

**MERMENTAU RIVER HARBOR &
TERMINAL DISTRICT
MERMENTAU, LOUISIANA**

**Financial Report
December 31, 2025**

**THIBODEAUX ACCOUNTING COMPANY
A LIMITED LIABILITY COMPANY
POST OFFICE BOX 34
RAYNE, LOUISIANA 70578**

MERMENTAU RIVER HARBOR & TERMINAL DISTRICT
MERMENTAU, LOUISIANA

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THIBODEAUX ACCOUNTING COMPANY

A LIMITED LIABILITY COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

P. O. BOX 34 • 801 THE BOULEVARD, SUITE B • RAYNE, LOUISIANA 70578 • (337) 334-7251 FAX (337) 334-7002

INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners
Mermentau River Harbor and Terminal District
Mermentau, Louisiana

Opinions

We have audited the accompanying financial statements of the business-type activities of the Mermentau River Harbor and Terminal District (hereinafter, "District"), a component unit of the Acadia Parish Police Jury, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the District as of December 31, 2025, 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 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 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 Responsibility for the Audit of the Financial Statements

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

MEMBER OF
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SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

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 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 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

Management 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 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of compensation, benefits and other payments to Agency Head or Chief Executive Officer and the Justice system funding schedule- collecting/disbursing entity 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 Schedule of Compensation, benefits and other payments to Agency Head or Chief Executive Officer and the Justice system funding schedule- collecting/disbursing entity 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 June 24, 2026, on our consideration of the 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 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 internal control over financial reporting or on compliance. That report is an

integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Thibodeaux Accounting Company

Thibodeaux Accounting Company

A Limited Liability Company

Rayne, Louisiana

June 24, 2026

BASIC FINANCIAL STATEMENTS

MERMENTAU RIVER HARBOR & TERMINAL DISTRICT
MERMENTAU, LOUISIANA

STATEMENT OF NET POSITION
December 31, 2025

ASSETS

	<u>2025</u>
Current assets:	
Cash and cash equivalents	\$ 613,523
Investments	799,692
Receivables	<u>123,578</u>
Total Current Assets	<u>\$ 1,536,793</u>
Capital assets:	
Nondepreciable	260,845
Depreciable, net of accumulated depreciation and amortization	<u>2,217,553</u>
Total capital assets	<u>\$ 2,478,398</u>
Total assets	<u>\$ 4,015,191</u>

LIABILITIES AND NET POSITION

Accounts payable	\$ 3,901
Total Liabilities	<u>\$ 3,901</u>
Net Position	
Net investment in capital assets	\$ 2,478,398
Unrestricted	<u>1,532,892</u>
Total Net Position	<u>\$ 4,011,290</u>
Total Liabilities and Net Position	<u>\$ 4,015,191</u>

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

MERMENTAU RIVER HARBOR & TERMINAL DISTRICT
MERMENTAU, LOUISIANA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
For the Year Ended December 31, 2025

Operating revenues:	
Charges for services	
Rentals	\$ 12,183
Other revenues	<u>5,247</u>
Total operating revenues	\$ 17,430
Operating expenses:	
Cost of sales and services	25,869
General and administrative	43,207
Depreciation and amortization	<u>87,252</u>
Total operating expenses	<u>156,329</u>
Operating income (loss)	\$ (138,899)
Nonoperating revenues (expenses)	
Ad valorem taxes	118,331
Intergovernmental revenue	58,500
Gain/loss on sale of asset	-
Interest earnings	18,652
Interest expense	-
Intergovernmental expense	<u>-</u>
Total nonoperating revenues (expenses)	<u>195,483</u>
Change in net position	\$ 56,584
Net position, beginning	<u>3,954,706</u>
Net position, ending	<u><u>4,011,290</u></u>

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

MERMENTAU RIVER HARBOR & TERMINAL DISTRICT
MERMENTAU, LOUISIANA

STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers and users	\$ 27,659
Payments to suppliers for goods and services	(146,369)
Payments to employees	-
Net cash used by operating activities	<u>(118,710)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Ad valorem taxes	114,941
Intergovernmental	<u>262,451</u>
Net cash provided by noncapital financing activities	377,392

