LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana

Financial Statements
For the Year Ended December 31, 2025

David M. Hartt, (A Professional Accounting Corporation)
Certified Public Accountant
West Monroe, Louisiana

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana

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DAVID M. HARTT, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Lake Providence Port Commission
Lake Providence, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of Lake Providence Port Commission, a component unit of the East Carroll 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 Port Commission'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 Lake Providence Port Commission, as of December 31, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS AND SOCIETY OF LOUISIANA CPAS

To the Board of Commissioners
Lake Providence Port Commission
Lake Providence, Louisiana

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess 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 of the effectiveness of Lake Providence Port Commission's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lake Providence Port Commission's ability to continue as a going concern for a reasonable period of time.

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

To the Board of Commissioners
Lake Providence Port Commission
Lake Providence, Louisiana

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of Proportionate Share of the Net Pension Liability, and the Schedule of Employer Contributions to Pension Plan be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the 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 assurances.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lake Providence Port Commission's basic financial statements. The schedule of compensation, reimbursements, benefits and other payments to agency head, political subdivision head or chief executive officer is the responsibility of management and was derived directly from and relates directly to the underlying accounting and other records used to prepare the 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 financial statements or the 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, reimbursements, benefits and other payments to agency head, political subdivision head or chief executive officer are fairly stated in all material respects in relation to the 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 2, 2026 on our consideration of the Port Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Port Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Port Commission's internal control over financial reporting and compliance.

David M. Hart, CPA (APAC)

West Monroe, Louisiana
June 2, 2026

REQUIRED SUPPLEMENTAL INFORMATION (PART A)
MANAGEMENT'S DISCUSSION AND ANALYSIS

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025

As management of the Lake Providence Port Commission, we offer readers of the Lake Providence Port Commission's financial statements this narrative overview and analysis of the financial activities of the Lake Providence Port Commission for the fiscal year ended December 31, 2025. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the Port Commission's basic financial statements. The annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Government-Wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the Port Commission's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Fund (Fund Financial Statements) tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Financial Statements by providing information about the most significant funds. This report also contains other supplementary information in addition to the basic financial statements themselves.

Our auditor has provided assurance in his independent auditor's report that the Basic Financial Statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

Government-Wide financial statements. The *government-wide financial statements* are designed to provide readers with a road overview of the Lake Providence Port Commission's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Lake Providence Port Commission's assets and liabilities, with the difference between the two reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Lake Providence Port Commission is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned, but unused, sick leave).

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Lake Providence Port Commission, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Proprietary funds. The Port Commission maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities. The Enterprise Fund financial statements present information on the Port Commission's general operations.

The Lake Providence Port Commission adopts an annual appropriated budget for the general fund. A budgetary comparison statement is provided for the major fund to demonstrate compliance with this budget.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Lake Providence Port Commission's performance.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets of the Lake Providence Port Commission exceeded liabilities by $28,719,312. The largest portion of the Lake Providence Port Commission's net position reflects its investment in capital assets (e.g. equipment). These assets are not available for future spending. The balance in unrestricted net position is affected by two factors: 1) resources expended, over time, by the Lake Providence Port Commission to acquire capital assets from sources other than internally generated funds (i.e. debt), and 2) required depreciation on assets.

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025 and 2024

STATEMENT OF NET POSITION

	December 31, 2025	December 31, 2024
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 1,257,802	$ 857,693
Receivables	10,831,233	10,569,325
Prepaid Rent	442,983	432,983
Other Assets	310	310
Total Current Assets	12,532,328	11,860,311
Restricted Assets:		
Cash and Cash Equivalents	22,628	721,031
Capital Assets (Net of Accumulated Depreciation)	30,550,782	26,436,590
TOTAL ASSETS	43,105,738	39,017,932
DEFERRED OUTFLOWS OF RESOURCES		
Pension and Lease Related	40,955	34,877
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 43,146,693	$ 39,052,809
LIABILITIES		
Current Liabilities		
Accounts Payable	$ 127,539	$ 27,659
Payroll Payable	23,838	19,789
Payroll Taxes Payable	10,657	4,673
Net Pension Liability	219,590	554,807
Line of Credit - Taxable Revenue Bonds 2025	75,950	-
Current Portion of Long-Term Debt	91,000	87,000
Total Liabilities	548,574	693,928
Long-Term Liabilities		
Taxable Revenue Bonds	3,829,000	3,921,705
Certificates of Indebtedness	-	-
TOTAL LIABILITIES	4,377,574	4,615,633
DEFERRED INFLOWS OF RESOURCES		
Pension and Lease Related	10,049,807	10,214,888
NET POSITION		
Invested in Capital Assets, net of related debt	26,630,782	22,427,885
Reserved	22,628	721,031
Unrestricted	2,065,902	1,073,372
Total Net Position	28,719,312	24,222,288
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 43,146,693	$ 39,052,809

