PORT OF IBERIA DISTRICT

FINANCIAL REPORT

JUNE 30, 2018

CONTENTS

BROUSSARD
POCHÉ, LLP
CERTIFIED PUBLIC ACCOUNTANTS

101 Independence Boulevard | Lafayette, LA 70508
(O) 337.988.4930 | (F) 337.984.2393
www.BroussardPoche.com

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Port of Iberia District
New Iberia, Louisiana

We have audited the accompanying basic financial statements of the Port of Iberia District, as of and for the years ended June 30, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the Port of Iberia District's basic financial statements as listed in 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 misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits 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 audits 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 auditors' judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Port of Iberia District, as of June 30, 2018 and 2017, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

4112 West Congress Street | P.O. Box 61400 | Lafayette, LA 70596-1400 | 337.988.4930 | 146 West Main Street | New Iberia, LA 70560 | 337.364.4554 | 103 North Avenue F | Crowley, LA 70526 | 337.783.5693

Emphasis of Matter

As described in Note 1 to the financial statements, in 2018, the District adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information on pages 3 through 6 and on pages 33 through 35, respectively, 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 Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that comprise the District's basic financial statements. The schedule of compensation, benefits and other payments to agency head is not a required part of the basic financial statements.

The schedule of compensation, benefits and other payments to agency head is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits and other payments to agency head is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report, dated December 27, 2018, on our consideration of the Port of Iberia District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Port of Iberia District's internal control over financial reporting and compliance.

Broussard Poche LLP

Lafayette, Louisiana
December 27, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis (MD&A) of the District's annual financial report is designed to focus on the current year's activities, resulting changes and currently known facts. It should be read in conjunction with the financial statements that begin on page 8.

FINANCIAL HIGHLIGHTS

Assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $106,098,786 (net position). Of this amount, 29.5% or $31,263,887 (unrestricted net position) may be used to meet the District's ongoing obligations to citizens and creditors in accordance with the District's fiscal policies.

The District's net position increased $5,175,103 resulting from operating income generated and state and local funding received under the various programs.

OVERVIEW OF THE FINANCIAL STATEMENTS

This financial report consists of three parts: Management's Discussion and Analysis (this section), the basic financial statements and the notes to financial statements.

The District's financial statements are prepared on an accrual basis in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. Under this basis of accounting, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and depreciation of assets is recognized in the statements of revenues, expenses, and changes in net position. All assets and liabilities associated with the operations of the District are included in the statements of net position.

The financial statements provide both long and short-term information about the District's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

FINANCIAL ANALYSIS

Net Position

The District's total assets and deferred outflows of resources at June 30, 2018 was $108,252,487. This represented an increase of $4,646,966 or 4.48% over the prior year. As of June 30, 2017, the District's total assets and deferred outflows of resources were $103,605,521, which represented an increase of $10,684,250 or 11.50% over the previous year. Total liabilities and deferred inflows of resources at June 30, 2018 amounted to $2,153,701 for a decrease of $528,137 or 19.69% from 2017. At June 30, 2017, total liabilities and deferred inflows of resources amounted to $2,681,838 for a decrease of $1,176,477 or 30.49% over the prior year. As of June 30, 2018, total net position was $106,098,786, which represented an increase of $5,175,103 or 5.13%. As of June 30, 2017, the District's net position was $100,923,683, which represented an increase of $11,923,555 or 13.40%. The District's net position is detailed in Table 1.

TABLE 1
Port of Iberia District
Net Position
June 30, 2018, 2017 and 2016

	2018	Restated 2017	Restated 2016
Assets:			
Current assets	$ 33,340,924	$ 30,846,437	$30,069,204
Property (net)	74,674,358	72,462,487	62,527,976
Other assets	186,845	211,080	200,397
Total assets	$108,202,127	$103,520,004	$92,797,577
Deferred outflows of resources	$ 50,360	$ 85,517	$ 123,694
Current liabilities	$ 1,991,309	$ 2,499,753	$ 3,706,271
Long-term liabilities	84,342	169,024	199,375
Total liabilities	$ 2,075,651	$ 2,668,777	$ 3,905,646
Deferred inflows of resources	$ 78,050	$ 13,061	$ 15,497
Net position:			
Net investment in capital assets	$ 74,674,358	$ 72,462,487	$62,527,976
Restricted	160,541	211,080	200,397
Unrestricted	31,263,887	28,250,116	26,271,755
Total net position	$106,098,786	$100,923,683	$89,000,128

In 2018, property (net) increased $2,211,871 to $74,674,358 over 2017 primarily due to additions related to ongoing construction projects partially offset by depreciation expense during the year of $2,314,246. As of June 30, 2017, property (net) amounted to $72,462,487 an increase of $9,934,511 or 15.89% primarily due to additions related to ongoing construction projects partially offset by depreciation expense during the year of $1,993,203. Other assets of the District decreased $24,235 during 2018 primarily due to the use of some restricted funds.

The item "net investment in capital assets," consists of capital assets net of accumulated depreciation reduced by the amount of outstanding indebtedness (offset by the related debt) attributable to the acquisition, construction, or improvement of those assets.

Changes in Net Position

For the year ending June 30, 2018, the change in net position was an increase of $5,175,103 or 5.13%. For the year ending June 30, 2017, the change in net position was an increase of $11,923,555 or 13.40%. During 2018, the District's total operating revenues amounted to $3,553,550, an increase of $174,962 or 5.18% over 2017. For the year ending June 30, 2017, the District's total operating revenues amounted to $3,378,588, a decrease of $672,895 or 16.61% over the previous year. During 2018, total operating expenses amounted to $3,622,738, an increase of $377,497 or 11.63% over 2017. The increase in operating expenses was primarily attributed to increase in depreciation expense during the year. For the year ending June 30, 2017, the District's total operating expenses amounted to $3,245,241, an increase of $35,487 or 1.11% over the previous year. Capital contributions for the year ending June 30, 2018 amounted to $4,770,784, a decrease of $6,845,967 over 2017 due to decreases in reimbursements for capital expenditures under the state Port Priority Program. Capital contributions for the year ending June 30, 2017 were $11,616,751, an increase from the previous year of $3,746,213 or 47.60%. The changes in net position are detailed in Table 2.