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments on lease liability	-
Acquisition and construction of capital assets	<u>(78,121)</u>
Net cash used by capital and related financing activities	(78,121)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received	<u>18,652</u>
Net cash provided by investing activities	<u>18,652</u>

Net increase in cash and cash equivalents 199,213

Cash and cash equivalents January 1, 2025	<u>414,310</u>
Cash and cash equivalents December 31, 2025	<u><u>613,523</u></u>

**Reconciliation of operating loss to net cash
used by operating activities:**

Operating Income	56,584
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation and amortization	87,252
Decrease in accounts receivable	-
Decrease in prepaid expenses	-
Decrease in accounts payable	(262,546)
Decrease in payroll related payables	<u>-</u>
Total adjustments	<u>(175,294)</u>
Net cash used by operating activities	<u><u>(118,710)</u></u>

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

NOTES TO FINANCIAL STATEMENTS

MERMENTAU RIVER HARBOR & TERMINAL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS For the Year Ended December 31, 2025

Note 1. Nature of Operations

The Mermentau River Harbor and Terminal District was created as a political subdivision of the State of Louisiana under the provisions of Louisiana Revised Statutes 34:3221-3229. The Harbor and Terminal District is responsible for the regulation of commerce and traffic within the harbor and terminal area, which consists of Ward 5 of Acadia Parish. Project waterways include the Mermentau River, Bayou Plaquemine Brule, and Bayou Nezpique. The Board of Commissioners of the Harbor and Terminal District is comprised of seven members who are appointed by various governing authorities within the harbor and terminal area. The district has no employees.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on the full accrual basis in accordance with accounting principles generally accepted in the United States of America (GAAP), as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of certain significant accounting policies:

Financial Reporting Entity

Government Accounting Standards Board (GASB) statement No. 14 has established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity and other reporting relationships. The basic criterion for including a potential unit within the reporting entity is financial accountability.

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

1. Appointment of a voting majority of the governing board
 - a. The ability of the reporting entity to impose its will on the organization.
 - b. The potential of the organization to provide specific financial benefits to or impose specific financial burdens on the reporting agency.
2. Organizations which are fiscally dependent.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature of significance of the relationship.

The District is an independent political subdivision of the State of Louisiana and is a separate governmental reporting entity. Although the District's board members are appointed by various governing authorities within the District, based on the above criteria there are no component units to be included in the reporting entity.

Fund Accounting

The accounts of the District are organized and operated on a fund basis (proprietary fund) whereby a separate self-balancing set of accounts that comprise assets, liabilities, net position, revenues and expenses is maintained for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The proprietary fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges.

MERMENTAU RIVER HARBOR & TERMINAL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured. 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.

Proprietary Fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows.

The proprietary fund is accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or non-current) are included in the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Fund Net Position present increases (revenues) and decreases (expenses) in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal ongoing operating revenue of the District's Proprietary Fund is charges for rental services. Operating expenses for proprietary funds include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include demand deposits and interest-bearing demand deposits.

The District's cash and cash equivalents consist of non-interest bearing and interest-bearing checking accounts. State law allows the District to invest in collateralized certificates of deposit, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

Accounts Receivable

Receivables as of December 31, 2025 consist of the following:

Property Taxes	\$ 118,331
State Revenue Sharing	5,247
	<u>\$ 123,578</u>

The District considers any uncollectible amounts to be immaterial; therefore, no allowance account is required.

MERMENTAU RIVER HARBOR & TERMINAL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

Capital Assets

All capital assets are capitalized at historical cost or estimated historical cost for assets for which historical cost is not available. The District maintains a threshold level of \$1,000 or more for capitalizing capital assets. Donated assets are reported at fair market value as of the date received. Additions and improvements that significantly extend the useful life of an asset are capitalized while other costs incurred for repairs and maintenance are expensed as incurred. All capital assets are depreciated using the straight line method over their estimated useful lives as follows:

<u>Description</u>	<u>Estimated Useful Lives</u>
Building and Building Improvements	40 Years
Equipment	7 Years
Infrastructure	Various

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The District does not have any deferred outflows of resources.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The District does not have any deferred inflows of resources.

Equity Classifications

Net position represents the difference between assets and liabilities. Net position is reported in three categories, as follows:

1. Net investment in capital assets – consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net position – consists of net position items 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.
3. Unrestricted net position – consists of the net amount of assets and liabilities that do not meet the definition of the above two components and is available for general use by the District.