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025 and 2024

STATEMENT OF ACTIVITIES

	December 31, 2025	December 31, 2024
OPERATING REVENUES		
Use of Money and Property - Leases	$ 4,853,516	$ 557,080
State Grant Income	796,546	1,509,366
Total Operating Revenue	5,650,062	2,066,446
OPERATING EXPENSES		
Salaries & Fringe Benefits	397,171	374,496
Professional Services	682,905	1,009,051
Advertising	738	2,114
Utilities	10,640	12,945
Telephone	2,584	2,046
Insurance	4,004	4,026
Materials & Supplies	80,538	3,007
Travel	40,404	32,785
Dues & Subscriptions	13,807	10,839
Repairs & Maintenance	16,177	70,510
Depreciation	870,464	870,464
Other Operating Expenses	4,360	5,204
Total Operating Expenses	2,123,792	2,397,487
OPERATING INCOME	3,526,270	(331,041)
NON-OPERATING REVENUES (EXPENSES)		
Ad Valorem Taxes	195,425	194,269
State Revenue Sharing	2,919	2,853
Interest Income	465,238	469,277
Interest Expense	(148,695)	(153,542)
Other Non-Operating Income	435,562	53,563
Other Non-Operating Expenses	(6,513)	(6,443)
Total General Revenues	943,936	559,977
CHANGE IN NET POSITION	4,470,206	228,936
NET POSITION - BEGINNING OF THE YEAR	24,249,106	23,993,352
NET POSITION - END OF THE YEAR	$ 28,719,312	$ 24,222,288

Capital Asset and Debt Administration

Capital assets. The Lake Providence Port Commission's investment in capital assets for its governmental activities as of December 31, 2025, amounts to $30,550,782 (net of accumulated depreciation). This investment includes furniture and equipment. There were $4,984,655 in additions and no deletions in capital assets for the year.

Long-term debt. During 2021, the Port Commission issued Taxable Revenue and Revenue Refunding Bonds Series 2021 in the total amount of $4,250,000. The first principle payments was made in March 2022. The liability related to the outstanding principle at year end was $3,920,000.

At the end of the fiscal year, Lake Providence Port Commission had a net pension liability of $219,590.

Requests for Information

This financial report is designed to provide a general overview of the Lake Providence Port Commission's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Lake Providence Port Commission, 409 Port Road, Lake Providence, LA 71254.

BASIC FINANCIAL STATEMENTS

Statement A

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana

STATEMENT OF NET POSITION
DECEMBER 31, 2025

Assets	
Current Assets:	
Cash	$ 1,257,802
Receivables	10,831,233
Prepaid Rent	442,983
Other Assets	310
Total Current Assets	12,532,328
Restricted Assets:	
Cash and Cash Equivalents	22,628
Capital Assets:	
Depreciable	30,550,782
Total Assets	43,105,738
Deferred Outflows of Resources	
Resources Related to Pensions	32,056
Resources Related to Leases	8,899
Total Deferred Outflows of Resources	40,955
Liabilities	
Current Liabilities:	
Accounts Payable	127,539
Payroll Payable	23,838
Payroll Taxes Payable	10,657
Net Pension Liability	219,590
	381,624
Current Portion of Long-Term Debt:	
Taxable Revenue Bonds	91,000
Line of Credit - Taxable Revenue Bonds 2025	75,950
Total Current Liabilities	548,574
Long-Term Liabilities:	
Taxable Revenue Bonds	3,829,000
Total Liabilities	4,377,574
Deferred Inflows of Resources	
Resources Related to Pensions	37,606
Resources Related to Leases	10,012,201
Total Deferred Inflows of Resources	10,049,807
Net Position	
Net Investment in Capital Assets	26,630,782
Net Position - Restricted	22,628
Net Position - Unrestricted	2,065,902
Total Net Position	$ 28,719,312

The accompanying notes are an integral part of this financial statement.

