

**West Calcasieu Port  
Sulphur, Louisiana**

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**Annual Financial Report  
June 30, 2021 and 2020**

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## INDEPENDENT AUDITORS' REPORT

West Calcasieu Port  
Sulphur, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of West Calcasieu Port, component unit of Calcasieu Parish Police Jury, as of June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the District's financial statements as listed in the table of contents.

### **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.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on my audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

West Calcasieu Port

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of West Calcasieu Port as of June 30, 2021 and 2020, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *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 6, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 my inquiries, the basic financial statements, and other knowledge we obtained during my 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 me with sufficient evidence to express an opinion or provide any assurance.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated December 13, 2021 on our consideration of West Calcasieu Port, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering West Calcasieu Port internal control over financial reporting and compliance.

### **Other Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements of West Calcasieu Port. The Schedule of Compensation, Benefits and Other Payments is presented for purposes of additional analysis and is not a required part of the financial statements.

The Schedule of Compensation, Benefits and Other Payments is the responsibility of management and is derived from the underlying accounting and other records to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Steven M. DeRouen & Associates

Lake Charles, Louisiana  
December 13, 2021

WEST CALCASIEU PORT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2021

The Management's Discussion and Analysis of the West Calcasieu Port (the Airport) financial performance presents a narrative overview and analysis of the District's financial activities for the year ended June 30, 2021. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the additional information contained in the financial statements.

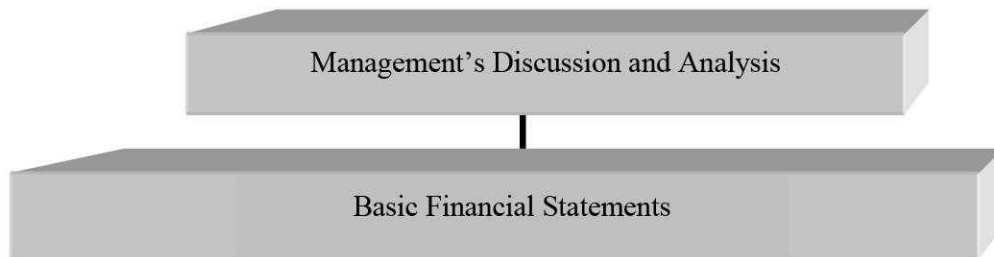
**FINANCIAL HIGHLIGHTS**

The Port's assets exceeded its liabilities at the close of 2021 by \$21,020,438 which represents an 7.1% increase from last fiscal year. Of this amount, \$9,263,143 (unrestricted net assets) may be used to meet the Port's ongoing obligations to its users.

The Port's operating revenue decreased \$177,304 (or 15%) and the net results from operations decreased by \$35,925.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.



These financial statements consist of two sections - Management's Discussion and Analysis (this section) and the basic financial statements (including the notes to the financial statements).

WEST CALCASIEU PORT  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF JUNE 30, 2021**

**Basic Financial Statements**

The basic financial statements present information for the Port as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows.

The Statement of Net Position (pages 7 - 8) presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. The Port's assets plus deferred outflows of resources minus their liabilities and deferred inflows of resources equals the net position. The net position of the Port may provide a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statements of Revenues, Expenses, and Changes in Net Position (page 9) presents information showing how the Port's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net position are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Cash Flow Statements (pages 10 - 11) presents information showing how the Port's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB 34.

**FINANCIAL ANALYSIS OF THE ENTITY**

	2021	2020	2019
Current assets and other assets	\$ 9,392,079	\$ 8,303,690	\$ 7,318,437
Capital assets	11,989,293	11,747,768	11,341,140
Total Assets	<u>21,381,372</u>	<u>20,051,458</u>	<u>18,659,577</u>
Current liabilities	130,934	79,869	24,233
Long-term debt outstanding	230,000	340,000	445,000
Total Liabilities	<u>360,934</u>	<u>419,869</u>	<u>469,233</u>
Net position:			
Capital Net of Debt	11,757,295	11,405,770	10,898,526
Unrestricted	<u>9,263,143</u>	<u>8,225,819</u>	<u>7,296,818</u>
Total Net Position	<u>\$ 21,020,438</u>	<u>\$ 19,631,589</u>	<u>\$18,190,344</u>

**WEST CALCASIEU PORT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2021**

Restricted net position amounts represent those assets that are not available for spending as a result of bond agreements. Conversely, unrestricted net position amounts are those that do not have any limitations for which they may be used.

