mortality for employees was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2021 scale. In addition, mortality for annuitants and beneficiaries was set equal to the Pub-2010 Public Retirement plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2021 scale. For Disabled annuitants' mortality was set equal to the Pub-2010 Public Retirement Plans

Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2021 scale.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability/(asset) of the District as of December 31, 2023 calculated using the discount rate of 6.40%, as well as what the District's net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower 5.40% or one percentage point higher 7.40% than the current rate

	Changes in Discount Rate 2023		
	Current Discount		
	1% Decrease <u>5.40%</u>	Rate <u>6.40%</u>	1% Increase <u>7.40%</u>
District's Proportionate Share of the Net Pension Liability (Asset)	\$4,139,731	\$ 580,186	(\$2,407,699)

F. Change in Net Pension Liability

At December 31, 2024, the District reported a liability of \$580,186 for its proportionate share of the System's Net Pension Liability. The Net Pension Liability for System was measured as of December 31, 2023, and the total pension liability used to calculate the Net Pension Liability was determined based on an actuarial valuation as of that date.

The changes in the net pension liability for the year ended December 31, 2023 were recognized in the current reporting period as pension expense except as follows:

Differences between Expected and Actual Experience:

Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

Differences between Projected and Actual Investment Earnings:

Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period.

PLAQUEMINES PORT, HARBOR, & TERMINAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 13 – PENSION PLAN (CONTINUED)

Changes of Assumptions:

The changes of assumptions about future economic or demographic factors were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

Change in Proportion of Net Pension Liability:

Changes in the District's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in District's pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan

G. Contributions

Contributions – Proportionate Share

Differences between contributions remitted to the System and the District's proportionate share are recognized in pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan.

Contributions – Subsequent to Measurement Date

Deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date in the amount of \$603,240 will be recognized as a reduction of the System's Net Pension Liability in the year ended December 31, 2024.

The District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 274,736	\$ 155,733
Differences between projected and actual investment earnings	935,054	-
Change in assumptions	-	101,080
Change in proportionate share of the Net Pension Liability	7,892	61,942
Differences between the District's contributions and its proportionate share of contributions	-	6,975
District's contributions subsequent to the December 31, 2023 measurement date	603,240	
	<u>\$ 1,820,922</u>	<u>\$ 325,730</u>

PLAQUEMINES PORT, HARBOR, & TERMINAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 13 – PENSION PLAN (CONTINUED)

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

<u>Fiscal Year Ended December 31,</u>	<u>Amount of</u> <u>Amortization</u>
2025	\$ 52,474
2026	\$ 434,307
2027	\$ 785,421
2028	\$ (380,250)

H. Pension Expense

For the year ended December 31, 2024, the District recognized a total pension expense of \$207,207. This amount was made up of the following:

<u>Components of Pension Expense</u>	<u>Amount</u>
District's pension expense per the PERS	\$ 207,795
District's amortization of actual contributions over its proportionate share of contribution	(588)
Total Pension Expense Recognized by the District	<u>\$ 207,207</u>

I. Payables to the Pension Plan

At December 31, 2024, the District had \$289,134.98 payables to the System for the fourth quarter 2024 employee (\$130,799.16) and employer (\$158,335.82) legally required contributions. The employer amount is accrued as a payable at year end and is also included in the deferred outflows figure since it is included as contributions made subsequent to the December 31, 2023 measurement date.

PLAQUEMINES PORT, HARBOR, & TERMINAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 14 - RESTRICTED NET POSITION

Land Fund

On March 14, 2002, The District adopted ordinance 02-45, which sets aside twenty percent of total annual tariff revenue earned in an account dedicated to future land acquisition. Spending of these funds must be approved through legislation approved by the District's Board of Commissioners. Activity for the restricted land fund for the year ended December 31, 2024, is described below:

Balance, January 1, 2024	\$ 2,739,456
Additions:	
Current year restrictions 20%	1,336,857
Appropriations:	
Ord 24-122 Land Acquisition Division-Property Land Acq	<u>(2,000,000)</u>
Balance, December 31, 2024	\$ 2,076,313

Relocation Project

In December 2017, the District appropriated \$1,233,250 of the restricted land fund for an additional land purchase involving relocating a business for the purpose of port development. The District disbursed \$1,226,792 within the years 2017 to 2023 and \$113 in 2024 of the funds set aside for the relocation project. The available balance at December 31, 2024, was \$6,345.

Port Maintenance – Drainage Project

During 2016, the District approved spending of \$150,000 from the Land Fund for a 5-year capital improvement drainage project. In 2018, the Board of Commissioners appropriated an additional \$100,000 to the District's 5-year Capital Budget for drainage maintenance and improvements via ordinance 18-159. The District disbursed \$186,265 within the years 2016 to 2023 and had no disbursements in 2024 of the funds set aside for the drainage project. The available balance at December 31, 2024, was \$63,734.

Pointe ala Hache Ferry Ramp Repair Project

In 2024, the Board of Commissioners approved ordinances 24-105 for \$4,800,00 and 24-241 for \$517,000 which appropriated funding for the Pointe ala Hache Ferry Ramp Repair Project. The District disbursed \$2,382,342 in 2024 leaving an available balance of \$2,934,659 at December 31, 2024.

PLAQUEMINES PORT, HARBOR, & TERMINAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 15 – CHARGES FOR SERVICE REVENUE

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

The service revenue for the year ended December 31, 2024, can be categorized as follows:

<u>Description</u>	<u>Amount</u>
Security- Harbor	174,407
Security- Cargo	2,304,616
Harbor Fee	1,193,216
Docking Fee	395,165
Supplemental Harbor Fee	2,616,525
Minimum Charges	353
Ferry Tolls	232,341
Less: Allowance for Bad Debts	<u>(31,128)</u>
Total Service Revenue	<u>\$ 6,885,495</u>

NOTE 16 – DREDGING REVENUE AND EXPENSES

On July 16, 2019 the District approved Resolution #19-193 to enter into a Memorandum of Agreement with U.S. Army Engineer, New Orleans District concerning the provision of funds pursuant to the section 2106 of the Water Resources Reform and Development Act of 2014 (WRRDA) for the use of environmental remediation related to dredging berths and federal navigation channels. On September 24, 2020 the Plaquemines Parish Council adopted Resolution #20-234 which authorized the Plaquemines Parish President to enter into a Cooperative Endeavor Agreement with the Executive Director of the District to collaborate and cooperated together to accomplish the goals of beneficial dredging of the harbors and access channels, and to remain qualified for the grant proceeds.

Between 2020 and 2024, the District received \$6,354,568 from the USA Corps of Engineers for dredging. Prior to 2024, the District in collaboration with PPG incurred dredging expenses of \$2,204,782. For the year end December 31, 2024, the District paid PPG \$2,480,708 of incurred project expenses and had \$1,669,079 of unearned grant revenue to be spent in future years on this project.

PLAQUEMINES PORT, HARBOR, & TERMINAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 17 - INTERAGENCY SERVICE CHARGE

The District paid a total of \$832,329 for interagency service charges and \$1,093,308 for Firefighting and Ambulance interagency service charges for a total of \$1,925,637. PPG invoiced the District on a quarterly basis based on actual expenses.

On November 14, 2023, the District's Board of Commissioners (members of the Plaquemines Parish Council as governing authority) adopted the Districts' 2024 Operating Budget which included Interagency Service Charge expense in the amount of \$850,310 and an Interagency-Fire & Ambulance Service Charge in the amount of \$1,225,130 for a total Interagency Service Charge expense to be paid to the PPG in the amount of \$2,075,440. The fee amount was derived from a fee schedule presented by the PPG based on PPG's expense budget for various departments. These departments included Civil Service, Parish Council, Council Secretary, 911 Operations, Emergency Preparedness, Telecommunications, Firefighting, and Ambulance Services as seen in the chart below:

Plaquemines Parish Government Department	2024 Actual Expenditures	Percent Charged to District	Amount Paid to Plaquemines Parish Government
911 Services	\$ 602,851	15%	\$ 90,428
Civil Service	320,850	15%	48,127
Council	1,073,809	50%	536,905
Council Secretary	189,363	50%	94,682
Emergency Prep	398,093	10%	39,809
Telecommunications	447,558	5%	22,378
Total	<u>\$ 3,032,524</u>		<u>\$ 832,329</u>

Plaquemines Parish Government Department	2024 Actual Expenditures	Percent Charged to District	Amount Paid to Plaquemines Parish Government
Firefighting	\$ 10,987,327	7.5%	\$ 824,050
Ambulance Services	3,590,116	7.5%	269,259
Total	<u>\$ 14,577,443</u>		<u>\$ 1,093,308</u>

The annual reconciliation payment to PPG for these services has been accrued as this payments will be made following the year end December 31, 2024. The amount owed to PPG at year end December 31, 2024, was \$561,920.

PLAQUEMINES PORT, HARBOR, & TERMINAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 18 – RELATED PARTY TRANSACTIONS

Louisiana Revised Statute 34: 1352 states the Plaquemines Parish Commission Council is hereby declared to be the governing authority of the Plaquemines Port, Harbor and Terminal District, and shall prescribe rules to govern its meeting with regard to said port authority. The PPG Charter establishes the legislative powers of the Parish Council in Article 4 Section 4.01 which states all legislative powers of the Parish of Plaquemines shall be vested in the Parish Council.

The following transactions are considered related party transactions.

- The operating leases described between the PPG and the District.
- The interagency service charge described between the PPG the District, in which the District pays for administration services relating to Civil Service, Parish Council, Council Secretary, 911 Operations, Emergency Preparedness, Telecommunications, Firefighting, and Ambulance Services is based on percentage of use of total budget.
- The Cooperative Endeavor agreement between the PPG and Plaquemines Port, Harbor & Terminal District, in which the District and the PPG work collectively for dredging efforts throughout the Parish and District's jurisdiction

NOTE 19 – RAIL EXTENSION - SERVICE CONCESSION ARRANGEMENT

In March 2021, the District entered into a Cooperative Endeavor Agreement (CEA) with Sustainability Partners, LLC (SP) to develop intellectual property associated with a proposed rail extension project in Plaquemines Parish. Under the terms of the agreement, SP would provide certain project-related rights and intellectual property to the District in exchange for draw-down payments and a monthly usage rights fee based on project revenues. The minimum useful life specified under the agreement was forty (40) years.

