

**LOUISIANA PILOTAGE FEE COMMISSION**  
**REPORT ON REVIEW OF BASIC FINANCIAL STATEMENTS**  
**REPORT ON APPLYING AGREED-UPON PROCEDURES**  
**INCLUDING THE LOUISIANA ATTESTATION QUESTIONNAIRE**

**JUNE 30, 2022**

**BATON ROUGE, LOUISIANA**

# LOUISIANA PILOTAGE FEE COMMISSION

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### Independent Accountant's Review Report

To the Board of Commissioners  
Louisiana Pilotage Fee Commission  
Baton Rouge, Louisiana

We have reviewed the accompanying financial statements of the governmental activities and the major fund (General Fund) of the Louisiana Pilotage Fee Commission (the Commission) as of and for the year ended June 30, 2022, which collectively comprise the Commission's basic financial statements as listed in the table of contents, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

#### **Management's Responsibility for the Financial Statements**

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

#### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

#### **Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 5, and the budgetary comparison schedule-general fund on Schedule 1 be presented to supplement the basic financial statements. Such information, although not a required 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. We have not audited, reviewed, or compiled the required supplementary information and we do not express an opinion, a conclusion, nor provide any assurance on it.

## **Supplementary Information**

The accompanying Schedule of Per Diem Paid to Commission Members and Schedule of Compensation, Benefits, and Other Payments to Administrator included as Schedules 2 and 3, respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. Schedules 2 and 3 have been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to Schedule 2 and Schedule 3. We have not audited the Schedule 2 and Schedule 3 and do not express an opinion on such information.

Respectfully submitted,

*Hannis T. Bourgeois, LLP*

Denham Springs, Louisiana  
December 8, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

# LOUISIANA PILOTAGE FEE COMMISSION

## MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2022

Louisiana Pilotage Fee Commission (the "Commission") is pleased to present its Annual Financial Report developed in compliance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments* (hereinafter referred to as GASB 34), and related standards. Please read the following in conjunction with the Commission's financial statements and footnotes, which follow this section.

### **Financial Highlights**

- Total assets were \$218,311 as of June 30, 2022. The Commission had liabilities totaling \$37,593 resulting in net position of \$180,571.
- The majority of total assets (79.25%) was composed of Cash and Cash Equivalents.

### **Overview of Annual Financial Report**

Management's Discussion and Analysis (MD&A) serves as an introduction to the basic financial statements and supplementary information. The MD&A presents an overview of management's examination and analysis of the Commission's financial condition and performance.

The financial statements report information on the Commission using full accrual accounting methods similar to those used in the private business sector. Financial statements include the Statement of Net Position and the Statement of Activities. The Statement of Net Position provides information about the nature and amount of the Commission's resources and obligations at year-end, and provides a basis for evaluating the capital structure of the Commission and assessing the liquidity and financial flexibility of the Commission.

The Statement of Activities accounts for the revenues and expenses for the fiscal year, and provides information on how net position changed during the year. This statement measures the success of the Commission's operations in a format that can be used to determine if the Commission has recovered its costs through self-generated revenues and other income.

The notes to the financial statements provide required disclosures essential to an understanding of the financial statements. The notes present information about the Commission's accounting policies, significant account balances, and activities, commitments, contingencies, and subsequent events, if any. Supplementary information includes comparative budget schedules, key information schedules on operations of the Commission, and schedules detailing any findings and management's response.

## Financial Analysis

The purpose of financial analysis is to help determine whether the Commission is better off due to the current year's activities. In this analysis, data from the basic financial statements, the Statement of Net Position and the Statement of Activities, are presented below. These statements report the net position, the difference between assets and liabilities, and the change in net position, which provides information for indicating the financial condition of the Commission. The information for the prior year is included for comparative purposes.

