

CAMERON PARISH PORT, HARBOR AND TERMINAL DISTRICT  
CAMERON, LOUISIANA

ANNUAL FINANCIAL REPORT AND  
INDEPENDENT AUDITORS' REPORTS

Year Ended December 31, 2022

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INDEPENDENT AUDITORS' REPORT

June 28, 2023

Board of Commissioners  
Cameron Parish Port, Harbor and Terminal District  
Cameron, Louisiana

**Opinions**

We have audited the accompanying financial statements of the governmental activities and the major fund of the Cameron Parish Port, Harbor and Terminal District, a component unit of the Cameron Parish Police Jury, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Cameron Parish Port, Harbor and Terminal District, as of December 31, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Cameron Parish 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 opinion.

**Responsibility of Management for the Financial Statements**

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

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

Cameron Parish 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.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

- Exercise professional judgement 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.
- Obtaining 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 Cameron Parish 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Cameron Parish 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 Supplemental Information**

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule, schedule of employer's proportionate share of net pension liability and schedule of employer contributions 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 the 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 supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted principally 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.

The District has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### **Other Information**

Management is responsible for the other information included in the annual financial report. The other information comprises of The Schedule of Compensation, Benefits, and Other Payments to Chief Executive Officer but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Cameron Parish Port, Harbor and Terminal District  
June 28, 2023  
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**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2023, on our consideration of the Cameron Parish Port, Harbor and Terminal District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Cameron Parish Port, Harbor and Terminal District's internal control over financial reporting and compliance.

*Dragan, Cassidy: Skully*

## BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS

CAMERON PARISH PORT, HARBOR AND TERMINAL DISTRICT  
Cameron, Louisiana

Statement of Net Position

December 31, 2022

ASSETS	
Cash	\$ 1,303,128
Net pension asset	88,412
Capital assets, net of accumulated depreciation	18,399
Total assets	<u>\$ 1,409,939</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 29,786</u>
LIABILITIES	
Accounts payable	\$ 9,597
Unearned revenue	10,000
Net pension liability	-
Total liabilities	<u>\$ 19,597</u>
DEFERRED INFLOWS OF RESOURCES	<u>\$ 88,259</u>
NET POSITION	
Net investment in capital assets	\$ 18,399
Unrestricted	1,313,470
Total net position	<u>\$ 1,331,869</u>

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

CAMERON PARISH PORT, HARBOR AND TERMINAL DISTRICT  
Cameron, Louisiana

Statement of Activities

Year Ended December 31, 2022

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net Revenues (Expenses) and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities:				
General government	\$ 470,415	\$ 220,000	\$ 771,691	\$ 521,276
		General Revenues:		
				3,193
				<u>3,193</u>
				524,469
				<u>807,400</u>
				<u>\$ 1,331,869</u>

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

## FUND FINANCIAL STATEMENTS

CAMERON PARISH PORT, HARBOR AND TERMINAL DISTRICT  
Cameron, Louisiana

Balance Sheet - Governmental Fund

December 31, 2022

	2022	2021
ASSETS		
Cash	\$ 1,303,128	\$ 783,093
Accounts receivable	-	18,000
 TOTAL ASSETS	 \$ 1,303,128	 \$ 801,093
 LIABILITIES		
Accounts payable	\$ 9,597	\$ 23,270
Unearned revenue	10,000	-
Total liabilities	19,597	23,270
 FUND EQUITY		
Fund balance - unassigned	1,283,531	777,823
 TOTAL LIABILITIES AND FUND EQUITY	 \$ 1,303,128	 \$ 801,093

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

CAMERON PARISH PORT, HARBOR AND TERMINAL DISTRICT  
Cameron, Louisiana

Reconciliation of the Balance Sheet-Governmental Fund to the  
Statement of Net Position

December 31, 2022

Total fund balance for governmental fund at December 31, 2022		\$ 1,283,531
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ -	
Capital assets, net of \$34,836 accumulated depreciation	18,399	18,399
Deferred outflows and inflows for pension resources are not financial resources or currently payable:		
Deferred inflows related to pension	(88,259)	
Deferred outflows related to pension	29,786	(58,473)
Long-term liability which is not included as a liability in the governmental fund type balance sheet:		
Net pension (liability) asset		88,412
Total net position of governmental activities at December 31, 2022		\$ 1,331,869

