

CENTRAL LOUISIANA REGIONAL PORT

Alexandria, Louisiana

Financial Report

Year Ended April 30, 2020

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Central Louisiana Regional Port
Alexandria, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Central Louisiana Regional Port ("Port") as of and for the year ended April 30, 2020, and the related notes to the financial statements, which collectively comprise the Port's basic 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 our 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 opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Central Louisiana Regional Port, as of April 30, 2020, and the respective changes in financial position and cash flows thereof for the year 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, as listed in the table of contents, 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 our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2020, on our consideration of the Port's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Central Louisiana Regional Port's 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 the Port's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Alexandria, Louisiana
October 7, 2020

REQUIRED SUPPLEMENTARY INFORMATION

Central Louisiana Regional Port
April 30, 2020

Management's Discussion and Analysis

Our discussion and analysis of the Central Louisiana Regional Port's (the Port) financial performance provides an overview of the Port's financial activities for the fiscal year ended April 30, 2020. Please read in conjunction with the Port's basic financial statements, which begins on page 9.

Financial Highlights

- The Port's net position increased by \$2,022,235 during the year ended April 30, 2020, which is an 8% increase in total net position.

Using this Annual Report

This annual report consists of Management's Discussion and Analysis, the basic financial statements, and notes to the financial statements. Management's Discussion and Analysis provides a narrative of the Port's financial performance and activities for the year ended April 30, 2020. The basic financial statements provide readers with a broad overview of the Port's finances, in a manner similar to a private-sector business. The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

The basic financial statements consist of three statements:

- The Statement of Net Position presents information on all of the Port's assets, deferred outflows, liabilities and deferred inflows, 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 Port is improving or deteriorating.
- The Statement of Revenues, Expenses and Changes in Net Position presents information showing how the Port'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 the timing of related cash flows. Certain revenues and expenses are reported in this statement that will result in cash flows in future periods.
- The Statement of Cash Flows presents information showing how the Port's cash changed during the most recent fiscal year. It shows the sources and uses of cash.

Central Louisiana Regional Port
April 30, 2020

Management's Discussion and Analysis

A summary of net position is presented below.

Table 1

Changes in Net Position

	2020	2019	% Change
Current and other assets	\$ 2,623,758	\$ 2,567,775	2%
Construction in progress	-	1,234,600	-100%
Capital assets, net of depreciation	25,811,608	22,623,622	14%
Total assets	28,435,366	26,425,997	8%
Current liabilities	9,856	315,726	-10%
Noncurrent liabilities	-	16,350	-100%
Deferred inflows of resources	515,754	206,400	150%
Total liabilities	525,610	538,476	-2%
Invested in capital assets	25,881,608	23,858,222	8%
Unrestricted net position	2,098,148	2,029,299	3%
Total net position	\$ 27,909,756	\$ 25,887,521	8%

Invested in capital assets represent the Port's long-term investment in capital assets, net of accumulated depreciation, and is not available for current operations.

Central Louisiana Regional Port
April 30, 2020

Management's Discussion and Analysis

A summary of changes in net position is presented below.

Table 2
Changes in Net Position

	<u>2020</u>	<u>2019</u>	<u>% Change</u>
Operating revenues			
(Charges for services, leases, and other)	\$ 1,134,164	\$ 1,259,987	-10%
Non-operating revenue			
(Government subsidies and interest income)	38,916	13,112	197%
Total revenues	<u>1,173,080</u>	<u>1,273,099</u>	<u>-8%</u>
Operating expenses			
Depreciation	651,787	652,544	0%
Other	433,483	487,121	-11%
Total expenses	<u>1,085,270</u>	<u>1,139,665</u>	<u>5%</u>
Capital contributions	<u>2,934,425</u>	<u>2,108,791</u>	<u>-8%</u>
Total net position	\$ 2,022,235	\$ 2,242,225	-10%

Capital Assets

At April 30, 2020 and 2019, the Port had \$33,734,409 and \$31,155,351 respectively, invested in capital assets, including land and improvements, roads, port facilities, and furniture, fixtures, and equipment. There were \$3,843,138 in additions to capital assets during the year ended April 30, 2020.

Non-Current Liabilities

The Port's non-current liabilities consisted of accrued compensated absences for vacation and sick leave for a total of \$16,350. These liabilities were paid out during the year.

Deferred Inflows of Resources

Deferred inflows of resources consist of deferred lease payments and unearned revenue totaling \$515,754. Unearned revenue increased to \$451,754, during the current fiscal year. Deferred advanced lease income increased to \$64,000.

