



PORT OF SOUTH LOUISIANA
FINANCE COMMITTEE MEETING
WEDNESDAY, DECEMBER 16, 2020
VIA VIDEO/TELECONFERENCE
2:45 PM



AGENDA & NOTICE OF MEETING

CERTIFICATE

The Port of South Louisiana Board of Commissioners (the "Commission"), through its Chairman, D. Paul Robichaux, hereby certifies as follows:

In accordance with Executive Proclamations JBE2020-30 and 2020-33, issued by Governor John Bel Edwards on March 16, 2020 and March 22, 2020, respectively, this Notice shall serve as certification by the Port of South Louisiana's Board of Commissioners of its inability to operate in accordance with the Louisiana Open Meetings Law LARS 42:19 as a result of the COVID-19 Public Health Emergency and of its inability to achieve a quorum if its members via in-person attendance by adhering to said Proclamations.

The Port of South Louisiana Commission will meet via Zoom video/teleconference at the posted date and time:

Via Telephone access: Call +1 646 558 8656 or +1 346 248 7799 or +1 669 900 9128 or +1 253 215 8782 or +1 301 715 8592 or +1 312 626 6799

Webinar ID: 842 1403 5345; Password: 137060

Via Web access: To join from PC, Mac, Linux, iOS, or Android go to

<https://us02web.zoom.us/j/84214035345?pwd=b09jYnhWWFdwNlBZcGhBQU9LbHc5Zz09>

Password: 137060

If a member of the public would like to issue a public comment on any agenda item, please do one of the following: (1) Send an e-mail prior to the meeting to the Port Manager or Executive Assistant (vlclark@portsl.com or pcrockett@portsl.com) stating the agenda item you want to submit a comment, along with your full name, address, and your written comments, which will be read into the record of the meeting; or (2) Join the Zoom video/teleconference (detailed instructions on how to use Zoom following the agenda). You will be allowed to comment during the Public comment item of the agenda on any matter requiring a vote of the Commission.

— *America's Largest Tonnage Port* —



P.O. Box 909 LaPlace, Louisiana 70069-0909 855.SLA.PORT 985.652.9278 www.portsl.com

Globalplex Intermodal Terminal
147 Henderson Street Reserve, Louisiana 70084
globalplex@portsl.com

Administrative Office
171 Belle Terre Boulevard LaPlace, Louisiana 70068
info@portsl.com

Executive Regional Airport
355 Airport Road Reserve, Louisiana 70084
FBO X8512 Alt: X8510 psl-era@portsl.com

1. CALL TO ORDER.....CHAIRMAN MURRAY

2. ROLL CALL.....CHAIRMAN MURRAY

CONSIDER APPROVING THE CERTIFICATION BY THE PORT OF SOUTH LOUISIANA’S BOARD OF COMMISSIONERS OF ITS INABILITY TO OPERATE IN ACCORDANCE WITH THE LOUISIANA OPEN MEETINGS LAW LARS 42:19 AS A RESULT OF THE COVID-19 PUBLIC HEALTH EMERGENCY

3. NEW BUSINESSCHAIRMAN MURRAY

A. Consider engagement of auditors, Kushner LaGraize, LLC for the years ending April 30, 2021; 2022; 2023

4. ADJOURNMENT

Instructions for joining the meeting via Zoom:

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Password: 137060

If Accessing via Web:

1. After selecting the link, if you do not already have Zoom on your computer, an automatic download of the Zoom software will begin
2. After the download is complete, you will be prompted to enter your name (this is the name that will present to the other members of the meeting)
3. You will be prompted to choose to join with video or without video. *NOTE:* If you chose to join with video, your computer camera will be activated and all members accessing the video via web will be able to see your image
4. You will be prompted to choose to use computer audio or phone call-in audio
5. Once the meeting begins, all non-board members will be muted by the host. However, it is encouraged to mute your microphone upon entry into the meeting
6. To leave the meeting, click *Leave Meeting* at the bottom-right corner of your screen

Public Comment: There are three options to provide public comment for the Port of South Louisiana meetings