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

CAMERON PARISH PORT, HARBOR AND TERMINAL DISTRICT  
Cameron, Louisiana

Statement of Revenues, Expenditures and  
Changes in Fund Balance - Governmental Fund

Year Ended December 31, 2022

	2022	2021
REVENUES		
Economic development	\$ 771,691	\$ 409,583
Lease	220,000	18,000
Interest	3,193	30
Intergovernmental	-	-
TOTAL REVENUES	994,884	427,613
EXPENDITURES		
General Government		
Bank charges	3,209	6,212
Dues	24,183	34,272
Fuel	2,172	2,968
Filing fees	3,770	3,114
Insurance	16,706	-
Professional fees	12,403	7,164
Rent	169,500	18,000
Repairs and maintenance	9,067	58,180
Salaries and benefits	227,207	244,633
Supplies	5,066	1,986
Telephone	4,232	6,699
Travel	3,921	2,400
Utilities	3,352	-
Capital Outlay	4,388	-
TOTAL EXPENDITURES	489,176	385,628
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	505,708	41,985
FUND BALANCE - BEGINNING	777,823	735,838
FUND BALANCE - ENDING	\$ 1,283,531	\$ 777,823

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

CAMERON PARISH PORT, HARBOR AND TERMINAL DISTRICT  
Cameron, Louisiana

Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balance-Governmental Fund to the Statement of Activities

Year Ended December 31, 2022

Total net changes in fund balance at December 31, 2022 per Statement of Revenues, Expenditures and Changes in Fund Balance		\$ 505,708
The change in net position reported for governmental activities in the statement of activities different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay which is considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 4,388	
Depreciation expense for the year ended December 31, 2022	<u>(9,498)</u>	(5,110)
Net pension (expense) income is reported in the governmental funds as well as expenditures as they are paid, however, in the statement of activities the net position expense is reported according to estimates required by GASB 68:		
Pension expense per GASB 68		<u>23,871</u>
Total changes in net position at December 31, 2022 per Statement of Activities		<u>\$ 524,469</u>

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

CAMERON PARISH PORT, HARBOR AND TERMINAL DISTRICT  
Cameron, Louisiana

Notes to Financial Statements

December 31, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cameron Parish Port, Harbor and Terminal District was created under Louisiana Revised Statute 34:2501. The District has all the rights, privileges and immunities granted to corporations in Louisiana. The District is governed by a five-member board of commissioners who are appointed by the Cameron Parish Police Jury and who serve without compensation. The board of commissioners has the power to regulate the commerce and traffic of the District in such a manner as will be in the best interest of the state.

1. Reporting Entity

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Statement No. 14, the Cameron Parish Port, Harbor and Terminal District includes all funds, account groups, et cetera, that are within the oversight responsibility of the Cameron Parish Port, Harbor and Terminal District.

As the governing authority, for reporting purposes, the Cameron Parish Police Jury is the financial reporting entity. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Cameron Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability.

Continued

CAMERON PARISH PORT, HARBOR AND TERMINAL DISTRICT  
Cameron, Louisiana

Notes to Financial Statements

December 31, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body and
  - a. The ability of the Cameron Parish Police Jury to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Cameron Parish Police Jury.
2. Organizations for which the Cameron Parish Police Jury does not appoint a voting majority but are fiscally dependent on the Cameron Parish Police Jury.
3. Organizations for which the reporting entity financial statements could be misleading if data of the organization is not included because of the nature of significance of the relationship.

Based upon the application of these criteria, Cameron Parish Port, Harbor and Terminal District is a component unit of the Cameron Parish Police Jury's reporting entity.

2. Basis of Presentation

The accompanying basic financial statements of the District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments", issued in June 1999.

Government-Wide Financial Statements

The Statement of Net position and the Statement of Activities display information about the District as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Continued

CAMERON PARISH PORT, HARBOR AND TERMINAL DISTRICT  
Cameron, Louisiana

Notes to Financial Statements

December 31, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

The Statement of Activities presents a comparison between direct expenses and program revenues for each of the functions of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

Program revenues include (a) fees and charges paid by the recipients of services offered by the District; and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

The District has one fund, the General Fund, which is therefore considered its major fund.

3. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, the activities are presented using the economic resources measurement focus. In the fund financial statements, the "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Continued

CAMERON PARISH PORT, HARBOR AND TERMINAL DISTRICT  
Cameron, Louisiana

Notes to Financial Statements

December 31, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basis of Accounting

In the government-wide statement of net position and statement of activities, the activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting.

4. Cash

Cash includes amounts in demand deposits and time deposits with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of 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. At December 31, 2022, the District had \$1,303,128 in deposits (collected bank balances). These deposits are secured from risk by \$500,000 of federal deposit insurance, and \$803,128 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

Continued

CAMERON PARISH PORT, HARBOR AND TERMINAL DISTRICT  
Cameron, Louisiana

Notes to Financial Statements

December 31, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

5. Budget

A budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund. All annual appropriations lapse at fiscal year-end.

On or before the last meeting of each year, the budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The proposed budget is presented to the government's Board of Commissioners for review. The Board holds a public hearing and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated.

6. Accounts Receivable

Uncollectible amounts due for receivables of governmental funds are recognized as bad debts at the time information becomes available which would indicate that the particular receivable is not collectable.

7. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Land of the District, approximately 159 acres, is valued at zero cost. Depreciation of each class of depreciable property is computed using the straight-line method. Estimated useful lives are as follows:

Transportation equipment	5 years
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Continued

CAMERON PARISH PORT, HARBOR AND TERMINAL DISTRICT  
Cameron, Louisiana

Notes to Financial Statements

December 31, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

8. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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.

9. Equity Classification

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as assigned and unassigned.

- a. Assigned fund balance – Includes fund balance amounts that are intended to be used for specific purposes based on internal (Board) actions.
- b. Unassigned fund balance – Includes positive fund balance within the general fund which has not been classified within the above mentioned categories.

Continued

CAMERON PARISH PORT, HARBOR AND TERMINAL DISTRICT  
Cameron, Louisiana

Notes to Financial Statements

December 31, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, expenditures are to be spent from restricted fund balance first and then unrestricted. Expenditures incurred in the unrestricted fund balance shall be reduced first from the committed fund balance, then from the assigned fund balance and finally, the unassigned fund balance.

10. Subsequent Events

Management has evaluated subsequent events as of June 28, 2023, the date the financial statements were available for issue.

11. Comparative Data

Comparative totals for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations.

NOTE B – CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2022 follows:

	Beginning Of Year	Additions	Deletions	End of Year
Governmental activities:				
Land	\$ -	\$ -	\$ -	\$ -
Transportation equipment	<u>48,847</u>	<u>4,388</u>	<u>-</u>	<u>53,235</u>
	48,847	4,388		53,235
Less accumulated depreciation	<u>25,338</u>	<u>9,498</u>	<u>-</u>	<u>34,836</u>
TOTALS	<u>\$ 23,509</u>	<u>\$ (5,110)</u>	<u>\$ -</u>	<u>\$ 18,399</u>

Depreciation expense was \$9,498 for the year ended December 31, 2022.

The land is approximately 159 acres which was acquired by the District from the U.S. Department of Interior on December 2, 1993 through a quitclaim deed.

CAMERON PARISH PORT, HARBOR AND TERMINAL DISTRICT  
Cameron, Louisiana

Notes to Financial Statements

December 31, 2022

NOTE C – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE D – LEASE AGREEMENTS

Cameron Fisheries, LLC

The District has entered into a sublease agreement with Cameron Fisheries, LLC for the leased “Henry” property. The term of the lease is October 1, 2008 through October 1, 2043, with the base rental subject to adjustment every five years. The terms of the sublease are consistent with the terms of the ground lease. The lease payments made by Cameron Fisheries, LLC to the District for subletting the land are also consistent with the lease payments made by the District for the lease of the land. A total of \$18,000 was paid for the year ended December 31, 2022.

Cameron Land Ventures, LLC (Venture Global LNG, Inc.)

The District has entered into a lease option with Cameron Land Ventures, LLC dated June 1, 2021 to lease a 112 acre site. The lease option is for one year, subject to four extensions with each extension for an additional one year. For the year ended December 31, 2022, the company exercised the first extended option period for \$202,000.