TABLE 2
Port of Iberia District
Changes in Net Position
For the Years Ended June 30, 2018, 2017 and 2016

	2018	Restated 2017	Restated 2016
Operating revenues:			
Docks	$ 39,793	$ 20,605	$ 18,526
Leases	3,491,732	3,336,075	4,003,256
Operating grants	1,115	-	4,896
Other	20,910	21,908	24,805
Total operating revenues	$ 3,553,550	$ 3,378,588	$ 4,051,483
Operating expenses:			
Operating expenses	$ 1,308,492	$ 1,252,038	$ 1,495,066
Depreciation	2,314,246	1,993,203	1,714,688
Total operating expenses	$ 3,622,738	$ 3,245,511	$ 3,209,754
Operating income	$ (69,188)	$ 133,347	$ 841,729
Other revenue, net	473,507	173,457	136,012
Capital contributions	4,770,784	11,616,751	7,870,538
Change in net position	$ 5,175,103	$ 11,923,555	$ 8,848,279
Prior period adjustment - GASB 75 implementation	-	-	(62,828)
Total net position, beginning of year	100,923,683	89,000,128	80,214,677
Total net position, end of year	$106,098,786	$100,923,683	$89,000,128

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2018, the District had invested $74,674,358 in capital assets net of accumulated depreciation and related debt. As compared to the prior year, this amount represents an increase of $2,211,871. The change is the result of new capital additions in the current year partially offset by depreciation expense. As of June 30, 2017, the District had invested $72,462,487 in capital assets net of accumulated depreciation and related debt, an increase of $9,934,511 over the previous year.

Additional information on the District's capital assets can be found in Note 3 on page 19 of this report.

Debt Administration

In addition, the District has a $250,000 payable recorded on the statements of net position as of June 30, 2018 and 2017 to the Louisiana State Bond Commission. This amount was to be reimbursed to the Louisiana State Bond Commission. However, during the 1993 regular session of the Louisiana Legislature, HCR267 was adopted to grant $250,000 to the Port of Iberia

District. In lieu of payment to the Port of Iberia District, the State Bond Commission was to cancel the $250,000 payable to the State of Louisiana, as per written correspondence from Governor Edwin W. Edwards and an act of the 1993 Louisiana Legislature. The Attorney General's Office has indicated that the way this was handled was unconstitutional. This problem has not been resolved as of the date of these financial statements.

Additional information on the Port of Iberia District's debt can be found in Note 4 on page 20 of this report.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our bondholders, patrons, and other interested parties with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Port of Iberia District, Post Office Box 9986, New Iberia, Louisiana 70562.

BASIC FINANCIAL STATEMENTS

Exhibit A

PORT OF IBERIA DISTRICT

STATEMENTS OF NET POSITION
June 30, 2018 and 2017

	2018	(Restated) 2017
ASSETS		
CURRENT ASSETS		
Cash and cash equivalent	$ 30,307,574	$ 24,006,827
Certificates of deposit	91,447	91,025
Investment in LAMP	525,692	518,477
Accounts receivable, net of allowance for doubtful accounts of $-0- and $305,827 for 2018 and 2017, respectively	145,213	306,335
Due from other governmental agencies	2,024,754	5,762,583
Prepaid expenses	170,918	161,062
Interest receivable	75,326	128
Total current assets	$ 33,340,924	$ 30,846,437
PROPERTY, PLANT AND EQUIPMENT, net of accumulated depreciation of $31,361,348 and $29,047,105 at June 30, 2018 and 2017, respectively	$ 74,674,358	$ 72,462,487
OTHER ASSETS		
Net pension asset	$ 26,304	$ -
Restricted cash	160,541	211,080
Total other assets	$ 186,845	$ 211,080
Total assets	$108,202,127	$103,520,004
DEFERRED OUTFLOWS OF RESOURCES		
Defined benefit pension plan	$ 50,360	$ 85,517
Total assets and deferred outflows of resources	$108,252,487	$103,605,521

See Notes to Financial Statements.

Exhibit A
(continued)

	2018	(Restated) 2017
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable	$ 9,934	$ 15,227
Construction project payables	83,318	599,965
Unearned lease income	1,430,180	1,421,993
Accrued expenses	38,024	41,967
Due to other governments	278,297	269,045
Deposits payable	151,556	151,556
Total current liabilities	$ 1,991,309	$ 2,499,753
LONG-TERM LIABILITIES		
Unfunded net pension liability	$ -	$ 74,528
Unfunded OPEB obligation	84,342	94,496
Total long-term liabilities	$ 84,342	$ 169,024
Total liabilities	$ 2,075,651	$ 2,668,777
DEFERRED INFLOWS OF RESOURCES		
Defined benefit pension plan	$ 78,050	$ 13,061
NET POSITION		
Net investment in capital assets	$ 74,674,358	$ 72,462,487
Restricted	160,541	211,080
Unrestricted	31,263,887	28,250,116
Total net position	$106,098,786	$100,923,683
Total liabilities, deferred inflows of resources and net position	$108,252,487	$103,605,521

Exhibit B

PORT OF IBERIA DISTRICT

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Years Ended June 30, 2018 and 2017

	2018	(Restated) 2017
OPERATING REVENUES		
Leases	$ 3,491,732	$ 3,336,075
Federal grants	1,115	-
Tonnage and docking fees	23,855	-
Boat stall rentals	15,938	20,605
Sewerage district maintenance fees	8,052	9,032
Water franchise fee	12,858	12,876
Total operating revenues	$ 3,553,550	$ 3,378,588
OPERATING EXPENSES		
Accounting and auditing	$ 30,000	$ 23,075
Advertising	75,077	74,987
Auto allowances	27,614	28,869
Bad debt expense	186,335	73
Depreciation and amortization	2,314,246	1,993,203
Dock subcontractors	-	24,027
Dues and subscriptions	16,267	16,247
Employee benefits	24,236	39,866
AGMAC project costs	34,337	122,557
IDF cooperative endeavor agreement	25,000	25,000
Iberia Parish Levee District	-	50,000
Insurance	254,940	276,120
Legal fees	65,948	67,662
Miscellaneous	3,423	981
Office expense	42,050	45,194
Outside services	23,680	44,626
Port improvements and development	26,991	51,609
Repairs and maintenance	151,283	76,060
Salaries:		
Director	127,999	126,945
Other	102,446	90,126
Taxes – payroll	3,683	3,393
Travel	25,964	29,724
Telephone	29,162	15,504
Utilities	32,057	19,393
Total operating expenses	$ 3,622,738	$ 3,245,241
Operating income (loss)	$ (69,188)	$ 133,347

(continued)

Exhibit B
(continued)

PORT OF IBERIA DISTRICT

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)
For the Years Ended June 30, 2018 and 2017

	2018	(Restated) 2017
Operating income (loss) (carried forward)	$ (69,188)	$ 133,347
OTHER REVENUE (EXPENSE)		
Interest income	$ 456,431	$ 173,457
Iberia Parish Levee District, net of distributions	15,782	-
Miscellaneous income	1,294	-
Total other revenue	$ 473,507	$ 173,457
Income before capital contributions	$ 404,319	$ 306,804
Capital grants and contributions	4,770,784	11,616,751
Change in net position	$ 5,175,103	$ 11,923,555
Net position, beginning of year, as restated	$100,923,683	$ 89,000,128
Net position, end of year	$106,098,786	$100,923,683

See Notes to Financial Statements.