### Statement of Net Position

	Governmental Activities	
	June 30, 2022	June 30, 2021
<b><u>ASSETS</u></b>		
Cash and Cash Equivalents	\$ 173,004	\$ 249,400
Accounts Receivable	43,160	27,081
Capital Assets (Net of Accumulated Depreciation)	2,147	2,724
Total Assets	<u>\$ 218,311</u>	<u>\$ 279,205</u>
<b><u>LIABILITIES</u></b>		
Accrued Liabilities	\$ 10,756	\$ 43,954
Long-Term Liabilities:		
Due Within One Year	6,709	6,451
Due in More than One Year	20,128	19,353
Total Liabilities	37,593	69,758
<b><u>NET POSITION</u></b>		
Net Investment in Capital Assets	2,147	2,724
Unrestricted	178,571	206,723
Total Net Position	<u>180,718</u>	<u>209,447</u>
Total Liabilities and Net Position	<u>\$ 218,311</u>	<u>\$ 279,205</u>

- This Commission's assets exceeded its liabilities by \$180,718 for the current year.
- For the year ended June 30, 2022, unrestricted net position of \$178,571 represents the portion available to maintain the Commission's obligation to both citizens and creditors.

## Statement of Activities

	Governmental Activities	
	June 30, 2022	June 30, 2021
<b>General Revenues:</b>		
Self-Generated	\$ 458,556	\$ 318,006
Interest and Other Income	2	225
Gain (Loss) on Disposition of Assets	-	(1,375)
	458,558	316,856
<b>Expenses:</b>		
General Government	487,287	628,456
	(28,729)	(311,600)
<b>Net Position - Beginning of the Year</b>	209,447	521,047
<b>Net Position - End of the Year</b>	\$ 180,718	\$ 209,447

Total general revenues increased \$141,702 (44.72%), reflecting a 44.20% increase in surcharge fees collected over this period in FY 2021. Surcharge fees are based on ship traffic and ship traffic was up in the current year as compared to the prior year. Also, there was an increase in the surcharge fee in the current year. Total expenses decreased \$141,169 (22.46%), from FY 2021 due to the current year decreased costs for professional services connected with pending rate cases and regulatory matters. Overall, the Commission's change in net position was (\$28,729) for the year, which represents an increase of (\$282,871) from the prior year.

### General Fund Budgetary Highlights

The actual revenues were \$19,991 less than the budgeted amount for the year. Expenses were \$32,128 more than the budgeted amount for the year, due principally to net professional services being significantly more than budgeted.

### Economic Factors and Next Year's Budget

The primary source of revenue for the Commission during the year ended June 30, 2022 was proceeds from a dedicated surcharge paid by customers of pilotage services in Louisiana; namely, foreign flag vessels entering state waters via the Mississippi and Calcasieu rivers. This surcharge is established through state law (LA. R.S. 34:1122(B)(3)). The amount of this surcharge is adjusted annually by the Commission at the annual Budget Hearing, according to projections based on the total amount of surcharge revenue collected during the prior calendar year.

These revenues are considered available if they are collected within 60 days after year-end.

### Contacting the Commission

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Commission's finances and to show the Commission's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to the Commission at 8550 United Plaza Blvd., United Plaza, Suite 702, Baton Rouge, Louisiana 70809.



GOVERNMENT-WIDE FINANCIAL STATEMENTS

## LOUISIANA PILOTAGE FEE COMMISSION

STATEMENT OF NET POSITION

AS OF JUNE 30, 2022

ASSETS

Cash and Cash Equivalents	\$ 173,004
Accounts Receivable	43,160
Capital Assets (Net of Accumulated Depreciation)	<u>2,147</u>
Total Assets	<u><u>\$ 218,311</u></u>

LIABILITIES

Accrued Liabilities	\$ 10,756
Long-Term Liabilities:	
Due Within One Year	6,709
Due in More than One Year	<u>20,128</u>
Total Liabilities	37,593

NET POSITION

Net Investment in Capital Assets	2,147
Unrestricted	<u>178,571</u>
Total Net Position	<u>180,718</u>
Total Liabilities and Net Position	<u><u>\$ 218,311</u></u>

See independent accountant's review report and the accompanying notes.