In addition, the 112 acre site has a leasehold interest from Gulf Coast Development, LLC to which 75% of the lease from Cameron Land Ventures, LLC will be paid. For the year ended December 31, 2022, the District paid \$151,500 to Gulf Coast Development, LLC in rent expenses.

CAMERON PARISH PORT, HARBOR AND TERMINAL DISTRICT  
Cameron, Louisiana

Notes to Financial Statements

December 31, 2022

NOTE E - RETIREMENT COMMITMENTS

The District participates in a state-administered cost-sharing multiple-employer retirement systems, which together cover substantially all of the District's full-time employees. Although separately administered by their respective boards of trustees, these systems are established and regulated by acts of the Louisiana Legislature with respect to membership and contribution requirements, plan benefits, and actuarial determination of funding requirements as provided by the state constitution. Additional disclosures with respect to the District's participation in these systems are provided below.

Parochial Employees' Retirement System

The System is composed of two distinct plans, Plan A and Plan B with separate assets and benefit provisions. Employees of the District are members of Plan A. Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least twenty-eight hours per week and not participating in another public funded retirement system. Those individuals paid jointly by a participating employer and the parish are not eligible for membership in the system. Under Plan A, employees hired prior to January 1, 2007 can retire at any age with 30 or more years of creditable service, age 55 with 25 years of creditable service, age 60 with 10 years of creditable service, or age 65 with 7 years of creditable service. Employees hired after January 1, 2007 can retire at age 55 with 30 or more years of creditable service, age 62 with 10 years of creditable service, or age 67 with 7 years of creditable service. Retirees are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final average compensation multiplied by the employee's years of credited service. Final compensation is the employee's monthly earnings during the 36 consecutive or jointed months that produce the highest average. The System also provides death and disability benefits. Benefits are established by state statute.

The Parochial Employees' Retirement System of Louisiana issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to Parochial Employees' Retirement System of Louisiana, P.O. Box 14619, Baton Rouge, LA 70898.

Continued

CAMERON PARISH PORT, HARBOR AND TERMINAL DISTRICT  
Cameron, Louisiana

Notes to Financial Statements

December 31, 2022

NOTE E - RETIREMENT COMMITMENTS – CONTINUED

Plan members are required to contribute 9.5% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 11.5% of annual covered payroll. The contribution requirements of plan members and the District are established and may be amended by the System's Board of Trustees. The District's contributions to the System for the year ended December 31, 2022 totaled \$17,433.

At December 31, 2022, the District reported an asset of \$88,412 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to their pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2022, the District's proportion was .018769%.

For the year ended December 31, 2022, the District recognized pension expense (benefit) of (\$23,870) including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$940. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 6,408
Difference between expected and actual assumption	4,611	-
Difference between expected and actual Investment	5,344	76,474
Changes in proportion and differences between:		
Contributions and proportionate share of contributions	2,398	5,377
Contributions subsequent to the measurement date	17,433	-
Total	\$ 29,786	\$ 88,259

Continued

CAMERON PARISH PORT, HARBOR AND TERMINAL DISTRICT  
Cameron, Louisiana

Notes to Financial Statements

December 31, 2022

NOTE E - RETIREMENT COMMITMENTS – CONTINUED

\$17,433 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other accounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	<u>Amount</u>
2023	\$ (15,194)
2024	(4,942)
2025	(22,614)
2026	(12,680)
2027	-
Thereafter	-

*Actuarial methods and assumption.* The total pension liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Continued

CAMERON PARISH PORT, HARBOR AND TERMINAL DISTRICT  
Cameron, Louisiana

Notes to Financial Statements

December 31, 2022

NOTE E - RETIREMENT COMMITMENTS – CONTINUED

Valuation Date	December 31, 2021
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.40% (Net of investment expense, including inflation)
Expected Remaining Service Lives	4 years
Projected Salary Increases	4.75%
Inflation Rate	2.40%
Cost of Living Adjustments	The present values 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 amortized by the Board of Trustees.
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females using MP2018 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 MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.