PORT OF IBERIA DISTRICT

STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2018 and 2017

	2018	(Restated) 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	$ 3,514,499	$ 3,387,220
Receipts from other governmental units	18,419	9,032
Other operating receipts	12,858	12,876
Payments to suppliers	(921,644)	(1,011,703)
Payments to employees	(230,445)	(217,071)
Net cash provided by operating activities	$ 2,393,687	$ 2,180,354
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Decrease in customer deposits	$ -	$ (9,805)
Decrease (increase) in restricted cash	50,539	(10,683)
Net cash provided by (used in) noncapital financing activities	$ 50,539	$ (20,488)
CASH FLOWS FROM CAPITAL RELATED FINANCING ACTIVITIES		
Capital contributions	$ 8,508,613	$ 11,493,105
Capital asset acquisitions	(5,042,764)	(13,153,262)
Net cash provided by (used in) capital related financing activities	$ 3,465,849	$ (1,660,157)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of certificates of deposit	$ (422)	$ (343)
Other non-operating income	398,309	173,457
Net increase in LAMP	(7,215)	(3,500)
Net cash provided by investing activities	$ 390,672	$ 169,614
Net increase in cash and cash equivalents	$ 6,300,747	$ 669,323
Cash and cash equivalents, beginning of year	24,006,827	23,337,504
Cash and cash equivalents, end of year	$30,307,574	$ 24,006,827

(continued)

Exhibit C
(continued)

PORT OF IBERIA DISTRICT

STATEMENTS OF CASH FLOWS (CONTINUED)
For the Years Ended June 30, 2018 and 2017

	2018	(Restated) 2017
RECONCILIATION OF INCOME FROM OPERATING TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	$ (69,188)	$ 118,281
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	2,314,246	1,993,203
Bad debt expense	186,335	73
Change in assets and liabilities -		
(Increase) decrease in assets:		
Accounts receivables	(25,213)	(73)
Due from other governmental units	9,252	-
Prepaid expenses and other assets	(9,856)	19,579
(Decrease) increase in liabilities:		
Accounts payable	(5,293)	(2,798)
Unearned lease income	8,187	30,613
Accrued expenses	(3,943)	1,020
Unfunded net pension and OPEB liabilities	(110,986)	(15,285)
Change in deferred outflows of resources	35,157	38,177
Change in deferred inflows of resources	64,989	(2,436)
Net cash provided by operating activities	$ 2,393,687	$ 2,180,354

See Notes to Financial Statements.

Note 1. Summary of Significant Accounting Policies

The financial statements of Port of Iberia District (the "District") are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the District's accounting policies are described below.

Reporting entity:

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Primary government -

Port of Iberia District - The District is a political subdivision of the State of Louisiana created under the provisions of Louisiana Revised Statute 34:241. The District is governed by a board of commissioners consisting of seven members who serve without compensation. Two of the members are appointed by the City of New Iberia, one member each by the Towns of Jeanerette and Loreauville, and three members are appointed by the Iberia Parish Council. The Board is responsible for the regulation of commerce and traffic within the District.

Operations of the District are administered through an executive director who also serves as the port director. The operations of the District are financed primarily through lease payments from port improvements as well as various operating grants from state and federal agencies. The District's offices and operations are located in an area that is five miles south of the City of New Iberia and encompasses more than 2,000 acres of land, both public and private, and is the base of operations for more than 30 companies. There are 10 miles of access roadways, three miles of railroad frontage, steel bulkheading, sewerage system, electrical service, natural gas, 11-1/2 miles of water frontage, 14 miles of water system that provides access to the Intracoastal Waterway and Gulf of Mexico, and a developed water channel, public dock, and marina.

Component units –

Governmental accounting standards 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:

1. 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.

2. Whether the primary government's governing authority appoints a majority of board members of the potential component unit.

3. Fiscal interdependency between the primary government and the potential component unit.

4. Imposition of will by the primary government on the potential component unit.

5. Financial benefit/burden relationship between the primary government and the potential component unit.

The Port of Iberia Economic Development Corporation (the "Corporation") was created in February 2014 and is considered to be a related organization of the District. The Corporation is a legally separate nonprofit public benefit and economic development corporation organized pursuant to the Louisiana Nonprofit Corporation Law in Chapter 2, Title 12, the Economic Development Cooperative Law in Part 1, Chapter 27, Title 33 and the public benefit corporation requirements as set forth in Section 1215(b), Part 1, Chapter 10, Title 41 of the Louisiana Revised Statutes. The transactions and activity of the Corporation during 2017 were not significant to the District.

Basis of presentation, accounting and measurement:

The accounting policies of the District are in conformity with accounting principles generally accepted in the United States of America as it applies to governmental entities. The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized at the time liabilities are incurred, regardless of when paid. Grants and similar items are recognized as revenues as soon as all earning requirements have been met.

The District's accounting records are accounted for in a single proprietary fund. The District's operations are financed and operated similar to a private business enterprise. Under a proprietary fund, costs of providing services are recovered through charges for those services to customers. Operating revenues and expenses are exclusive of nonoperating items. Operating revenues result from leasing property and providing services. Operating expenses are the result of costs associated with providing services and depreciation of capital assets used in providing those services. Revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

When both restricted and unrestricted net position are available for use, restricted resources are first used with unrestricted resources consumed, as they are needed.

Use of estimates:

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

Budgetary accounting:

Annually, the District adopts a cash basis budget for its operations. A comparison of revenues and expenses to budget is not included in the accompanying financial statements since it is not required by generally accepted accounting principles.

Cash and cash equivalents:

Cash includes amounts in deposits held at financial institutions and cash on hand. For purposes of statements of cash flows, highly liquid investments with an original maturity of three months or less are considered to be cash equivalents.

Investments:

Investments include certificates of deposit and amounts invested in the Louisiana Asset Management Pool (LAMP). State statutes authorize the District to invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. LAMP is a local government investment pool initiated by the Louisiana Treasurer's office and invests its assets only in securities and other obligations that are permissible under Louisiana State law for local governments. In accordance with generally accepted accounting principles, investments meeting the criteria specified are stated at fair value. Investments which do not meet the requirements are stated at cost.