## LOUISIANA PILOTAGE FEE COMMISSION

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2022

	Expenses	Program Revenues		Total Governmental Activities Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
<b>FUNCTIONS/PROGRAMS</b>				
Governmental Activities:				
General Government	\$ 487,287	\$ -	\$ -	\$ (487,287)
Total Governmental Activities	\$ 487,287	\$ -	\$ -	(487,287)
<b>General Revenues:</b>				
Self-Generated				458,556
Interest and Other Income				2
Total General Revenues				458,558
Change in Net Position				(28,729)
<b>Net Position - Beginning of Year</b>				209,447
<b>Net Position - End of Year</b>				\$ 180,718

See independent accountant's review report and the accompanying notes.

FUND FINANCIAL STATEMENTS

## LOUISIANA PILOTAGE FEE COMMISSION

BALANCE SHEET -  
GOVERNMENTAL FUND

AS OF JUNE 30, 2022

ASSETS

Cash and Cash Equivalents	\$ 173,004
Accounts Receivable	43,160
Total Assets	<u>\$ 216,164</u>

LIABILITIES AND FUND BALANCE**Liabilities:**

Accrued Liabilities	<u>\$ 10,756</u>
Total Liabilities	10,756

**Fund Balance:**

Unassigned	<u>205,408</u>
Total Fund Balance	<u>205,408</u>
Total Liabilities and Fund Balance	<u>\$ 216,164</u>

See independent accountant's review report and the accompanying notes.

**LOUISIANA PILOTAGE FEE COMMISSION**

**RECONCILIATION OF THE GOVERNMENTAL FUND  
BALANCE SHEET TO THE STATEMENT OF NET POSITION**

AS OF JUNE 30, 2022

Total Fund Balance - Governmental Fund \$ 205,408

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Cost of Capital Assets	8,010
Less: Accumulated Depreciation	<u>(5,863)</u>
	2,147

Long-Term Liabilities are not due and payable in the current period and therefore are not reported in the Governmental Funds:

Compensated Absences	<u>(26,837)</u>
Net Position - Governmental Activities	<u><u>\$ 180,718</u></u>

See independent accountant's review report and the accompanying notes.

## LOUISIANA PILOTAGE FEE COMMISSION

STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE -  
GOVERNMENTAL FUND

FOR THE YEAR ENDED JUNE 30, 2022

**Revenues:**

## Local Sources:

Self-Generated	\$ 458,556
Interest Earnings and Other Income	2
Total Revenues	<u>458,558</u>

**Expenditures:**

## General Government:

Salaries and Allowances	264,379
Payroll Taxes	17,365
Employee Benefits	3,785
Computer Expense	73
Hearing Expense	10,470
Insurance	655
Professional	147,850
Medical	12,888
Miscellaneous	1,038
Office Supplies	1,086
Payroll Services	3,491
Per Diem	1,950
Postage	180
Printing	516
Dues and Subscriptions	80
Rent Expense	14,400
Telephone	4,346
Training	856
Travel	269
Total Expenditures	<u>485,677</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(27,119)</u>

<b>Fund Balance at Beginning of Year</b>	<u>232,527</u>
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<b>Fund Balance at End of Year</b>	<u><u>\$ 205,408</u></u>
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See independent accountant's review report and the accompanying notes.

**LOUISIANA PILOTAGE FEE COMMISSION**

RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE  
GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2022

Total Net Change in Fund Balance - Governmental Fund	\$ (27,119)
<p>Amounts Reported for Governmental Activities in the Statement of Activities are different because:</p>	
<p>Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.</p>	
Depreciation Expense	(577)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund.</p>	
Increase in Compensated Absences Payable	<u>(1,033)</u>
Change in Net Position of Governmental Activities	<u><u>\$ (28,729)</u></u>

See independent accountant's review report and the accompanying notes.



# LOUISIANA PILOTAGE FEE COMMISSION

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2022

### INTRODUCTION

The Louisiana Pilotage Fee Commission (the “Commission”) was created by Act. No. 902 of the Louisiana 2004 Regular Session of the Legislature, effective January 1, 2005, to establish pilotage fees. The Commission consists of eleven members and seven alternates appointed by the governor as follows:

- i. Four members and four alternates to represent the industry.
- ii. Four members and three alternates to represent the associations all designated by the board of directors of the four pilot associations.
- iii. Three at-large members, and one alternate at-large.

Appointees shall be residents of the state of Louisiana and shall serve terms concurrent with that of the governor appointing them. All appointments are subject to confirmation by the Senate.

