

COLUMBIA PORT COMMISSION
COLUMBIA, LOUISIANA

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION
AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2018 AND 2017**



**COLUMBIA PORT COMMISSION
COLUMBIA, LOUISIANA**

**TABLE OF CONTENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

CONTENTS

	Page
REQUIRED SUPPLEMENTAL INFORMATION	1
Management's Discussion and Analysis	2-5
INDEPENDENT ACCOUNTANT'S COMPILATION REPORT	6
BASIC FINANCIAL STATEMENTS	7
Statements of Net Position	8
Statements of Revenues, Expenses, and Changes in Net Assets	9
Statements of Cash Flows	10
Notes to Financial Statements	11-16
SUPPLEMENTAL INFORMATION	17
Schedule of Compensation, Benefits, Reimbursements, and Other Payments to Agency Head	18
OTHER REPORTS	19
Management Letter	20-22
Summary Schedule of Prior Findings	23

**Required Supplemental Information
Management's Discussion and Analysis**

**COLUMBIA PORT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018**

As Management of the Columbia Port Commission (the Port), we offer readers of the Columbia Port Commission's financial statements this narrative overview and analysis of the financial activities of the Columbia Port Commission as of December 31, 2018, and for the year then ended. We encourage readers to consider the information presented here in conjunction with the Port's basic financial statements and supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments issued June 1999.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Columbia Port Commission's basic financial statements. The Columbia Port Commission is a special-purpose government engaged in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements, comprised of two components: (1) fund financial statements and (2) a series of notes to the financial statements. These provide information about the activities of the Port as a whole and present a longer-term view of the Port's finances.

Financial Statements. The Port accounts for all financial activity in a single enterprise fund. The focus of proprietary funds is on income measurement, which, together with the maintenance of net position, is an important financial indicator. A fund is a fiscal and accounting entity with a self-balancing set of accounts established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The financial statements are designed to provide readers with a broad view of the Columbia Port Commission's finances in a manner similar to that of a private-sector business. The statement of net position presents information on all of Columbia Port Commission's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Columbia Port Commission is improving or deteriorating. The statement of revenues, expenses and changes in net position presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

**COLUMBIA PORT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018**

FINANCIAL HIGHLIGHTS

- The assets of the Port exceeded its liabilities on December 31, 2018, by \$844,461.
- The Port's net position decreased by \$60,220 as a result of this year's operations.

NET POSITION		
	2018	2017
Current and other assets	\$ 97,707	\$ 100,978
Capital assets, net	860,367	930,834
Total assets	958,074	1,031,812
 Liabilities:		
Current	13,801	13,064
Long-term:		
Notes payable, net of current portion	99,812	114,067
Total liabilities	113,613	127,131
 Net position		
Net invested in capital assets	746,754	803,703
Unrestricted	97,707	100,978
Total net position	\$ 844,461	\$ 904,681

As noted earlier, net position may serve over time as a useful indicator of a government's financial condition. At the close of the most recent fiscal year, assets of the Columbia Port Commission exceeded liabilities by \$844,461. Of total *net position* of \$844,461, \$746,754 reflects the Port's investments in capital assets (e.g. land, building, improvements and equipment, net of accumulated depreciation), less any outstanding debt used to acquire those assets. The unrestricted balance as of December 31, 2018, was \$97,707, down from \$100,978, on December 31, 2017.

**COLUMBIA PORT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018**

The changes in net position for the years ended December 31, 2018 and 2017 are summarized as follows:

CHANGES IN NET POSITION

	<u>2018</u>	<u>2017</u>
Revenues		
Operating revenues	\$ 30,650	\$ 44,650
Total revenues	<u>30,650</u>	<u>44,650</u>
Expenses		
Administration	14,215	13,830
Depreciation	70,467	70,967
Interest	6,188	7,602
Total expenses	<u>90,870</u>	<u>92,399</u>
Increase (decrease) in net position	(60,220)	(47,749)
Beginning net position	<u>904,681</u>	<u>952,430</u>
Ending net position	<u>\$ 844,461</u>	<u>\$ 904,681</u>

Revenues of the Port consist of rentals, plus storage fees for corn, cottonseed, rice, etc. and mineral leases. The change in income from 2017 to 2018 is the result of changes in lease agreements. Some leases are cancelable for a number of years. Others are renewable. Significant expenses of the Port include maintenance and upkeep of facilities and depreciation.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

Columbia Port Commission's investment in capital assets for its business-type activities as of December 31, 2018, is \$860,367 (net of accumulated depreciation). This investment includes land, buildings, improvements, and equipment.