1. Send an e-mail prior to the meeting to the Port Manager or Executive Assistant (vlclark@portsl.com or pcrockett@portsl.com) stating the agenda item you want to submit a comment, along with your full name, address, and your written comments, which will be read into the record of the meeting
2. If Accessing Via Telephone – Upon request from the Chairperson for public comment during the meeting, if you would like to provide comment, press *9 on your phone keypad. This will notify the meeting moderator to unmute you and allow for your comment.
3. If Accessing Via Zoom Software – Upon request from the Chairperson for public comment during the meeting, if you would like to provide comment, select the *Chat* icon at the bottom of the screen, type “request comment,” and hit enter. This will notify the meeting moderator to unmute you and allow for your comment.

It is encouraged that you test your device prior to the meeting to ensure connectivity.

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Mr. D. Paul Robichaux, Chairman of the Commission
Mr. P. Joey Murray, III, Treasurer
PORT OF SOUTH LOUISIANA
171 Belle Terre Boulevard
LaPlace, Louisiana 70068

Dear Mr. Robichaux & Mr. Murray:

As certified public accountants licensed to practice in Louisiana, we are pleased to confirm our understanding of the services we are to provide for the Port of South Louisiana (the Port), a primary government, for the years ending April 30, 2021, 2022 and 2023.

Audit Scope

We will audit the financial statements, including the related notes to the financial statements, which collectively comprise the basic financial statements of the Port as of and for the years ending April 30, 2021, 2022 and 2023.

Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Port's 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. As part of our engagement, we will apply certain limited procedures to the Port's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. *Management's Discussion and Analysis*
2. *Schedule of Employer's Proportionate Share of the Net Pension Liability*
3. *Schedule of Employer's Pension Contributions*
4. *Schedule of Funding Progress for OPEB Plan*

We have also been engaged to report on supplementary information other than RSI that accompanies the Port's financial statements. The schedule of expenditures of federal awards and schedule of compensation, reimbursements, benefits and other payments to the Executive Director will be subjected to the auditing procedures applied in our audits 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, and we will provide an opinion on them in relation to the financial statements as a whole in a report combined with our auditors' report on the financial statements.

Audit Objectives

The objective of our audits is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U. S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the third paragraph of the previous section, when considered in relation to the financial statements as a whole. The objective also includes reporting on –

- Internal control over financial reporting and compliance with the provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with Government Auditing Standards.*
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).*

The Government Auditing Standards report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of 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, and (2) the report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audits will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Board of Commissioners of the Port. Our audits will comply with the provisions of Louisiana Revised Statute 24:513 and the provisions of the Louisiana Governmental Audit Guide, published jointly by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If for any reason we are unable to complete the audits or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from the engagements. Should such situations arise, we will notify you and the Legislative Auditor.

We will use professional judgment in determining the standards that apply to the work to be conducted. If this engagement will not satisfy the requirements of all audit report users, laws, and regulations, we will notify you as soon as this comes to our attention. We will then submit another engagement letter for your approval that complies with the applicable requirements and will seek approval of the Legislative Auditor for the engagement. We will consider all standards that may apply, but in particular, we will determine whether a different type of engagement is needed based on:

- *State of Louisiana's audit law.*
- *Audit requirements of Government Auditing Standards.*
- *Uniform Guidance.*
- *Bond requirements, either to issue bonds or as a bond indenture provision.*
- *Other contractual requirements.*

Audit Procedures – General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audits will involve judgment about the number of transactions to be examined and the areas to be tested. 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 will plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of waste and abuse is subjective, Government Auditing Standards do not expect auditors to perform specific procedures to detect waste or abuse in financial audits not do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, an unavoidable risk exists that some material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and Government Auditing Standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, and fraudulent financial reporting, or misappropriation of assets that come to our attention, and will also notify the Legislative Auditor in writing. Furthermore, should we become aware of any fraud or misappropriation of assets, we shall notify the appropriate enforcement agency, including the local district attorney and sheriff. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required by Government Auditing Standards, the Louisiana Governmental Audit Guide, and the Single Audit Act. Our responsibility as auditors is limited to the period covered by our audits and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audits, we will also require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures – Internal Control

Our audits will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to Government Auditing Standards.