Following review by legal counsel and the Louisiana Attorney General's Office, the District determined that the CEA constitutes an unauthorized debt obligation under Louisiana Constitution Article VII, Section 8, as it was not approved by the State Bond Commission. This conclusion is consistent with the Louisiana Supreme Court's decision in 23rd Psalm Trucking v. Madison Parish Police Jury. Based on these authorities, the District considers the agreement to be legally invalid under Louisiana law.

Because the District considers the agreement unenforceable, it has not recognized any asset, revenue, or deferred inflow related to the concession arrangement. The District reports only the actual expenses incurred and paid during 2024. The District has ceased all payments to SP and has not recorded or accrued any liability associated with SP's termination claims. Management believes the District has no present obligation or probable financial exposure related to this matter.

NOTE 20 – LITIGATION AND OTHER CONTINGENCIES

The District is involved in certain legal matters arising in the normal course of operations. Management and legal counsel believe that, except as disclosed below, the outcome of these matters will not have a material adverse effect on the District's financial position.

Expropriation The District filed expropriation proceedings against a land owner to acquire their property for development of a liquefied natural gas facility. The district court dismissed the petition, finding the expropriation improper, and the Fourth Circuit Court of Appeals affirmed. The District is preparing a writ application to the Louisiana Supreme Court seeking review of the Appellate Court's decision. If the case is ultimately decided against the District, exposure is limited to payment of the defendant's attorney fees which is approximately \$40,000 as of trial court proceedings. Separately, the District will be required to pay fair market value for the property if expropriation proceeds, which was anticipated and does not represent an unexpected loss. No insurance coverage applies here. Given the rulings to date, the likelihood of an unfavorable outcome is reasonably possible, accordingly a contingent liability has been recorded

Construction Bid Protest Matter A contractor submitted the lowest bid for a District construction project, which was subsequently challenged by another bidder regarding compliance with public bid requirements. The trial court ruled the low bid to be noncompliant and awarded the project to the challenging bidder. The Louisiana Fourth Circuit Court of Appeal affirmed the ruling. The project has since been completed, and all payments have been made. A petition for review has been filed with the Louisiana Supreme Court; however, no action has been taken as of the date the financial statements were available to be issued. All rulings to date have been favorable to the District, and management does not anticipate any potential unfavorable outcome. Accordingly, no contingency has been recorded in the accompanying financial statements.

Public Works Matter A third party obtained a judgment against a private contractor for unpaid work and subsequently recorded a statement of claim in the records of Plaquemines Parish under the Public Works Act, seeking to secure payment from any funds the District might disburse in connection with the project. The District was not a party to the underlying suit and has objected to the filing, asserting that the project is not subject to the Public Works Act. The District intends to file a petition seeking removal of the statement of claim from the public records. This matter does not involve a damages claim against the District, and the anticipated financial impact is minimal, limited to attorney fees. No insurance coverage applies. While there is a reasonable possibility that the court could uphold the filing, such an outcome would not result in any significant liability to the District.

Former Employee A former employee resigned and did not pursue a Civil Service appeal. A lawsuit was filed that alleges retaliation under the First, Fourth and Fourteenth Amendments to the Constitution, disability discrimination under the Americans with Disabilities Act, and similar state causes of action. Motions to dismiss are currently pending before the Court. At this time, management and legal counsel are unable to predict the outcome of the case or estimate any potential monetary impact. Accordingly, no liability has been recorded in the accompanying financial statements.

NOTE 21 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 17, 2025, the date the financial statements were available to be issued, and the following events were identified that occurred subsequent to the reporting period but prior to that date:

On April 11, 2024, the district adopted Ordinance 24-75 which authorized the purchase of the building and property at 8056 Hwy 23, Belle Chasse, LA formerly known as the Popich Building from the PPG. This building has been and will be used as an administration building for the District. In the 2nd quarter of 2025, the District began several renovation projects for the administration building. These projects include a generator bypass switch, adopted with Ordinance 25-76; a replacement roof, adopted with Ordinance 25-96; a renovated HVAC system, and a total renovation of the 3rd floor office spaces, both of which are still in the design phase and are scheduled to begin in 2026. The estimated cost of the project is \$5,400,000.

On January 30, 2025, the District adopted Resolution 25-023, authorizing the District to apply to the State bond commission for the issuance of not to exceed \$42,000,000 of revenue bonds. The District received approval from the State Bond Commission at their meeting on March 20, 2025. The District adopted Resolution 25-198, on June 26, 2025, authorizing the issue and sale of \$35,000,000 Revenue Bonds Series 2025.

Management has determined that the above events represent non-adjusting subsequent events requiring disclosure but not adjustment to the financial statements as of December 31, 2024.

REQUIRED SUPPLEMENTAL INFORMATION (PART II)

PLAQUEMINES PORT, HARBOR, & TERMINAL DISTRICT
SCHEDULE OF CHANGE IN NET OPEB LIABILITY AND RELATED RATIOS
For the Year Ended December 31, 2024

OPEB Expenses	2024	2023	2022	2021	2020	2019	2018
Service cost	\$ 679,437	\$ 535,471	\$ 293,210	\$ 205,423	\$ 289,236	\$ 264,256	\$ 254,337
Interest	263,015	254,064	63,056	56,933	145,007	134,754	122,361
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	(1,857,006)	495,775	4,768,950	19,012	(1,406,780)	(26,653)	-
Changes of assumptions	612,652	-	(1,436,529)	29,759	(206,201)	-	-
Benefit payments	(215,250)	(166,942)	(158,239)	(47,468)	(44,993)	(22,268)	(23,617)
Net change in total OPEB liability	(517,152)	1,118,368	3,530,448	263,659	(1,223,731)	350,089	353,081
Total OPEB liability - beginning	7,495,275	6,376,907	2,846,459	2,582,800	3,806,531	3,456,442	3,103,361
Total OPEB liability - ending (a)	\$ 6,978,123	\$ 7,495,275	\$ 6,376,907	\$ 2,846,459	\$ 2,582,800	\$ 3,806,531	\$ 3,456,442
Covered-employee payroll	\$ 3,557,578	\$ 3,396,256	\$ 3,242,249	\$ 2,271,520	\$ 2,205,359	\$ 1,920,960	\$ 1,847,077
Net OPEB liability as a percentage of covered-employee payroll	196.15%	220.69%	196.68%	125.31%	117.11%	198.16%	187.13%
Notes to Schedule:							
<i>Benefit Change:</i>	None	None	None	None	None	None	None
<i>Changes of Assumptions:</i>							
<i>Discount Rate:</i>	4.08%	3.26%	3.72%	2.06%	2.12%	3.67%	3.67%
<i>Mortality:</i>	PubG.H-2010 Employee/Retiree with 30% M and 25% F load	PubG.H-2010	PubG.H-2010	RP-2014	RP-2014	RP-2014-2017	RP-2014-2017
<i>Trend:</i>	Getzen Model	Getzen model	Getzen model	Variable	Variable	Variable	Variable

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

PLAQUEMINES PORT, HARBOR, & TERMINAL DISTRICT
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
For the Year Ended December 31, 2024

Year Ended December 31,	Plan	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position As a Percentage of the Total Pension Liability
2015	PERS Plan A	0.318732%	\$ 87,144	\$ 1,826,321	4.8%	99.1%
2016	PERS Plan A	0.345807%	\$ 910,263	\$ 1,984,281	45.9%	92.2%
2017	PERS Plan A	0.333225%	\$ 686,281	\$ 1,976,205	34.7%	94.1%
2018	PERS Plan A	0.332028%	\$ (246,447)	\$ 2,028,789	-12.1%	102.0%
2019	PERS Plan A	0.348498%	\$ 1,546,759	\$ 2,139,882	72.3%	88.9%
2020	PERS Plan A	0.361398%	\$ 17,013	\$ 2,291,537	0.7%	99.9%
2021	PERS Plan A	0.363698%	\$ (637,713)	\$ 2,125,382	-30.0%	104.0%
2022	PERS Plan A	0.399675%	\$ (1,882,643)	\$ 2,606,547	-72.2%	110.5%
2023	PERS Plan A	0.543244%	\$ 2,090,832	\$ 3,613,918	57.9%	91.7%
2024	PERS Plan A	0.608977%	\$ 580,186	\$ 4,413,700	13.1%	98.0%

*Amounts presented were determined as of the measurement date of December 31, 2023

PLAQUEMINES PORT, HARBOR, & TERMINAL DISTRICT
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS
For the Year Ended December 31, 2024

Year Ended December 31,	Plan	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2015	PERS Plan A	\$ 287,721	\$ 287,721	\$ -	\$ 1,953,629	14.7%
2016	PERS Plan A	\$ 257,102	\$ 257,102	\$ -	\$ 1,976,205	13.0%
2017	PERS Plan A	\$ 256,907	\$ 256,907	\$ -	\$ 2,028,789	12.5%
2018	PERS Plan A	\$ 253,599	\$ 253,599	\$ -	\$ 2,139,882	11.5%
2019	PERS Plan A	\$ 263,527	\$ 263,527	\$ -	\$ 2,291,537	11.5%
2020	PERS Plan A	\$ 306,758	\$ 306,758	\$ -	\$ 2,504,149	12.25%
2021	PERS Plan A	\$ 319,302	\$ 319,302	\$ -	\$ 2,606,547	12.25%
2022	PERS Plan A	\$ 422,191	\$ 422,191	\$ -	\$ 3,671,230	11.50%
2023	PERS Plan A	\$ 507,575	\$ 507,575	\$ -	\$ 4,413,700	11.50%
2024	PERS Plan A	\$ 603,247	\$ 603,247	\$ -	\$ 5,245,624	11.50%