Statement B

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana

STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2025

Operating Revenues	
State Grant Income	$ 4,853,516
Use of Money and Property	796,546
Total Operating Revenues	5,650,062
Operating Expenses	
Salaries and Fringe Benefits	397,171
Professional Services	682,905
Advertising	738
Utilities	10,640
Telephone	2,584
Insurance	4,004
Materials and Supplies	80,538
Travel	40,404
Dues and Subscriptions	13,807
Repairs and Maintenance	16,177
Depreciation	870,464
Other Operating Expenses	4,360
Total Operating Expenses	2,123,792
Operating Income (Loss)	3,526,270
Non-Operating Revenues (Expenses)	
Ad Valorem Taxes	195,425
State Revenue Sharing	2,919
Interest Income	465,238
Interest Expense	(148,695)
Other Non-Operating Income	435,562
Other Non-Operating Expenses	(6,513)
Total Non-Operating Revenues (Expenses)	943,936
Net Income (Loss)	4,470,206
Net Position at Beginning of the Year	24,249,106
Net Position at End of the Year	$ 28,719,312

The accompanying notes are an integral part of this financial statement.

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received From Customers	$	5,969,032
Cash Paid to Suppliers		(724,048)
Cash Paid to Employees		(397,171)
Interest Paid		(148,695)
Net Cash Provided by Operating Activities		4,699,118
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Revenue Bonds Refunded		-
Taxable Revenue and Revenue Refunding Bonds Issued		75,950
Net Cash Used for Capital Financing Activities		75,950
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash Paid for Land and Construction in Progress		(5,016,580)
Principle Paid on Long-Term Debt		(88,705)
Interest on Deposits		31,923
Net Cash Provided by Investing Activities		(5,073,362)
NET DECREASE IN CASH		(298,294)
CASH AT BEGINNING OF YEAR		1,578,724
CASH AT END OF YEAR	$	1,280,430

RECONCILIATION OF CASH AND RESTRICTED CASH REPORTED WITHIN THE BALANCE SHEET THAT SUM TO THE TOTAL OF THE SAME SUCH AMOUNTS IN THE STATEMENTS OF CASH FLOWS:

Cash and Cash Equivalents	$	1,257,802
Restricted Cash - Debt Service Reserve		22,628
Total Cash and Restricted Cash	$	1,280,430

The accompanying notes are an integral part of this financial statement.

Statement C

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income (Loss)	$	4,470,206
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation		870,464
GASB 68 Pension (Revenue) Expense		(434,875)
GASB 87 Lease Interest (Revenue) Expense		(306,863)
Changes in Assets and Liabilities:		
(Increase) Decrease in Receivables		271
(Increase) Decrease in Prepaid Rent		(10,000)
(Increase) Decrease in Other Assets		-
Increase (Decrease) in Accounts Payable		99,877
Increase (Decrease) in Payroll Payable		4,054
Increase (Decrease) in Payroll Taxes Payable		(17)
Increase (Decrease) in Accrued Retirement		6,001
Total Adjustments		228,912
Net Cash Provided by Operating Activities	$	4,699,118

INTRODUCTION

The Lake Providence Port Commission (Port Commission) was created by Act 450 of the 1958 Session of the Louisiana Legislature as the governing authority of the Lake Providence Parish Port, Harbor, and Terminal District. The board of commissioners consist of seven members who serve four-year staggered terms; four appointed by the East Carroll Parish Police Jury, two by the Town of Lake Providence, and one selected by the six appointed members. Commissioners serve without compensation.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Lake Providence Port Commission have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments.

B. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the East Carrol Parish Police Jury is the financial reporting entity for East Carroll Parish. The financial reporting entity consists of (a) the primary government (police jury), (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 established criteria for determining which component units should be considered part of the East Carroll Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and

    a. The ability of the 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 police jury.

2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury and the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury exists.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. REPORTING ENTITY (CONTINUED)

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury appoints the Port Commission's governing body, the Port Commission was determined to be a component unit of the East Carroll Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Port Commission and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. BASIC FINANCIAL STATEMENTS – GOVERNMENT WIDE STATEMENTS

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

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the Port Commission.

In the Statement of Net Position, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term obligations. Net position is reported in three parts; invested in capital assets, net of any related debt; restricted net position; and unrestricted net position. The Port Commission first uses restricted resources to finance qualifying activities.

The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB No.33, *Accounting and Financial Reporting for Nonexchange Transactions.*

Program Revenues – Program revenues included in the Statement of Activities are derived directly from parties outside the Port Commission's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the Port Commission's general revenues.

Expenses – The Port Commission reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Depreciation on buildings is assigned to the "general administration" function due to the fact that buildings serve multiple purposes. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

The financial transactions of the Port Commission are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrated legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Fund financial statements report detailed information about the Port Commission. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

Funds are classified into three categories; governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. Revenues of the General Fund include ad valorem taxes, state revenue sharing, fees, fines and forfeitures. General operating expenses are paid from this fund.