As required by Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audits, we will communicate to management and those charged with governance, internal control related matters that are required to be communicated under AICPA professional standards, Government Auditing Standards, and the Uniform Guidance.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Port's compliance with provisions of applicable laws, regulations, contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to Government Auditing Standards.

The Uniform Guidance requires that we also plan and perform the audits to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the OMB Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of the Port's major programs. The purpose of these procedures will be to express an opinion on the Port's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to Uniform Guidance.

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of the Port in conformity with U.S. generally accepted accounting principles and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under Government Auditing Standards and such services will not be conducted in accordance with Government Auditing Standards. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards, and related notes previously defined. We, in our sole professional judgment reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management of the Port is responsible for the basic financial statements, schedule of expenditures of federal awards, schedule of compensation, reimbursements, benefits and other payments to the Executive Director and all accompanying information, as well as all representations contained therein. As part of the audits, we will assist with preparation of your financial statements, schedule of expenditures of federal awards and related notes, schedule of compensation, reimbursements, benefits and other payments to the Executive Director and related notes. You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, schedule of compensation, reimbursements, benefits and other payments to the Executive Director and related notes and for accepting full responsibility for such decisions. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards, schedule of compensation, reimbursements, benefits and other payments to the Executive Director and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, schedule of compensation, reimbursements, benefits and other payments to the Executive Director and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them. We understand you have designated Grant Faucheux, Director of Finance, with this responsibility.

Management is responsible for (1) designing, implementing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also

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responsible for the selection and application of accounting principles; for the fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information, in applicable.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including identification of all related parties and all related-party relationships and transactions (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Port involving management, employees who have significant roles in internal control, and others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Port received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants.

Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review upon request.

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You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our reports on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our reports thereon or make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our reports on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our reports thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other engagements or studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

Engagement Administration, Fees and Other

We may from time to time, and depended on the circumstances, use third-party providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

Immediately upon completion of each engagement, the auditor shall send a copy of the reporting package to the Port and one electronic copy to the Legislative Auditor. The reporting package will consist of the data collection form, if applicable, to be prepared by management, and:

- 1. An opinion (or disclaimer of opinion) as to whether the financial statements are presented fairly in all material respects in conformity with accounting principles generally accepted in the United States and, when applicable, an opinion (or disclaimer of opinion) as to whether the schedule of expenditures of federal awards and the schedule of compensation, reimbursements, benefits and other payments to the Executive Director are presented fairly in all material respects in relation to the financial statements taken as a whole. It is our understanding that these statements will include a schedule of expenditures of federal awards and the schedule of compensation, reimbursements, benefits and other payments to the Executive Director. These schedules will be included in the report as supplementary information other than required supplementary information. If included as supplementary information, we will provide an opinion on the schedules in relation to the financial statements as a whole. If our opinion on the financial statements is other than unmodified, we will fully discuss the reasons with you in advance.*
- 2. A report on internal control and compliance with laws and regulations material to the financial statements and, when applicable, major federal programs. This report shall describe the scope of testing of internal control and compliance, the results of the tests, and, where applicable, refer to the separate schedule of findings and questioned costs. The state laws and regulations included in this report shall include all of the compliance matters included in the Louisiana Compliance Questionnaire.*

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- 3. If applicable, a report on internal control and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on major federal programs. The report will include an opinion (or disclaimer of opinion) as to whether the Port have complied with laws, regulations, and the provisions of contracts or grant agreements which could have a direct and material effect on each major program, and, where applicable, refer to the separate schedule of findings and questioned costs.*
- 4. If applicable, a summary schedule of findings and questioned costs.*
- 5. If applicable, a summary schedule of the current status of any prior findings, which management will prepare.*
- 6. Management's corrective action plans, which management will prepare.*
- 7. If applicable, a management letter to convey suggestions and recommendations not suitable for the foregoing reports. We will ask you to respond to any matters included in the management letter and include your response as a part of the issued management letter, or you may place your response to these matters in your corrective action plan.*

We will assist you in the preparation of the data collection form and sign, or disclaim, the form. In the preparation of the form should there be any material disagreements, we reserve the right to refuse to sign the form and report such matters to the appropriate federal officials and the Legislative Auditor.