Long-term debt

At December 31, 2018, Columbia Port Commission has one bank note payable totaling \$113,613. This note refinanced a previous note to extend the due date.

ECONOMIC FACTORS AND NEXT YEAR EXPECTATIONS

The Port will continue strive toward maximizing use of all port property and work to qualify for additional grants (both state and federal) to add to infrastructure and improve economic opportunities for our tenants.

**COLUMBIA PORT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018**

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Columbia Port Commission's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Columbia Port Commission, P.O. Box 76, Columbia, Louisiana 71418.



To the Board
Columbia Port Commission
Columbia, Louisiana

Management is responsible for the accompanying financial statements of the business-type activities of Columbia Port Commission (the Port), as of and for the year ended December 31, 2018, and related notes to the financial statements, which collectively comprise the Port's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on page 2 through page 5 be presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis and, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such supplementary information is the responsibility of management. The required supplementary information was not subject to our compilation engagement. We have not performed an audit, review, or compilation on the required supplementary information and, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on the information.

The supplementary information titled Schedule of Compensation, Benefits, Reimbursements, and Other Payments to Agency Head, is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. The information was subject to our compilation engagement; however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such information.

BOSCH & STATHAM, LLC

Bosch & Statham

Ruston, Louisiana
January 14, 2020

Basic Financial Statements

**COLUMBIA PORT COMMISSION
COLUMBIA, LOUISIANA**

**STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2018 AND 2017**

	2018	2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 90,707	\$ 93,978
Receivables, net of allowance	6,000	6,000
Purchase option	1,000	1,000
Capital assets, net of accumulated depreciation	860,367	930,834
TOTAL ASSETS	958,074	1,031,812
LIABILITIES		
Current liabilities:		
Notes payable in one year	13,801	13,064
Noncurrent liabilities:		
Notes payable in more than one year	99,812	114,067
TOTAL LIABILITES	113,613	127,131
NET POSITION		
Net investment in capital assets	746,754	803,703
Unrestricted	97,707	100,978
TOTAL NET POSITION	\$ 844,461	\$ 904,681

See accompanying notes and accountant's compilation report.

**COLUMBIA PORT COMMISSION
COLUMBIA, LOUISIANA**

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2018 AND 2017**

	2018	2017
OPERATING REVENUES		
Charges for services - leases	<u>\$ 30,650</u>	<u>\$ 44,650</u>
Total operating revenues	<u>30,650</u>	<u>44,650</u>
OPERATING EXPENSES		
Depreciation expense	70,467	70,967
Other expenses	200	1,530
Other purchased services	95	-
Purchased professional and technical services	9,120	7,500
Purchased property services	4,800	4,800
Total operating expenses	<u>84,682</u>	<u>84,797</u>
OPERATING INCOME (LOSS)	<u>(54,032)</u>	<u>(40,147)</u>
NONOPERATING REVENUES (EXPENSES)		
Interest expense	<u>(6,188)</u>	<u>(7,602)</u>
Total nonoperating revenues (expenses)	<u>(6,188)</u>	<u>(7,602)</u>
Change in net position	(60,220)	(47,749)
Net position at beginning of year	<u>904,681</u>	<u>952,430</u>
Net position at end of year	<u>\$ 844,461</u>	<u>\$ 904,681</u>

See accompanying notes and accountant's compilation report.

**COLUMBIA PORT COMMISSION
COLUMBIA, LOUISIANA**

**STATEMENTS OF CASH FLOWS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 30,650	\$ 44,650
Payments to suppliers	<u>(14,215)</u>	<u>(13,830)</u>
Net cash provided by operating activities	<u>16,435</u>	<u>30,820</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal paid on capital debt	(13,518)	(12,103)
Interest paid on capital debt	<u>(6,188)</u>	<u>(7,602)</u>
Net cash used in capital and related financing activities	<u>(19,706)</u>	<u>(19,705)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash provided by investing activities	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(3,271)	11,115
Cash and cash equivalents, beginning of year	<u>93,978</u>	82,863
Cash and cash equivalents, end of year	<u><u>\$ 90,707</u></u>	<u><u>\$ 93,978</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	<u>\$ (54,032)</u>	<u>\$ (40,147)</u>
Adjustments:		
Depreciation expense	<u>70,467</u>	<u>70,967</u>
Total adjustments	<u>70,467</u>	<u>70,967</u>
Net cash provided by operating activities	<u><u>\$ 16,435</u></u>	<u><u>\$ 30,820</u></u>
NONCASH INVESTING, CAPITAL, AND FINANCIAL		
None		

See accompanying notes and accountant's compilation report.