E. BASIS OF ACCOUNTING

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 measurement made, regardless of the measurement focus applied. The Enterprise Fund is reported in the accompanying financial statements on the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. The Port Commission considers all short-term, highly liquid investments with original maturities of 90 days or less to be treated as cash equivalents. Under state law, the Port Commission may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

G. INVESTMENTS

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the Port Commission's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments in non-participating interest-earning contracts, such as non-negotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated historical costs for assets where actual cost is not available. Donated assets, if any, are recorded as capital assets at their estimated fair market value at the date of donation. The Port Commission maintains a threshold level of $500 or more for capitalizing capital assets.

Description	Estimated Lives
Buildings and building improvements	20-40 years
Furniture and fixtures	5-10 years
Vehicles	5-15 years
Equipment	5-20 years

I. ANNUAL AND SICK LEAVE

The Director of the Port Commission earns from 14 to 24 days of vacation and sick leave each year, depending on length of service.

J. RISK MANAGEMENT

The Port Commission is exposed to various risk of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions, and injuries to employees. To handle such risk of loss, the Port Commission maintains a commercial insurance policy covering property, general liability, employee fidelity and worker's compensation. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 2025.

K. PENSION PLANS

The Port Commission is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 5. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions for the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan.

L. CONTRIBUTED CAPITAL

Grants received by the Port Commission that are restricted for the acquisition or construction of capital assets are recorded as contributed capital. Contributed capital is not amortized based on the depreciation recognized on that portion of the assets acquired from such contributions.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. EQUITY CLASSIFICATIONS

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 borrowing 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".

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies unrestricted resources first, unless a determination is made to use restricted resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

N. 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.

O. DEFERRED OUTFLOWS/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 or resources (expense/expenditure) until then. The Port Commission has one item, deferred outflows related to pensions that qualifies in this category and is reported only in the governmental activities.

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 until that time. The Port Commission has one item, deferred inflows related to pensions that qualifies in this category and is reported only in the governmental activities.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (CONTINUED)

For purposes measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems and additions to/deductions from the retirements systems fiduciary net position have been determined on the same basis as they are reported by the retirement systems.

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2 – CASH AND CASH EQUIVALENTS

Deposits are stated at cost, which approximate fair value. 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 bank. These securities are held in the name of the pledging fiscal agent bank in the holding or custodial bank that is mutually acceptable to both parties.

Interest Rate Risk: The Port Commission's policy does not address interest rate risk.

Credit Risk: The Port Commission's investments are in Certificates of Deposits which do not have credit ratings; however, the Port Commission's policy does not address credit rate risk.

Custodial Credit Risk: At year-end the Port Commission's carrying amount of deposits was $1,280,430 and the bank balance was $1,346,598, which includes $22,628 in certificate of deposits classified as investments.

Of the bank balance, $500,000 was covered by federal depository insurance. The remaining balance was collateralized with securities held by the pledging financial institution's trust department or agent but not in the Port Commission's name in the amount of $2,787,328. The Port Commission's policy does not address custodial credit risk. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement No. 3, Louisiana Revised Statute 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 Port Commission that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3 – ACCOUNTS RECEIVABLE

The General Fund receivables of $10,831,233 at December 31, 2025, are as follows:

Taxes – Ad Valorem	$ 162,792
Leases	10,320,316
Accrued Lease Interest	327,863
State Revenue Sharing	1,912
Other Receivables	18,350
Total	$10,831,233

NOTE 4 – LEVIED TAXES

The ad valorem tax millage levied by the Port Commission was 3.26 mills for the year ended December 31, 2025. The authorized millage for the year ended December 31, 2025 was 2.980 mills. The difference between authorized and levied millages is the result of reassessments of taxable property withing the parish as required by Article 7, Section 18 of the Louisiana Constitution of 1974. The following are the principal taxpayers for the parish and their 2025 assessed valuation (amounts expressed in thousands):

	Assessed Value Valuation	Percent of Total
Columbia Gulf Transmission Co.	$ 14,763	20.83
Trunkline Gas Company	4,738	6.69
Tennessee Gas Pipeline	3,239	4.57
Terral Riverservice, Inc.	2,235	3.15
Southern Natural Gas	1,827	2.58
Entergy Louisiana	1,663	2.35
Nutrien Ag Solutions	1,747	2.46
Conexon Connect	1,546	2.18
Delta Bank	1,338	1.89
Mid-Valley Pipeline	212	0.30
Total	$ 33,308	46.99

NOTE 5 – CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2025 is as follows:

	Balance at December 31, 2024	Additions	Deletions	Balance at December 31, 2025
Land	$ 1,013,515	$ -	$ -	$ 1,013,515
Construction in Progress	1,637,936	4,984,656	-	6,622,592
Buildings	2,930,797	-	-	2,930,797
Improvements	33,813,086	-	-	33,813,086
Heavy Equipment	1,161,622	-	-	1,161,622
Office Equipment	33,395	-	-	33,395
Total	40,590,351	4,984,656	-	45,575,007
Less Accumulated Depreciation	(14,153,761)	(870,464)	-	(15,024,225)
Net Capital Assets	$26,436,590	$4,114,192	$ -	$30,550,782

Depreciation expense was $870,464 in 2025.

NOTE 6 – PENSION PLAN

Retirement Systems

Louisiana State Employees' Retirement System (LASERS)

LASERS is a cost-sharing, multiple-employer defined benefit pension plan. Membership is mandatory for eligible employees of the state. For members hired before July 1, 2006, the plan provides retirement benefits to any member who has:

- 30 years of creditable service, or
- 25 years of creditable service who has attained age 55, or
- 10 years of service who has attained age 60

Benefit rates are 2.5% to 3.5% of average compensation (average monthly earnings during the highest 36 consecutive months) times the number of years' service, not to exceed 100% of final salary.

For members hired after July 1, 2006 and June 30, 2015, a member is eligible for benefits after 5 years of creditable service at age 60. Those hired on or after July 1, 2015 may retire at age 62 upon completion of 5 years of creditable service.

The Plan also provides survivor, death and disability benefits.

In lieu of terminating employment and accepting a service retirement allowance, any member who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to three years and defer the receipt of benefits. During such period, both employer and employee contributions cease. Monthly benefits that the member would have received during the DROP period are paid into the DROP fund. Interest is earned when the member has completed DROP participation, based on the actual rate of return less one-half percentage point on the investments identified as DROP funds for the period. No cost-of-living increases are payable to participants until employment has been terminated for at least one full year.

Contributions by employers are actuarially determined by law, and vary depending on class of member. For the year ended December 31, 2025 (plan year ended June 30, 2025), employer contributions for regular employees were 34.74%.

The Plan also receives insurance premium tax monies appropriated by the state legislature as additional employer contributions and considered support from a nonemployer contributing entity, but not considered a special funding situation.

Actuarial assumptions:

• Valuation date	June 30, 2025
• Actuarial cost method	Entry age normal
• Expected remaining service lives	2 years
• Investment rate of return	7.25%
• Inflation rate	2.4%
• Salary increases, including inflation:	
o Regular employees	3.3% - 14.0%
• Mortality tables	PubG-2010 Healthy Retiree, MP-2021 RP-2000 Disabled Retiree
• Funded percentage	79.30%

The estimated real rate of return for each major asset class is as follows:

Asset Class	**Expected Portfolio Real Rate of Return**
Cash	0.85%
Domestic Equity	4.42%
Domestic Fixed Income	2.53%
International Equity	5.22%
International Fixed Income	5.37%
Alternative Investments	7.43%
Total Fund	5.75%

Pension liabilities, pension expense and deferred outflows of resources and deferred inflows of resources:

As of December 31, 2025 the Commission reported a total of $219,590 for its proportionate share of the net pension liabilities of the Plan

The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Commission's proportion of the net pension liability was based on a projection of the Commission's long-term contributions to the plans relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2025 (plan year ended June 30, 2025), the Commission's proportion of the Plan was .00487%

For the year ended December 31, 2025, the Commission recognized pension expense of $212.

In addition, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Changes in proportion	$ -	$ -
Differences between expected and actual experience	3,050	-
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	37,606
City Court contributions subsequent to the measurement date	29,006	-
Total	$ 32,056	$ 37,606

The deferred outflows of resources related to pensions resulting from Commission contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2026	$ 4,787
2027	(18,596)
2028	(14,322)
2029	(6,424)
2030	-
Thereafter	-

Sensitivity of the of the Commission's proportionate share of the net pension liabilities to changes in the discount rate:

The following presents the Commission's proportionate shares of the net pension liabilities of the plans, calculated using the discount rates as shown above, as well as what the Commission's proportionate shares of the net pension liabilities would be if they were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate as of the Plan year June 30, 2025:

	1% Decrease	Current Discount Rate	1% Increase
LASERS (current rate 7.25%)	$ 334,266	$ 219,590	$ 143,235

Pension plan fiduciary net position:

Detailed information about the Plan's fiduciary net position is available in the separately issued financial statements of the Plan, available on the Louisiana Legislative Auditor's website, www.lla.la.gov, or the plan's website at www.lasersonline.org.