#### (1) Summary of Significant Accounting Policies -

##### A. Basis of Presentation

The accompanying financial statements of the Louisiana Pilotage Fee 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. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* and the provisions of GASB Statement No. 63 - *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*.

##### B. Reporting Entity

The Commission, for financial purposes, includes all of the funds relevant to the operations of the Commission. The financial statements presented herein do not include agencies which have been formed under applicable state laws or separate and distinct units of government apart from the Louisiana Pilotage Fee Commission.

The Louisiana Pilotage Fee Commission is a primary government and not a component unit or agency of the state government for financial reporting purposes.

See independent accountant's review report.

# LOUISIANA PILOTAGE FEE COMMISSION

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

### C. Fund Accounting

- i. Government-Wide Financial Statements (GWFS) - the Statement of Net Position and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Commission's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods and services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

- ii. Fund financial statements - The accounts of the Commission are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purposes and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The Commission maintains one fund, the general fund. It is categorized as a governmental fund. The emphasis on fund statements is on major governmental funds. The general fund is considered major because it's the primary operating fund of the entity. It is used to account for all financial resources except those required to be accounted for in another fund.

### D. Measurement Focus/Basis of Accounting

#### **Government-Wide Financial Statements (GWFS)**

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 Commission. The GWFS were 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 Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

See independent accountant's review report.

# LOUISIANA PILOTAGE FEE COMMISSION

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

The Commission reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense which can be specifically identified by function is included in the direct expenses of each function. The Commission does not allocate indirect expenses.

### **Fund Financial Statements (FFS)**

#### **Governmental Funds**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of Governmental Funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Fund financial statements report detailed information about the Commission. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. The major fund of the Commission is the General Fund.

The modified accrual basis of accounting is used by Governmental Funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined, and available means collectible within the current period or soon enough thereafter (generally 60 days) to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. The Governmental Fund uses the following practices in recording revenues and expenditures:

#### **Revenues**

The primary source of revenue for the Commission during the year ended June 30, 2022, was pilotage surcharge fees. These revenues are considered available if they are collected within 60 days after year-end.

#### **Expenditures**

Salaries are recorded as expenditures when earned. Compensated absences are recognized as expenditures when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death. All other expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

See independent accountant's review report.

# LOUISIANA PILOTAGE FEE COMMISSION

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

### E. Budget Practices

The Commission adopts an annual budget for the General Fund.

The proposed budget for the fiscal year ended June 30, 2022, was legally adopted by the Commission on September 29, 2021. The Commission did not make any amendments to its original budget for fiscal year ended June 30, 2022.

### F. Cash and Cash Equivalents

All cash-related items having maturing dates of three months or less from the original maturity dates are classified as cash and cash equivalents.

### G. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. Useful lives are five years for computer equipment and seven years for furniture and fixtures.

### H. Net Position

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

1. Net investment in capital assets - The net investment in capital assets component of net position consist of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt proceeds used for the acquisition, construction, or improvements of those assets.
2. Restricted - The restricted component of net position is used when there are limitations imposed on their use of an asset by external parties such as creditors, grantors, laws or regulations of other governments.
3. Unrestricted - The unrestricted component of net position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

See independent accountant's review report.

# LOUISIANA PILOTAGE FEE COMMISSION

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

### I. Fund Balance

GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below.

1. Non-spendable fund balances are associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned),
2. Restricted fund balances include amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,
3. Committed fund balances include amounts that can be used only for the specific purposes determined by a formal action of the Commissioners (the Commission's highest level of decision making authority),
4. Assigned fund balances are intended to be used by the Commission for specific purposes but do not meet the criteria to be classified as restricted or committed, and
5. Unassigned fund balances are the residual classification for the Commission's general fund and include all spendable amounts not contained in the other classifications.

The Commission's policy is to apply expenditures against non-spendable fund balances, restricted fund balances, committed fund balances, assigned fund balances, and unassigned fund balances, in that order, at the end of the fiscal year by adjusting journal entries.

The calculation of fund balance amounts begins with the determination of non-spendable fund balances. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then any remaining fund balance amounts classified as unassigned fund balance.