COLUMBIA PORT COMMISSION
COLUMBIA, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

Introduction

The Columbia Port Commission (the Port) is a political subdivision of the State of Louisiana and was created by the Revised Statutes 34:1901 by the Louisiana Legislature. The Board is composed of five members, who serve without compensation, and who are appointed as follows:

1. The governing authority of the Parish of Caldwell appoints two Commissioners.
2. The governing authority of the Town of Columbia appoints two Commissioners.
3. One Commissioner is elected by the appointed Commissioners at their initial meeting.

The Port exercises the powers conferred upon it within the entire Parish of Caldwell. The Port may authorize a reasonable travel allowance for its members in the performance of their duties, and it may employ such officers, or agents, and employees, as it may find necessary in the performance of its duties, and may prescribe the duties, powers and compensation of such officers, agents, and employees. The Port may, on such terms upon which it may agree, contract for legal, financial, engineering, and other professional services necessary or expedient in the conduct of its affairs, and may on terms and conditions mutually agreeable, utilize the services of the executive department of the state.

When authorized by a vote of a majority of the property taxpayers of the port area qualified to vote at an election for this purpose, the Port has authority to levy annually on all property subject to taxation and situated within the port area, an ad valorem tax not to exceed two and one-half mills on the dollar.

The Port may not acquire by expropriation any wharves, landing, or any other property in use by private interests.

The Port is reported as a stand-alone entity as defined by GASB Statement No. 14, *The Reporting Entity*, as amended by GASB No. 39, *Determining Whether Certain Organizations are Component Units*. The Port is neither fiscally dependent on any other local government, nor does it provide specific financial benefits to or impose specific financial burdens on any other government. No other potential component units meet the criteria for inclusion in the financial statements of the Port.

COLUMBIA PORT COMMISSION
COLUMBIA, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The accompanying financial statements of the Port have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Basis of presentation – fund accounting

The Port's operations are accounted for in a proprietary fund type - the enterprise fund. The proprietary fund type is accounted for using the flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operations are included on the balance sheet. The operating statement presents increases (revenues) and decreases (expenses) in net total assets.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and 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.

Cash and cash equivalents

Cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition are considered to be cash and cash equivalents. State law and the Port's investment policy allow the Port to invest in collateralized certificates of deposits, government-backed securities, commercial paper, the state-sponsored investment pool, and mutual funds consisting solely of government-backed securities. The Port has not adopted a formal investment policy but considers the statutes to be its policy.

Capital Assets

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

All capital assets, other than land, are depreciated using the straight-line method over estimated useful lives ranging from five to fifteen years.

See accountant's compilation report.

COLUMBIA PORT COMMISSION
COLUMBIA, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Extraordinary and special items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the Port's control which are either unusual in nature or infrequent in occurrence.

Statement of Cash Flows

For the purposes of the Statement of Cash Flows, the Port considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – CASH AND CASH EQUIVALENTS

At December 31, 2018 and 2017, the Port had cash and cash equivalents (book balances) totaling \$90,707 and \$93,978 as follows:

	<u>2018</u>	<u>2017</u>
Demand deposits	\$ 90,442	\$ 93,713
Time deposits	265	265
Total	<u>\$ 90,707</u>	<u>\$ 93,978</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2018 and 2017, the Port has \$88,546 and \$91,816 in deposits (collected bank balances), respectively. At December 31, 2018 and 2017, these deposits were secured from risk by federal deposit insurance.

See accountant's compilation report.

