

TWIN PARISH PORT DISTRICT

Delcambre, Louisiana

Financial Report

Years Ended December 31, 2020 and 2019

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Twin Parish Port District
P.O. Box 101
Delcambre, Louisiana 70528-0101

Report on the Financial Statements

We have audited the accompanying financial statements of the Twin Parish Port District of Delcambre, Louisiana, as of and for the years ended December 31, 2020 and 2019, and the related notes to the 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 an opinion 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. 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 financial position of Twin Parish Port District of Delcambre, Louisiana, as of December 31, 2020 and 2019, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted a management's discussion and analysis that accounting principles generally accepted in the United States require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 8, 2021 on our consideration of the District's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

Darnall, Sikes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana

June 8, 2021

TWIN PARISH PORT DISTRICT
Delcambre, Louisiana

Statements of Net Position
December 31, 2020 and 2019

	2020	2019
ASSETS		
Cash	\$ 91,882	\$ 461,169
Restricted cash	11,369	4,335
Receivables	419,265	543,353
Prepaid expenses	<u>41,202</u>	<u>13,647</u>
Total current assets	<u>563,718</u>	<u>1,022,504</u>
 Fixed Assets		
Property, plant and equipment	8,218,884	7,827,833
Less accumulated depreciation	<u>(1,786,585)</u>	<u>(1,588,210)</u>
	<u>6,432,299</u>	<u>6,239,623</u>
Total Assets	<u>6,996,017</u>	<u>7,262,127</u>
 LIABILITIES		
Accounts payable	18,247	-
Accrued expenses	15,279	15,202
Bond payable, due currently	<u>-</u>	<u>210,455</u>
Total current liabilities	<u>33,526</u>	<u>225,657</u>
Total Liabilities	<u>33,526</u>	<u>225,657</u>
 NET POSITION		
Net invested in capital assets	6,432,299	6,029,168
Restricted for debt service	11,369	4,335
Unrestricted	<u>518,823</u>	<u>1,002,967</u>
Total Net Position	<u>\$ 6,962,491</u>	<u>\$ 7,036,470</u>

The accompanying notes are an integral part of this statement.

TWIN PARISH PORT DISTRICT
Delcambre, Louisiana

Statements of Revenues, Expenses and Changes in Net Position
Years Ended December 31, 2020 and 2019

OPERATING REVENUES:	2020	2019
Leases and rents	\$ 119,978	\$ 104,461
Program income	98,512	54,437
Total operating revenues	218,490	158,898
 OPERATING EXPENSES:		
Accounting and audit fees	15,500	18,000
Depreciation	198,374	188,863
Dues and subscriptions	4,739	6,168
Insurance	15,961	14,680
Interest	5,185	18,833
Marketing expense	163,174	135,135
Miscellaneous	8,065	4,515
Office expense	9,625	10,244
Outside services	16,123	13,012
Payroll taxes	22,051	6,073
Port director	51,641	64,320
Professional fees	13,121	32,692
Program registration	-	300
Rent	9,570	9,430
Repairs and maintenance	46,805	29,618
Salaries	117,270	92,860
Supplies	10,873	20,641
Telephone	4,248	3,814
Travel	5,101	7,289
Utilities	33,038	26,748
Website maintenance	16,490	6,885
Total operating expenses	766,954	710,120
Operating loss	(548,464)	(551,222)
 NON-OPERATING REVENUES (EXPENSES):		
Ad valorem taxes	428,269	557,071
Federal grants	40,643	63,333
Interest income	7	29
Miscellaneous	5,566	3,690
Total non-operating revenues	474,485	624,123
 Change in net position	(73,979)	72,901
Total net position, beginning of year	7,036,470	6,963,569
Total net position, end of year	\$ 6,962,491	\$ 7,036,470

The accompanying notes are an integral part of this statement.