Net position of the Port increased by \$1,388,849, or 7.1%, from June 30, 2020 to June 30, 2021.

	2021	2020	2019
Operating revenues	\$ 992,286	\$ 1,169,590	\$ 938,533
Operating expenses	956,361	757,978	657,277
Operating income (loss)	35,925	411,612	281,256
Non-operating revenues	1,449,873	176,459	519,582
Non-operating expenses	(418,334)	9,841	12,308
Net Non-Operating Income/(Loss)	1,031,539	166,618	507,274
Income(Loss) Before Contributions	1,067,464	578,230	788,530
Capital Contributions	321,385	863,015	1,251,302
Change in Net Position	\$ 1,388,849	\$ 1,441,245	\$ 2,039,832

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

As of June 30, 2021, the Port had \$11,989,293, net of accumulated depreciation, invested in capital assets, including land, building and other improvements. (see table below). This amount represents a net increase (including additions and deductions) of \$241,525, or 2.1%, from last year.

	2021	2020	2019
Land	\$ 1,974,262	\$1,755,725	\$ 1,755,725
Building and Terminal Improvements	13,408,585	11,993,581	13,381,555
Construction in progress	274,450	1,240,369	195,420
Less Accumulated Depreciation	(3,668,004)	(3,241,907)	(3,991,560)
Totals	\$ 11,989,293	\$11,747,768	\$ 11,341,140

**Debt Administration**

The 2013A series bond payable balance decreased by \$110,000 as principal paid on the bonds, decreasing balance from \$340,000 to \$230,000. The Port issued \$1,000,000 in Revenue Bonds, Series 2013A in April 2013, for capital infrastructure improvements.

**WEST CALCASIEU PORT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2021**

**ECONOMIC FACTORS AND FUTURE OUTLOOK**

The following factors were considered in preparing the Port's budget for the coming fiscal year: Projected sales and rentals were budgeted at a slight increase over current period excluding additional bonus rentals. Expenses were budgeted at approximately the same as current period. The change in net position should remain positive.

**CONTACTING THE DISTRICT'S MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Port's finances and to show the Port's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Darla B. Perry, CPA, West Calcasieu Port.



**West Calcasieu Port  
Sulphur, Louisiana  
Statements of Net Position  
As of June 30, 2021**

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 268,625	464,656
Investments	3,911,340	3,820,613
Restricted assets:		
Cash and cash equivalents - revenue bonds	39,892	40,569
Accounts receivable	43,830	54,841
Other receivables	42,840	56,409
Prepaid expenses	9,120	12,553
Total Current Assets	4,315,647	4,449,641
<b>PROPERTY, PLANT, AND EQUIPMENT</b>		
Building and terminal improvements	13,408,585	11,993,581
Less: accumulated depreciation and amortization	(3,668,004)	(3,241,907)
	9,740,581	8,751,674
Construction in progress	274,450	1,240,369
Land	1,974,262	1,755,725
Net Property, Plant, and Equipment	11,989,293	11,747,768
<b>OTHER ASSETS</b>		
Investment in joint venture	5,071,019	3,845,222
Utility Deposits	576	576
Intangible asset	51,209	51,209
Less accumulated amortization	(46,372)	(42,958)
Total Other Assets	5,076,432	3,854,049
<b>TOTAL ASSETS</b>	<b>\$ 21,381,372</b>	<b>\$ 20,051,458</b>