OTHER SUPPLEMENTAL INFORMATION

PLAQUEMINES PORT, HARBOR, & TERMINAL DISTRICT
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY
HEAD OR CHIEF EXECUTIVE OFFICER
For the Year Ended December 31, 2024

Executive Director	Charles Tillotson
Purpose	
Salary	\$ 221,149
Benefits- Insurance	33,253
Benefits- Retirement	25,432
Vehicle- Fuel	3,341
Vehicle-Fringe Benefits	640
Data/Wireless- Benefits	480
Reimbursements	147
Travel (Hotel, Air, Car Rental, Taxi, Meals)	24,243
Total	<u>\$ 308,685</u>

PLAQUEMINES PORT, HARBOR & TERMINAL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2024

<u>Award Information</u>	<u>ALN</u>	<u>Name of Grant</u>	<u>Grant Number</u>	<u>Federal Expenditures</u>
Department of Homeland Security				
Direct Award:				
Port Security Grant Program	97.056	FY 2020 Port Security Grant Program	EMW-2020-PU-00079-1	\$ 104,586
Port Security Grant Program	97.056	FY 2020 Port Security Grant Program	EMW-2020-PU-00079-3	15,546
Port Security Grant Program	97.056	FY 2020 Port Security Grant Program	EMW-2020-PU-00079-4	15,442
Port Security Grant Program	97.056	FY 2021 Port Security Grant Program	EMW-2021-PU-00030-1	15,743
Port Security Grant Program	97.056	FY 2021 Port Security Grant Program	EMW-2021-PU-00030-3	108,317
Port Security Grant Program	97.056	FY 2022 Port Security Grant Program	EMW2022-PU-00022-1	8,335
Port Security Grant Program	97.056	FY 2022 Port Security Grant Program	EMW-2022-PU-00022-2	59,827
Port Security Grant Program	97.056	FY 2023 Port Security Grant Program	EMW-2023-PU-00164-1	321,540
Port Security Grant Program	97.056	FY 2023 Port Security Grant Program	EMW-2023-PU-00164-2	11,439
Port Security Grant Program	97.056	FY 2023 Port Security Grant Program	EMW-2023-PU-00164-3	270,790
Port Security Grant Program	97.056	FY 2023 Port Security Grant Program	EMW-2023-PU-00164-4	125,174
Port Security Grant Program	97.056	FY 2024 Port Security Grant Program	EMW-2024-PU-05541	35,391
Total Port Security Grant Program				<u>1,092,130</u>
Total Department of Homeland Security				<u>1,092,130</u>
Total Expenditures of Federal Awards				<u>\$ 1,092,130</u>

The accompanying notes are an integral part of this schedule.

PLAQUEMINES PORT, HARBOR & TERMINAL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2024

NOTE A – FISCAL PERIOD AUDITED

Single audit testing procedures were performed for program transactions occurring during the year ended December 31, 2024. Federal financial assistance expenditures during the year met the criteria set forth in the Single Audit Act and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The grant terms, including award numbers and federal agencies, are indicated in the accompanying Schedule of Expenditures of Federal Awards (SEFA).

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying SEFA has been prepared on the accrual basis of accounting. Grant revenues are recognized for financial reporting purposes when the District has met the eligibility requirements of the respective awards. Costs incurred in programs partially funded by federal grants are charged against federal funds to the extent of revenue available when such costs are allowable under the terms of the grant.

Indirect Cost Rate

The District has not elected to use the de minimis indirect cost rate permitted under 2 CFR 200.414(f).

COMPLIANCE AND INTERNAL CONTROL SECTION

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

Board of Commissioners
Plaquemines Port, Harbor, & Terminal District
Belle Chasse, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Plaquemines Port, Harbor, & Terminal District (District), as of and for the year ended December 31, 2024 and the related notes to the financial statements, which collectively comprise District's basic financial statements and have issued our report thereon dated October 17, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Plaquemines Port, Harbor, & Terminal District'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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2024-01, 2024-02, 2024-03, 2024-04, to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2024-05 and 2024-06, to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Plaquemines Port, Harbor, & Terminal District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2024-07, 2024-08, 2024-09, 2024-10, 2024-11.

Plaquemines Port, Harbor, & Terminal District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Plaquemines Port, Harbor, & Terminal District's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. Plaquemines Port, Harbor, & Terminal District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

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

Camnetar & Co.

Camnetar & Co., CPAs
a professional accounting corporation

Gretna, Louisiana
October 17, 2025

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Board of Commissioners
Plaquemines Port, Harbor, & Terminal District
Belle Chasse, Louisiana

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited the Plaquemines Port, Harbor, & Terminal District (District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended December 31, 2024. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on the Port Security Grant Program

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Port Security Grant Program for the year ended December 31, 2024.

Basis for Qualified Opinion

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

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

Matters Giving Rise to Qualified Opinion on Port Security Grant Program

As described in the accompanying schedule of findings and questioned costs, the District did not comply with requirements regarding the following:

Finding #	ALN #	Program	Compliance Requirement
2024-09	97.056	Port Security Grant Program	Allowable Costs
2024-09	97.056	Port Security Grant Program	Allowable Activities
2024-10	97.056	Port Security Grant Program	Procurement
2024-11	97.056	Port Security Grant Program	Cash Management
2024-11	97.056	Port Security Grant Program	Reporting

Compliance with such requirements is necessary, in our opinion, the District to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subject to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned cost as items 2024-01, 2024-02, 2024-03, 2024-04 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned cost as items 2024-05 and 2024-06 to be significant deficiencies.

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

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

Camnetar & Co.

Camnetar & Co., CPAs

a professional accounting corporation

Gretna, Louisiana

October 17, 2025

COMPLIANCE AND INTERNAL CONTROL SECTION

PLAQUEMINES PORT, HARBOR & TERMINAL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2024

Section I Summary of Auditor's Reports

A. Financial Statements

- | | |
|--|------------|
| 1. Type of auditor's report issued: | Unmodified |
| 2. Internal control over financial reporting | |
| a. Material weakness(es) identified? | Yes |
| b. Significant deficiency(ies) identified? | Yes |
| 3. Noncompliance material to financial statements noted? | Yes |
| 4. Was a management letter issued? | No |

B. Federal Awards

- | | |
|--|---------------|
| 1. Internal control over major programs | |
| a. Material weakness(es) identified? | Yes |
| b. Significant deficiency(ies) identified? | None reported |
| 2. Type of auditor's report issued on compliance for major program: | Qualified |
| 3. Any audit findings disclosed that are required to be reported in
accordance with Uniform Guidance? | Yes |
| 4. Identification of major program: Port Security Grant Program ALN 97.056 | |
| 5. Dollar threshold used to distinguish between Type A and Type B programs: | \$750,000 |
| 6. Auditee qualified as a low risk auditee? | No |

PLAQUEMINES PORT, HARBOR & TERMINAL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2024

Section II Financial Statement Findings

A. Material Weakness

Finding 2024-01 Expenditure Beyond Contract Limits

Criteria - The District's procurement policies and Louisiana Public Bid Law (R.S. 38:2211–2296) require that: (a) All service contracts be executed in writing, approved by the governing authority, and maintained as official records prior to payment. (b) Purchases of materials and supplies between \$10,000 and \$60,000 be supported by at least three written or telephone quotes. (c) Payments must not exceed the authorized contract amount or extend beyond the approved contract term without a formal contract renewal or amendment. (d) Ordinances authorizing services must be formalized through a valid, executed contract before any disbursements are made.

Condition -The District violated its procurement and contracting policies by continuing payments to vendors after contract expiration and by purchasing equipment and services without obtaining the required competitive quotes or executing valid written agreements.

Specifically, the District continued to pay its managed IT services provider, after the original one-year contract executed in March 2022 had expired in March 2023. Payments totaling \$137,946 were made throughout 2024 without an executed contract, a new contract not executed until January 2025.

Additionally, the District had signed a month to month IT services contract with a separate vendor, in November 2023. The governing authority approved an ordinance for an annual agreement of monthly IT services at \$4,900 effective January 2024. However, the District could not provide documentation the annual contract for IT services was ever signed. The District could not provide a contract at all. In addition, monthly payments increased to \$5,979 in June 2024 and \$7,389 in January 2025, without governing reauthorization.

Further, the District purchased IT equipment and supplies from the IT services vendor totaling \$24,621 during 2024 and \$51,072 through April 2025 and was unable to demonstrate documentation of the required competitive price quotes. In addition, the District could not demonstrate documentation for competitive price quotes for the rehabilitation of the executive conference room and laptops for rescue boats purchased from their managed IT services provider. No evidence of quotes documentation was provided.

This issue represents a repeat finding from the prior year, indicating that corrective actions implemented were not effective in addressing deficiencies in contract and procurement management.

PLAQUEMINES PORT, HARBOR & TERMINAL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2024

Section II Financial Statement Findings

A. Material Weakness

Finding 2024-01 Expenditure Beyond Contract Limits

Cause - These exceptions resulted from inadequate contract management controls, lack of oversight of contract expiration dates and spending limits, and insufficient coordination between administrative, procurement, and finance functions. Staff relied on vendor invoicing without verifying compliance with contract terms, and procurement personnel did not enforce documentation requirements for competitive quotes.

Effect - The District's noncompliance with statutory and policy requirements has resulted in: (a) Expenditures of public funds without proper legal authorization, (b) Heightened risk of waste, inefficiency, or misuse of resources, and (c) Ongoing violations of the Louisiana Public Bid Law and District procurement policies.