Central Louisiana Regional Port
April 30, 2020

Management's Discussion and Analysis

Other Currently Known Facts, Decision, or Conditions

It is very difficult to project from year to year the profitability of the Port due to the fact that some of the income that reflects profitability is thru-put fees. The lease income and grants provide the basis for the operating expenses.

Where appropriate, the tenants share the bulk of the maintenance except for replacement of the capital assets.

Contacting the Port's Financial Management

This financial report is designed to provide a general overview of the Port's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Central Louisiana Regional Port's office at 600 River Port Road, Alexandria, Louisiana.

BASIC FINANCIAL STATEMENTS

CENTRAL LOUISIANA REGIONAL PORT
Alexandria, Louisiana

Statement of Net Position
April 30, 2020

ASSETS

Current assets:

Cash and interest-bearing deposits	\$ 2,621,722
Prepaid items	<u>2,036</u>
Total current assets	<u>2,623,758</u>

Noncurrent assets:

Land	3,519,132
Capital assets, net	<u>22,292,476</u>
Total noncurrent assets	<u>25,811,608</u>

Total assets	<u>\$ 28,435,366</u>
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LIABILITIES

Current liabilities:

Accounts payables	<u>\$ 9,856</u>
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DEFERRED INFLOWS OF RESOURCES

Unearned revenue	451,754
Advanced lease income	<u>64,000</u>
Total deferred inflows of resources	<u>515,754</u>

NET POSITION

Net investment in capital assets	25,811,608
Unrestricted	<u>2,098,148</u>
Total net position	<u>\$ 27,909,756</u>

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

CENTRAL LOUISIANA REGIONAL PORT
Alexandria, Louisiana

Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended April 30, 2020

Operating revenues:	
Lease income	\$ 1,107,154
Rent income	19,640
Miscellaneous income	<u>7,370</u>
Total operating revenues	<u>1,134,164</u>
Operating expenses:	
Salaries	230,730
Retirement	9,229
Payroll taxes	20,081
Legal and professional fees	6,393
Membership and dues	10,046
Office expense	23,980
Depreciation	651,787
Insurance	69,900
Marketing and development	3,697
Accounting	23,118
Repairs and maintenance	30,644
Travel	<u>5,665</u>
Total operating expenses	<u>1,085,270</u>
Operating income	<u>48,894</u>
Nonoperating revenues:	
Gain on sale of assets	4,639
Interest income	<u>34,277</u>
Total nonoperating revenue	<u>38,916</u>
Income before capital contributions	87,810
Capital contributions	<u>1,934,425</u>
Change in net position	2,022,235
Net position, beginning	<u>25,887,521</u>
Net position, ending	<u>\$ 27,909,756</u>

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

CENTRAL LOUISIANA REGIONAL PORT
Alexandria, Louisiana

Statement of Cash Flows
For the Year Ended April 30, 2020

Cash flows from operating activities:	
Receipts from customers	\$ 1,182,664
Payments to suppliers	(183,685)
Payments to employees	<u>(276,390)</u>
Net cash provided by operating activities	<u>722,589</u>
 Cash flows from capital and related financing activities:	
Purchases and construction of capital assets	(2,404,711)
Proceeds from sale of assets	8,004
Proceeds from grants	<u>2,046,946</u>
Net cash used by capital and related financing activities	<u>(349,761)</u>
 Cash flows from investing activities	
Interest received	<u>34,277</u>
 Net increase in cash and interest-bearing deposits	407,105
 Cash and interest-bearing deposits, beginning of period	<u>2,214,617</u>
 Cash and interest-bearing deposits, end of period	<u>\$ 2,621,722</u>
 Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 48,894
Adjustments to reconcile operating income to net cash provided by operating activities -	
Depreciation	651,787
Unearned revenue	(48,246)
Changes in assets and liabilities:	
Decrease in accounts receivable	86,746
Increase in prepaid expenses	(545)
Decrease in accounts payables	(9,697)
Decrease in compensated absences	(16,350)
Increase in deferred revenue from lease payments	<u>10,000</u>
 Net cash provided by operating activities	<u>\$ 722,589</u>
 <u>Supplemental disclosure of cash flow information</u>	
Assets acquired through noncash transaction	<u>\$ 500,000</u>

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

CENTRAL LOUISIANA REGIONAL PORT
Alexandria, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Central Louisiana Regional Port (the Port) are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GAAP includes all relevant GASB pronouncements as set forth in the Codification for Governmental Accounting and Financial Reporting.