The discount rate used to measure the total pension liability was 6.40% for Plan A. 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

Continued

CAMERON PARISH PORT, HARBOR AND TERMINAL DISTRICT  
Cameron, Louisiana

Notes to Financial Statements

December 31, 2022

NOTE E - RETIREMENT COMMITMENTS – CONTINUED

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 on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations and 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 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.00% for the year ended December 31, 2021.

Best estimates of arithmetic real rates of return for major asset class included in the System's target asset allocation as of December 31, 2021 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed income	33%	0.85%
Equity	51%	3.23%
Alternatives	14%	0.71%
Real assets	2%	0.11%
Total	100%	4.90%
Inflation		2.10%
Expected Arithmetic Nominal Return		7.00%

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2013 through December 31, 2021. The data was then assigned credibility weighting and combined with a standard table to produce

Continued

CAMERON PARISH PORT, HARBOR AND TERMINAL DISTRICT  
Cameron, Louisiana

Notes to Financial Statements

December 31, 2022

NOTE E - RETIREMENT COMMITMENTS – CONTINUED

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 the General Employees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 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 MP2018 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 MP2018 scale

*Sensitivity to changes in discount rate.* The following presents the net pension liability of the District calculated using the discount rate of 6.40%, as well as what the employers' net pension liability 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		
	1% Decrease 5.40%	Current Discount Rate 6.40%	1% Increase 7.40%
Net Pension Liability (Asset)	\$ 15,762	\$ (88,412)	\$ (175,673)

NOTE F – UNEARNED REVENUE

At December 31, 2022 the District had unearned revenue of \$10,000 representing a payment from Gulf Coast Development, LLC for an advance against the 2023-2024 lease with the District.

CAMERON PARISH PORT, HARBOR AND TERMINAL DISTRICT  
Cameron, Louisiana

Notes to Financial Statements

December 31, 2022

NOTE G – ECONOMIC DEVELOPMENT

Sabine Pass LNG, L.P.

The District has entered into an agreement with Sabine Pass LNG, L.P. dated October 27, 2003 to pay the District \$1,000 for each LNG carrier that berths at the LNG's terminal. The agreement is for thirty years from inception with a ten year extension option. The payment may be adjusted every ten years during the term of the agreement; however, the payment shall never be reduced below \$1,000. For the year ended December 31, 2022 a total of \$446,000 was paid to the District.

Cameron Land Ventures, LLC (Venture Global LNG, Inc.)

The District has entered into an agreement with Cameron Land Ventures, LLC dated June 1, 2021 to pay the District \$4,500 (shipping fees), for each LNG carrier that berths at the LNG's terminal. The agreement is for the operational life of the LNG. For the year ended December 31, 2022 a total of \$324,000 was paid to the District.

REQUIRED SUPPLEMENTAL INFORMATION

CAMERON PARISH PORT, HARBOR AND TERMINAL DISTRICT  
Cameron, Louisiana

Budgetary Comparison Schedule - General Fund

Year Ended December 31, 2022

	BUDGET		ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
	Original	Final		
<b>REVENUES</b>				
Economic development	\$ 443,536	\$ 980,275	\$ 771,691	\$ (208,584)
Lease	-	28,000	220,000	192,000
Interest	-	36	3,193	3,157
TOTAL REVENUES	443,536	1,008,311	994,884	(13,427)
<b>EXPENDITURES</b>				
General Government				
Bank charges	5,000	5,000	3,209	1,791
Dues	19,000	24,000	24,183	(183)
Fuel	3,000	2,000	2,172	(172)
Filing fees	6,000	4,000	3,770	230
Insurance	2,000	1,500	16,706	(15,206)
Professional fees	7,500	9,100	12,403	(3,303)
Rent	-	187,500	169,500	18,000
Repairs and maintenance	14,500	29,400	9,067	20,333
Salaries and benefits	245,000	224,000	227,207	(3,207)
Supplies	1,800	4,000	5,066	(1,066)
Telephone	6,700	4,400	4,232	168
Travel	8,000	3,900	3,921	(21)
Utilities	-	-	3,352	(3,352)
Capital Outlay	-	-	4,388	(4,388)
TOTAL EXPENDITURES	318,500	498,800	489,176	9,624
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	125,036	509,511	505,708	(3,803)
<b>FUND BALANCE - BEGINNING</b>				
	777,823	777,823	777,823	-
<b>FUND BALANCE - ENDING</b>				
	\$ 902,859	\$ 1,287,334	\$ 1,283,531	\$ (3,803)