Recommendation - The District should strengthen internal controls over contract management and procurement by: (a) Requiring all contracts to be executed and approved by the governing authority prior to service commencement or payment. (b) Implementing a centralized tracking system for contract expiration dates, spending thresholds, and ordinance authorizations. (c) Ensuring procurement staff obtain and retain documentation of competitive quotes for all purchases within statutory thresholds. (d) Providing periodic training to administrative and finance personnel on Louisiana procurement law and the District's internal contracting procedures.

Management's Response - Management's response can be found on page 76.

Finding 2024-02 Grant Administration

Criteria - The criteria for effective grant administration encompass proper allocation, utilization, monitoring, and reporting of grant funds in accordance with applicable laws, regulations, and grant agreements. Grantees are responsible for timely submission of reimbursement requests and maintaining adequate documentation, even when grant administration services are contracted to an external party. Under 2 CFR Part 200, the grantee (District) retains ultimate responsibility for compliance, internal control, and record retention.

Condition - We noted that the District excessively delayed submitting reimbursement requests for expenditures under the Port Security Grant Program. Grant administration responsibilities had been contracted out, but the District did not exercise oversight of the grant administrator. In addition, the District's records did not contain copies of reimbursement forms or supporting documentation submitted by the grant administrator.

This issue represents a repeat finding from the prior year, indicating that corrective actions implemented were not effective in addressing in grant administration.

**PLAQUEMINES PORT, HARBOR & TERMINAL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2024**

Section II Financial Statement Findings

A. Material Weakness

Finding 2024-02 Grant Administration

Cause - This occurred because the District relied solely on the contracted grant administrator to handle compliance responsibilities without establishing internal monitoring procedures or ensuring retention of official grant records.

Effect - As a result, the District is at risk of noncompliance with grant requirements, which could lead to delayed reimbursements, disallowed costs, and potential loss of future federal funding. The lack of internal documentation also diminishes accountability and prevents the District from independently verifying grant compliance.

Recommendation - We recommend that the District: (a) Establish oversight procedures to monitor the contracted grant administrator's performance, including timeliness of reimbursement requests.(b) Require that all grant-related submissions, including reimbursement forms and supporting documentation, be retained in the District's official records.(c) Provide training to staff on grant compliance responsibilities, even when functions are outsourced. D) Strengthen internal controls over grant management.

Management's Response: Management's response can be found on page 77.

Finding 2024-03 Procurement Practices, Quote Solicitation Process and Documentation

Criteria - The District's procurement policies requires competitive selection of professional services to ensure reasonableness of cost, fairness, and transparency. For contracts within the \$1-\$49,999 range, at least three written quotations must be solicited and documented. For larger procurements of \$50,000 or more, competitive processes such as Requests for Proposals (RFPs) or Requests for Qualifications (RFQs) are recommended. With a requirement that Board must approve contracts of \$50,000 or more. Procurement files must contain complete documentation of the solicitation, evaluation, and selection process to demonstrate compliance with District policy and sound public procurement practices.

Condition The District violated its procurement policies by entering into multiple professional service contracts without retaining any evidence that competitive quotes were obtained or that costs were evaluated for price reasonableness. Payments were made based solely on vendor invoices, and procurement files did not contain required quotes, evaluations, or documentation showing how vendors were selected.

This issue represents a repeat finding from the prior year, indicating that corrective actions implemented were not effective in addressing procurement practices, quote solicitation process and documentation retention.

**PLAQUEMINES PORT, HARBOR & TERMINAL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2024**

Section II Financial Statement Findings

A. Material Weakness

Finding 2024-03 Procurement Practices, Quote Solicitation Process and Documentation

Cause – These violations occurred because the District did not administer its own procurement controls and procedures. Staff relied on prior relationships and vendor invoicing instead of following required competitive procedures. There was no system in place to verify that proper procurement documentation was obtained and retained before approving payments. The District did not enforce its own procurement requirements for professional services. Oversight was limited, and staff relied on vendor invoicing without ensuring that procurement documentation was properly obtained and retained.

Effect – Failure to retain quotes or other competitive procurement documentation exposes the District to significant risks, including excessive costs and a lack of transparency. The absence of documentation also undermines accountability and reduces the District’s ability to demonstrate compliance to regulators or the governing authority.

Recommendation –The District should implement and enforce controls requiring that all professional services procurements are supported by appropriate competitive documentation. Procurement files must include copies of solicitations, quotations, evaluations, and approvals before contracts are executed or payments are made.

Management’s Response - Management’s response can be found on page 78.

Finding 2024-04 Noncompliance with Contract Payment and Reimbursement Terms

Criteria – The District’s contract with a vendor required preapproval of travel reimbursements. The District’s procurement and travel policies require that: (a) vendor travel reimbursements receive documented preapproval prior to payment; (b) Payments be based on the contractor’s original invoices and tied to verified work milestones; and (c) Public funds may not be used to purchase or reimburse alcoholic beverages, whether incurred by District personnel or vendors under professional service contracts.

Further, R.S. 38:2191 provides that public funds are to be disbursed only for obligations that are due and payable, meaning payments should correspond to services rendered or goods delivered. The Louisiana Legislative Auditor’s Best Practices for Contract Management and the Local Government Budget Act emphasize that payments must be based on measurable deliverables, and that advance disbursements without corresponding value received create internal control deficiencies and increase the risk of loss.

**PLAQUEMINES PORT, HARBOR & TERMINAL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2024**

Section II Financial Statement Findings

A. Material Weakness

**Finding 2024-04 Noncompliance with Contract Payment and
Reimbursement Terms**

Under La. Const. art. VII, §14(A), public funds may not be expended except for a public purpose and where the expenditure is reasonable and directly related to a governmental function. Louisiana Attorney General Opinion No. 02-0125 concludes that the purchase of alcoholic beverages with public funds generally fails the public purpose and reasonableness test, noting that while no specific statute expressly forbids such purchases, they are “ordinarily inconsistent with the lawful use of public monies.”

Condition - Our review of a vendor contract disclosed the following: (a) Travel reimbursements were processed without documented preapproval, (b) we noted that a vendor’s invoice for travel reimbursement expenses included a breakfast meal charge that contained the purchase of Baileys Irish Cream added to coffee for the contractor and the executive director. The alcohol was paid with public funds and the District did not document or justify how this expense served a valid public purpose as required by La. Const. art. VII, §14(A) (c) The District paid 40% of the total contract value before work began, with no performance bond or other safeguard in place. (d) Payments made to the contract directly were against invoices from the contractor’s subcontractor rather than the contractor’s own invoices, contrary to executed agreement and standard financial control practices.

Louisiana’s public contract statutes (Title 38 of the Revised Statutes) do not explicitly ban upfront payments on professional service contracts. However, R.S. 38:2191 requires timely payment for obligations “due and payable” — meaning payments should correspond to work performed or goods/services delivered. Paying 40% before any services are rendered can be interpreted as paying for obligations not yet due, which may violate the intent of this statute.

In addition: Under La. Const. Art. VII, §14(A) (the Anti-Donation Clause), public funds cannot be given or loaned without a public purpose and commensurate value received. A 40% advance payment before services are performed may be viewed as an unauthorized donation or improper use of public funds if not clearly tied to contractual deliverables.

The Louisiana Legislative Auditor’s “Best Practices for Contract Management” and the Local Government Budget Act stress that: Payments should be based on progress toward defined milestones or actual deliverables. Paying in advance without deliverables or safeguards (e.g., performance bond, escrow, or retainer agreement) creates an internal control deficiency and exposes the entity to risk of loss.

PLAQUEMINES PORT, HARBOR & TERMINAL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2024

Section II Financial Statement Findings

A. Material Weakness

Finding 2024-04 Noncompliance with Contract Payment and Reimbursement Terms

Cause - These exceptions occurred because of inadequate review of supporting documentation, weak enforcement of contract terms, and a lack of clarity in oversight of payment approvals.

Effect - As a result, the District paid unallowable costs, advanced public funds without assurance of services rendered, and circumvented normal invoice controls. This exposes the District to risk of financial loss, noncompliance with its own policies, and noncompliance with Louisiana Law governing gratuitous payments.

Recommendation - We recommend that the District: (a) Recover unallowable travel reimbursements, including alcohol charges. (b) Prohibit advance payments beyond work performed unless specifically authorized by policy and supported by adequate safeguards. (c) Require that all payments be supported by invoices from the prime contractor, not subcontractors. (d) Provide training to staff on enforcement of contract terms and strengthen preapproval and payment review controls.

Management's Response - Management's response can be found on page 78.

B. Significant Deficiency

Finding 2024-05 Unallowable Travel and Meal Reimbursements

Criteria – The District's travel policy prohibits reimbursement of meal expenses when travel does not extend overnight and strictly forbids reimbursement of expenses for non-employees, including spouses or guests. The policy also limits meal reimbursements to allowable travel circumstances directly related to official business.

Condition – The District violated its travel policy by reimbursing unallowable expenses. Specifically: (a) The Port reimbursed the cost of meals for a commissioner's spouse, despite the explicit prohibition against reimbursing non-employee expenses. (b) The District reimbursed hotel and meal expenses for a commissioner within the local area after air travel was canceled due to a winter storm, although the commissioner did not meet the policy's overnight travel requirement. (c) Employee meals were purchased locally during onboarding and after meetings, contrary to policy restrictions that prohibit reimbursement for local meals not associated with overnight travel.

PLAQUEMINES PORT, HARBOR & TERMINAL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2024

Section II Financial Statement Findings

B. Significant Deficiency

Finding 2024-05 Unallowable Travel and Meal Reimbursements

Cause – These violations occurred because management failed to enforce travel policy requirements and did not review reimbursement requests for compliance before approval. Staff relied on informal practices rather than applying the written policy standards.

Effect - As a result, public funds were used for expenditures not permitted under the District's own policy. This increases the risk of waste, diminishes public trust, and may require repayment or adjustment.