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

**West Calcasieu Port  
Sulphur, Louisiana  
Statements of Net Position (Continued)  
As of June 30, 2021**

	<b>2021</b>	<b>2020</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 125,936	\$ 71,871
Prepaid revenue and deposits	3,000	6,000
Bond Interest Payable	1,998	1,998
Total Current Liabilities	130,934	79,869
<b>CURRENT LIABILITIES (Payable from Restricted Assets)</b>		
Due within one year - revenue bonds	110,000	105,000
Total Current Liabilities (Payable From Restricted Assets)	110,000	105,000
<b>LONG-TERM LIABILITIES</b>		
Revenue bonds payable	120,000	235,000
Total Long-Term Liabilities	120,000	235,000
<b>TOTAL LIABILITIES</b>	<b>360,934</b>	<b>419,869</b>
<b>NET POSITION</b>		
Net investment in capital assets	11,757,295	10,893,526
Unrestricted amounts	9,263,143	8,738,063
<b>TOTAL NET POSITION</b>	<b>\$ 21,020,438</b>	<b>\$ 19,631,589</b>

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

**West Calcasieu Port  
Sulphur, Louisiana  
Statements of Revenues, Expenses, and Changes in Net Position  
For The Years Ended June 30, 2021  
with Comparative Totals for June 30, 2020**

	<u>2021</u>	<u>2020</u>
<b>OPERATING REVENUES</b>		
Lease Revenue	\$ 980,329	\$ 1,153,068
Utility Revenue	11,957	16,522
Total Operating Revenues	<u>992,286</u>	<u>1,169,590</u>
<b>OPERATING EXPENSES</b>		
Advertising	1,795	4,313
Board per diem	10,600	10,200
Bank and bond service fees	165	204
Depreciation expense	522,242	487,694
Amortization Expense	3,414	3,414
Insurance	17,558	17,483
Professional fees	68,487	86,864
Recording fees	3,000	3,600
Port Director fees	81,056	83,625
Dues and subscriptions	8,325	6,825
Office expense	436	805
Other expense	99,308	8,377
Repairs and maintenance	126,661	27,748
Utilities	12,738	16,250
Storage expense	576	576
Total Operating Expenses	<u>956,361</u>	<u>757,978</u>
<b>INCOME FROM OPERATIONS</b>	<u>35,925</u>	<u>411,612</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Interest Income	3,842	58,392
Loss on disposition and asset impairment	(410,344)	(177,967)
Net income from Joint Venture	1,225,797	296,034
Insurance reimbursements hurricane	220,234	-
Interest expense	(7,990)	(9,841)
Total Non-Operating Revenues	<u>1,031,539</u>	<u>166,618</u>
<b>CHANGE IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS</b>	1,067,464	578,230
Capital Contributions	<u>321,385</u>	<u>863,015</u>
<b>CHANGE IN NET POSITION</b>	1,388,849	1,441,245
<b>NET POSITION - BEGINNING OF YEAR</b>	<u>19,631,589</u>	<u>18,190,344</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 21,020,438</u>	<u>\$ 19,631,589</u>