CAMERON PARISH PORT, HARBOR AND TERMINAL DISTRICT  
Cameron, Louisiana

Schedule of Employer's Proportionate Share of Net Pension Liability

Year Ended December 31, 2022

Parochial Employees' Retirement System of Louisiana

	2022	2021	2020	2019	2018
Employer's portion of the net pension liability (asset)	0.01877%	0.02210%	0.01749%	0.01942%	0.00029%
Employer's proportionate share of the net pension liability (asset)	\$ (88,411)	\$ (38,750)	\$ 823	\$ 86,194	\$ (218)
Employer's covered payroll	\$ 171,117	\$ 177,820	\$ 191,938	\$ 180,289	\$ 2,494
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-51.67%	-21.79%	0.43%	47.81%	-8.74%
Plan fiduciary net position as a percentage of the total pension liability	110.46%	104.00%	99.89%	88.86%	101.98%

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

\*The amounts presented have a measurement date of December 31, 2021.

CAMERON PARISH PORT, HARBOR AND TERMINAL DISTRICT  
Cameron, Louisiana

Schedule of Employer Contributions

Year Ended December 31, 2022

Date	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
Municipal Employees Retirement System of Louisiana (System):					
2018	\$ 287	\$ 287	\$ -	\$ 2,494	11.5%
2019	\$ 20,627	\$ 20,627	\$ -	\$ 180,289	11.4%
2020	\$ 21,177	\$ 21,177	\$ -	\$ 191,938	11.0%
2021	\$ 21,695	\$ 21,695	\$ -	\$ 177,820	12.2%
2022	\$ 17,433	\$ 17,433	\$ -	\$ 171,117	10.2%

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

## OTHER INFORMATION

CAMERON PARISH PORT, HARBOR AND TERMINAL DISTRICT  
Cameron, Louisiana

Schedule of Compensation, Benefits and Other Payments  
to Chief Executive Officer

Year Ended December 31, 2022

Former Chief Executive Officer: Clair Hebert Marceaux

Salary	\$	15,603
Benefits-insurance		3,573
Benefits-retirement		1,075
Benefits-cell phone		83
Car allowance		-
Vehicle provided by government		-
Per diem		-
Reimbursements-mileage		438
Reimbursements-meals		-
Travel		-
Registration fees		-
Conference travel		-
Housing		-
Unvouchered expenses		-
Special meals		-
Other		-

Current Chief Executive Officer: Kim Montie

Salary	\$	42,674
Benefits-insurance		10,302
Benefits-retirement		4,874
Benefits-cell phone		55
Car allowance		-
Vehicle provided by government		-
Per diem		-
Reimbursements-mileage		1,510
Reimbursements-meals		2,568
Travel		140
Registration fees		210
Conference travel		-
Housing		-
Unvouchered expenses		-
Special meals		-
Other		-

INDEPENDENT AUDITORS' 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

June 28, 2023

The Board of Commissioners  
Cameron Parish Port, Harbor and Terminal District  
Cameron, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Cameron Parish Port, Harbor and Terminal District, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Cameron Parish Port, Harbor and Terminal District's basic financial statements, and have issued our report thereon dated June 28, 2023.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Cameron Parish Port, Harbor and Terminal District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Cameron Parish Port, Harbor and Terminal District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

### **Compliance and Other Matters**

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

### **The Cameron Parish Port, Harbor and Terminal District's Response to Findings**

The Cameron Parish Port, Harbor and Terminal District's response to the findings identified in our audit is described in the accompanying findings and responses. The Cameron Parish Port, Harbor and Terminal District's response was not subjected to the auditing procedures in the audit of the financial statements, and accordingly, we express no opinion on it.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Shagren, Cassidy: Shillory*

CAMERON PARISH PORT, HARBOR AND TERMINAL DISTRICT

Schedule of Findings and Responses

Year Ended December 31, 2022

I - Summary of Auditors' Results

Auditor issued an unmodified opinion on the financial statements.