As of June 30, 2022, the Commission did not have any non-spendable, restricted, committed, or assigned fund balances.

### J. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, particularly given the significant social and economic disruptions and uncertainties associated with the ongoing COVID-19 pandemic and the COVID-19 control responses, and such differences may be material.

See independent accountant's review report.

# LOUISIANA PILOTAGE FEE COMMISSION

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

K. Compensated Absences

Employees earn and accumulate sick leave at various rates depending on their years of service. The amount of sick leave that may be accumulated by each employee is unlimited.

L. COVID-19 Pandemic

The COVID-19 outbreak in the United States and globally has caused an economic downturn on a global scale, disrupted global supply chains, and created significant uncertainty, volatility, and disruption across economies and financial markets. Therefore, uncertainty remains regarding the ongoing impact of the COVID-19 outbreak upon the Commission's financial condition and future results of operations, as well as upon the significant estimates and assumptions that may be utilized in reporting certain assets and liabilities.

M. Current Year Adoption of New Accounting Standard

During the current year, the Commission adopted GASB 87, *Leases*. This new accounting standard had no material effect on the Commission's financial statements

N. Subsequent Events

The Commission evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through December 8, 2022, the date which the financial statements were available to be issued.

(2) Cash and Cash Equivalents -

For reporting purposes, cash and cash equivalents include cash, demand deposits, and time certificates of deposit. Under state law, the Commission may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, any other state in the union, or under the laws of the United States. Further, the Commission may invest in time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

The Commission had cash and cash equivalents totaling \$179,347 with a carrying amount of \$173,004 at June 30, 2022. Cash and cash equivalents are stated at cost, which approximates market. These deposits must be secured under state law by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. The following is a summary of cash and cash equivalents at June 30, 2022:

See independent accountant's review report.

**LOUISIANA PILOTAGE FEE COMMISSION**

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

Book Balance	\$ 173,004 <u>          </u>
Bank Balance	\$ 179,347 <u>          </u>

*Custodial Credit Risk - Deposits*

In the case of deposits, this is the risk that in the event of a bank failure, the Commission’s deposits may not be returned to it.

To mitigate this risk, state law requires for these deposits (or the resulting bank balances) to be secured by federal deposit insurance or the pledge of securities 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 a holding or custodial bank that is mutually acceptable to both parties. The pledged securities are deemed by Louisiana State Law to be under the control and possession and in the name of the Commission regardless of its designation by the financial institution in which it is deposited. As of June 30, 2022, none of the Commission’s bank balance of \$179,347 was exposed to custodial credit risk.

(3) Changes in Capital Assets -

Capital asset activity as of and for the year ended June 30, 2022 is as follows:

	<u>Balance</u> <u>June 30, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2022</u>
<u>Governmental Activities:</u>				
Capital Assets being Depreciated:				
Computer Equipment	\$ 6,827	\$ -	\$ -	\$ 6,827
Furniture and Equipment	<u>1,183</u>	<u>-</u>	<u>-</u>	<u>1,183</u>
Total Capital Assets being Depreciated	8,010	-	-	8,010
Less: Accumulated Depreciation for:				
Computer Equipment	4,103	577	-	4,680
Furniture and Equipment	<u>1,183</u>	<u>-</u>	<u>-</u>	<u>1,183</u>
Total Accumulated Depreciation	<u>5,286</u>	<u>577</u>	<u>-</u>	<u>5,863</u>
Total Capital Assets being Depreciated, Net	<u>\$ 2,724</u>	<u>\$ 577</u>	<u>\$ -</u>	<u>\$ 2,147</u>

Depreciation expense of \$577 for the year ended June 30, 2022 was charged to operations.

See independent accountant’s review report.

**LOUISIANA PILOTAGE FEE COMMISSION**

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

(4) Long-Term Obligation -

The following is a summary of the long-term obligation transactions for the year ended June 30, 2022:

	<u>Compensated Absences</u>
Long-Term Obligations - June 30, 2021	\$ 25,804
Additions	1,033
Deductions	<u>-</u>
Long-Term Obligations - June 30, 2022	<u>\$ 26,837</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of June 30, 2022:

Current Portion	\$ 6,709
Long-Term Portion	<u>20,128</u>
Total	<u>\$ 26,837</u>

Compensated Absences

At June 30, 2022, employees of the Commission have accumulated and vested \$26,837 of employee leave benefits, which was computed in accordance with GASB Codification Section C60.