TWIN PARISH PORT DISTRICT
Delcambre, Louisiana

Statements of Cash Flows
Years Ended December 31, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 218,567	\$ 168,451
Payments to suppliers	(314,479)	(405,427)
Payments to employees	<u>(139,321)</u>	<u>(98,933)</u>
Net cash used by operating activities	<u>(235,233)</u>	<u>(335,909)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Federal grant	40,643	63,333
Receipts from ad valorem tax	428,269	557,071
Miscellaneous receipts	<u>5,566</u>	<u>3,690</u>
Net cash provided by noncapital financing activities	<u>474,478</u>	<u>624,094</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Net purchase of capital assets	<u>(391,050)</u>	<u>(453,459)</u>
Net cash provided by capital and related financing activities	<u>(391,050)</u>	<u>(453,459)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments on tax bond	(210,455)	(178,000)
Interest received on interest bearing deposits	<u>7</u>	<u>29</u>
Net cash used by investing activities	<u>(210,448)</u>	<u>(177,971)</u>
 Net change in cash and cash equivalents	 (362,253)	 (343,245)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>465,504</u>	<u>808,749</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 103,251</u>	<u>\$ 465,504</u>
 Reconciliation of Operating Loss to Net Cash		
Used by Operating Activities:		
Operating loss	\$ (548,464)	\$ (551,222)
Adjustments to reconcile operating loss to net cash used by operating activities		
Depreciation	198,374	188,863
Change in receivables	124,088	17,181
Change in prepaid expenses	(27,555)	(74)
Change in accrued expenses	77	9,553
Change in accounts payable	<u>18,247</u>	<u>(210)</u>
Net cash used by operating activities	<u>\$ (235,233)</u>	<u>\$ (335,909)</u>
 RECONCILIATION OF CASH, CASH EQUIVALENTS, AND RESTRICTED CASH:		
Cash in bank	\$ 91,882	\$ 461,169
Restricted deposits	<u>11,369</u>	<u>4,335</u>
Total cash, cash equivalents, and restricted cash shown in statement of cash flows	<u>\$ 103,251</u>	<u>\$ 465,504</u>

The accompanying notes are an integral part of this statement.

TWIN PARISH PORT DISTRICT
Delcambre, Louisiana

Notes to Financial Statements

NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Twin Parish Port District (District) is centrally divided between Iberia and Vermilion Parish and includes Vermilion bay. The District has a separate appointed board and provides services to residents within its geographic boundaries. The accounting and reporting policies of the District have been prepared in conformity with generally accepted accounting principles as applied to governmental units. Such accounting and reporting procedures also conform to the guides set forth in the industry audit guide, *Audits of State and Local Governmental Units* and the *Louisiana Governmental Audit Guide*. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing accounting and financial reporting principles. The more significant of the District's accounting policies are described below:

Financial Reporting Entity

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the District. There are no component units of the District.

Fund Accounting

The accounts of the District are organized and operated on a fund basis whereby a separate self-balancing set of accounts that comprise its assets, liabilities, net assets, revenues and expenses is maintained for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or regulations. The District is presented in the accompanying financial statements as follows:

PROPRIETARY FUND –

The focus of Enterprise fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The Enterprise fund is accounted for using the accrual basis of accounting whereby revenues are recognized when they are earned and expenses are recognized when incurred. 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 District are leases and rents. The operating cost of the enterprise fund is all costs associated with the operation of the District. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Net Position

Equity is classified as net position and displayed in three components:

- a. Net Invested in capital assets – Consists of capital assets including restricted capital assets net of accumulated depreciation and reduced by the outstanding balance of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

TWIN PARISH PORT DISTRICT
Delcambre, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

The District used restricted assets only when unrestricted assets are fully depleted.

Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounts refers to “when” transactions are recorded regardless of the measurement focus applied.

The Enterprise fund utilized an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Encumbrance Accounting

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is not employed by the District.

Cash and Interest-Bearing Deposits

Cash represents non interest-bearing demand deposits.

Interest-bearing deposits include interest-bearing demand deposits and short-term time deposits. These interest-bearing deposits are stated at cost which approximates market.

Under state law, the District may deposit funds with a fiscal 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. Further, the District may invest in time deposits or certificates-of-deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

For the purpose of the statement of cash flows, the District considers only interest-bearing deposits with an initial maturity date of 90 days or less and all non-interest-bearing demand deposits to be cash and cash equivalents.

TWIN PARISH PORT DISTRICT
Delcambre, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fixed Assets

Fixed assets used in the proprietary fund type operations are valued at historical costs. Depreciation of all exhaustible fixed assets used by the proprietary fund type operations is charged as an expense against operations. Fixed assets on the balance sheet are net of accumulated depreciation. Depreciation is computed using the straight-line method based on the estimated useful lives of the various assets as follows:

Machinery and Equipment	5-10 years
Improvements	20-40 years

Depreciation of all exhaustible fixed assets used by the proprietary fund is charged as an expense against operations. Depreciation expense for the years ended December 31, 2020 and 2019 were \$198,374 and \$188,863, respectively.