Internal control over financial reporting:

- Material weaknesses(es) identified?             yes     no
- Control deficiencies identified that are  
not considered to be material weakness(es)?     yes     none reported
- Noncompliance material to financial  
statements noted?     yes     no

II – Findings Relating to the Financial Statements Which are Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards

**Finding #2022-001:**

**Inadequate Segregation of Duties**

Condition:                    Because of the small size of the District's office staff, the opportunity for segregation of duties is limited. Effective internal control requires adequate segregation of duties among entity personnel.

Effect:                        Without proper segregation of duties, misstatements in amounts may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Recommendation:        To the extent cost effective, duties should be segregated and management should attempt to mitigate this weakness by supervision and review procedures.

Management Response/Corrective Action Planned: Management has responded that it does not believe that it is cost effective to employ adequate personnel to achieve appropriate segregation of duties. Management has implemented supervision and review procedures such as review and approval of supporting documents related to expenditures, review listings of revenue received and review of bank reconciliations on a monthly basis.

III – Findings and Questioned Costs for Federal Awards

-                    N/A

IV – Prior Year Findings

None.

INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES

June 28, 2023

Board of Commissioners  
Cameron Parish Port, Harbor and Terminal District  
Cameron, Louisiana

We have performed the procedures included 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 year January 1, 2022 through December 31, 2022. The District's management is responsible for those C/C areas identified in the SAUPs.

Cameron Parish Port, Harbor and Terminal 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 year January 1, 2022 through December 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are 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.

***The District's policies and procedures manual addresses budgeting.***

- 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.

***The District's policies and procedures manual addresses purchasing.***

- iii. *Disbursements*, including processing, reviewing, and approving.

***The District's policies and procedures manual addresses disbursements.***

- 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 confirmations with outside parties,

reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

***The District's policies and procedures manual addresses receipt/collections.***

- 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.

***The District's policies and procedures manual addresses payroll/personnel.***

- 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.

***The District's policies and procedures manual addresses contracting.***

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

***The District's policies and procedures manual addresses travel and expense reimbursement.***

- 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).

***The District's policies and procedures manual addresses credit cards.***

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

***The District's policies and procedures manual addresses ethics.***

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

***The District's policies and procedures manual addresses debt service.***

- xi. *Information Technology Disaster Recovery/Business Continuity*, includes (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.

*The District's policies and procedures manual addresses information technology disaster recovery/business continuity.*

- 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.

*The District's policies and procedures manual addresses prevention of sexual harassment.*

## **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.

*No exceptions were found as a result of this procedure.*

- 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, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on 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.*

*No exceptions were found as a result of this procedure.*

- iii. For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted 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 unrestricted fund balance in the general fund.

*No exceptions were found as a result of this procedure.*

- 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.

*No exceptions were found as a result of this procedure.*

## **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, electronically logged);  
  
*No exception were found as a result of this procedure.*
  - ii. Bank reconciliations include 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 (e.g., initialed and dated, electronically logged); and  
  
*No exception were found as a result of this procedure.*
  - iii. Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.  
  
*No exceptions were found as a result of this procedure.*

#### **4) Collections**

---

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/check/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).  
  
*The listing was provided by management.*
- 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 no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe the job duties are properly segregated at each collection location such that:
- i. Employees that are responsible for cash collections do not share cash drawers/registers;  
  
*No exceptions were found as a result of this procedure.*
  - ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit:

*The employee responsible for collecting cash is responsible for preparing/making bank deposits.*

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

*The employee responsible for collecting cash is responsible for posting collection entries to the general ledger.*

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

*The employee responsible for reconciling collections to the general ledger by revenue source is responsible for collecting cash.*

*Management Response: The District maintains an office with only one office employee who performs all accounting functions. As a compensating control the Director reviews each bank statement and reconciliation.*

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

*No exceptions were found as a result of this procedure.*

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure 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 no the same day). Obtain supported documentation for each of the deposits and:

- i. Observe that receipts are sequentially pre-numbered.

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

- 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).