Recommendation - We recommend that management: (a) Disallow and recover the unallowable costs related to the spouse's meals. (b) Re-emphasize the travel policy requirements to all employees and commissioners, including restrictions on same-day travel. (c) Strengthen the review process for travel reimbursements to ensure compliance with policy, including requiring secondary review for exceptions. (d) Consider implementing additional controls (such as standardized checklists) to prevent unallowable reimbursements in the future.

Management's Response - Management's response can be found on page 79.

**Finding 2024-06 Failure to Report Taxable Fringe Benefits for
Personal Vehicle Use**

Criteria - Internal Revenue Service (IRS) regulations require that the personal use of employer-provided vehicles be treated as taxable compensation to the employee. Government entities, including the District, must include the value of such fringe benefits in employee wages for tax reporting and withholding purposes. Accurate reporting and taxation of fringe benefits are fundamental to compliance with federal tax law and the District's fiduciary responsibility as an employer.

Condition – The District failed to comply with IRS regulations governing fringe benefit reporting. We noted that the District did not include the value of personal use of District-owned vehicles as taxable fringe benefits in employee payroll records. No documentation of taxable value calculations was maintained.

Cause - This occurred because the District lacked adequate procedures to ensure compliance with IRS fringe benefit reporting requirements.

Effect - As a result, employee wages were understated, required payroll taxes were not withheld or remitted, and the District is at risk of IRS penalties, interest, and back tax assessments.

PLAQUEMINES PORT, HARBOR & TERMINAL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2024

Section II Financial Statement Findings

B. Significant Deficiency

**Finding 2024-06 Failure to Report Taxable Fringe Benefits for
Personal Vehicle Use**

Recommendation - We recommend that the District: (a) Establish a formal policy requiring documentation of vehicle use and mileage logs.(b) Calculate the taxable value of personal use using an IRS-approved method and include it in employee wages.(c) Train payroll and administrative staff on fringe benefit reporting requirements.(d) Correct prior periods if material and consult with tax counsel to mitigate potential IRS penalties.

Management's Response - Management's response can be found on page 80.

C. Compliance

**Finding 2024-07 Material Noncompliance – Violation of Louisiana Public Bid Law
and District Procurement Policy**

Criteria - Louisiana Public Bid Law (La. R.S. 38:2211–2296) establishes procurement thresholds for political subdivisions such as the District:

- \$0–\$9,999: Purchases must be reasonable and documented.
- \$10,000–\$60,000: At least three (3) written or telephone quotations must be obtained and documented.
- Over \$60,000: A formal, advertised public bid process is required.

In addition, the District's procurement policy requires that all procurement of goods over \$60,000 are advertised for bid and also receive explicit approval from the District's governing authority.

Condition – During the current audit year, the District made purchases that violated Louisiana Public Bid Law and District procurement policy. Specifically, the District procured and installed a camera system totaling approximately \$234,000 without conducting a formal advertised public bid or obtaining the required three competitive quotes. The procurement amount also exceeded the District's internal \$150,000 approval threshold, yet no documented approval from the governing authority was obtained prior to payment. This constitutes a direct violation of state law and District policy governing purchasing.

Cause – The District did not enforce Louisiana Public Bid Law or its own approval thresholds. Management failed to ensure compliance with legal requirements governing public purchasing.

**PLAQUEMINES PORT, HARBOR & TERMINAL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2024**

Section II Financial Statement Findings

C. Compliance

Finding 2024-07 Material Noncompliance – Violation of Louisiana Public Bid Law and District Procurement Policy

Effect - By not following Louisiana Public Bid Law and its own procurement policy, the District entered into contracts and made payments without appropriate competition, documentation, or approval. This exposes the District to legal and financial risks and increases the likelihood of waste, favoritism, or contracting beyond authorized limits.

Recommendation - The District must strictly enforce Louisiana Public Bid Law and its internal procurement policy. Documentation of compliance, including procurement method, bids or quotes, and governing body approvals, must be retained in the procurement file for every purchase.

Management's Response - Management's response can be found on page 80.

Finding 2024-08 Late Submission of Annual Financial Report

Condition - The District's annual financial report for the fiscal year ended December 31, 2024, was due to the Louisiana Legislative Auditor (LLA) by June 30, 2025, in accordance with state reporting requirements. The report was not submitted until October 17, 2025, approximately four months after the statutory deadline.

The District received a three month extension of time to file from the LLA.

Criteria - Louisiana Revised Statute (R.S.) 24:513 requires local governments and political subdivisions to submit annual financial statements to the Louisiana Legislative Auditor within six months after the fiscal year end.

Cause - The delays resulted from internal administrative and audit coordination challenges, including delays in closing year-end financial records, additional time required to complete federal compliance testing, and new accounting personnel. T

Effect - Late submission of the audit reports placed the District out of compliance with both state and federal reporting deadlines.

Recommendation - The District should implement formal procedures to ensure the timely completion and submission of annual financial statements in accordance with Louisiana and Federal laws.

Management's Response - Management's response can be found on page 80.

PLAQUEMINES PORT, HARBOR & TERMINAL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2024

Section III Federal Award Findings and Questioned Costs

**Finding 2024-09 Unallowable Costs Charged Outside Approved
Investment Justification**

<u>Compliance Requirement</u>	Allowable Costs and Allowable Activities
<u>Type of Finding</u>	Material Weakness in Internal Control over Compliance, Material Noncompliance
<u>Program</u>	Port Security Grant Program
<u>ALN #</u>	97.056
<u>Federal Agency</u>	Department of Homeland Security – Direct Award
<u>Federal Award Year</u>	2021 and 2023
<u>Grant Numbers</u>	EMW-2021-PU-00030- IJ#3 EMW-2023-PU-00164- IJ#4
<u>Questioned Costs</u>	\$209,855

Criteria - Federal rules require that grant funds be spent only on allowable and necessary costs that are directly related to the purpose of the award. For the Port Security Grant Program (PSGP), this means expenditures must match the projects described in the approved Investment Justification (IJ). In addition, all costs must be incurred within the official grant period; expenses made before or after the authorized performance dates are not permitted.

Uniform Guidance establishes clear requirements for allowability of costs under federal awards:

- 2 CFR 200.403 – Costs must be necessary, reasonable, allocable, and consistently treated in accordance with the terms and conditions of the federal award.
- 2 CFR 200.405 – Costs must be directly allocable to the federal award in proportion to the benefits received.
- 2 CFR 200.403(c) and 200.404 – Costs must conform to limitations or exclusions set forth in the award documents and applicable federal regulations.
- 2 CFR 200.309 – A non-federal entity may charge to the federal award only allowable costs incurred during the period of performance, unless specifically authorized otherwise.

PLAQUEMINES PORT, HARBOR & TERMINAL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2024

Section III Federal Award Findings and Questioned Costs

**Finding 2024-09 Unallowable Costs Charged Outside Approved
Investment Justification**

Condition - Testing of 50 invoices identified significant noncompliance. Fourteen (14) invoices represented expenditures that were not aligned with the approved Investment Justification (IJ), indicating that funds were used for purposes outside the scope of the grant award. In addition, one (1) invoice reflected costs incurred prior to the authorized period of performance, in direct violation of federal grant requirements.

- a) Expenditures were charged to the 2021 PSGP for the purchase of camera equipment, installation, and project management activities that lacked support within the approved Investment Justification No. 3 MSOC Security Sustainment Costs, resulting in questioned costs of \$78,910.
- b) Expenditures were charged to the 2023 PSGP for the purchase of computer equipment, conference room enhancements, and biological and cultural survey that lacked support within the approved Investment Justification No. 3 GIS Acquisition and Implementation, resulting in questioned costs of \$115,044
- c) Expenditures were charged to the 2023 PSGP for the purchase of executive leadership training and datto backups that lacked support within the approved Investment Justification No. 4 Sustainment for Cybersecurity Network and IT Systems, resulting in questioned costs of \$15,901

Cause - The District failed to implement and enforce adequate internal controls to ensure that expenditures were reviewed and validated against both the approved Investment Justification and the grant's period of performance prior to authorization. This lack of oversight reflects a breakdown in management's responsibility for compliance with federal grant requirements.

Effect - Because the District did not ensure expenditures were properly reviewed against the approved Investment Justifications and the authorized period of performance, a total of \$209,855 in questioned **costs** was identified. These unallowable expenditures increase the risk that federal grantor agencies may require repayment or disallowance of costs, and indicate material noncompliance with federal grant requirements. The lack of adequate review and oversight also undermines accountability for federal funds, creating heightened risk of waste, abuse, and additional future noncompliance.

Recommendation - The District must implement and enforce formal review procedures requiring all PSGP expenditures to be cross-checked against the approved Investment Justification (IJ) and verified for compliance with the grant's period of performance prior to payment. No disbursement of federal funds should occur until documentation demonstrates that the expenditure directly aligns with the approved grant scope and timing. The District must consult with FEMA regarding the allowability of identified questioned costs.

Management's Response - Management's response can be found on page 81.

**PLAQUEMINES PORT, HARBOR & TERMINAL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2024**

Section III Federal Award Findings and Questioned Costs

Finding 2024-10 Noncompliance with Federal Procurement Standards

<u>Compliance Requirement</u>	Procurement
<u>Type of Finding</u>	Material Weakness in Internal Control over Compliance, Material Noncompliance
<u>Program</u>	Port Security Grant Program
<u>ALN#</u>	97.056
<u>Federal Agency</u>	Department of Homeland Security – Direct Award
<u>Federal Award Year</u>	2020, 2021, 2022 and 2023
<u>Grant Number</u>	EMW-2020-PU-00079 – IJ#1, IJ#3, IJ #4 EMW-2021-PU-00030 – IJ#1, IJ#3 EMW-2022-PU-00022 – IJ#1, IJ#2, EMW-2023-PU-00164 – IJ#1, IJ#2, IJ#3, IJ#4 EMW-2024-PU-05541 – IJ#4
<u>Questioned Costs</u>	\$463,460

Criteria - Federal rules require grant recipients to follow strict purchasing standards. This includes seeking fair and open competition when buying goods or services, obtaining bids or quotes once purchases reach certain dollar thresholds, and verifying that vendors are not suspended or barred from receiving federal funds through the SAM.gov system.