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

**West Calcasieu Port  
Sulphur, Louisiana  
Statements of Cash Flows  
For The Years Ended June 30, 2021**

	<u>2021</u>	<u>2020</u>
<b>Cash Flows From Operating Activities:</b>		
Receipts from customers and users	\$ 1,006,297	\$ 1,161,887
Payments to suppliers and others	(310,720)	(191,083)
Payments to Directors	(68,487)	(83,625)
Net Cash Provided (Used) by Operating Activities	<u>627,090</u>	<u>887,179</u>
<b>Cash Flows From Investing Activities:</b>		
Investment income	3,842	58,392
Purchase of investments	(90,727)	(463,302)
Net Cash Provided (Used) by Investing Activities	<u>(86,885)</u>	<u>(404,910)</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>		
Payments for property, plant and equipment	(1,160,542)	(1,009,613)
Principal payments on bonds	(110,000)	(105,000)
Receipts of capital grant	321,385	806,606
Other	220,234	28,211
Interest expense	(7,990)	(10,457)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(736,913)</u>	<u>(290,253)</u>
<b>Cash Flows From Non-Capital and Related Financing Activities:</b>		
Receipts of miscellaneous income	<u>-</u>	<u>-</u>
<b>Net Increase (Decrease) in Cash</b>	(196,708)	192,016
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>505,225</u>	<u>313,209</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 308,517</u>	<u>\$ 505,225</u>
<b>Cash and Cash Equivalents:</b>		
Cash - unrestricted	\$ 268,625	\$ 464,656
Cash - restricted	39,892	40,569
	<u>\$ 308,517</u>	<u>\$ 505,225</u>

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

**West Calcasieu Port  
Sulphur, Louisiana  
Statements of Cash Flows  
For The Years Ended June 30,**

	<b>2021</b>	<b>2020</b>
<b>Reconciliation of Operating Income to Net Cash</b>		
<b>Provided (Used) by Operating Activities:</b>		
Operating income (loss)	\$ 35,925	\$ 411,612
Adjustments to reconcile net operating income to net cash provided by operating activities:		
Depreciation	522,242	487,694
Amortization	3,414	3,414
(Increase) decrease in receivables	11,011	(8,703)
(Increase) decrease in prepaid insurance	3,433	(414)
Increase (decrease) in accounts payable and accrued interest	54,065	(7,424)
Increase (decrease) in prepaid revenue	(3,000)	1,000
	591,165	475,567
<b>Total Adjustments</b>		
	\$ 627,090	\$ 887,179
<b>Net Cash Provided (Used) by Operating Activities</b>		

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

West Calcasieu Port  
**Sulphur, Louisiana**  
**Notes to Financial Statements**  
**June 30, 2021 and 2020**

***Note 1 - Organization and Summary of Significant Accounting Policies***

The West Calcasieu Port was created through Act No. 68 of the Louisiana Legislature of 1964. A board of five commissioners governs the District.

The accompanying financial statements of the Board have been prepared in conformity with accounting principles generally accepted in the United States of America as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units. The following is a summary of the more significant policies:

**Financial Reporting Entity**

This report includes all funds and account groups which are controlled by or dependent on the Commissioners. Control by or dependence on the Port was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility. The West Calcasieu Port is a component unit of the State of Louisiana.

**Fund Accounting**

The accounts of the district are organized on the basis of a proprietary fund, which is considered a separate accounting entity or enterprise fund. Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**Basis of Accounting**

Basis of accounting refers to when revenues or expense are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement focus applied. Proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on statements of net position. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net position.

The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred.

West Calcasieu Port  
Sulphur, Louisiana  
Notes to Financial Statements (Continued)  
June 30, 2021 and 2020

*Note 1 - Summary of Significant Accounting Policies (Continued)*

The Port distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the entity's principal ongoing operations. The principal operating revenues of the Port's enterprise fund are charges for rentals and barge storage fees. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Port's policy to use restricted resources first, then unrestricted resources as they are needed.

Accounts Receivable

Receivables include amounts due from tenants for the use of Port facilities under rental agreements as well as from the sales of fuel and oil. All receivables are current and therefore due within one year. The Board does not record an allowance for uncollectible amounts due for receivables, as it uses the direct write-off method for any debts that are not collected.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Budgets and Budgetary Accounting

The Port adopts a budget annually for operating expenses. The budget is adopted under a basis consistent with GAAP, except that depreciation, certain capital expenses, revenues, non-operating income and certain non-operating expense items are not considered. The budget for the Port is not presented in these statements.

West Calcasieu Port  
Sulphur, Louisiana  
**Notes to Financial Statements (Continued)**  
**June 30, 2021 and 2020**

***Note 1 - Summary of Significant Accounting Policies (Continued)***

**Cash and Cash Equivalents**

The Port considers all short-term investments with an original maturity of three months or less to be cash equivalents.