COLUMBIA PORT COMMISSION
COLUMBIA, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 3 – CAPITAL ASSETS

Capital assets and depreciation activity as of December 31, 2018 and 2017, and for the years then ended are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
For the year ended December 31, 2018:				
Capital assets not being depreciated:				
Land	\$ 446,600	\$ -	\$ -	\$ 446,600
Construction in progress	3,911	-	(3,911)	-
Total capital assets not being depreciated	450,511	-	(3,911)	446,600
Capital assets being depreciated:				
Buildings and improvements	1,477,540	3,911	-	1,481,451
Equipment	8,779	-	-	8,779
Total capital assets being depreciated	1,486,319	3,911	-	1,490,230
Less accumulated depreciation:				
Buildings and improvements	(998,679)	(70,028)	-	(1,068,707)
Equipment	(7,317)	(439)	-	(7,756)
Total accumulated depreciation	(1,005,996)	(70,467)	-	(1,076,463)
Total capital assets being depreciated, net	480,323	(66,556)	-	413,767
Net capital assets	\$ 930,834	\$ (66,556)	\$ (3,911)	\$ 860,367
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
For the year ended December 31, 2017:				
Capital assets not being depreciated:				
Land	\$ 446,600	\$ -	\$ -	\$ 446,600
Construction in progress	3,911	-	-	3,911
Total capital assets not being depreciated	450,511	-	-	450,511
Capital assets being depreciated:				
Buildings and improvements	1,477,540	-	-	1,477,540
Equipment	8,779	-	-	8,779
Total capital assets being depreciated	1,486,319	-	-	1,486,319
Less accumulated depreciation:				
Buildings and improvements	(928,151)	(70,528)	-	(998,679)
Equipment	(6,878)	(439)	-	(7,317)
Total accumulated depreciation	(935,029)	(70,967)	-	(1,005,996)
Total capital assets being depreciated, net	551,290	(70,967)	-	480,323
Net capital assets	\$ 1,001,801	\$ (70,967)	\$ -	\$ 930,834

See accountant's compilation report.

COLUMBIA PORT COMMISSION
COLUMBIA, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 4 – LEASES

The Port is the lessor of certain property which consists of the use of the rock yard, acreage, the grain elevator, and a rail spur. The lease agreements also provide for loading and storage fees based on the quantity of product loaded or stored. For the years ended December 31, 2018 and 2017, the port presented lease revenue of \$30,650 and \$44,650, respectively.

During each of the years ended December 31, 2018, and 2017, revenue from two and three customers, respectively, represented 100 percent of operating revenue.

Management estimates future minimum rental income to be received under non-cancelable operating leases to average \$20,000 per year.

NOTE 5 – NOTES PAYABLE

The following schedule presents changes in debt for the years ended December 31, 2018 and 2017:

For the Year Ended December 31, 2018:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Notes payable, 12/4/2015	<u>\$ 127,131</u>	<u>\$ -</u>	<u>\$ (13,518)</u>	<u>\$ 113,613</u>

For the Year Ended December 31, 2017:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Notes payable, 12/4/2015	<u>\$ 139,234</u>	<u>\$ -</u>	<u>\$ (12,103)</u>	<u>\$ 127,131</u>

See accountant's compilation report.

**COLUMBIA PORT COMMISSION
COLUMBIA, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 5 – NOTES PAYABLE (CONTINUED)

Notes payable at December 31, 2018 and 2017, consisted of the following:

	<u>2018</u>	<u>2017</u>
Note payable dated December 4, 2015, interest payable annually at 5.50%, payable in annual installments of \$1,642 from 2016 through 2025, secured by land.	<u>\$ 113,613</u>	<u>\$ 127,131</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of notes payable as of December 31, 2018 and 2017:

	<u>Current</u>	<u>Long-term</u>	<u>Total</u>
December 31, 2018:			
Note dated December 2015	<u>\$ 13,801</u>	<u>\$ 99,812</u>	<u>\$ 113,613</u>
 December 31, 2017:			
Note dated December 2015	<u>\$ 13,064</u>	<u>\$ 114,067</u>	<u>\$ 127,131</u>

NOTE 6 – RISK MANAGEMENT

The Port is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets. To handle such risk of loss, the Port requires all lessees to maintain commercial insurance policies covering property, general liability, employee fidelity, and workers' compensation.

No claims were paid on any of these policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the years ended December 31, 2018 and 2017.

NOTE 7 – CONTINGENCIES

There are no claims pending against the Columbia Port Commission at December 31, 2018.

NOTE 8 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 14, 2020, the date on which the financial statements were available to be issued.

See accountant's compilation report.

SUPPLEMENTARY INFORMATION

COLUMBIA PORT COMMISSION
COLUMBIA, LOUISIANA

SUPPLEMENTARY INFORMATION

SCHEDULE OF COMPENSATION, BENEFITS, REIMBURSEMENTS,
AND OTHER PAYMENTS TO AGENCY HEAD (BOARD CHAIRMAN)
FOR THE YEAR ENDED DECEMBER 31, 2018

Darron McGuffee, Chairman

Salary	\$ -
Benefits	-
Reimbursements:	
Mileage	-
Other items paid on behalf of chairman:	
Dues	-
Registration fees	-
	<hr/>
	\$ -
	<hr/>

See accountant's compilation report.