Federal rules set strict procurement standards that the District must follow:

- 2 CFR 200.318 – Requires non-federal entities to maintain oversight to ensure contractors perform in accordance with the terms, conditions, and specifications of their contracts.
- 2 CFR 200.319 – Requires full and open competition in all procurement transactions.
- 2 CFR 200.320 – Establishes methods of procurement, including micro-purchases, small purchases, sealed bids, competitive proposals, and noncompetitive proposals.
- 2 CFR 200.323 – Requires cost or price analysis for procurements above the Simplified Acquisition Threshold.
- 2 CFR 200.213 – Requires checks for suspension and debarment (SAM.gov).

PLAQUEMINES PORT, HARBOR & TERMINAL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2024

Section III Federal Award Findings and Questioned Costs

Finding 2024-10 Noncompliance with Federal Procurement Standards

Under Louisiana law, political subdivisions such as ports are also subject to state purchasing thresholds: (a) \$0 – \$9,999: Purchases may be made directly but must be reasonable and properly documented. (b) \$10,000 – \$60,000: At least three (3) telephone or written quotations are required, with documentation kept on file. (c) Over \$60,000: A formal advertised public bid process is required in compliance with Louisiana Public Bid Law.

For professional services, the District is required to follow competitive selection processes consistent with their policies, Louisiana state law and federal guidance, ensuring fair opportunity, transparency, and reasonable pricing.

Condition - The District failed to comply with federal procurement standards in multiple areas, indicating a pervasive breakdown in procurement controls and noncompliance with 2 CFR 200.318–.327.

- a) The District did not obtain competitive bids for the camera purchases and installation, resulting in questioned costs of \$234,217
- b) For professional services contracts funded by the PSGP, relating the IT services, engineering and consulting services, and GIS implantation services, the District did not maintain records documenting requests for price quotes or maintain records demonstrating the reasonableness of costs. Resulting in questioned costs of \$305,657.
- c) For all ten (10) vendors tested under the Port Security Grant Program, the District did not retain documentation demonstrating that SAM.gov suspension and debarment verifications were performed prior to award or payment.

Cause - The District failed to enforce federally required procurement standards and did not maintain sufficient documentation to demonstrate compliance. This deficiency reflects a significant weakness in procurement oversight and a lack of management attention to ensuring adherence with federal regulations governing competition, cost reasonableness, and vendor selection.

Effect - Because the District did not obtain the required bids, quotes, or suspension and debarment checks, it cannot demonstrate compliance with federal procurement standards. This failure increases the risk of waste, favoritism, or contracting with ineligible vendors, and resulted in questioned costs as calculated by the auditor.

PLAQUEMINES PORT, HARBOR & TERMINAL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2024

Section III Federal Award Findings and Questioned Costs

Finding 2024-10 Noncompliance with Federal Procurement Standards

Recommendation - The District must consistently apply written procurement policies that require competitive bids or price quotes for all purchases and professional services. Documentation of price reasonableness must be retained for every procurement action to ensure compliance with 2 CFR 200.318–.327 The District must document SAM.gov suspension and debarment verification for all vendors and contractors prior to contract execution or payment. This documentation must be maintained in the procurement file. The District must consult with FEMA regarding the allowability of identified questioned costs.

Management's Response - Management's response can be found on page 82.

Finding 2024-11 Untimely Requests for Grant Reimbursements

<u>Compliance Requirement</u>	Cash Management and Reporting
<u>Type of Finding</u>	Material Weakness in Internal Control over Compliance Material Noncompliance
<u>Program</u>	Port Security Grant Program
<u>ALN#</u>	97.056
<u>Federal Agency</u>	Department of Homeland Security – Direct Award
<u>Federal Award Year</u>	2020, 2021, 2022 and 2023
<u>Grant Number</u>	EMW-2022-PU-00022 – IJ#1, IJ#2, EMW-2023-PU-00164 – IJ#1, IJ#2, IJ#3, IJ#4 EMW-2024-PU-05541 – IJ#4
<u>Questioned Costs</u>	None

Criteria - Federal rules require grant recipients to request reimbursement from the federal government soon after paying expenses, rather than holding costs for long periods. They also require financial reports to be accurate, up to date, and complete. To meet these standards, timely reporting must be supported by timely reimbursement requests so that the reports truly reflect the District's financial activity.

Condition - Although the District submitted the required SF-425 Federal Financial Reports on a timely basis, it did not submit requests for reimbursement timely. Repeatedly, reimbursements were requested nine to twelve months after expenditures were incurred, creating cash flow inefficiencies and increasing risk of misreporting. The total value of these requests were \$661,577

Cause - The District failed to establish and implement adequate procedures to ensure reimbursement requests were submitted in coordination with actual cash outflows. This control weakness reflects insufficient oversight of cash management practices and resulted in noncompliance with federal requirements for timely reimbursement.

PLAQUEMINES PORT, HARBOR & TERMINAL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2024

Section III Federal Award Findings and Questioned Costs

Finding 2024-11 Untimely Requests for Grant Reimbursements

Effect - Delayed reimbursement requests reduce cash management efficiency and create potential inconsistencies between reporting and drawdown activity.

Recommendation - The District must establish and enforce policies mandating that reimbursement requests be submitted promptly after vendor payments are made. The District must reconcile reimbursement activity with SF-425 reporting to ensure that expenditures are accurately, timely, and consistently reflected in financial reports submitted to FEMA, in compliance with 2 CFR 200.305 and 2 CFR 200.328

Management's Response - Management's response can be found on page 83.

**PLAQUEMINES PORT, HARBOR & TERMINAL DISTRICT
MANAGEMENT'S CORRECTIVE ACTION PLAN
For The Year Ended December 31, 2024**

I – Financial Statement Findings – Material Weakness

2024-01 Expenditure Beyond Contract Limits

The District realized in November 2023 when it executed the renewal of the contract that the increased monthly fee would exceed the Executive Director's threshold annually. This prompted the District to seek Commission approval authorized in Ordinance 24-03 which stated the minimum amount authorized in the contract. The request failed to recognize the additional contract amounts for additional services and staff head count. The District's contract master service agreement with the vendor that allows additional payments based on additional service and staff head count. However, those additional payments for service rendered and additional head count were never reconciled with the Ordinance. The previous month-to-month contract signed 11-20-23 was for services under the Executive Director's approval threshold.

Management will take following corrective actions to improve contract oversight and ensure compliance with procurement and financial policies: The District is implementing a policy to enter all contracts into the accounting system at their stated value, with expiration dates and supported by signed agreements and governance documents.

- The renewal contract will be introduced for approval no later than January 1, 2026.
- The renewed contract will include the monthly fee, plus the estimated additional service and staff head count.
- This will allow the system controls to assist in notifying staff of payment and time limits on contracts to ensure until valid renewals or amendments are executed, ensuring all disbursements are supported by active and enforceable agreements.
- Mandatory training sessions are being scheduled for staff involved in contract management and payment processing. The training will emphasize contract compliance requirements and reinforce the importance of supervisory review prior to payment authorization.

These actions reflect the District's commitment to strengthening internal controls, promoting transparency, and ensuring responsible stewardship of public resources.

**PLAQUEMINES PORT, HARBOR & TERMINAL DISTRICT
MANAGEMENT’S CORRECTIVE ACTION PLAN
For The Year Ended December 31, 2024**

I – Financial Statement Findings – Material Weakness

2024-02 Grant Administration

The District’s management had constructive possession of grant records, per federal guidelines, with its contracted offsite grant administrator located in a secured location in the Port of Baton Rouge’s Marine Security Operations Center. However, the District concurs with the audit recommendation and has taken the following corrective actions to strengthen oversight and compliance in grant management:

The District is implementing financial management policies and procedures over federal and state funds to enhance internal controls over grant management by establishing clear procedures for documentation, review, and approval of all grant-related activities.

- All grant-related documentation will be maintained electronically, including reimbursement forms and supporting materials, to ensure transparency, accountability, and readiness for audit or regulatory review.
- These controls will help ensure that grant funds are managed in accordance with applicable regulations and program guidelines.
- The procedures will include regular reviews of the timeliness and accuracy of reimbursement requests and other grant-related submissions to ensure compliance with grant terms and deadlines.
- Mandatory training sessions will be scheduled for staff to reinforce their responsibilities in grant compliance, even when certain functions are outsourced. Training will cover documentation standards, reporting requirements, and internal review procedures.

These actions reflect the District’s commitment to responsible grant stewardship, regulatory compliance, and continuous improvement of its financial and administrative practices.

**PLAQUEMINES PORT, HARBOR & TERMINAL DISTRICT
MANAGEMENT'S CORRECTIVE ACTION PLAN
For The Year Ended December 31, 2024**

I – Financial Statement Findings – Material Weakness

2024-03 Procurement Practices and Quote Solicitation Process and Documentation

Management concurs with the audit recommendation and has taken the following corrective actions to ensure that all professional services procurements are properly supported and documented:

The District has established formal procedures under new Procurement policy approved on 10-9-2025 requiring that all procurements include comprehensive documentation.

- Procurement files will now contain solicitations, quotations, evaluations, and approvals prior to contract execution or payment authorization. These standards are aligned with applicable state and federal procurement regulations.
- A centralized procurement documentation system has been implemented to ensure consistency and accessibility. All procurement records are now maintained in a secure, centralized repository, allowing for efficient audit review and internal oversight.
- Before any professional services contract is executed, a mandatory review process is conducted to verify that competitive documentation is complete and compliant. Contracts will not be approved or processed for payment unless all required documentation is on file and validated by procurement staff.
- Mandatory training sessions are being scheduled for staff involved in procurement and contract management. These sessions will reinforce documentation requirements, competitive procurement standards, and internal control procedures. Ongoing compliance monitoring will be conducted to ensure adherence to established policies.