Fair value measurement -

Investments measured and reported at fair value are classified according to the following hierarchy:

Level 1 – investments reflect prices quoted in active markets

Level 2 – investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active

Level 3 – investments reflect prices based upon unobservable sources

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

Investments classified as Level 1 of the fair value hierarchy are valued directly from a predetermined primary external pricing vendor. Investments classified in Level 2 are subject to pricing by an alternative pricing source due to lack of information available by the primary vendor. Investments classified in Level 3 are valued based upon unobservable sources.

Prepaid items:

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

Receivables:

All receivables are shown net of an allowance account, as applicable. As of June 30, 2018 and 2017, an allowance of $-0- and $305,827 was recognized.

Property, plant, and equipment:

All capital assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

Depreciation of all exhaustible fixed assets is recorded as an operating expense in the statements of revenues, expenses and changes in net position, with accumulated depreciation reflected in the statements of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

	Years
Furniture and fixtures	5 – 15
Steel bulkheading	30 – 40
Buildings and improvements	10 – 40

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

Unearned lease income:

Operating revenues include rental charges to customers derived from leasing property owned by the District. Rentals due from certain lease agreements are billed in advance. Recognition of the related revenue on the advanced billings are deferred and recognized over the lease term.

Compensated absences:

The District's formal policy on vacation and sick leave provides that permanent employees of the District accrue from 12 to 21 days of vacation and sick leave per year depending on the length of service (unless specifically negotiated under a separate employment contract). A maximum of 45 days of vacation leave and 180 days of sick leave may be accumulated. The policy provides for the payment of accumulated vacation leave not to exceed 45 working days upon retirement or voluntary separation of employment. The policy does not provide for the payment of accumulated sick leave. After 40 hours worked per week, compensatory time is earned at 1.5 hours for each hour worked.

Vested or accumulated vacation leave is recorded as an expense and liability as the benefits accrue to employees. As of June 30, 2018 and 2017, total accrued vacation leave amounted to $18,065 and $23,596, respectively. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

Pensions:

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Parochial Employees' Retirement System of Louisiana (System) and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Other postretirement employee benefit plan:

The District has elected to calculate information of an actuarial nature using the alternative measurement method permitted by GASB Statement 75 for plans with fewer than 100 employees.

The District pays the benefits as due and does not provide separate funding for the estimated liability calculated and accrued under this plan.

Capitalization of interest cost:

Interest cost on assets intended for lease that are constructed as discrete projects are capitalized when the following conditions are present: expenditures for the asset have been made, activities that are necessary to get the asset ready for its intended use are in progress and interest cost is being incurred.

Recent accounting pronouncements:

During June 2015 the Governmental Accounting Standards Board (GASB) issued GASB No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* This statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multi-Employer Plans, for OPEB.* This statement establishes standards for recognizing and measuring liabilities, deferred outflow of resources, deferred inflows of resources, and expense/expenditures as well as required disclosures. During 2018, the District adopted the provisions of GASB No. 75. The adoption of this statement resulted in a restatement of prior financial statements as discussed in Note 17.

Note 2. Deposits and Investments

At June 30, 2018 and 2017, the carrying amount of the District's deposits, including demand deposit accounts and certificates of deposit, was $30,559,562 and $24,308,932 and the bank balance was $30,728,625 and $25,675,211, respectively. Of the bank balance, $341,447 was secured from risk by federal deposit insurance and remainder by pledged securities held by the custodial banks in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's policy to ensure there is no exposure to this risk is to require each financial institution to pledge their own securities to cover any amount in excess of Federal Depository Insurance Coverage. These securities must be pledged in the District's name.

As a means of limiting its exposure to fair value losses arising from rising interest rates, it is the District's policy that generally the District only invest in "certificate of deposit" and "money market instruments," which are defined as very creditworthy, highly liquid investments with maturities of one year or less.

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's policy limits investments to fully insured and/or fully collateralized certificates of deposits and investment in the Louisiana Asset Management Pool (LAMP).

The LAMP is an investment pool established as a cooperative endeavor to enable public entities of the State of Louisiana to aggregate funds for investment; the LAMP is not registered with the Securities and Exchange Commission (SEC) as an investment company. The LAMP is operated by a non-profit corporation, Louisiana Asset Management Pool, Inc., whose officers include the President, normally the Treasurer of the State of Louisiana, and a Secretary/Treasurer who is charged with the day-to-day operations of the program. LAMP, Inc. is governed by a Board of Directors consisting of nine to fourteen members elected each year by the participating entities.

The LAMP is intended to improve administrative efficiency and increase investment yield of participating public entities. The LAMP's portfolio securities are valued at market value even though the amortized cost method is permitted by Rule 2a-7 of the Investment Company Act of 1940, as amended, which governs registered money market funds, although the LAMP is not a money market fund and has no obligation to conform to this rule. The investment objectives of the LAMP are to preserve capital and protect principal, maintain sufficient liquidity, provide safety of funds and investments, and maximize the return on the pool. The LAMP seeks to maintain a stable net asset value of $1.00 per unit, but there can be no assurance that the LAMP will be able to achieve this objective.

The dollar weighted average portfolio maturity of the LAMP assets is restricted to no more than 60 days. The LAMP is designed to be highly liquid to give its participants immediate access to their account balances. Investments in the LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by the LAMP and the fair value of the position of the pool is the same as the value of the pool shares. As of September 2018, the LAMP had a Standards and Poor's pool rating of AAAm. The total amount invested in LAMP at June 30, 2018 and 2017 was $525,692 and $518,477, respectively.