**Restricted Net Position**

In the statement of net position, equity is classified as net position and displayed in three components:

1. Investment in capital assets, net of related debt consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributed to the acquisition, construction, or improvements of those assets.
2. Restricted net position -net position with constraints placed on the use either by a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or b) law through constitutional provisions or enabling legislation.
3. Unrestricted – all other net position is reported in this category.

The Port typically uses restricted funds first, followed by any unassigned funds when expenditure is incurred for purposes for which amounts in either of these classifications could be used.

**Risk Management**

The Port is exposed to various risks of loss from torts, theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; medical malpractice claims and judgments. Commercial insurance coverage is purchased for claims arising from such matters. The Port has had no settled claims resulting from these risks that exceeded its commercial coverage in any of the past three years.

**Environmental Matters**

The Port is subject to laws and regulations relating to the protection of the environment. The Port's policy is to accrue environmental and clean up related costs of a non-capital nature when it is both probable that a liability has been incurred and when the amount can be reasonably estimated. Although it is not possible to quantify with any degree of certainty the potential financial impact of the Port's continuing compliance efforts, management believes any future remediation or other compliance related costs will not have a material adverse effect on the financial condition or reported results of operations of the Board. At June 30, 2021, management is not aware of any liability resulting from environmental matters.



West Calcasieu Port  
Sulphur, Louisiana  
**Notes to Financial Statements (Continued)**  
**June 30, 2021 and 2020**

**Note 2 -Cash and Investments**

*At June 30, 2021, the Port has deposits with financial institutions (book balances) as follows:*

		<b><u>2021</u></b>
<b>Cash</b>		
	Demand Deposits	\$ 308,517
<b>Investments</b>		
	Louisiana Asset Management Pool	<u>3,911,340</u>
	<b>Total Cash and Investments</b>	<b><u>\$ 4,219,857</u></b>

These deposits are stated at cost, which approximates 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 fair value of the pledged securities plus federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

These securities are held in the name of the pledging agent banks in holding or custodial banks that are mutually acceptable to both parties. At June 30, 2021, the Port had \$311,572 in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance of \$289,892 and \$779,805 of pledged securities held by the custodial banks in the name of the fiscal agent banks (GASB category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 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 Por that the fiscal agent bank has failed to pay deposited funds upon demand.

Under state law, the Port may invest in United States bonds, treasury notes, or certificates. These are classified as investments. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a nonprofit corporation formed by an initiative of the State Treasurer. The financial statements of the Louisiana Asset Management Pool, Inc. (LAMP) can be obtained by accessing their website.

Investments held at June 30, 2021 consist of \$3,911,340 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126 the investment in LAMP at June 30, 2021 is not categorized in the three risk categories provided by GASB Codification Section 150.126 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book ently form.

West Calcasieu Port  
Sulphur, Louisiana  
**Notes to Financial Statements (Continued)**  
**June 30, 2021 and 2020**

***Note 2 -Cash and Investments (continued)***

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA -R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U. S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

GASB Statement No.40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest, and foreign currency risk for all public held entity investments.

Lamp is a 2a7-like investment pool. The following facts are relevant for 2a7 like investment pools:

Credit risk: LAMP is rated AAA by Standard & Poor's.

Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: 2a7-like investment pools are excluded from this disclosure requirement, per paragraph 15 of the GASB 40 statement.
- Foreign currency risk: Not applicable to 2a7-like pools.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA -R.S. 33:2955 (A)(l)(h) which allows all municipalities, parishes, school boards, and any other political subdivision of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1 + commercial paper.