NOTE 7 – LONG-TERM DEBT

The following is a summary of long-term debt transactions for the year ended December 31,2025:

	Net Pension Liability	Revenue Bonds	Total
Long-term debt payable at January 1, 2025	$ 554,807	$4,008,705	$ 4,563,512
Additions	-	-	-
Reductions	(335,217)	(88,705)	(439,922)
Long-term debt payable at December 31, 2025	$ 219,590	$3,920,000	$ 4,139,590

Long-term debt payable at December 31, 2025 is comprised of the following individual issues:

$2,015,000 – Taxable Revenue and Revenue Refunding Bonds (Refunding) issued March 25, 2021, are due in annual installments from $38,000 to $110,000 Through March 1, 2051 with interest at 3.75% due semi-annually.	$1,858,000
$2,235,000 – Taxable Revenue and Revenue Refunding Bonds (New Money) issued March 25, 2021, are due in annual installments from $40,000 to $122,000 Through March 1, 2051 with interest at 3.75% due semi-annually.	$2,062,000

The following bonds were refunded when the Taxable Revenue and Revenue Refunding Bonds were issued:

$1,100,000 – Taxable Revenue Bonds issued April 29, 2014, are due in annual installments from $85,000 to $140,000 through December 1, 2024, with interest at 5.75 per cent per annum.	$ -
$2,500,000 – Certificates of indebtedness issued September 15, 2011, are due in annual installments from $160,000 to $265,000 through September 1, 2025, with interest at 4.59 per cent per annum.	-
$500,000 – Certificates of indebtedness issued September 15, 2011, are due in annual installments from $30,000 to $55,000 through September 1, 2025, with interest at 5.80 per cent per annum.	-
TOTAL	$ 3,920,000

NOTE 7 – LONG-TERM DEBT (CONTINUED)

The annual requirements to amortize all outstanding debt at December 31, 2025, including interest of $2,215,998 is as follows:

Year	Refunding Bonds Series 2021	New Money Bonds Series 2021	Interest
2026	$ 43,000	$ 48,000	$ 145,295
2027	45,000	49,000	141,826
2028	46,000	52,000	138,226
2029	48,000	54,000	134,475
2030	50,000	55,000	130,594
2031-2035	280,000	311,000	589,406
2036-2040	338,000	374,000	467,551
2041-2045	407,000	452,000	320,720
2046-2050	491,000	545,000	143,554
2051	110,000	122,000	4,351
Total	$ 1,858,000	$ 2,062,000	$ 2,215,998

During 2025, $10,000,000 of Taxable Revenue Bonds were issued September 4, 2025 at 6.75%. Only closing costs have been drawn on these bonds in the amount of $75,950 as of December 31, 2025. The Port hopes to start using the bonds for acquiring, constructing, repairing, rehabilitating or extending rail lines by the end of 2026 or early 2027.

NOTE 8 – PORT LEASE RENTALS (AS LESSOR)

The Commission's lessor lease activity consists primarily of leasing infrastructure and dockspace to maritime enterprises, and other uses. The terms of these leases are for periods ranging from 5 to 40 years at various payment frequencies and amounts. In accordance with GASB Statement No. 87, *Leases*, a receivable has been recorded for the present value of lease payments to be received over the lease term for each agreement. As of December 31, 2025, the combined value of the lease receivables was $10,320,316. In determining the present value, a discount rate of 3.5% was generally applied to reflect a reasonable rate of return of the lease investments to the Commission. Also, deferred inflows associated with these lease payments have been recorded that will be recognized as revenue over the lease terms. The balance of the deferred inflows at December 31, 2025 is $10,012,201.

Inflows recognized during the year ended December 31, 2025 consisted of amortization of deferred inflow of $443,712 and interest income of $433,315. Additionally, approximately $126,452 of rental income was recognized on those leases which were not included in the lease receivable, either because of the variable nature of the payments or the short-term features of the contract.

NOTE 8 – PORT LEASE RENTALS (AS LESSOR) (continued)

The future lease collections including principal and interest as of December 31, 2025, are as follows:

Year	Principal	Interest	Total
2026	194,119	505,920	700,039
2027	296,307	446,732	743,039
2028	321,681	421,358	743,039
2029	360,192	382,847	743,039
2030	382,836	360,203	743,039
2031-2035	2,159,791	1,482,403	3,642,194
2036-2040	1,752,703	1,208,492	2,961,195
2041-2045	1,883,915	816,780	2,700,695
2046-2050	1,967,855	379,006	2,346,861
2051-2055	554,553	121,625	676,178
2056-2060	402,141	47,859	450,000
2061-2065	44,223	777	45,000
Total	$ 10,320,316	$ 6,174,002	$ 16,494,318

NOTE 9 – LITIGATION AND CLAIMS

The Lake Providence Port Commission is not involved in any litigation at December 31, 2025, nor is it aware of any unasserted claims.