Note 3. Property, Plant, and Equipment

A summary of activity for the year ended June 30, 2018 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 9,976,775	$ -	$ -	$ 9,976,775
Construction in progress	5,579,406	2,374,620	5,579,406	2,374,620
	$15,556,181	$ 2,374,620	$ 5,579,406	$12,351,395
Capital assets being depreciated:				
Buildings and improvements	$50,118,835	$ 309,308	$ -	$50,428,143
Equipment and fixtures	402,821	-	-	402,821
Docks and bulkheading	25,861,875	7,359,208	-	33,221,083
Utility improvements	2,062,183	62,387	-	2,124,570
Channel improvements	7,450,547	-	-	7,450,547
Signage	57,147	-	-	57,147
Total capital assets being depreciated	$85,953,408	$ 7,730,903	$ -	$93,684,311
Less accumulated depreciation for:				
Buildings and improvements	$15,265,768	$ 1,290,778	$ -	$16,556,546
Equipment and fixtures	345,770	22,782	-	368,552
Docks and bulkheading	7,080,304	678,098	-	7,758,402
Utility improvements	1,099,076	69,605	-	1,168,681
Channel improvements	5,200,316	251,892	-	5,452,208
Signage	55,868	1,091	-	56,959
Total accumulated depreciation	$29,047,102	$ 2,314,246	$ -	$31,361,348
Total capital assets being depreciated, net	$56,906,306	$ 5,416,657	$ -	$62,322,963
Total capital assets, net	$72,462,487	$ 7,791,277	$ 5,579,406	$74,674,358

A summary of activity for the year ended June 30, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 9,976,775	$ -	$ -	$ 9,976,775
Construction in progress	17,080,073	5,579,406	17,080,073	5,579,406
	$27,056,848	$ 5,579,406	$17,080,073	$15,556,181
Capital assets being depreciated:				
Buildings and improvements	$41,101,401	$ 9,017,434	$ -	$50,118,835
Equipment and fixtures	396,421	6,400	-	402,821
Docks and bulkheading	11,457,328	14,404,547	-	25,861,875
Utility improvements	2,062,183	-	-	2,062,183
Channel improvements	7,450,547	-	-	7,450,547
Signage	57,147	-	-	57,147
Total capital assets being depreciated	$62,525,027	$23,428,381	$ -	$85,953,408
Less accumulated depreciation for:				
Buildings and improvements	$14,071,196	$ 1,194,572	$ -	$15,265,768
Equipment and fixtures	320,374	25,396	-	345,770
Docks and bulkheading	6,628,790	451,514	-	7,080,304
Utility improvements	1,030,338	68,738	-	1,099,076
Channel improvements	4,948,424	251,892	-	5,200,316
Signage	54,777	1,091	-	55,868
Total accumulated depreciation	$27,053,899	$ 1,993,203	$ -	$29,047,102
Total capital assets being depreciated, net	$35,471,128	$21,435,178	$ -	$56,906,306
Total capital assets, net	$62,527,976	$27,014,584	$17,080,073	$72,462,487

Substantially, all land, buildings, docks, and bulkheadings are leased to District tenants.

Note 4. Due to Other Governments

The District has a $250,000 non-interest bearing payable recorded in the statements of net position as a due to other governmental agencies. This payable is due to the Louisiana State Bond Commission. The amount due was to be reimbursed to the Louisiana State Bond Commission over a five year period at $50,000 annually without any interest. The installments due March 1990, 1991, 1992, 1993, and 1994 were deferred by the state. During the 1993 regular session of the Louisiana Legislature, HCR267 was adopted to grant the $250,000 to the District. In lieu of payment to the District, the State Bond Commission was to cancel the $250,000 payable to the State of Louisiana, as per written correspondence from the Governor and an act of the 1993 Louisiana Legislature. The Attorney General's Office has indicated that the way the transaction was handled is in violation of the State Constitution. This problem has not been resolved as of the date of the financial statements and the transaction remains a liability.

Note 5. Pension Plan

General information about the Plan:

All employees of the District are members of the Parochial Employees Retirement System of Louisiana (System), cost-sharing, multiple employer defined benefit pension plan established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana and is administered by a separate board of trustees. The System is to provide retirement benefits to all employees of any parish in the state of Louisiana or any governing body which employs and pays persons serving the parish. It is composed of two plans, Plan A and Plan B, with separate assets and benefit provisions. The System is governed by Louisiana Revised Statutes, Title 11, Sections 1901 – 2025 and other general laws of the State of Louisiana. Benefits are established or amended by State Statute. The System issues a publicly available financial report that can be obtained at persla.org. All employees of the District are members of Plan A.

Benefits provided:

Retirement

All permanent employees working at least 28 hours per week are eligible to participate in the System. Under Plan A, employees (who were hired prior to January 1, 2007) and who retire at or after age 65 with at least 7 years of creditable service, at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final average salary for each year of creditable service. For employees hired after January 1, 2007 and who retire at age 55 with at least 30 years of creditable service, at age 62 with 10 years of creditable service or at age 67 with 7 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final average salary for each year of creditable service. Final-average salary is the employee's average salary over the 35 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination.

Survivor benefits

Upon the death of any member of Plan A with five or more years of creditable service who is not eligible for retirement the System provides for benefits for the surviving spouse and minor children as outlined in the statutes.

Deferred retirement option plan

Act 338 of 1990 established the deferred retirement option plan (DROP). DROP is an option for a member who is eligible for normal retirement.

This option allows a member who is eligible to retire to elect to defer the receipt of benefits for three years. During this time period, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable had the person terminated employment are paid into the DROP fund. Upon termination, a participant may receive, at their option, a lump sum from the account equal to the balance, an annuity based upon the account balance in the fund or rollover the fund to an individual retirement account.

Disability benefits

For Plan A, a member may be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007 and has a least five years of creditable service or if hired after January 1, 2007 has seven years of creditable service, and is not eligible for normal retirement and has been certified as disabled by the State Medical Disability Board. Disability benefits are equal to the lesser of three percent of the final average compensation multiplied by the years of service, not to be less than 15, or three percent multiplied by years of service assuming continued service to age 60.

Contributions:

Under Plan A, members are required by state statute to contribute 9.50% of their annual covered salary and the District is required to contribute at an actuarially determined rate. For the plan years ended December 31, 2017 and 2016, the actuarially determined contribution rate was 9.35% and 10.52%, respectively, of the member's compensation for Plan A. However, the actual rate was 12.50% and 13.00%, respectively, of annual covered payroll for Plan A. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the District are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The District's contributions to the System under Plan A, exclusive of employee portion, for the years ending June 30, 2018 and 2017 was $28,239 and $27,541, respectively, equal to the required contributions for each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

At June 30, 2018 and 2017, the District reported an asset of $26,304 and a liability of $74,528, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017 and 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Agency's proportion of the net pension liability was based on a projection of the Agency's required projected share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2017 and 2016, the District's proportion was .035438% and .036187%, respectively.