OTHER REPORTS

**COLUMBIA PORT COMMISSION
COLUMBIA, LOUISIANA**

**MANAGEMENT LETTER
FOR THE YEAR ENDED DECEMBER 31, 2018**

We did not perform an audit or review of the financial statements as of and for the year ended December 31, 2018. However, while performing our compilation procedures and following up on prior year findings as required by the Louisiana Governmental Audit Guide, we noted the following matters that must be communicated to management of the Port.

This communication is intended solely for the information and use of the Board, federal awarding agencies, pass-through entities, and the Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. Although the use of this report may be limited, under Louisiana Revised Statute 24:513, it is issued by the Louisiana Legislative Auditor as a public document.

2018-001 Segregation of Duties

Condition/Criteria/Effect

During 2017, a board member of the Port performed the following functions with occasional assistance from another board member:

- Opened mail
- Prepared deposits
- Prepared checks
- Signed checks
- Issued checks

Lack of proper segregation of duties increases the risk that assets could be misappropriated and that such action could be undetected.

Cause

It is not economically feasible for the Port to hire personnel to affect the proper segregation of duties.

Recommendation

We understand that the Port has concluded that it is not feasible to correct this deficiency by hiring employees at this time. We recommend that the Board review bank statements and the general ledger on a regular basis.

Management's Response

The Board will consider ways to improve the segregation of duties.

COLUMBIA PORT COMMISSION
COLUMBIA, LOUISIANA

MANAGEMENT LETTER
FOR THE YEAR ENDED DECEMBER 31, 2018

2018-002 Failure to Obtain State Bond Commission Approval

Condition

The Port did not obtain State Bond Commission approval before obtaining bank loans during 2006, 2007, 2008, 2009, and 2015. A previous approval obtained from the State Bond Commission applied to debt up to \$155,000 and expired in 2009. The Port's debt balances from 2006 to 2018 were as per the table below. At December 31, 2018, only the 2015 loan is outstanding.

<u>Year</u>	<u>Debt Balance</u>
2006	\$ 210,813
2007	452,784
2008	414,455
2009	368,500
2010	310,590
2011	261,816
2012	202,995
2013	163,566
2014	153,612
2015	150,750
2016	139,234
2017	127,131
2018	113,613

In response to the 2009 finding, the Board indicated that it had retained a bond attorney to assist in resolving the issue. The Board has no written documentation of its correspondence with the State Bond Commission through the attorney. The Board is unable to produce any documentation that formal paperwork has been filed with the State Bond Commission.

Criteria

LSA-RS 39:1410.60-1410.65 requires that the Port obtain the approval of the State Bond Commission before incurring long-term debt.

Cause

With respect to the 2006 loan, the Commission believed it was in compliance due to the previous approval. The 2007 loan proceeds were combined with a state grant to purchase a piece of property. The Commission believed that approval of the State Bond Commission was not required for this transaction. The 2008 loan proceeds were used to pay off two previous loans. The 2009 loan extended the maturity date of the 2008 loan. The 2015 loan refinanced the 2009 loan with the intention of providing for fixed payments to pay off the loan.

Effect

The Port appears to be in violation of state law.

COLUMBIA PORT COMMISSION
COLUMBIA, LOUISIANA

MANAGEMENT LETTER
FOR THE YEAR ENDED DECEMBER 31, 2018

Recommendation

We recommend that the Commission consult legal counsel for guidance on how to proceed. We further recommend that the Commission obtain State Bond Commission approval on all future indebtedness.

Management's Response

The Board will obtain proper approval for any future loans.

2018-003 Failure to File the Commission's Financial Statements by Due Date

Condition

The Port did not file its financial statements as of and for the year ended December 31, 2018 by June 30, 2019 as required by state law.

Criteria

LSA-RS 24:513 requires that the Port file its financial statements by six months after year end.

Cause

The Port did not submit data to the accountant in sufficient time to permit completion of the compilation.

Effect

The Port appears to be in violation of state law and is on the noncompliance list. The Port will not receive any funds from the State that may be due to it until the violation is cured.

Recommendation

We recommend that the Commission ensure that complete financial records are submitted to the accountant by February 28th of each year and that a representative of the Board is available for contact.

Management's Response

We will ensure that complete information is timely submitted in the future as recommended and will make a contact available.

**COLUMBIA PORT COMMISSION
COLUMBIA, LOUISIANA**

**SUMMARY SCHEDULE OF PRIOR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Finding 2017-001 Segregation of Duties

Initially Occurred: 2004

Corrective Action Taken: No

Planned Corrective Action: See 2018-001.

Finding 2017-002 Failure to Obtain State Bond Commission Approval

Initially Occurred: 2006

Corrective Action Taken: No

Planned Corrective Action: See 2018-002.