A. Financial Reporting Entity

The Central Louisiana Regional Port (the Port), was created by Act 1987, No. 440 of the Legislature of the State of Louisiana, and is a political subdivision of the State. Effective July 1, 2015, the State of Louisiana has changed the name of the Alexandria Regional Port Authority to the Central Louisiana Regional Port. Its territorial limits are concurrent with that of the municipal limits of the Parish of Rapides. The Port is governed by a board of commissioners, composed of ten members, who serve without compensation. The City of Alexandria appoints four commissioners, Rapides Parish Police Jury appoints three commissioners, City of Pineville appoints two commissioners and Town of Boyce appoints one commissioner to the board.

Section 2100 of the 2011 Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards, "Defining the Financial Reporting Entity" establishes criteria for determining which entities should be considered a component unit and, as such, part of the reporting entity for financial reporting purposes. The basic criteria are as follows:

- Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
- Whether the primary government's governing authority (Board Members) appoints a majority of board members of the potential component unit and is able to impose its will on the potential component unit or whether the potential component unit is fiscally dependent on the primary government.
- Financial benefit/burden relationship between the primary government and the potential component unit.
- The nature and significance of the relationship between the potential component units with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading.

The Port is a primary government and has no component units. The accompanying financial statements present information only on the funds maintained by the Port and do not present information on any other governmental unit.

CENTRAL LOUISIANA REGIONAL PORT
Alexandria, Louisiana

Notes to Basic Financial Statements

B. Basis of Accounting

The financial statements of the Port have been prepared in conformity with generally accepted accounting principles (GAAP). Such accounting and reporting policies also conform to the guidelines set forth in the Louisiana Governmental Audit Guide.

The Port maintains its books and records on the full accrual basis of accounting and on the flow of economic resources measurement focus. The Port applies all applicable professional standards in accounting and reporting for its proprietary operations.

Proprietary funds distinguish operating revenues and expenses from non-operating 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. The principal operating revenues of the Port are derived from leasing out facilities owned by the Port. Operating expenses include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

In some instances, GASB requires an entity to delay recognition of decreases in net position as expenditures until a future period. In other instances, entities are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. There were no deferred outflows of resources. The Port reported deferred inflows of resources for unearned revenue and advanced lease income.

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The Port reports three components as follows:

- (1) Net investment in capital assets - This component consists of net capital assets reduced by the outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- (2) Restricted net position - This component is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is restricted assets reduced by liabilities and deferred inflows of resources related to the restricted assets.
- (3) Unrestricted net position - This component consists of all other net position that does not meet the definition of the above two components and is available for general use by the Port.

It is the Port's policy to use restricted amounts first when both restricted and unrestricted net position is available unless, prohibited by legal or contractual provisions.

CENTRAL LOUISIANA REGIONAL PORT
Alexandria, Louisiana

Notes to Basic Financial Statements

C. Assets and Liabilities

Cash and interest-bearing deposits

For the purpose of the statement of cash flows, “cash and interest-bearing deposits” include all demand and savings accounts, certificates of deposit and short-term investments with an original maturity of three months or less when purchased.

Receivables

Receivables consist of all revenues earned at year-end and not yet received. Enterprise fund activities consist of lease income collected throughout the year in accordance to the Port’s lease agreements. There were no receivables related to the lease income at year end.

Prepaid expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses.

Capital Assets

Capital assets include property, plant, equipment, and infrastructure assets. They are reported at historical cost or estimated cost if historical 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 \$2,500 for capitalizing assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives 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. No interest expense was incurred during the current construction projects of the Port.

Depreciation of all exhaustible capital assets is charged as an expense against its operations. The estimated useful lives are as follows:

Infrastructure-roads	50 years
Port facilities	40 years
Furniture and fixtures	7 years
Equipment	5-40 years

CENTRAL LOUISIANA REGIONAL PORT
Alexandria, Louisiana

Notes to Basic Financial Statements

Compensated Absences

The Port allows its employees to accrue between seven to thirty-five days of vacation based on the numbers of years served by the employee. The employees are not allowed to carryover unused vacation earned during the period. Each employee is also allowed to accumulate up to ten days of sick pay per employment year with an accumulation of up to 30 days, however, no accumulated sick pay will be paid out upon separation of employment. No amounts were accrued for vacation payable due to the amounts being immaterial to the financial statements.