West Calcasieu Port  
Sulphur, Louisiana  
**Notes to Financial Statements (Continued)**  
**June 30, 2021 and 2020**

***Note 2 - Deposits and Investments (continued)***

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

***Note 3 - Fixed Assets***

All fixed assets of the proprietary fund are recorded at historical costs or, if contributed property, at their estimated fair value at the time of contribution. Donated fixed assets include land valued at \$649,700 and leasehold improvements of \$519,008. Depreciation of all exhaustible fixed assets is charged as an expense against their operations. The costs of normal repairs and maintenance that do not add to the value of the assets or materially extend assets lives are recorded as expenses; renewals and betterments are capitalized. The Port has a capitalization policy of \$1,000. Depreciation has been calculated using the straight-line method. Estimated useful lives are buildings and improvements 10-40 years and furniture, fixtures and equipment 5-10 years. Depreciation expense for the year ended June 30, 2021 totaled \$522,242.

Capital asset activity for the year ended June 30, 2021, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Land	\$ 1,755,725	\$218,537	\$ -0-	\$ 1,974,262
Construction in Progress	1,240,369	955,573	1,921,492	274,450
Capital Assets Being Depreciated:				
Building & Terminal Improvements	11,993,581	1,921,492	506,488	13,408,585
Total Capital Assets being Depreciated	11,993,581	1,921,492	506,488	13,408,585
Less Accumulated Depreciation	3,241,907	522,242	96,145	3,668,004
Total Capital Assets Being Depreciated, Net of Depreciation	8,751,674	1,399,250	410,343	9,740,581
Total Capital Assets, Net	<u>\$ 11,747,768</u>	<u>\$ 2,573,360</u>	<u>\$2,331,835</u>	<u>\$ 11,989,293</u>

West Calcasieu Port  
**Sulphur, Louisiana**  
**Notes to Financial Statements (Continued)**  
**June 30, 2021 and 2020**

**Note 4 - Board of Commissioners' Per Diem**

Members of the Board of Commissioners are paid a per diem allowance for attending board meetings. The total expenses for meetings attended during the year ended June 30, 2021 are as follows:

	2021	2020
Buddy Reams	\$ 2,000	\$ 600
Dave Aguiard	-0-	900
Dick Kennison	2,200	2,100
Scott Foreman	2,000	2,000
Timothy J. Dougherty	2,200	2,200
Wilmer Dugas	2,200	2,400
Total	\$ 10,600	\$ 10,200

**Note 5 - Bonds Payable**

In 2013, the West Calcasieu Port issued \$1,000,000 Revenue Bonds, Series 2013 A; dated April 20, 2013; due in annual installments, including interest at 2.35%, of \$85,000 to \$120,000 through the year 2023.

The following is a summary of changes in long-term debt for the year ended June 30, 2021:

Description	Amount of Original Issue	Maturity	Interest Rate	Balance 6/30/2020	Retired 6/30/2021	Balance 6/30/2021
2013 A	\$1,000,000	2033	2.35%	\$340,000	\$110,000	\$230,000

The annual debt service requirements to maturity for the 2013 A bond series as of June 30, 2019:

Year Ending				
June 30	Principal	Interest	Total	
2022	110,000	4,113	114,113	
2023	120,000	2,820	122,820	
	\$ 230,000	\$ 6,933	\$ 236,933	

**Note 6 - Restricted Assets**

Restricted assets consist of cash from the issuance of the Port's revenue bonds. The balance at June 30, 2021 was \$39,892.

West Calcasieu Port  
**Sulphur, Louisiana**  
**Notes to Financial Statements (Continued)**  
**June 30, 2021 and 2020**

*Note 7 - Major Customer*

Rentals/barge storage fees from one major customer were approximately 61% of total rentals/barge storage fee income for the year ended June 30, 2021. The amount due from this customer, included in trade receivables, was \$46,650 or 100%.

*Note 8 - Construction Commitments*

The Port has two active construction commitments as of June 30, 2021. New bulkhead with costs incurred as of June 30, 2021 of \$248,480 and expected cost of \$3,335,000.