Either the auditor or the Port shall send a copy of the report, any management letter, and management's corrective action plan, if applicable, to each member of the Commission, each federal grantor agency providing direct federal assistance and the federal cognizant agency, and to each state grantor agency and any state cognizant agency, if applicable.

It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, schedule of compensation, reimbursements, benefits and other payments to the Executive Director, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period.

Our audit will include a review of any prior-year suggestions and recommendations and will indicate the extent to which the summary schedule of prior year audit findings is fairly stated. As to any current-year recommendations and suggestions, we will afford you the opportunity to respond to such matters and will include your response(s) in management's corrective action plan.

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The audit documentation for these engagements is the property of Kushner LaGraize, L.L.C. and constitutes confidential information. However, the audit documentation shall be available for inspection by the Legislative Auditor, any successor auditor, and/or any organization authorized by the Louisiana State Board of Certified Public Accountants to perform audit documentation reviews as part of a quality assurance program. We will follow the Legislative Auditor's policy regarding confidentiality of audit/engagement documentation found at Section 350.02 of the Louisiana Governmental Audit Guide when giving access to audit documentation to any parties other than those previously named individuals and organizations.

Should we become aware of any illegal acts, we shall make our audit documentation available to the local district attorney or any other state or federal enforcement or regulatory agency without liability. The audit documentation shall be retained by Kushner LaGraize, L.L.C. for a minimum of five years after the issuance of the report.

Subsequent to the issuance of each report, should it be necessary to alter or reissue the report and/or any management letter, Kushner LaGraize, L.L.C. shall distribute such reissued report and/or management letter in the same manner as the original report and management letter.

We expect to begin our audits no later than July 13th of each year and to issue our reports no later than October 31, 2021, 2022 and 2023.

Ernest G. Gelpi, CPA, CGFM is the engagement partner and is responsible for supervising the engagement and signing the report. It is our understanding that you have assigned Mr. Grant Fauchaux of your staff as your representative during the engagement.

The Legislative Auditor will be notified immediately, in writing, if our audits are cancelled or if there are any significant disagreements. The Legislative Auditor will be notified, immediately, in writing if there are any changes in this agreement or if there are any restrictions placed on our staff during the audits that would impact the scope of the audits, which includes the failure to produce required records in a timely manner, or the nature of the tests required under the previously discussed standards. If federally-assisted programs are involved, we are required to notify the cognizant or oversight agency, if applicable.

During the course of our audits, it is possible that we may observe opportunities for economies of operation and for improved internal administrative and accounting controls, or we may observe variances with applicable laws and regulations or other matters that should be brought to your attention. Our comments and recommendations concerning such matters, if any, will be conveyed to you in writing.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2019 peer review report accompanies this letter.

We will conduct an agreed-upon procedures engagement to ensure the Port's compliance with the requirements of the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures for the fiscal years ending April 30, 2021, 2022, and 2023. The terms of these services will be provided in a separate engagement letter.

You may request that we perform additional non-attest services not contemplated by this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

Under the provisions of Government Auditing Standards, our ability to provide non-audit services may result in an impairment of our independence, and therefore, may be limited for the duration of this engagement and for the period covered by this engagement. We will consult those standards and the Legislative Auditor's Office to determine whether such impairment exists, prior to the performance of any non-attest services.

These limited procedures may not meet the needs of all users of audit reports, who may require additional information and assurances on internal control and compliance with laws and regulations. In accordance with Government Auditing Standards, you should consider whether additional testing of controls and compliance are necessary to supplement the financial statement audit's coverage of these areas and to meet the reasonable needs of report users. These additional needs are quite often met in two ways, by

- Supplemental (or agreed-upon) procedures, or*
- An examination resulting in an opinion.*

We are available to discuss the expanded needs of report users, the nature of this expanded work, and the degree to which these type examinations, or other examinations, will meet the needs of the Port and its report users.