NOTE 10 – PREPAID RENT

The Northeast Louisiana Multimodal District (fka NELA Railroad District) was created in 2022 by ordinances passed by the Police Juries of East Carroll, Madison, Tensas and Concordia Parishes. LA Revised Statute 33:140.71 – 79 was created by Act No. 435 in the Regular Session of 2004 of the Louisiana Legislature. The railroad district, if created, is hereby constituted and is declared to be a body politic and political subdivision of the state of Louisiana. The governing authorities of two or more parishes by ordinance may create a railroad development district. The district's primary object and purpose is to promote and encourage development of rail service in the area of the parishes to stimulate the economy through renewed commerce, industry, and for the utilization of and development of natural and human resources of the area by providing job opportunities. Lake Providence Port Commission paid $10,000 of that District's expenses during 2025 which will be treated as rent expense when the District is fully operational. The total prepaid rent is $442,983.

NOTE 11 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 2, 2026 and except as noted below, no significant events have occurred for disclosure.

REQUIRED SUPPLEMENTAL INFORMATION (PART B)

Schedule I

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana

SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2025

Fiscal Year	Agency's proportion of the net pension liability (asset)	Agency's proportionate share of the net pension liabiltiy (asset)	Agency's covered payroll	Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2015	0.829000%	$ 563,981	$ 111,300	507%	62.70%
2016	0.009270%	$ 728,010	$ 230,615	316%	57.70%
2017	0.009350%	$ 658,060	$ 174,300	378%	62.50%
2018	0.009010%	$ 614,271	$ 174,300	352%	64.30%
2019	0.008760%	$ 634,872	$ 158,550	400%	62.90%
2020	0.010120%	$ 837,240	$ 198,494	422%	58.00%
2021	0.010050%	$ 552,929	$ 222,747	248%	72.80%
2022	0.011280%	$ 853,041	$ 236,372	361%	63.70%
2023	0.010700%	$ 716,141	$ 120,015	597%	68.40%
2024	0.010200%	$ 554,807	$ 244,005	227%	74.60%
2025	0.004870%	$ 219,590	$ 120,509	182%	79.30%

Amounts presented were determined as of the measurement date (previous fiscal year end).
Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Schedule II

SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2025

Fiscal Year	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency	Agency's covered payroll	Contributions as a percentage of covered payroll
2015	$ 69,760	$ 69,760	$ -	$ 190,657	36.60%
2016	$ 63,620	$ 63,620	$ -	$ 174,300	36.50%
2017	$ 64,230	$ 64,230	$ -	$ 174,300	36.90%
2018	$ 66,060	$ 66,060	$ -	$ 174,300	37.90%
2019	$ 62,090	$ 62,090	$ -	$ 158,550	39.20%
2020	$ 80,150	$ 80,150	$ -	$ 198,494	40.40%
2021	$ 88,622	$ 88,622	$ -	$ 222,747	39.80%
2022	$ 95,803	$ 95,803	$ -	$ 239,805	40.00%
2023	$ 99,095	$ 99,095	$ -	$ 242,579	40.90%
2024	$ 93,307	$ 93,307	$ -	$ 245,437	38.00%
2025	$ 41,865	$ 41,865	$ -	$ 120,509	34.74%

Amounts presented were determined as of the end of the fiscal year.
Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

The accompanying notes are an integral part of this financial statement.

SUPPLEMENTARY INFORMATION

Schedule III

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2025

Agency Head: William B. Killen

Purpose	Amount
Salary	$ 158,624
Benefits – Insurance	9,806
Benefits – Retirement	12,978
Travel	25,762
Cellphone	2,584

OTHER REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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*

Lake Providence Port Commission
Lake Providence, 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 Lake Providence Port Commission (Port Commission), a component unit of East Carroll 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 Port Commission's basic financial statements, and have issued our report thereon dated June 2, 2026.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Port Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 which is described in the accompanying schedule of findings and questioned costs as item 2025-01.

Lake Providence Port Commission's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Lake Providence Port Commission's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Port's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the reponse.

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 Office of the Louisiana Legislative Auditor as a public document.