*Note 9 - Intangible Asset*

The Port incurred costs of \$51,209 for a strategic plan project that was conducted for the entity during the year ended June 30, 2009. The cost is amortized over a 15 year period. Amortization expense for the year ended June 30, 2021 is \$3,414.

*Note 10 - Investment in Joint Venture*

On February 1, 2000, the Calcasieu Parish Police Jury, the West Calcasieu Port, Harbor, and Terminal District and the Industrial Development Board of the City of Sulphur entered into an amended joint service agreement with the West Calcasieu Airport Managing Board as to the development and operations of the West Calcasieu Airport Managing Board (Airport). The Port owns 50.84% of the Airport. Total assets of the Airport were \$10,489,180 and \$7,957,201, and total liabilities were \$514,995 and \$394,035 as of June 30, 2021 and 2020 respectively. The Net Position of the Board increased \$2,411,019 for year ending June 30, 2021 and increased \$582,270 for the year ending June 30, 2020. The investment is accounted for using the equity method. Financial statements can be obtained by contacting the Board's accountant.

*Note 11 - Asset Impairment*

In August 2020, Hurricane Laura inflicted extensive damage to the Port's facilities. These financial statements include impairment losses resulting from the damages totaling \$410,344, net of accumulated depreciation. The impairment loss only considers the complete loss of various fixed assets and was calculated and valued based on the historical depreciated cost of the destroyed component items. The restorative efforts of the remaining damages to the fixed assets are considered repairs and expensed as incurred. Restorative expenditures included in repairs total \$101,056 for the year ended June 30, 2021.

West Calcasieu Port  
**Sulphur, Louisiana**  
**Notes to Financial Statements (Continued)**  
**June 30, 2021 and 2020**

*Note 11 - Asset Impairment (continued)*

Restorative efforts to the Port's facilities are ongoing as of June 30, 2021. The estimated cost to completely restore the facilities could range from \$3,000,000 to \$3,500,000. The cost estimate is subject to change and dependent upon external factors.

The Port has filed insurance claims and has approved insurance reimbursements of \$220,334 as of June 30, 2021. The Port has undertaken efforts to obtain additional insurance reimbursements from the damages the facilities, but the final settlement has not yet been determined. The Port also expects to recover a portion of the restorative costs from FEMA.

*Note 12 - Subsequent Events*

Subsequent events were evaluated through December 13, 2021, which is the date the financial statements were available to be issued.

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Member Louisiana Society of  
Certified Public Accountants

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

Board of Commissioners  
West Calcasieu Port  
Sulphur, Louisiana

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of West Calcasieu Port as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise West Calcasieu Port Louisiana's basic financial statements, and have issued our report thereon dated December 13, 2021.

### **Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Board of Commissioners  
West Calcasieu Port

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

Steven M. DeRouen & Associates

Lake Charles, Louisiana  
December 13, 2021



West Calcasieu Port  
**Sulphur, Louisiana**  
**Schedule of Findings and Responses**  
**June 30, 2021**

**A. Summary of Independent Auditor's Results:**

1. Unqualified opinion on financial statements.
2. No material weaknesses or significant deficiencies in internal control noted.
3. No instances of non-compliance noted.

**B. GAGAS Findings:**

**None.**

**C. Prior Year Findings:**

**None**

West Calcasieu Port  
Sulphur, Louisiana

**Schedule of Compensation, Benefits and Other  
Payments to the Executive Director**

**Year Ended June 30, 2021**

**Agency Head: Lynn Hohensee, Executive Director**

<b>Purpose</b>	<b>Amount</b>
Salary (contract fee)	\$81,056
Benefits-insurance	0.00
Benefits-retirement	0.00
Benefits-Other	0.00
Car allowance	0.00
Vehicle provided by government	0.00
Per diem	0.00
Reimbursements	6,161
Travel	0.00
Registration fees	0.00
Conference travel	0.00
Continuing professional education fees	0.00
Housing	0.00
Unvouchered expenses	0.00
Special meals	0.00

**Note: This schedule is included as supplementary information.**