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

**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).

*The listing was provided by management.*

- B. For each location selected under #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;

*Purchase are initiated by only one employee.*

*Management Response: Due to only one office employee, this procedure is not feasible.*

- ii. At least two employees are involved in processing and approving payments to vendors;

*No exceptions were found as a result of this procedure.*

- 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;

*Not applicable, vendor files are not maintained by the District.*

- 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

*The employee responsible for processing payments also mails checks.*

*Management Response: Due to only one office employee, this procedure is not feasible.*

- 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.

***The employee who approves payments also approves electronic disbursements. This employee does not sign checks.***

***Management Response: Due to only one office employee, this procedure is not feasible.***

- 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

***No exceptions were found as a result of this procedure.***

- 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.

***Disbursements tested included exceptions of #5B as noted above.***

***Management Response: The District will segregate duties over processing disbursements as much as possible.***

- 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) 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.

***Disbursements tested included exceptions of #5B as noted above.***

***Management Response: The District will segregate duties over processing disbursements as much as possible.***

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

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- 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.

*The listing was provided by management.*

- 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 excess 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

*No exceptions were found as a result of this procedure.*

- ii. Observe that finance charges and late fees were not assessed on the selected statements.

*No exceptions were found as a result of this procedure.*

- C. Using the monthly statements or combined statements selected under procedure #6B 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, observed 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.

*No exceptions were found as a result of this procedure.*

## **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](http://www.gsa.gov));

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

- 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

*The reimbursement selected for testing was missing support documentation required.*

*Management Response: Management requires proper approval records for all reimbursements.*

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

*The reimbursement selected for testing was missing written approval by someone other than the person receiving reimbursement.*

*Management Response: Management requires proper approval records for all reimbursements.*

## **8) Contracts**

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- 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;

*No exceptions were found as a result of this procedure.*

- 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);

*No exceptions were found as a result of this procedure.*

- 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

*No exceptions were found as a result of this procedure.*

- 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.

*No exceptions were found as a result of this procedure.*

#### **9) Payroll and Personnel**

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

*No exceptions were found as a result of this procedure.*

- 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);

*No exceptions were found as a result of this procedure.*

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials.

*No exceptions were found as a result of this procedure.*

- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

*No exceptions were found as a result of this procedure.*

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

*No exceptions were found as a result of this procedure.*

- 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 the entity policy.

*No exceptions were found as a result of this procedure.*

- 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.

*No exceptions were found as a result of this procedure.*

## **10) Ethics**

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- 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 each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

*No exceptions were found as a result of this procedure.*

- ii. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

## **11) Debt Service**

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- 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 the State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

***The District does not have any debt.***

- 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).

***The District does not have any debt.***

## ***12) Fraud Notice***

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- 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.

***The District was not aware of any misappropriation of public funds or assets during the fiscal year.***

- B. Observe 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.

***The District does not have the required notice posted in a conspicuous place upon its premises and website.***

***Management Response: The District will update its website to include the required notice.***

## ***13) Information Technology Disaster Recovery/Business Continuity***

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- A. Perform the following procedures.
- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if 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.

***No exceptions were found as a result of this procedure.***

- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if 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.

*No exceptions were found as a result of this procedure.*

- 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.

*No exceptions were found as a result of this procedure.*

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

*No exceptions were found as a result of this procedure.*

#### ***14) Prevention of Sexual Harassment***

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- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe 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.

*No exceptions were found as a result of this procedure.*

- B. Observe 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).

*The sexual harassment policy and complaint procedure was not posted on the District's website.*

*Management Response: The District will update its website to include the sexual harassment policy and complaint procedure.*

- 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;

*The annual sexual harassment report for 2022 was not filed as of February 1.*

- ii. Number of sexual harassment complaints received by the agency;

*The annual sexual harassment report for 2022 was not filed as of February 1.*

- iii. Number of complaints which resulted in a finding that sexual harassment occurred;

*The annual sexual harassment report for 2022 was not filed as of February 1.*

- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

*The annual sexual harassment report for 2022 was not filed as of February 1.*

- v. Amount of time it took to resolve each complaint.

*The annual sexual harassment report for 2022 was not filed as of February 1.*

***Management Response: Management will file the District's annual sexual harassment report.***

We were engaged by Cameron Parish Port, Harbor and Terminal 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 Cameron Parish Port, Harbor and Terminal 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.

*Shagon, Cassidy; Shillery*