For the years ended June 30, 2018 and 2017, the District recognized pension expense of $27,552 and $41,307, respectively. At June 30, 2018 and 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2018		2017	
	Outflows	Inflows	Outflows	Inflows
Deferred resources:				
Differences between expected and actual experience	$ -	$ 17,027	$ -	$ 13,042
Change in assumptions	33,199	-	14,149	-
Net difference between projected and actual earnings on pension plan investments	-	60,769	57,836	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,687	254	32	19
Contributions subsequent to measurement date	14,474	-	13,500	-
Ending balance	$ 50,360	$ 78,050	$ 85,517	$ 13,061

The District reported $14,474 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date. This amount will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2019	$ 20,896
2020	$ (4,008)
2021	$ (20,501)
2022	$ (24,077)
2023	$ -
Thereafter	$ -

Actuarial assumptions

The total pension liability in the December 31, 2017 and 2016 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

December 31, 2017:	
Inflation	2.50%
Salary increases	5.25% (including inflation)
Investment rate of return	6.75% (net of investment expense)
Actuarial cost method	Entry Age Normal
Expected remaining service lives	4 years

December 31, 2016:

Inflation	2.50%
Salary increases	5.25% (including inflation)
Investment rate of return	7.00% (net of investment expense)
Actuarial cost method	Entry Age Normal
Expected remaining service lives	4 years

At December 31, 2017 and 2016, the mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2010 through December 31, 2014. The data was then assigned a credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. The RP-2000 Healthy Annuitant Mortality Sex Distinct Tables (set forward two years for males and one year for females) projected to 2031 using Scale AA was selected for annuitants and beneficiaries. For disabled annuitants, the RP-2000 Disabled Lives Mortality Table (set back five years for males and three years for females) was selected. For active employees, the RP-2000 Employee Sex Distinct Tables (set back four years for males and three years for females) was used.

Cost of living adjustments are based on the present value of future retirement benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Louisiana Legislature.

At December 31, 2017 and 2016, the discount rate used to measure the total pension liability was 6.75% and 7.00%, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine total pension liability.

The long-term rate of return on pension plan investments was determined using a triangulation method, which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building block approach (bottom-up). Risk and return correlations are projected on a forward looking basis in equilibrium, in which best estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% at December 31, 2017 and 2016 and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.62% and 7.66% for the years ended December 31, 2017 and 2016.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2017 and 2016 are summarized in the following table:

	December 31, 2017		December 31, 2016	
	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Asset class:				
Fixed income	35%	1.24%	35%	1.24%
Equity	52%	3.57%	52%	3.63%
Alternatives	11%	0.69%	11%	0.67%
Real assets	2%	0.12%	2%	0.12%
	100%	5.62%	100%	5.66%
Inflation		2.00%		2.00%
Expected arithmetic nominal return		7.62%		7.66%

The following presents the net pension liability of the District calculated using the discount rate as well as what the District's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

	December 31, 2017		
	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Employers proportionate share of the net pension liability (asset)	$129,687	$ (26,304)	$ (158,116)

	December 31, 2016		
	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Employers proportionate share of the net pension liability (asset)	$222,942	$ 74,528	$ (50,961)

As of June 30, 2018 and 2017, the District had amounts payable to the plan of $13,231 and $11,897, respectively, for employer and employee shares of required contributions to the plan for the period April 1 to June 30 of 2018 and 2017.

Detailed information about the pension plan's fiduciary net position is available in audited stand-alone issued financial statements for the years ended December 31, 2017 and 2016. Access to the audit report and financials can be found on the System's website: www.persla.org or on the Office of Louisiana Legislative Auditor's official website: www.lla.state.la.us.

Note 6. Lease of Land by District

The District is presently leasing approximately 140 acres of land from the City of New Iberia for a period of 99 years at a cost of $1 per year. The effective dates of the lease are from July 28, 1948 to July 27, 2047.

Note 7. Lease of Land and Facilities to Others

A significant portion of revenue generated by the District is attributable to District owned property leased to tenants at the District. Minimum future rentals on these noncancelable operating leases for the next five years and thereafter are as follows:

2019	$ 3,180,912
2020	2,355,659
2021	1,258,214
2022	1,160,688
2023	998,773
2024-2027	1,583,833
	$10,538,079

Note 8. Board of Commissioners Compensation

The Board of Commissioners of the District serve without compensation.

Note 9. Risk Management

The District is subject to certain exposures to losses in the ordinary course of business operations. To address those exposures, the District utilizes commercial risks insurance.

Note 10. Federal, State and Local Assistance

In 2018, the District received funds from FEMA for specific hurricane recovery expenses paid in previous years.

In 2018 and 2017, the District received funds from the Louisiana Department of Transportation and Development under the state's Port Priority Program in order to assist in paying for certain capital expenditures associated with various construction projects whereby the improvements are intended to be leased to tenants of the port.

In addition, in both years the District received funds from the Louisiana Department of Transportation and Development in order to assist them in paying certain expenditures associated with the establishment of a deepwater access channel to the Gulf of Mexico (AGMAC construction project). These funds were used to cover costs associated with the bulkhead and utility relocation phases of the project.

In 2018 and 2017, the District received funds from the Iberia Parish Government through the Tax Increment Financing (TIF) Program in order to assist in various improvement projects.

The following is a recap of federal, state and local assistance recognized by the District for the years ending June 30, 2018 and 2017.

	2018	2017
Federal:		
U.S. Department of Homeland Security		
(FEMA Public Assistance)	$ 1,115	$ -
State:		
Louisiana Department of Transportation and Development		
(AGMAC Project and Port Priority Funding)	$ 3,749,293	$10,538,242
Local:		
Iberia Parish Government		
(Tax Increment Financing (TIF) Program)	$ 1,021,491	$ 1,078,509

Note 11. Intergovernmental Agreements

In August 2000, the District entered into an intergovernmental agreement with Sewerage District #1 in order to provide the necessary labor, materials, chemicals, and expertise to operate and maintain the sewer system located within the boundaries of the District. As part of this agreement, the District collects an additional fee in the amount of 10% of the regular monthly charges. This amount is restricted to recoup the costs of constructing the system and is placed in an escrow account to offset repairs, replacement and upgrade of the system. As of June 30, 2018 and 2017, total cash restricted for this purpose amounted to $160,541 and $211,080, respectively.

Note 12. Commitments

The District had open construction and engineering contracts at June 30, 2018 for the following projects:

	Contract	Expended	Remaining Commitment
AGMAC Projects	$ 769,343	$ 588,990	$ 180,353

Note 13. Port of Iberia Economic Development Corporation

During 2014, the District entered into a lease agreement with the Port of Iberia Economic Development Corporation in which it leased District property to the Corporation for an initial term of 20 years beginning March 1, 2014 for $20,630 annually. This lease was subsequently terminated with the Corporation in August 2014 and the District entered into a lease directly with the tenant, which was also terminated. As of June 30, 2018 and 2017, the District has recorded a receivable from the Corporation of $20,630, for the first annual lease payment which the Corporation had collected under the initial sublease agreement with the tenant. In addition, as of June 30, 2018 and 2017, the District has recorded a receivable for the security deposit of $25,000, paid by the tenant to the Corporation under this same sublease agreement.