MERMENTAU RIVER HARBOR & TERMINAL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS For the Year Ended December 31, 2025

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, management applies restricted resources first, then unrestricted resources as they are needed.

Leases

The District applies the provisions of GASB Statement No. 87, *Leases*. GASB No. 87 enhances the relevance and consistency of information of the District's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use the lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

Budget and Budgetary Accounting

The Mermentau River Harbor & Terminal District uses the following budget practices.

1. A proposed operating budget for the upcoming fiscal year is submitted to the Board of Commissioners. The operating budget includes proposed expenditures and the means of financing them.
2. When expenditures do not exceed \$500,000, it is not necessary to have a public hearing.
3. The budget is then adopted in an open meeting.
4. Budgets are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP).
5. Budgetary amendments are adopted in an open meeting. All budget appropriations lapse at year-end. Actual expenditures may not legally exceed budget expenditures by more than 5% at the individual fund level.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require 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, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

Note 3. Cash and Cash Equivalents

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 any other state in the Union, or the laws of the United States. The District may invest in the United States bonds, notes or bills as well as certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

The carrying value of the District's cash and interest-bearing deposits with financial institutions at December 31, 2025 totaled \$613,523 and the bank balance was \$613,523. Federal deposit insurance covered \$250,000 of the deposits while the remaining deposits were covered by collateral held by the pledging bank's agent in the District's name in the amount of \$613,796. Cash and interest-bearing deposits are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or pledge of securities owned by the fiscal agent bank. The fair market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

Louisiana R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

Note 4. Investments

Investments consist of certificates of deposit with a maturity of more than three months as well as U.S. Treasury Bonds or Notes, Federal Agency Securities, Mortgage Backed Bond, and Corporate Bonds. Total

MERMENTAU RIVER HARBOR & TERMINAL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

investments for the year ended December 31, 2025 are \$543,864. Investments are stated at cost, which approximates market.

The cash, cash equivalents, and certificates of deposit are secured from risk by federal deposits insurance and pledged certificate securities totaling \$1,000,000.

Note 5. Property Taxes

Government-wide financial statements –

Property taxes are recognized in the year for which they are levied net of uncollectible amounts, as applicable.

Fund financial statements -

Property taxes attach as an enforceable item on property as of January 1 or each year. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year.

Taxes are budgeted and the revenue recognized in the year they are billed.

The taxes are based on assessed values determined by the Tax Assessor of Acadia Parish and are collected by the Acadia Parish Sheriff. The taxes are remitted to the District net of deductions for Pension Fund contributions.

For the year ended December 31, 2025, taxes of 4.01 mills were levied on property with taxable assessed valuations totaling \$29,509,686, net of the homestead exemption. Total taxes levied, exclusive of homestead exemptions, were \$118,331 for 2025, all of which is considered collectible.

Note 6. Intergovernmental Revenues

Intergovernmental revenues for the year ended December 31, 2025 consisted of the following:

State of Louisiana:

Revenue Sharing	\$ 5,247
Capital Outlay	58,500
	<u>63,747</u>

MERMENTAU RIVER HARBOR & TERMINAL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS For the Year Ended December 31, 2025

Note 7. Capital Assets

Capital Assets and depreciation activity as of and for the year ended December 31, 2025 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 260,875	\$ -	\$ -	\$ 260,875
Construction in Progress	1,052,290	-	(1,052,290)	-
Total capital assets not being depreciated	<u>\$ 1,313,165</u>	<u>\$ -</u>	<u>\$ (1,052,290)</u>	<u>\$ 260,875</u>
Capital assets being depreciated				
Port Roads	\$ 2,813,782	\$ -	\$ -	\$ 2,813,782
Slip Program	1,130,411	-	-	1,130,411
Total capital assets being depreciated	<u>\$ 3,944,193</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,944,193</u>
Less accumulated depreciation for:				
Port Roads	\$ 1,639,418	\$ 70,344	\$ -	\$ 1,709,762
Slip Program	-	16,908	-	16,908
Total accumulated depreciation	<u>\$ 1,639,418</u>	<u>\$ 87,252</u>	<u>\$ -</u>	<u>\$ 1,726,670</u>
Total capital assets being depreciated, net	<u>\$ 2,304,775</u>	<u>\$ (87,252)</u>	<u>\$ -</u>	<u>\$ 2,217,523</u>
Total capital assets, net	<u>\$ 3,617,940</u>	<u>\$ (87,252)</u>	<u>\$ (1,052,290)</u>	<u>\$ 2,478,398</u>

Depreciation expense was \$87,252 for the year ended December 31, 2025.