Use of Estimates

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

Compensated Absences

The District does not have a formal policy on vacation and sick leave. Annual vacation and sick leave are granted at the discretion of the Board.

Accounting Standards Adopted in 2019

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606). This standard became effective January 1, 2019. The standard prescribes a single model for revenue recognition, with a set of principles to be used for determining when revenue should be recognized. It also requires expanded disclosures about the nature, amount, and timing of revenue and cash flows. The adoption of this new guidance does not have a material impact on the Project's financial statements.

Subsequent Events

Management has evaluated events subsequent to the balance sheet date through June 8, 2021, the date the financial statements were available to be issued.

TWIN PARISH PORT DISTRICT
Delcambre, Louisiana

Notes to Financial Statements

NOTE 2 CASH AND INTEREST-BEARING DEPOSITS

As reflected, the District has cash and interest-bearing deposits (book balances) as follows:

	2020	2019
Unrestricted:		
Demand deposits	\$ 88,138	\$ 459,275
Petty cash	3,744	1,894
	91,882	461,169
Restricted for Debt Service:		
Demand deposits	11,369	4,335
Total cash and cash equivalents	\$ 103,251	\$ 465,504

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 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. Deposit balances (bank balances) are secured as follows:

	2020	2019
Accounts bank balances	\$ 135,054	\$ 479,879
Federal deposit insurance	135,054	250,000
Balance uninsured	-	229,879
Pledged securities (category 3)	1,071,027	1,121,757
Excess pledged securities over cash and investments	\$(1,071,027)	\$ (891,878)

Pledged securities in Category 3 include uninsured or unregistered investments for which the securities are held by the pledging institution, or by its trust department or agent, but not in the District's name. Even though the pledged securities are considered uncollateralized (Category 3) Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3 ACCOUNTS RECEIVABLE

The District uses the direct write-off method. Expense is recognized during the period in which a specific account is determined to be uncollectible. The District believes this procedure does not result in a material difference from the valuation method required by generally accepted accounting principles.

TWIN PARISH PORT DISTRICT
Delcambre, Louisiana

Notes to Financial Statements

NOTE 4 PROPERTY PLANT AND EQUIPMENT

A summary of changes in the proprietary fund type property, plant and equipment for the year ended December 31, 2020 is as follows:

	Balance December 31, 2019	Additions	Deductions	Balance December 31, 2020
Land	\$ 850,886	\$ -	\$ -	\$ 850,886
Land improvements	6,879,840	339,088	-	7,218,928
Equipment	68,328	80,742	-	149,070
Construction in progress	<u>28,780</u>	<u>-</u>	<u>28,780</u>	<u>-</u>
	7,827,834	419,830	28,780	8,218,884
Accumulated depreciation	<u>(1,588,211)</u>	<u>(198,374)</u>	<u>-</u>	<u>(1,786,585)</u>
Net property, plant and equipment	<u>\$ 6,239,623</u>	<u>\$ 221,456</u>	<u>\$ 28,780</u>	<u>\$ 6,432,299</u>

NOTE 5 LONG TERM DEBT

	2020	2019
Limited Tax Certificate of Indebtedness, Series 2010, for \$1,500,000, issued April 15, 2010, at a rate of 4.0%, currently 4.25 %through and including February 28, 2015. From March 1, 2015 till paid in full, the rate will be the "Prime Rate" plus 0.75%, not to exceed 8.0%, principal payments beginning March 2011, with final payment due February 2020, collateralized by an irrevocable pledge and dedication of the funds to be derived by the District from the levy and collection of the special tax of 4.00 mills levied in the years 2010 through 2019.	\$ -	\$ 210,455
Less current maturities	<u>-</u>	<u>210,455</u>
	<u>\$ -</u>	<u>\$ -</u>

The following is a summary of changes in general long-term debt for the year ended December 31, 2020:

	Balance 12/31/2019	Bond Proceeds	Principal Payments	Balance 12/31/2020
Certificate of Indebtedness	<u>\$ 210,455</u>	<u>\$ -</u>	<u>\$ 210,455</u>	<u>\$ -</u>

TWIN PARISH PORT DISTRICT
Delcambre, Louisiana

Notes to Financial Statements

NOTE 6 AD VALOREM TAXES

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. These taxes are assessed on a calendar year basis, become due on November 15 of each year and become delinquent on December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year. During the year ended December 31, 2020, the District has authorized, and levied, a 5.00 mill ad valorem tax.