The completed Systems Survey and Compliance Questionnaire which is given to us by you will be tested for accuracy of answers to questions which you have answered. Any matters relating to this questionnaire will be conveyed to you in our separate report on internal control and compliance with laws and regulations.

If applicable, there shall be a reporting, either by notes or separate schedule, of amounts paid to members of the Commission for compensation or per diem.

Mr. D. Paul Robichaux, Chairman of the Commission

Mr. P. Joey Murray, III, Treasurer

PORT OF SOUTH LOUISIANA

November 11, 2020

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Our fee for each audit is based on a combination of time spent on the engagement, computer and overhead charges and the value of services. We will bill you on the basis of actual hours worked plus out-of-pocket expenses, not to exceed \$39,500 per audit, for a total of \$118,500 for the three years ending April 30, 2023. Invoices for payment of fees and expenses will be submitted monthly. This fee is based on anticipated cooperation from your personnel and the completion of the information we request in our client request letter sent under separate cover. If unexpected circumstances are encountered during the audit and significant additional time is necessary, we will discuss it with you and arrive at a new fee before we incur the additional costs. All invoices will be due and payable 15 days from date of invoice.

If a dispute arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Rules for Professional Accounting and Related Services Disputes before resorting to litigation. The costs of any mediation proceeding shall be shared equally by all parties.

Client and accountant both agree that any dispute over fees charged by the accountant to the client will be submitted for resolution by arbitration in accordance with the Rules for Professional Accounting and Related Services Disputes of the American Arbitration Association. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that, in the event of a dispute over fees charged by the accountant, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury and instead we are accepting the use of arbitration for resolutions.

It is understood that any unusual situations arising in connection with the audit, which would require special investigation, are not contemplated in the above estimate and would not be undertaken until we discussed them with you. The Legislative Auditor will be informed in writing of any such unusual situations requiring special investigation which is not undertaken.

Approval

In accordance with the provisions of state law, this engagement agreement must be approved by the Legislative Auditor prior to commencement of our work. Upon your signature and approval, we will seek approval of the Legislative Auditor of this engagement.

We appreciate the opportunity to be of service to the Port, and believe this letter accurately summarizes the significant terms of our engagements. If these comments and arrangements meet with your approval, please sign the enclosed copy of this letter and return it to us.

Mr. D. Paul Robichaux, Chairman of the Commission
Mr. P. Joey Murray, III, Treasurer
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Any questions in regard to this engagement should be addressed to Ernest G. Gelpi, CPA, CGFM, Managing Partner, Kushner LaGraize, L.L.C., Certified Public Accountants and Consultants, 3330 West Esplanade Avenue, Suite 100, Metairie, Louisiana 70002, (504) 838-9991; or Mr. P. Joey Murray, III, Treasurer, 171 Belle Terre Boulevard, LaPlace, Louisiana 70068, (985) 652-9278.

Yours very truly,

KUSHNER LAGRAIZE, L.L.C.



Ernest G. Gelpi, CPA, CGFM
Managing Partner

EG:mbt/sgf

Enclosures

ACCEPTED:

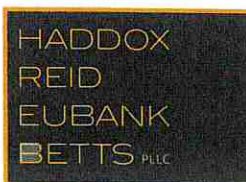
The foregoing letter correctly sets forth the understanding of the **PORT OF SOUTH LOUISIANA** regarding the audit engagements for the years ending April 30, 2021, 2022 and 2023.

Mr. D. Paul Robichaux,
Chairman of the Commission

Date

Mr. P. Joey Murray, III
Treasurer

Date



CPAs & Advisors

Report on the Firm's System of Quality Control

November 5, 2019

To the Partners of
Kushner LaGraize, LLC
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Kushner LaGraize, LLC (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act; audits of employee benefit plans; and an audit of a broker-dealer.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Kushner LaGraize, LLC applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2019, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Kushner LaGraize, LLC has received a peer review rating of *pass*.

Haddox Reid Eubank Betts PLLC

HADDOX REID EUBANK BETTS PLLC