Unearned Revenue

Unearned revenue was derived from an agreement with a tenant for improvements to be made to a Port's asset. In exchange for the improvements being made, the Port agreed to reduce the tenants monthly rent income for the duration of the lease term. Revenue will be recognized in subsequent periods when the lease term is satisfied.

Advances in Lease Income

The Port reports advances in lease income on its statement of net position as deferred inflows of resources. Advances in lease income arise when the Port receives resources from lease income before it has legal claim to those resources. In subsequent periods, when the Port has a legal claim to the resources, the revenue is recognized.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, and deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. These estimates include assessing the collectability of accounts receivable and the useful lives and impairment of tangible assets, among others. Estimates and assumptions are reviewed periodically, and the effects or revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from those estimates.

(2) Cash and interest bearing-deposits

Under state law, the Port may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Port may invest certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

CENTRAL LOUISIANA REGIONAL PORT
Alexandria, Louisiana

Notes to Basic Financial Statements

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Port's deposits may not be recovered, or the Port will not be able to recover the collateral securities that are in the possession of an outside party. These deposits are stated at costs, which approximates market. Under state law, deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The Port does not have a policy for custodial credit risk. Deposit balances (bank balances) are secured as follows.

Bank balances	<u>\$ 617,615</u>
Insured	\$ 250,000
Uninsured and collateral held by pledging bank not in the Port's name	<u>367,615</u>
Total	<u>\$ 617,615</u>

(3) Louisiana Asset Management Pool

The Port participates in the Louisiana Asset Management Pool (LAMP). LAMP is an investment pool established as a cooperative endeavor to enable public entities of the State of Louisiana to aggregate funds for investment. LAMP is not registered with the Securities and Exchange Commission (SEC) as an investment company. 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 LA – R.S. 33:2955. The financial report for LAMP may be accessed on its website www.lamppool.com.

Investments in LAMP carry the following characteristics:

- Credit risk: LAMP is rated AAAM 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: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments.
- Foreign currency risk: Not applicable.

CENTRAL LOUISIANA REGIONAL PORT
Alexandria, Louisiana

Notes to Basic Financial Statements

The investments in LAMP are stated at fair value. 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 net asset value of the pool shares. At April 30, 2020, the Port had \$2,005,735 invested in LAMP, which is included in cash and interest-bearing deposits on the Statement of Net Position.

(4) Capital Assets

Capital asset activity was as follows:

	Balance Beginning	Additions	Deletions	Balance Ending
Capital assets not being depreciated:				
Land	\$ 3,519,132	\$ -	\$ -	\$ 3,519,132
Construction in progress	<u>1,234,600</u>	<u>-</u>	<u>1,234,600</u>	<u>-</u>
Total capital assets, not being depreciated	<u>4,753,732</u>	<u>-</u>	<u>1,234,600</u>	<u>3,519,132</u>
Other capital assets				
Infrastructure - roads	906,427	108,933	-	1,015,360
Port facilities	24,523,737	3,665,399	-	28,189,136
Port office facility	469,122	-	-	469,122
Furniture and fixtures	448	-	-	448
Equipment	<u>501,885</u>	<u>68,806</u>	<u>29,480</u>	<u>541,211</u>
Total capital assets being depreciated	<u>26,401,619</u>	<u>3,843,138</u>	<u>29,480</u>	<u>30,215,277</u>
Less accumulated depreciation				
Infrastructure - roads	(236,201)	(21,891)	-	(258,092)
Port facilities	(6,654,634)	(585,441)	-	(7,240,075)
Port office facility	(131,094)	(11,627)	-	(142,721)
Furniture and fixtures	(448)	-	-	(448)
Equipment	<u>(274,752)</u>	<u>(32,828)</u>	<u>(26,115)</u>	<u>(281,465)</u>
Total accumulated depreciation	<u>(7,297,129)</u>	<u>(651,787)</u>	<u>(26,115)</u>	<u>(7,922,801)</u>
Total capital assets being depreciated, net	<u>19,104,490</u>	<u>3,191,351</u>	<u>3,365</u>	<u>22,292,476</u>
Total capital assets, net	<u>\$ 23,858,222</u>	<u>\$ 3,191,351</u>	<u>\$ 1,237,965</u>	<u>\$ 25,811,608</u>

Depreciation expense was charged in the amount of \$651,787.