Note 8. Lease Agreements

The District leased 13.97 acres of land to Port Aggregates Incorporated. The lease will expire in August of 2032. The payments for the year 2025 were approximately \$8,210.

Note 9. Advertising Costs

Advertising costs are entirely non-direct response and are expensed as incurred. The total advertising costs were \$674 for the year ended December 31, 2025.

MERMENTAU RIVER HARBOR & TERMINAL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

Note 10. Compensation

Members of the Mermentau River Harbor and Terminal District board of commissioners at December 31, 2025:

Robert Thibodeaux
Darrell Henry
Karlton Thibodeaux
James Guinn
Bart Savant
Ray Richard
Shanon Gaspard

No compensation was paid to these individuals during the year.

Note 11. Subsequent Events

The District has evaluated subsequent events through June 24, 2026 the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

MERMENTAU RIVER HARBOR & TERMINAL DISTRICT
MERMENTAU, LOUISIANA

**SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD**
For the Year Ended December 31, 2025

Agency Head Name: Robert Dale Thibodeaux, President

Purpose	Amount
Salary	\$ -
Benefits-insurance	-
Benefits-retirement	-
Benefits-other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
Other	-
	\$ -

See independent accountant's compilation report.

**INTERNAL CONTROL,
COMPLIANCE, AND
OTHER INFORMATION**

THIBODEAUX ACCOUNTING COMPANY

A LIMITED LIABILITY COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

P. O. BOX 34 • 801 THE BOULEVARD, SUITE B • RAYNE, LOUISIANA 70578 • (337) 334-7251 FAX (337) 334-7002

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*

The Board of Commissioners
Mermentau River Harbor and Terminal District
Mermentau, 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 the Mermentau River Harbor and Terminal District (the District), a component unit of the Acadia Parish Police Jury, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 24, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 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.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and corrective action plan at 2025-1 and 2025-2 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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 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 one instance of

noncompliance or other matters that are required to be reported under *Government Auditing Standards* and it is described in the accompanying schedule of findings and corrective action plan at 2025-3.

Mermentau River Harbor and Terminal District's Response to Findings

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

Purpose of this Report

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

Thibodeaux Accounting Company

Thibodeaux Accounting Company

A Limited Liability Company

Rayne, Louisiana

June 24, 2026

MERMENTAU RIVER HARBOR AND TERMINAL DISTRICT
MERMENTAU, LOUISIANA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
Year Ended December 31, 2025

2024-1 Unqualified Staff to Apply GAAP

Condition: The District does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.

Current Status: See audit finding 2025-1.

2024-2 Inadequate Segregation of Duties

Condition: The District did not have adequate segregation of duties to provide effective internal control.

Current Status: See audit finding 2025-2.

2024-3 Ethics Course Violation

Condition: A board member did not complete the one hour ethics course as required by Louisiana Revised Statute 42:1170.

Current Status: Resolved.

2024-4 Finding: Failure to submit board minutes to the official journal

Condition: The District failed to submit minutes of its board meetings to the official journal in a timely fashion.

Current Status: Unresolved.

MERMENTAU RIVER HARBOR & TERMINAL DISTRICT
MERMENTAU, LOUISIANA

Schedule of Current Year Findings and
Management's Responses and Corrective Action Plan
For the Year Ended December 31, 2025

PART I. SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Auditor's Report

An unmodified opinion has been issued on the basic financial statements of the Mermentau River Harbor and Terminal District as of and for the year ended December 31, 2025.

Internal Control - Financial Reporting

There were two significant deficiencies in internal control on financial reporting that were disclosed during the audit of the financial statements for the period ended December 31, 2025 and they are identified as 2025-1 and 2025-2.