These actions reflect the District's commitment to transparency, accountability, and continuous improvement in procurement practices.

2024-04 Noncompliance with Contract Payment and Reimbursement Terms

Management disagrees with this finding and will amend its policy to allow reasonable alcoholic beverages with a meal such as occurred in this event. The District is a political subdivision of the state and operates as a business. Therefore, business meals will be required, and the District will ensure that its new Policy defines a maximum acceptable amount of alcohol per participant during such meal.

The District has already recovered the unallowable travel reimbursements which included charges for alcohol, at first review staff was unaware of the alcohol beverage, an Irish coffee, within the reimbursement. Staff has been trained to search for such items on future meal reimbursement requests.

**PLAQUEMINES PORT, HARBOR & TERMINAL DISTRICT
MANAGEMENT'S CORRECTIVE ACTION PLAN
For The Year Ended December 31, 2024**

I – Financial Statement Findings – Material Weakness

2024-04 Noncompliance with Contract Payment and Reimbursement Terms

The District signed a contract with a vendor, which included a payment schedule based on project milestones. If the District had not complied with the agreed schedule, we could have been held liable for contract performance. For all future contracts, the District will ensure advance payments are not required with contracts or if so, such milestone schedules are fully agreed and notified to council before approval by the District.

The District put forth legislation 24-5 which added a sub-contractor for the project, as the District was only responsible for a portion of the expense, the District's contracted vendor submitted the subcontractor's invoice as support for the payment request. In the future, we will require such requests to be placed on a formal invoice versus an email request.

II. Financial Statement Findings - Significant Deficiency

2024-05 Unallowable Travel and Meal Reimbursements

Management acknowledges the audit recommendation and has taken the following corrective actions:

- The costs associated with the spouse's meals have been identified and fully refunded to the District.
- Management has reviewed all related transactions to ensure no additional unallowable costs remain outstanding.
- The District is currently revising its travel policy to clarify allowable expenses, including specific restrictions on same-day travel and non-employee reimbursements. Once finalized and approved by the Board of Commissioners, the updated policy will be distributed to all staff and commissioners.
- Management is developing standardized checklists, forms, and a secondary review process to be used during the travel reimbursement process. These tools will help ensure consistency, compliance, and early detection of potential policy violations. Exceptions to policy will require documented justification and approval from senior management prior to reimbursement.
- Mandatory training sessions will be conducted to reinforce compliance and understanding of the revised policy.

These actions reflect the District's commitment to maintaining strong internal controls and ensuring responsible stewardship of public funds.

**PLAQUEMINES PORT, HARBOR & TERMINAL DISTRICT
MANAGEMENT'S CORRECTIVE ACTION PLAN
For The Year Ended December 31, 2024**

II. Financial Statement Findings - Significant Deficiency

2024-06 Failure to Report Taxable Fringe Benefits for Personal Vehicle Use

During 2024, the District switched from Paychex to UKG, for payroll processing. The employees who worked on the system conversion and design did not set up the available system feature for the employee to directly report mileage for personal vehicle use during implementation and separated employment from the district before year end. When the deficiency was noted, it was corrected in UKG for 2024 and was added as a year-end feature moving forward. Amended W-2's were processed for the employees who were affected

The District utilized a feature within UKG, payroll processing for the employees who use District vehicles for personal and business use to self-report the mileage driven for personal use . The system is scheduled to request the information and to notify staff if it is not completed timely.

III. Financial Statement Findings - Compliance

2024-07 Material Noncompliance – Violation of Louisiana Public Bid Law and District Procurement Policy

Please note this finding related to the same procurement transactions in Finding 2024-10. 2024-7 Details the violations related to Louisiana Bid Law whereas, 2024-10 details the violations of federal procurement law and contains detailed questioned cost. See finding 2024-10 for the complete management resolution for the violations.

2024-08 Late Submission of Annual Financial Report

The District is committed to completing the audit on schedule and looking forward for the audit to start in May 1, 2026.

**PLAQUEMINES PORT, HARBOR & TERMINAL DISTRICT
MANAGEMENT'S CORRECTIVE ACTION PLAN
For The Year Ended December 31, 2024**

IV. Federal Award Findings

2024-09 Unallowable Costs Charged Outside Approved Investment Justification

Management disagrees with the following

- A) Management determined the expenditures charged to the 2021-#3 project MSOC Security Sustainment Costs, for camera, installation and project management were clearly related to the Investment justification which requested sustainment and upgrade to the existing MSOC the IJ states : "Investment provides maintenance and upgrades of software/hardware (I.e. servers/workstations), video surveillance management systems, operating systems, cameras systems, access control and communication systems for Plaquemines Port Harbor and Terminal District
- B) Management determined the questioned cost charged to the 2023-#3 project GIS for the cameras and the conference room were supported with the investment justification however management agrees the invoices for Survey totaling \$95,900 should not have been charged to the grant.
- C) Management determined the expenditures charged to the 2023-#4 project Cybersecurity Network and IT: For Datto Backup, which is the name of the program, and cyber security training are valid expenses and align with the investment justification

Management will ensure the following processes are added to the financial management policies and procedures over federal and state funds

- The District will establish formal procedures requiring that all PSGP expenditures be cross-checked against the approved Investment Justification (IJ) and verified for compliance with the grant's period of performance prior to payment. No disbursement of federal funds will occur unless documentation demonstrates that the expenditure directly aligns with the approved grant scope and timing.
- This documentation will be required within the system in order to process payments to the vendor.
- The District will consult with FEMA to assess the allowability of identified questioned costs. Management will follow FEMA's guidance to resolve any discrepancies and ensure that all expenditures meet federal standards.
- Mandatory training sessions are being scheduled for staff involved in grant administration and financial management. These sessions will cover Uniform Guidance requirements, documentation standards, and procedures for verifying expenditure eligibility under PSGP.

These actions reflect the District's commitment to regulatory compliance, fiscal responsibility, and continuous improvement in federal grant management practices.

**PLAQUEMINES PORT, HARBOR & TERMINAL DISTRICT
MANAGEMENT'S CORRECTIVE ACTION PLAN
For The Year Ended December 31, 2024**

IV. Federal Award Findings

2024-10 Noncompliance with Federal Procurement Standards

In 2020, Intelligent Transportation Systems (ITS) was the sole bidder for the District's camera project. The selected camera vendor was Hanwha Vision. In 2023, ITS was sold. At the time of the sale, ITS had only completed a portion of the project.

On February 22, 2023, the District extended the GIS contract of Environmental Science Services (ES2) through February 17, 2024, and transferred the remaining scope of the camera project from ITS to ES2. The camera technology was integrated into the GIS environment for the District.

The remaining cameras to be installed were purchased under the ES2 2023 contract at a lower price than in the ITS 2020 awarded low bid. In retrospect, the District should have rebid the project because the cameras were funded under the Port Security Grant Program (PSGP). The oversight was mainly caused by the transition of District executive personnel starting in 2023.

Though this was an oversight, the camera technology integrated in the GIS environment increases the Port's safety and security posture.

The District now adheres to its newly adopted Procurement Policy to prevent recurrence.

Management will ensure the following processes are added to the financial management policies and procedures over federal and state funds to ensure full compliance with federal procurement standards, Louisiana Bid Law, Procurement Code, contract management protocols, and grant administration requirements:

- The District is reviewing and updating its procurement policies to ensure alignment with federal procurement regulations, including those outlined in 2 CFR Part 200 (Uniform Guidance). All PSGP-funded procurements will be subject to competitive bidding procedures, proper documentation, and approval protocols to ensure transparency and compliance.
- The District has reinforced its procurement procedures to ensure that all purchases exceeding \$60,000 are formally advertised and awarded in accordance with Louisiana Revised Statute 38:2212. For purchases between \$30,000 and \$60,000, staff are required to obtain, document, and retain at least three competitive quotes in the procurement file. No significant purchases will be made without prior approval from the governing authority.
- Formal procedures have been implemented to ensure that all PSGP-related contracts are properly executed, monitored, and supported by complete documentation. These procedures will include verification of scope, deliverables, and performance timelines prior to payment authorization along with any solicitations, bids or quotes, evaluations, approvals, and any supporting documentation required by law and internal policy.

**PLAQUEMINES PORT, HARBOR & TERMINAL DISTRICT
MANAGEMENT'S CORRECTIVE ACTION PLAN
For The Year Ended December 31, 2024**

IV. Federal Award Findings

2024-10 Noncompliance with Federal Procurement Standards

- The District has designated a marine inspector to oversee PSGP grant activities, including expenditure review, documentation standards, and reporting requirements. All disbursements will be cross-checked against the approved Investment Justification (IJ) and verified for compliance with the grant's period of performance.
- Management is actively consulting with FEMA to assess the allowability of identified questioned costs. The District will follow FEMA's guidance to resolve any discrepancies and ensure that all expenditures meet federal standards.
- Mandatory training sessions are being scheduled for staff involved in procurement, contract management, and grant administration. These sessions will cover federal compliance requirements, internal control

2024-11 Untimely Requests for Grant Reimbursements

Management concurs with the audit recommendation and is taking the following corrective actions to improve cash management efficiency and ensure accurate and timely financial reporting:

The District will implement a policy requiring that reimbursement requests are submitted at least quarterly to the grant administrator and reconciled to the SF-425 reporting.

- This policy will ensure that federal drawdowns are performed timely and aligned with actual expenditures, improving cash flow management and reducing the risk of reporting discrepancies.
- Procedures will reconcile all reimbursement requests with SF-425 financial reports to confirm that expenditures are accurately and consistently reflected in the corresponding SF-425 report, in compliance with 2 CFR 200.305 and 2 CFR 200.328.
- Management will ensure staff is adequately trained in grant administration and financial reporting. These sessions will cover federal cash management standards, SF-425 reporting procedures, and internal controls to ensure consistency and compliance.