David M. Hartt, CPA (APAC)

West Monroe, Louisiana
June 2, 2026

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Lake Providence Port Commission
Lake Providence, Louisiana

We have audited the financial statements of Lake Providence Port Commission, a component unit of the East Carroll Parish Police Jury as of and for the year ended December 31, 2025, and have issued our report thereon dated June 2, 2026. 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 audit of the financial statements as of December 31, 2025, resulted in an unqualified opinion.

Section I- Summary of Auditor's Results

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness	___ yes X no
Significant Deficiencies not considered to be Material Weaknesses	___ yes X no

Compliance

Compliance Material to Financial Statements	___ yes X no

B. Federal Awards – N/A

Material Weakness Identified	___yes ___no
Significant Deficiencies not considered to be Material Weaknesses	___ yes ___no

Type of Opinion on Compliance For Major Programs (No Major Programs)
Unqualified _____ Qualified _____
Disclaimer _____ Adverse ______

Are their findings required to be reported in accordance with the Uniform Guidance, Section .510 (a)? N/A

C. Identification of Major Programs: N/A

Name of Federal Program (or cluster) CFDA Number(s) N/A

Dollar threshold used to distinguish between Type A and Type B Programs. N/A

Is the auditee a "low-risk" auditee, as defined by the Uniform Guidance? N/A

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025

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

2025-01 Retirement Gift

Condition: During the year, it was noted that a retirement gift was given to the retiring Executive Director.

Criteria: Per Article VII, Section 14 of the Louisiana Constitution, donations of public funds, property or things of value to individuals is prohibited.

Effect: By making the retirement gift, or donation, the Port is in violation of the Louisiana Constitution, Article VII, Section 14.

Recommendation: No action is recommended.

Managements' Response: The current Executive Director inadvertently added the expense to his monthly expense report. He has since notified the Port's accountant and the Board that this amount will be withheld from of his monthly salary check in July 2026 to rectify the situation.

Section II - Financial Statement Findings

No findings were reported under this section.

Section III - Management Letter

No management letter was issued.

LAKE PROVIDENCE PORT COMMISSION
Lake Providence, Louisiana
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2025

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

This section is not applicable for this entity.

Section II - Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III - Management Letter

This section is not applicable for this entity.

DAVID M. HARTT, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Lake Providence Port Commission and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Lake Providence Port Commission (the Entity) and the Louisiana Legislative Auditor (LLA), on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2025 through December 31, 2025. The Entity's management is responsible for those C/C areas identified in the SAUPs.

The Lake Providence Port Commission has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2025 through December 31, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not 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 related exceptions obtained are described in the attachment to this report.

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

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

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

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West Monroe, Louisiana
June 2, 2026

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1) ***Written Policies and Procedures***

A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

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

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

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

iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

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

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

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

viii. ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

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

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

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

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

No exceptions were noted in the above procedures.

2) ***Board or Finance Committee***

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

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

   ii. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

   iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

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

No exceptions were noted in the above procedures.

3) ***Bank Reconciliations***

A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

   i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and

iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exceptions were noted in the above procedures.

4) Collections (excluding electronic funds transfers)

A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that

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

ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;

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

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

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

D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and

i. Observe that receipts are sequentially pre-numbered.

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

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

iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than $100 and the cash is stored securely in a locked safe or drawer).

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

No exceptions noted in the above procedures.

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

A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

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

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

iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

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

[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and

i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. *Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.*

No exceptions noted in the above procedures.

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

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

B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and

i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., itemized receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

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

C. Using the monthly statements or combined statements selected under procedure #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, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

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.

The Port has no credit, debit or fuel cards.

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 (doa.la.gov/doa/ost/ppm-49-travel-guide/) or the U.S. General Services Administration (www.gsa.gov);

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

   iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

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

No exceptions noted in the above procedures.

8) ***Contracts***

A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

   i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

   ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);

   iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

   iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No contracts are maintained by the District other than copy machine and maintenance contracts.

9) ***Payroll and Personnel***

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

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

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

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

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

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

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

D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions noted in the above procedures.

10) ***Ethics***

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

   i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

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

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

None of the Board of Directors received the required ethics training.

11) ***Debt Service***

A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

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

This section is not applicable to this entity.

12) ***Fraud Notice***

A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

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

No exceptions noted in the above procedures.

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 there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

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.

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.

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

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 procedures and discussed the results with management.

14) Prevention of Sexual Harassment

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

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

   i. Number and percentage of public servants in the agency who have completed the training requirements;

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

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

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

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

None of the Board of Directors received the required sexual harassment training.