Employees earn and accumulate sick leave at various rates depending on their years of service. The amount of sick leave that may be accumulated by each employee is unlimited, but upon termination of employment, the maximum amount paid is limited to 300 hours.

(5) Pending Litigation -

There were no civil suits seeking damages against the Commission outstanding at June 30, 2022.

(6) Related Party Transactions -

The Commission had no identified related party transactions for the year ended June 30, 2022.

See independent accountant's review report.



REQUIRED SUPPLEMENTARY INFORMATION

## LOUISIANA PILOTAGE FEE COMMISSION

BUDGETARY COMPARISON SCHEDULE -  
GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2022

	<u>Original Budget*</u>	<u>Actual</u>	<u>Variance With Original Budget</u>
<b>Revenues:</b>			
Self-Generated	\$ 478,199	\$ 458,556	\$ (19,643)
Interest Earnings and Other Income	350	2	(348)
Total Revenues	<u>478,549</u>	<u>458,558</u>	<u>(19,991)</u>
<b>Expenditures:</b>			
Salaries, Allowances and Related Costs	316,280	298,417	17,863
Office Supplies	2,500	1,086	1,414
Telephone and Internet Expense	3,500	4,346	(846)
Rent	15,900	14,400	1,500
Printing	2,000	516	1,484
Postage	300	180	120
Miscellaneous	250	1,038	(788)
Insurance	2,500	655	1,845
Payroll Services	3,300	3,491	(191)
Computer Expense	1,000	73	927
Dues and Subscriptions	-	80	(80)
Training	1,000	856	144
Professional Services	95,719	158,320	(62,601)
Meeting Expense	9,300	2,219	7,081
Total Expenditures	<u>453,549</u>	<u>485,677</u>	<u>(32,128)</u>
Excess (Deficiency) of Revenues Over Expenditures	25,000	(27,119)	(52,119)
<b>Fund Balance at Beginning of Year</b>	<u>232,527</u>	<u>232,527</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u>\$ 257,527</u>	<u>\$ 205,408</u>	<u>\$ (52,119)</u>

\*There were no amendments to the original budget during the current fiscal year.

See independent accountant's review report and accompanying notes.

SUPPLEMENTARY INFORMATION

**LOUISIANA PILOTAGE FEE COMMISSION**

**SCHEDULE OF PER DIEM PAID TO COMMISSION MEMBERS**

FOR THE YEAR ENDED JUNE 30, 2022

<u>Name</u>	<u>Amount</u>
Bruce Mohon	\$ 450
Noel Cassanova	750
Edward Robinson	<u>750</u>
	<u>\$ 1,950</u>

See independent accountant's review report and accompanying notes.

LOUISIANA PILOTAGE FEE COMMISSION

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS  
TO ADMINISTRATOR

FOR THE YEAR ENDED JUNE 30, 2022

	<u>Larry McNutt</u>
Salary	\$ 179,240
Benefits - Insurance	12,888
Benefits - Retirement	3,606
Car Allowance	8,100
Phone Allowance	<u>1,350</u>
	<u>\$ 205,184</u>

Independent Accountant's Report on  
Applying Agreed-Upon Procedures

To the Board of Commissioners of  
Louisiana Pilotage Fee Commission  
Baton Rouge, Louisiana

To the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the Louisiana Pilotage Fee Commission's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended June 30, 2022, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Commission's management is responsible for its financial records and compliance with applicable laws and regulations.

The 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 Commission's compliance with the laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended June 30, 2022. Additionally, the Louisiana Legislative Auditor has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and findings are as follows:

**Public Bid Law**

1. Obtain documentation for all expenditures made during the year for material and supplies exceeding \$30,000, and public works exceeding \$250,000. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1775 (the state procurement code), R.S. 38:2211-2296 (the public bid law) or the regulations of the Division of Administration and the State Purchasing Office, whichever is applicable; and report whether the expenditures were made in accordance with these laws.