These actions reflect the District's commitment to improving financial management practices, enhancing grant compliance, and ensuring the timely and accurate reporting of federally funded expenditures.

PLAQUEMINES PORT, HARBOR & TERMINAL DISTRICT
PRIOR YEAR FINDINGS
For The Year Ended December 31, 2024

A. Prior Year –Financial Statement Findings – Material Weakness

2023-1 Timesheet Falsification in Payroll Records

Condition - During the audit, it was noted that an office staff employee falsified a timesheet in July 2023, resulting in improper payment of wages and sick leave while the employee was on vacation. Weak approval and oversight processes allowed the falsification to go undetected, and timecards were subsequently destroyed in violation of record retention policies, hindering verification of hours worked. The employee repaid \$141.40 in improperly received wages and has since resigned. The District did not report the incident to law enforcement or the Louisiana Legislative Auditor, citing the value being less than \$1,000.

Status - Resolved

2023-2 Discrepancies Between Hours Worked and Compensation Paid

Condition During 2023 and into early 2024, multiple office employees failed to record punch-out times on Fridays, resulting in incomplete time records and uncertainty regarding actual hours worked. Employees were nevertheless compensated for full eight-hour days, and, at the direction of the Executive Director, staff were allowed to leave approximately 2.5 hours early on Fridays. This practice, which continued until April/May 2024, was inconsistent with payroll requirements and constituted a violation of the Louisiana Constitution. The value of potential overpayments was estimated at up to \$27,000

Status – Resolved

2023-3 Unauthorized Editing of Payroll Data by Employee

Condition - An employee with direct access to the payroll system edited their own payroll records, including potential changes to deductions. Weak controls and lack of oversight allowed the employee to alter payroll data without authorization, raising concerns over the integrity and security of the payroll process.

Status – Resolved

PLAQUEMINES PORT, HARBOR & TERMINAL DISTRICT
PRIOR YEAR FINDINGS
For The Year Ended December 31, 2024

A. Prior Year –Financial Statement Findings – Material Weakness

2023-4 Payment of Health Insurance for Terminated Employees

Condition - The District continued to pay health insurance premiums for employees who had been terminated and were no longer eligible for coverage. Weaknesses in monitoring employee status changes and benefit eligibility resulted in overpayments totaling \$25,209, of which \$10,287 was later credited by the insurance provider.

Status – Resolved

2023-5 Control and Use of Signature Stamp

Condition - The District relied on stamped signatures rather than original signatures for authorizing financial transactions, without formal policies governing the issuance, storage, and use of signature stamps. Two signature stamps of the Executive Director were maintained—one by the Executive Director and one by the Director of Administration. In practice, the Director of Administration’s signature was used alongside the Executive Director’s stamp on checks, undermining segregation of duties.

Status – Resolved

2023-6 Expenditure Beyond Contract Limits

Condition - The District exceeded the authorized spending limit established in both a vendor contract and the related Board ordinance, paying \$48,024 against a \$30,000 authorization. In addition, a professional services contract was amended to include equipment purchases without specifying an amount, creating the potential for a Public Bid Law violation.

Status - Not Resolved – This issue recurred in the current year, indicating that contract monitoring and procurement controls remain insufficient.
See Finding 2024-01

B. Prior Year - Financial Statement Findings - Significant Deficiency

2023-7 Lack of Follow-Up on Uncollected Accounts Receivable Invoices

Condition - The District carried a significant number of outstanding accounts receivable invoices that were not actively pursued for collection. Inadequate follow-up and lack of systematic processes contributed to growing receivable balances, creating risks of cash flow disruption and potential revenue loss.

Status – Resolved

PLAQUEMINES PORT, HARBOR & TERMINAL DISTRICT
PRIOR YEAR FINDINGS
For The Year Ended December 31, 2024

B. Prior Year - Financial Statement Findings - Significant Deficiency

2023-8 Lack of Budget Performance Discussion in Board of Commissioners' Meetings

Condition - The District did not document or consistently present budget-to-actual results during monthly meetings. The lack of variance analysis and discussion limited visibility into financial performance and underlying trends.

Status – Resolved

2023-9 Strengthen Financial Oversight: Address Controller Vacancy

Condition - The District did not employ a controller or equivalent financial officer to oversee financial operations and provide strategic direction, instead temporarily outsourcing key oversight functions.

Status – Resolved

2023-10 Grant Administration

Condition - Systemic weaknesses were identified in the District's grant administration, including inadequate record-keeping, lack of monitoring controls, delays in reimbursement requests, and insufficient tracking of cumulative multi-year spending. These deficiencies reflected poor adherence to grant guidelines and created risks of financial mismanagement and regulatory non-compliance.

Status Not Resolved – Material Weakness in grant administration and oversight of grant funds continue to exist.

See Finding 2024-02, 2024-08, 2024-09, 2024-10

C. Prior Year - Financial Statement Findings - Compliance

2023-11 Procurement Practices and Quote Solicitation Process and Documentation

Condition - The District did not consistently obtain or document three quotes for purchases. Procurement files lacked evidence of solicitation and evaluation of quotes from multiple vendors, reducing transparency and oversight in the purchasing process and raising concerns over compliance with procurement regulations.

Status - Not Resolved – Deficiencies in procurement documentation and quote solicitation continue.

See Finding 2024-03 and 2024-07

PLAQUEMINES PORT, HARBOR & TERMINAL DISTRICT
PRIOR YEAR FINDINGS
For The Year Ended December 31, 2024

D. Prior Year – Other Matters - Management Letter

2023-12 Special Meals

Condition - The District did not provide documentation that required quarterly reports of special meal expenditures were delivered to the Chairman or Vice Chairman, as required by policy. In addition, review of a November 2023 credit card statement identified two receipts that included alcohol purchases, contrary to the District's credit card policy. This issue represents a repeat finding from the prior year.

Status - Not Resolved – Deficiencies remain in documenting special meal reporting, and District policies governing travel and meal reimbursements, including restrictions on alcohol purchases, were not followed.
See Finding 2024-04, 2024-05

2023-13 Unallowable Credit Card Purchases

Condition - The District's credit card statements usage exhibited deviations from the established criteria, with unauthorized purchases being made and reimbursement claims lacking documentation.

Status – Resolved

2023-14 Reporting Protocol for Suspected Fraud, Irregularities and Errors

Condition - The 2023 audit identified instances of potential fraud, irregularities, and errors that were not consistently reported to management, reflecting weaknesses in fraud prevention and reporting protocols. This lack of communication raised concerns regarding transparency, accountability, and the District's commitment to addressing misconduct. Recommendation was to strengthen fraud reporting policies, provide employee training on identifying and escalating concerns, and reinforce internal controls to ensure suspected fraud is promptly reported and investigated.

Status – Resolved

E. Prior Year - Federal Award Findings and Questioned Costs

This section not applicable. No Single Audit in the prior year.

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners of
Plaquemines Port, Harbor and Terminal District
and the Louisiana Legislative Auditor:

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, 2024 through December 31, 2024. Plaquemines Port, Harbor and Terminal District (the District). The District's management is responsible for those C/C areas identified in the SAUPs.

The District 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, 2024 through December 31, 2024. 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 as follows:

1) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - ii. **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.
 - iii. **Disbursements**, including processing, reviewing, and approving.

- iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **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.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results: No exceptions noted

2) Board or Finance Committee

- A. 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
- i. 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.
 - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
 - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Results: Exception Noted: The District could not provided documentation the board received written updates of the progress of resolving audit findings, according to management's corrective action plan at each meeting until the findings are considered fully resolved

3) Bank Reconciliations

- A. 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 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and
 - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: This section was not performed. No year 1 (2023) exception identified.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. 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 (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that
 - i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
 - iii. Each employee responsible for collecting cash is not also 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; and
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain 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 in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and
 - i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - v. Trace the actual deposit per the bank statement to the general ledger.

Results: This section was not performed. No year 1 (2023) exception identified.

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

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - ii. At least two employees are involved in processing and approving payments to vendors;
 - iii. 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;
 - iv. 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; and
 - v. 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.
- C. For each location selected under procedure #5A 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 5 disbursements for each location, obtain supporting documentation for each transaction, and
 - i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. *Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.*

Results: This section was not performed. No year 1 (2023) exception identified.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
 - i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #7B 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 (e.g., each card should have 10 transactions subject to inspection). 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 (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Results: Exceptions Noted: 1- transaction was a hotel charge with itemization referencing Birch Bar in the hotel. No itemized receipt was included for this charge.

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

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected
 - i. 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);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - iii. 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 Policies and Procedures procedure #1A(vii); and

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

Results: no exceptions noted.

8) Contracts

- A. 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. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and
 - i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
 - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
 - iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results: This section was not performed. No year 1 (2023) exception identified.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
 - i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. 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 and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Results: This section was not performed. No year 1 (2023) exception identified.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
 - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Results: This section was not performed. No year 1 (2023) exception identified.

11) Debt Service

- A. 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 debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Results: This section was not performed. No year 1 (2023) exception identified.

12) Fraud Notice

- A. 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 as required by R.S. 24:523.
- B. 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.

Results: No exceptions noted.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
 - ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - iii. 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 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.
- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
- Hired before June 9, 2020 - completed the training; and
 - Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

Results: This section was not performed. No year 1 (2023) exception identified.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, 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 as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. 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 the report includes the applicable requirements of R.S. 42:344:
 - i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

Results: No exceptions noted.

Management's Response: The District concurs with the exceptions and is working to address the items identified.

We were engaged by the District 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 The District 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.

Camnetar & Co.

Camnetar & Co., CPAs
a professional accounting corporation
Gretna, Louisiana
October 17, 2025