Note 14. Postemployment Benefits Other Than Pensions

Plan description - During 2009, the District renewed the employment contract with the Executive Director. This contract stipulated that the employee will be eligible for and shall participate in a formal Health and Hospitalization Insurance Program. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits provided – The District is responsible for payment of 100% of the health insurance premiums of the employee's supplemental health insurance benefits upon retirement. The District is responsible for 100% of the premiums for a supplemental health insurance program, not to exceed 50% of the total costs of the Health and Hospitalization Program of a similar employee at the same position.

Employees covered by benefit terms – At June 30, 2018, there was one inactive employee covered by the benefit terms.

The District's OPEB liability of $84,342 and $94,496 was measured as of June 30, 2018 and 2017, respectively and was determined by use of the alternative measurement method as permitted for plans with fewer than 100 participants.

Actuarial assumptions and other inputs – The total OPEB liability computed as of June 30, 2018 and 2017 was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	2018	2017
Inflation	3.00%	3.00%
Discount rate	3.00%	3.00%
Healthcare cost trend rates	5.00%	5.00%
Salary increases, average, including inflation	3.30%	3.30%

The discount rate was based on 20-year municipal bond yield rates. Mortality rates were based on the life expectancy tables used by the Internal Revenue Services (Single Life Expectancy).

The expected benefit cost in dollars used in the June 30, 2018 and 2017 calculations were based on the actual premiums during the time periods July 1, 2017 – June 30, 2018 and July 1, 2016 – June 30, 2017.

	2018	2017
Balance at beginning of year	$ 94,496	$ 102,891
Service costs	-	-
Interest costs	443	421
Changes in assumptions or other inputs	(3,760)	(1,882)
Benefit payments	(6,837)	(6,934)
Balance at end of year	$ 84,342	$ 94,496

Changes in assumptions and other inputs primarily reflect the effects of changes to the estimated annual health insurance costs associated with the benefits under the plan for each period. Expense associated with this plan was not significant in 2018 or 2017.

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.00 percent) or 1-percentage-point higher (4.00 percent) than the current discount rate:

	1% Decrease (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
Total OPEB liability	89,636	84,342	79,480

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.00 percent) or 1-percentage-point higher (6.00 percent) than the current healthcare cost trend rates:

	1% Decrease (4.00%)	Healthcare Cost Trend Rate (5.00%)	1% Increase (6.00%)
Total OPEB liability	79,526	84,342	89,481

Note 15.Contingent Liabilities

The District is a defendant in various lawsuits and asserted claims incurred in the ordinary course of business. Management and counsel for the District are unable to reasonably estimate at this time the amount of liability, if any, which may be incurred if adverse decisions are rendered. Any amounts resulting from these claims are expected to be covered by commercial insurance or they are not expected to have a significant effect on the financial statements going forward.

Note 16. Fair Value Measurement

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District has the following fair value measurements as of June 30, 2018 and 2017:

		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
June 30, 2018:				
Louisiana Asset Management Pool	$ 525,692	$ -	$ 525,692	$ -
June 30, 2017:				
Louisiana Asset Management Pool	$ 518,477	$ -	$ 518,477	$ -

Note 17. Restatement of prior financial statements

During the year ended June 30, 2018, the District adopted GABS Statement No. 75, *Accounting for Financial Reporting for Postemployment Benefits other than Pension.* GASB 75 established new accounting and financial reporting requirements for OPEB plans. The financial statements have been restated to properly reflect the amount of unfunded OPEB obligation as well as the employee benefits during 2017. Beginning net position at June 30, 2016 decreased as a result by $62,828 and change in net position for 2017 increased by $15,066.

This page intentionally left blank.

REQUIRED SUPPLEMENTARY INFORMATION

PORT OF IBERIA DISTRICT

SCHEDULE OF CHANGES IN THE DISTRICTS
TOTAL OPEB LIABILITY AND RELATED RATIOS
(Required Supplementary Information)
For the Years Ended June 30, 2018 and 2017

	2018	2017
Service costs	$ -	$ -
Interest costs	443	421
Changes in assumptions or other inputs	(3,760)	(1,882)
Benefit payments	(6,837)	(6,934)
Net change in total OPEB liability	$ (10,154)	$ (8,395)
Total OPEB liability – beginning	$ 94,496	$ 102,891
Total OPEB liability – ending	$ 84,342	$ 94,496
Covered employee payroll	-	-
Total OPEB liability as a percentage of covered employee payroll	N/A	N/A

NOTES TO SCHEDULE

Note 1. *Changes in assumptions or other inputs:* Changes of assumptions and other inputs primarily reflect the effects of changes to the estimated annual health insurance costs associated with the benefits under the plan for each period. Annual costs per participant used in each period was as follows:

2016	$ 6,900
2017	$ 6,934
2018	$ 6,819

Note 2. *Plan/assets:* The Plan is not administered through a separate trust. As such, no assets are accumulated in a trust to pay the related benefits.

PORT OF IBERIA DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
(Required Supplementary Information)
For the Years Ended June 30, 2018, 2017, 2016 and 2015

	2018	2017	2016	2015
District's proportion of the net pension liability	0.035438%	0.036187%	0.036654%	0.036947%
District's proportionate share of the net pension liability	$ (26,304)	$ 74,528	$ 96,484	$ 10,102
District's covered employee payroll	$ 235,976	$ 216,011	$ 209,077	$ 194,367
District's proportionate share of the net pension (asset) liability as a percentage of its covered employee payroll	-11.15%	34.50%	46.15%	5.20%
Plan fiduciary net position as a percentage of the total pension liability	101.98%	94.15%	92.23%	99.15%

PORT OF IBERIA DISTRICT

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
(Required Supplementary Information)
For the Years Ended June 30, 2018, 2017, 2016 and 2015

	2018	2017	2016	2015
Contractually required contributions	$ 50,656	$ 48,062	$ 44,331	$ 47,948
Contributions in relation to the contractually required contribution	50,656	48,062	48,062	47,948
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered employee payroll	235,976	216,011	209,077	194,367
Contributions as a percentage of covered employee payroll	21.47%	22.25%	21.20%	24.67%

This page intentionally left blank.