There were no expenditures made during the year for materials and supplies exceeding \$30,000 and no expenditures were made for public works exceeding \$250,000.

## **Code of Ethics for Public Officials and Public Employees**

2. Obtain a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the ethics law).

Management provided us the requested information.

3. Obtain a list of all employees paid during the fiscal year.

Management provided us with the requested information.

4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.

None of the employees included on the list provided by management for agreed-upon Procedure 3 appeared on the list provided by management for agreed-upon Procedure 2.

5. Obtain a list of all disbursements made during the year; and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.

Management provided the requested information. None of the businesses of board members, employees, and board members' and employees' immediate families appeared as vendors on the list of disbursements.

## **Budgeting**

The Commission received an Attorney General opinion indicating that they are not a political subdivision and therefore not subject to the Local Governmental Budget Act. They are a state administrative agency and must comply with the budgetary obligations of a state administrative agency. According to the Division of Administration ("DOA") since the Commission is self-funded, there is no budget reporting requirements to the DOA.

6. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget. There were no amendments to the original budget during the current fiscal year.

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

We traced the adoption of the original budget to the minutes of a meeting held on September 29, 2021 which indicated that the budget had been unanimously adopted by the Commission members. Management represented that there were no amendments to the budget during the year.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceeded budgeted amounts by 5% or more. (For agencies that must comply with the Licensing Agency Budget Act only, compare the expenditures of the final budget to actual expenditures, and report whether actual expenditures exceeded budgeted amounts by 10% or more per category or 5% or more in total).

Not applicable due to Commission not being subject to the Local Governmental Budget Act.

## **Accounting and Reporting**

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements, and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and:

- a. Report whether the six disbursements agree to the amount and payee in the supporting documentation as to proper amount and payee.

Each of the six selected disbursements agreed with the amount and payee in the supporting documentation.

- b. Report whether the six disbursements are coded to the correct fund and general ledger account.

Each of the six selected disbursements are coded to the correct fund and general ledger account.

- c. Report whether the six disbursements were approved in accordance with management's policies and procedures.

Inspection of documentation supporting each of the six selected disbursements indicated approval from the Administrator.

## **Meetings**

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:11 through 42:28 (the open meetings law); and report whether there are any exceptions.

Management asserted that such documents were properly posted at the meeting site at least 24 hours in advance of a meeting.

## **Debt**

11. Obtain bank deposit slips for the fiscal year, and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

We scanned bank deposits slips and the detailed general ledger for the fiscal year, and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

## **Advances and Bonuses**

12. Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

A reading of the minutes of the Commission for the year indicated no approval for the payment of bonuses, advances, or gifts. We also inspected disbursement records for the year and noted no instances which would indicate payment to employees which would constitute bonuses, advances, or gifts.



**State Audit Law**

- 13. Report whether the agency provided for a timely report in accordance with R.S. 24:513.  
The report was due December 31, 2021 and was submitted December 20, 2021.
- 14. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

The Commission was in compliance with R.S. 24:513; therefore step is not applicable.

**Prior Comments and Recommendations**

- 15. Obtain and report management’s representation as to whether any prior-year suggestions, recommendations, and/or comments have been resolved.

Our prior report, dated December 20, 2021, did not include any suggestions, exceptions, recommendations, or comments.

We were engaged by the 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 the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. 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 the Commission’s compliance with the foregoing matters. 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 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 the Commission’s compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, 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 Louisiana Legislative Auditor as a public document.

Respectfully submitted,  
*Hannis T. Bourgeois, LLP*

Denham Springs, Louisiana  
December 8, 2022

**LOUISIANA PILOTAGE FEE COMMISSION**

**SCHEDULE OF FINDINGS AND RESPONSES**

FOR THE YEAR ENDED JUNE 30, 2022

**None**

**LOUISIANA PILOTAGE FEE COMMISSION**

**SUMMARY SCHEDULE OF PRIOR FINDINGS**

FOR THE YEAR ENDED JUNE 30, 2022

**None.**

LOUISIANA ATTESTATION QUESTIONNAIRE

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Governmental Agencies)**

Dear Chief Executive Officer:

Attached is the Louisiana Attestation Questionnaire that is to be completed by you or your staff. This questionnaire is a required part of the review/attestation engagement of Louisiana governmental agencies. The completed and signed questionnaire must be presented to and adopted by the governing body, if any, of your organization by means of a formal resolution in an open meeting. Independently elected government officials should sign the document, in lieu of such a resolution.