Material Noncompliance – Financial Reporting

There was one instance of noncompliance that was disclosed during the audit of the financial statements for the period ended December 31, 2025 and it is identified as 2025-3.

PART II. FINDING RELATING TO AN AUDIT IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

2025-1 Unqualified Staff to Apply GAAP

Year Initially Occurred: Unknown

Condition:	The District does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.
Criteria:	The District should be able to prepare financial statements in accordance with generally accepted accounting principles (GAAP) without any outside assistance.
Cause:	The District's personnel lacks training in implementation of generally accepted accounting principles.
Effect:	Financial statements may not be in accordance with GAAP. Misstatements in the financials may not be detected within a timely period.
Recommendation:	The District should hire a CPA to prepare the financial statements; however, the District's personnel should review and take responsibility for the financial statements, including the related notes, and any adjusting journal entries.
Response:	Management concurs.

MERMENTAU RIVER HARBOR & TERMINAL DISTRICT
MERMENTAU, LOUISIANA

Schedule of Current Year Findings and
Management's Responses and Corrective Action Plan
For the Year Ended December 31, 2025

2025-1 (Continued)

Planned Corrective Action: The District has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interest of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation and any adjusting journal entries.

2025-2 Inadequate Segregation of Duties

Year Initially Occurred: Unknown

Condition: The District has no employees. A board is appointed and maintains all financial records. Due to this fact, the District did not have adequate segregation of duties to provide effective internal control.

Criteria: Proper internal controls require that accounting and financial functions or duties be performed by separate individual so that one individual could not perpetrate and conceal errors or irregularities without them being detected by another individual who was performing his/her assigned duties.

Cause: The condition is due to economic and space limitations.

Effect: Errors or irregularities may not be detected within a timely manner.

Recommendation: No action is recommended.

Response: Management concurs.

Planned Corrective Action: None as this condition is common to most agencies of this type with limited resources and is difficult to resolve due to the funding limitations.

2025-3 Finding: Failure to submit board minutes to the official journal

Year Initially Occurred: Unknown

Condition: The District failed to submit minutes of its board meetings to the official journal in a timely fashion.

Criteria: Louisiana Revised Statute 43 requires public bodies to publish its meeting minutes in its official journal.

Cause: The District did not submit its minutes of its board meetings to the official journal.

Effect: The District is out of compliance with Louisiana Revised Statute 43.

Recommendation: The District should educate themselves on this statute and comply with it in the future.

MERMENTAU RIVER HARBOR & TERMINAL DISTRICT
MERMENTAU, LOUISIANA

**Schedule of Current Year Findings and
Management's Responses and Corrective Action Plan
For the Year Ended December 31, 2025**

Response: Management concurs.

Planned Corrective Action: The District is aware of this statute and will comply.

THIBODEAUX ACCOUNTING COMPANY

A LIMITED LIABILITY COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

P. O. BOX 34 • 801 THE BOULEVARD, SUITE B • RAYNE, LOUISIANA 70578 • (337) 334-7251 FAX (337) 334-7002

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES FOR THE YEAR ENDED DECEMBER 31, 2025

The Board of Commissioners
Mermentau River Harbor and Terminal District
Mermentau, Louisiana
And the Louisiana Legislative Auditor

June 24, 2026

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, 2025- December 31, 2025. Mermentau River Harbor and Terminal District's (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, 2025- December 31, 2025. 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 District's written policies and procedures and observe whether they address each of the following categories and subcategories (if applicable to public funds and the District's operations):

- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget

Exception noted. The District does not have any written policies and procedures.

- 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.

Exception noted. The District does not have any written policies and procedures.

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

Exception noted. The District does not have any written policies and procedures.

- 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).

Exception noted. The District does not have any written policies and procedures.

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- v. **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

Exception noted. The District does not have any written policies and procedures.

- 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

Exception noted. The District does not have any written policies and procedures.

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

Exception noted. The District does not have any written policies and procedures.

- 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).

Exception noted. The District does not have any written policies and procedures.

- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changed to the entity's ethics policy.

Exception noted. The District does not have any written policies and procedures.

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

Exception noted. The District does not have any written policies and procedures.

- 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.

Exception noted. The District does not have any written policies and procedures.

- 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.

Exception noted. The District does not have any written policies and procedures.

2. Board (or Finance Committee, if applicable)

- 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 documents.