CENTRAL LOUISIANA REGIONAL PORT
Alexandria, Louisiana

Notes to Basic Financial Statements

(5) Leases

The Central Louisiana Regional Port derives a substantial portion of its revenues from operating leases related to use of the Ports property and assets. In addition to revenues derived from the lease of the property owned by the Port, the Port also receives revenue from the amount of cargo shipped in and out of the Port known as throughput fees. Depending on the terms of the lease, minimum amounts are assessed each year regardless of volume shipped. Summary information related to the leases is as follows.

Minimum future rental payments to be received by the Port under the present lease was as follows.

<u>Fiscal Year Ending</u>	
2021	\$ 985,200
2022	985,200
2023	967,200
2024	967,200
2025	572,850
2026 and thereafter	<u>1,098,500</u>
Total payments	<u>\$ 5,576,150</u>

Minimum throughput amounts that must be paid to the Port as follows:

<u>Fiscal Year Ending</u>	
2021	\$ 216,750
2022	266,750
2023	230,000
2024	230,000
2025	230,000
2026 and thereafter	<u>490,000</u>
Total payments	<u>\$ 1,663,500</u>

(6) Schedule of Compensation, Benefits, and Other Payments to Chief Executive Officer

The schedule of compensation to Blake Cooper, Executive Director, is as follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 134,024
Benefits - retirement	5,361
Car allowance	6,000
Travel expense	4,376
Cell phone	1,440
	<u>\$ 151,201</u>

CENTRAL LOUISIANA REGIONAL PORT
Alexandria, Louisiana

Notes to Basic Financial Statements

(7) Pension Plan

On January 1, 2018 the Port established the Central Louisiana Regional Port 457(b) Plan. All employees are eligible to participate in the plan on the first day of the calendar month after they have completed 90 days of service. The plan offers different types of contributions that could be made by employees to the plan. The Port will make matching contribution up to a maximum of 4% of the employee's contribution to the plan. Matching contributions made by the Port for the year were \$9,229.

(8) Risk Management

The Port is exposed to risks of loss in the areas of damage to and destruction of assets, injuries to employees and natural disasters. These risks of loss are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

(9) Concentrations - Revenue

For the year ending April 30, 2020, the Port received 97% of its total operating revenue from five customers. Of those five customers, two accounted for 38% and 36%, respectively, of the total lease income received and one customer accounted for 89% of the total rent income received.

(10) Litigation

The Port is subject to various lawsuits and claims, many of which arise in the normal course of business. Although their outcome is not presently determinable, it is the opinion of management that resolution of these matters will not have a material adverse effect on the financial condition of the Port.

(11) New Accounting Pronouncements

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, Leases. The statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions of GASB Statement No. 87 are effective for fiscal years beginning after June 15, 2021. The effect of implementation on the Port's financial statements has not yet been determined.

**INTERNAL CONTROL, COMPLIANCE
AND OTHER MATTERS**

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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*

The Board of Commissioners
Central Louisiana Regional Port
Alexandria, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Central Louisiana Regional Port ("Port"), as of and for the year ended April 30, 2020, and the related notes to the financial statements, which collectively comprise the Port's basic financial statements and have issued our report thereon dated October 7, 2020.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of current and prior year audit findings as item 2020-001, that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Port's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Alexandria, Louisiana
October 7, 2020

CENTRAL LOUISIANA REGIONAL PORT
Alexandria, Louisiana

Schedule of Current and Prior Year Audit Findings

Year Ended April 30, 2020

Part I: Current Year Findings

A. Internal Control Over Financial Reporting

2020-001 Payment of Accumulated Vacation Leave

CONDITION: The Central Louisiana Regional Port paid out an employee's accumulated vacation leave balance prior to the employee's separation from employment.

CRITERIA: The Central Louisiana Regional Port's employee policy states that accumulated vacation leave is only payable upon an employee's separation from employment.

CAUSE: The Central Louisiana Regional Port was unaware of the fact that the employee's accumulated vacation leave balance was payable only upon separation.

EFFECT: The Central Louisiana Regional Port deviated from its employment policy and as a result may have provided compensation in violation of Article VII Section 14 of the Louisiana Constitution.

RECOMMENDATION: Management should monitor their payroll transactions and adhere to the policies and procedures in use by the Central Louisiana Regional Port.

MANAGEMENT'S CORRECTIVE ACTION PLAN: Management of the Central Louisiana Regional Port will review their policies and procedures related to processing payroll and will implement those policies to ensure they are being followed.

B. Compliance

None reported.

Part II: Prior Year Findings

A. Internal Control Over Financial Reporting

None reported.

B. Compliance

None reported.