The completed and signed attestation questionnaire and a copy of the adoption instrument, if appropriate, **must be given to the independent certified public accountant at the beginning of the engagement.** The CPA will, during the course of his/her engagement, perform certain agreed-upon procedures to the responses in the questionnaire. It is not necessary to return the questionnaire to the Legislative Auditor's office.

Certain portions of the questionnaire may not be applicable to your organization. In such cases, it is appropriate to mark the representation "not applicable." However, you must respond to each applicable representation. A 'yes' answer indicates that you have complied with the applicable law or regulation. A 'no' answer to any representation indicates a possible violation of law or regulation and, as such, should be fully explained. These matters will be reviewed by the CPA during the course of his/her engagement. Please feel free to attach a further explanation of any representation.

Your cooperation in this matter will be greatly appreciated.

Sincerely,

Michael J. Waguespack, CPA  
Louisiana Legislative Auditor

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
(For Attestation Engagements of Governmental Agencies)

\_\_\_\_\_ (Date Transmitted)  
Hannis T. Bourgeois (CPA Firm Name)  
2322 Tremont Avenue (CPA Firm Address)  
Baton Rouge LA 70809 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of \_\_\_\_\_ (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

**Public Bid Law**

It is true that we have complied with the state procurement code (R.S. 39:1551 – 39:1755); the public bid law (R.S. 38:2211-2296), and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes  No  N/A

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes  No  N/A

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes  No  N/A

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes  No  N/A

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes  No  N/A

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes  No  N/A

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes  No  N/A

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes  No  N/A

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes  No  N/A

We have complied with R.S. 24:515.2 regarding reporting of pre- and post- adjudication court costs, fines and fees assessed or imposed; the amounts collected; the amounts outstanding; the amounts retained; the amounts disbursed, and the amounts received from disbursements.

Yes [] No [ ] N/A [ ]

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes [] No [ ] N/A [ ]

**Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes [] No [ ] N/A [ ]

**Advances and Bonuses**

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes [] No [ ] N/A [ ]

**Prior-Year Comments**

We have resolved all prior-year recommendations and/or comments.

Yes [] No [ ] N/A [ ]

**General**

We acknowledge that we are responsible for the Agency's compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes [] No [ ] N/A [ ]

We acknowledge that we are responsible for determining that that the procedures performed are appropriate for the purposes of this engagement.

Yes [] No [ ] N/A [ ]

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes [] No [ ] N/A [ ]

We have provided you with all relevant information and access under the terms of our agreement.

Yes [] No [ ] N/A [ ]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes [] No [ ] N/A [ ]

We are not aware of any material misstatements in the information we have provided to you.

Yes [] No [ ] N/A [ ]

We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others concerning noncompliance with the foregoing laws and regulations, including communications received during the period under examination; and will disclose

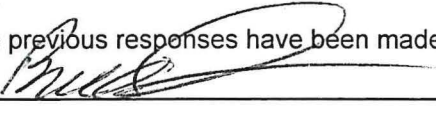

to you any such communication received between the end of the period under examination and the date of your report.

Yes [] No [ ] N/A [ ]

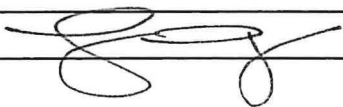
We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies all known noncompliance and other events subsequent to the date of this representation and the date of your report that could have a material effect on our compliance with laws and regulations and the internal controls with such laws and regulations, or would require adjustment or modification to the results of the agreed-upon procedures.

Yes [] No [ ] N/A [ ]

The previous responses have been made to the best of our belief and knowledge.

  
\_\_\_\_\_  
Secretary -  13/2022 Date

\_\_\_\_\_  
Treasurer \_\_\_\_\_ Date

  
\_\_\_\_\_  
-President - September 23, 2022 Date

Administrator