NOTE 7 LITIGATION

There is litigation pending against the District at December 31, 2020. It is expected there is sufficient insurance to cover the defense and claim with no exposure to the Port District.

NOTE 8 COMPENSATION PAID TO MEMBERS OF THE BOARD OF COMMISSIONERS

The commissioners of the District receive no compensation.

NOTE 9 COVID-19 PANDEMIC

In December 2019, a novel strain of coronavirus (COVID-19) was reported to have surfaced in China. The World Health Organization has characterized COVID-19 as a pandemic. The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on our operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on resources, employees and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact our financial condition or results of operations is uncertain.

SUPPLEMENTARY INFORMATION

TWIN PARISH PORT DISTRICT
Delcambre, Louisiana
Schedule of Compensation, Benefits and Other Payments to Agency Head
Year Ended December 31, 2020

Port Director: Wendell R. Verret

Salary	\$ 51,641
Phone	700
Travel	<u>2,723</u>
	<u>\$ 55,064</u>

**INTERNAL CONTROL, COMPLIANCE
AND
OTHER GRANT INFORMATION**



**DARNALL SIKES
& FREDERICK**

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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*

Board of Commissioners
Twin Parish Port District
Delcambre, 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 the business-type activities of Twin Parish Port District (the District) of Delcambre, Louisiana as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 8, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District'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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2020-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether District'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*.

District's Response to Findings

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Darnall, Sikes & Frederick

A Corporation of Certified Public Accountants

Delcambre, Louisiana
June 8, 2021

TWIN PARISH PORT DISTRICT
Delcambre, Louisiana

Schedule of Prior Year Audit Findings
Year Ended December 31, 2020

2019-001 Findings: Segregation of Duties

The District does not segregate the duties of recording transactions, custody of assets, and authorization of transactions.

Status: This finding is unresolved. See current year finding 2020-001.

TWIN PARISH PORT DISTRICT
Delcambre, Louisiana

Schedule of Findings and Responses
Year Ended December 31, 2020

SECTION 1 SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Auditor's Report

An unmodified opinion has been issued on the Twin Parish Port District's financial statements as of and for the year ended December 31, 2020.

Deficiencies and Material Weakness in Internal Control – Financial Reporting

There was one material weakness in internal control over financial reporting disclosed during the audit of the financial statement which is shown as item 2020-001 in Section 2 below.

Material Noncompliance – Financial Reporting

There were no instances of noncompliance noted during the audit of the financial statements.

FEDERAL AWARDS

Major Program Identification

This section is not applicable for the year ended December 31, 2020.

SECTION 2 FINDINGS RELATING TO THE AUDIT IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

2020-001 Segregation of Duties

Criteria: Effective internal controls require adequate segregation of duties to allow for prevention and detection of errors and possible misappropriation of funds.

Condition: Due to the limited number of personnel, one individual is responsible for all the key functions of the Port.

Cause: Due to the small number of personnel, the Twin Parish Port District did not have adequate segregation of duties within the accounting department.

Effect: A single person having responsibility for more than one area of recording, authorization, custody of assets, and execution of transactions could result in unrecorded transactions, misstated financial reports, clerical errors, or misappropriation of funds not being detected in a timely manner.

Recommendation: Based on the size of the operation and the cost benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

TWIN PARISH PORT DISTRICT
Delcambre, Louisiana

Schedule of Findings and Responses (Continued)
Year Ended December 31, 2020

SECTION 3 FINDINGS AND QUESTIONED COSTS RELATING TO FEDERAL PROGRAMS

At December 31, 2020, the Twin Parish Port District did not meet the requirements to have a single audit in accordance with OMB Uniform Guidance; therefore, this section is not applicable.

SECTION 4 MANAGEMENT LETTER

The auditor did not issue a management letter this year.

TWIN PARISH PORT DISTRICT
Delcambre, Louisiana

Management's Corrective Action Plan for Current Year Findings
Year Ended December 31, 2020

Response to Finding 2020-001:

No response is considered necessary.