Exception noted.

- ii. For those entities reporting on the governmental accounting model, observe that 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 all special revenue funds.

Exception noted. The monthly meeting minutes did not reference or include materials in respect to a monthly budget- to-actual comparison on the General Fund.

- 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.

Not applicable.

- 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.

Not applicable.

3. Bank Reconciliations

- A. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the District's main operating account. Select the District'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:

Obtained a listing of client bank accounts for the fiscal period and management's representation that the listing is complete. Management identified the District's main operating account and four (4) additional accounts were randomly selected.

- 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 exceptions noted.

- ii. Bank reconciliations include written evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within one month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and

Exceptions noted. Bank reconciliations did not include evidence that a member of management/board member had reviewed them.

- 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.

Not applicable.

4. Collections

- 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).

There is only one deposit site.

- 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, 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 that job duties are properly segregated at each collection location such that:

- i. Employees responsible for cash collections do not share cash drawers/registers.

Not applicable. There are no cash drawers.

- 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. prenumbered receipts) to the deposit.

Exception noted.

- 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.

Exception noted.

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

Exception noted.

- 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.

Copy of policy was obtained. No exception noted.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "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 date if multiple deposits are made on the same day). Alternately, 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.

No cash is collected. Only checks are received in the mail or direct deposited.. This section is not applicable.

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

Not applicable.

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

Not applicable.

- 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).

Not applicable.

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

Not applicable.

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 District only has one location. We obtained management's representation that the listing is complete.

- 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, 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/making the purchase.

No exceptions noted.

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

No exceptions noted.

- 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.

Exception noted.

- 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.

Exception noted.

- 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.

Not applicable.

- 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 noted.

- 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)

Exception noted.

- 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.

Not applicable.

6. Credit Cards/Debit Cards/Fuel Cards/P-Cards

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

There are no credit, debit or fuel cards. This section is not applicable.

- 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 may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

Not applicable.

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

Not applicable.

- C. Using the monthly statements or combined statements selected under #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 (i.e. each card should have 10 transactions subject to testing). 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 note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Not applicable.

- D. Using the list of terminated employees obtained in Payroll and Personnel procedure #9C identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed.

Not applicable.

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, 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).

Not applicable.

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

Not applicable.

- 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).

Not applicable.

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

Not applicable.

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. Alternately, 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 noted.

- 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 noted.

- 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, was approval documented).

Not applicable.

- 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 noted.

9. **Payroll and Personnel**

- A. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Not applicable. The District has no employees.

- B. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #9A above, obtain attendance records and leave documentation for the pay period, and:

- i. Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable

- 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, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the District's policy on termination payments. Agree the hours to the employee or

officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Not applicable.

- 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 associated forms have been filed, by required deadlines.

Not applicable.

10. Ethics

- A. Using the 5 randomly selected employees/officials from procedure #9A under "Payroll and Personnel" above, 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

No exceptions noted.

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

Exception noted. The District does not have an ethics policy.

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

Exception noted.

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.

Not applicable.

- 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).

Not applicable.

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 District reported the misappropriations to the legislative auditor and the district attorney of the parish in which the District is domiciled as required by R.S. 24:523.

Not applicable.

- B. Observe that the District 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.

Exception noted.

13. Information Technology Disaster Recovery/Business Continuity

Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."

- A. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe 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.

We performed the procedure and discussed the results with management.

- B. 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.

We performed the procedure and discussed the results with management.

- C. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 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.

We performed the procedure and discussed the results with management.

- D. 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.

We performed the procedure and discussed the results with management.

- E. 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.

We performed the procedure and discussed the results with management.

14. Sexual Harassment

- A. Using the 5 randomly selected employees/officials from procedure #9A under "Payroll and Personnel" above, 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.

Exception noted. The one hour of sexual harassment training was not completed by all board members.

- 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).

Exception noted.

- 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 it 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;

Exception noted.

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

Exception noted.

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

Exception noted.

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

Exception noted.

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

Exception noted.

Management of the Mermentau River Harbor and Terminal District concurs with the exceptions and is working to address the deficiencies identified.

We were engaged by Mermentau River 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 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.

Thibodeaux Accounting Company

Thibodeaux Accounting Company

A Limited Liability Company