OTHER SUPPLEMENTARY INFORMATION

Exhibit G

PORT OF IBERIA DISTRICT

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO AGENCY HEAD
For the Year Ended June 30, 2018

Agency Head: Craig F. Romero

Purpose:	
Salary	$ 130,317
Benefits:	
Insurance	13,139
Retirement	15,610
Car allowance	18,000
Expense reimbursements	8,287
Travel	14,559
Registration fees	1,350
	$ 201,262

BROUSSARD
POCHÉ, LLP
CERTIFIED PUBLIC ACCOUNTANTS

101 Independence Boulevard | Lafayette, LA 70506
(O) 337.988.4930 | (F) 337.984.2393
www.BroussardPoche.com

INDEPENDENT AUDITORS' 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*

To the Board of Commissioners
Port of Iberia District
New Iberia, 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 basic financial statements of Port of Iberia District, as of June 30, 2018, and the related notes to the financial statements, and have issued our report thereon dated December 27, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Port of Iberia 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Port of Iberia District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Port of Iberia 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District'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 charges with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Port of Iberia 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*.

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 Port of Iberia District'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 Port of Iberia District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Broussard Poche LLP

Lafayette, Louisiana
December 27, 2018

PORT OF IBERIA DISTRICT

SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2018

We have audited the basic financial statements of Port of Iberia District as of and for the year ended June 30, 2018, and have issued our report thereon dated December 27, 2018. 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. Our audit of the financial statements as of June 30, 2018 resulted in an unmodified opinion.

Section I. - Summary of Auditors' Reports

Report on Internal Control and Compliance Material to the Financial Statements

Internal Control	
Material weaknesses	☐ Yes ☒ No
Control deficiencies identified that are not considered to be material weakness(es)	☐ Yes ☒ No
Compliance	
Non compliance material to financial statements	☐ Yes ☒ No

Section II – Financial Statement Findings

No matters are reported.

Schedule H-2

PORT OF IBERIA DISTRICT

SCHEDULE OF PRIOR YEAR FINDINGS
For the Year June 30, 2018

Section I. Internal Control and Compliance Material to the Financial Statements

None noted.

Section II. Internal Control and Compliance Material to Federal Awards

None noted.

Section III Management Letter

The prior year's report did not include a management letter.

BROUSSARD
POCHÉ, LLP
CERTIFIED PUBLIC ACCOUNTANTS

101 Independence Boulevard | Lafayette, LA 70506
(O) 337.988.4930 | (F) 337.984.2393
www.BroussardPoche.com

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners and Management of
Port of Iberia District and
The Louisiana Legislative Auditor
New Iberia, Louisiana

We have performed the procedures enumerated below, which were agreed to by the Port of Iberia District (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2017 through June 30, 2018. The Entity's management is responsible for those control and compliance areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

   a. Budgeting, including preparing, adopting, monitoring, and amending the budget.

      We obtained a copy of their budgeting policy effective for the fiscal year ended June 30, 2018. Items noted above are addressed in the policy.

   b. Purchasing: including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

      We obtained a copy of their purchasing policy effective for the fiscal year ended June 30, 2018. Items noted above are addressed in the policy.

   c. Disbursements, including processing, reviewing, and approving

      We obtained a copy of their disbursement policy effective for the fiscal year ended June 30, 2018. Items noted above are addressed in the policy.

d. Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

   We obtained a copy of their receipts policy effective for the fiscal year ended June 30, 2018. Items noted above are addressed in the policy.

e. Payroll/Personnel, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

   We obtained a copy of their payroll/personnel policy effective for the fiscal year ended June 30, 2018. Items noted above are addressed in the policy.

f. Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

   We obtained a copy of their contracting policy effective for the fiscal year ended June 30, 2018. Items noted above are addressed in the policy.

g. Credit cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

   We obtained a copy of their credit card policy effective for the fiscal year ended June 30, 2018. Items noted above are addressed in the policy.

h. Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

   We obtained a copy of their travel and expense reimbursement policy effective for the fiscal year ended June 30, 2018. Items noted above are addressed in the policy.

i. Ethics, including (1) the prohibitions as defined in Louisiana Revised Statue 42:111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

   The district did not have a written policy addressing these items.

j. Debt Service, including (1) debt issuance approval, (2) Continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

   Not applicable.

Board (or Finance Committee, if applicable)

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

   a. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

      No exceptions noted in Year 1 therefore testing excluded in Year 2.

   a. Report whether the minutes reference or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity prior audit (GAAP-basis).

      No exceptions noted in Year 1 therefore testing excluded in Year 2.

   b. For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

      No exceptions noted in Year 1 therefore testing excluded in Year 2.

   c. For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

      No exceptions noted in Year 1 therefore testing excluded in Year 2.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

   a. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

Per review of the list of bank accounts, five were selected to test. We obtained bank reconciliations for all months in the fiscal period and noted that bank reconciliations were prepared within 2 months of the related statement closing date.

b. Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Bank reconciliations selected above include evidence that they are reviewed by the Administrative Assistant monthly. The Administrative Assistant does not perform the bank reconciliations. However, she is involved in the transactions associated with these bank accounts.

c. Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Per review of the year end bank reconciliation for each account tested, there were no items outstanding for more than 12 months from the statement closing date.

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

There is only one deposit site.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

There is only one collection location.

a. Employees that are responsible for cash collections do not share cash drawers/registers.

Employees that are responsible for cash collections share cash drawers/registers.

b. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

One employee does all functions.

c. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

One employee does all functions

d. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

   The employee responsible for reconciling cash collections to the general ledger and/or subsidiary ledger, by revenue source and/or agency fund additions is also responsible for collecting cash, however another employee verifies the reconciliation.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

   Employees responsible for collecting cash are bonded.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

   a. Observe that receipts are sequentially pre-numbered.

      Receipts are sequentially pre-numbered.

   b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

      We traced the sequentially pre-numbered receipts, system reports & other related collection documentation to the deposit slips.

   c. Trace the deposit slip total to the actual deposit per the bank statement.

      We traced the deposit slip to the actual deposit per the bank statement

   d. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than $100).

      The deposit was made within one business day of receipt at the collection location.

   e. Trace the actual deposit per the bank statement to the general ledger.

      We traced the actual deposit per the bank statement to the general ledger.

Non-Payroll Disbursements (excluding Card purchases/payments, travel reimbursements, and pretty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

   The Entity only has one location that processes payments.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

   a. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

      At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

   b. At least two employees are involved in processing and approving payments to vendors.

      At least two employees are involved in processing and approving payments to vendors.

   c. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

      The employee responsible for processing payments is not prohibited from adding/modifying vendor files.

   d. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

      In some instances, the employee responsible for signing checks mails payments. In other instances, the employee responsible for processing payments mails payments.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

    a. Observe that the disbursement matched the related original invoice/billing statement.

       The disbursements selected for testing matched the related original invoice/billing statement.

    b. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

       The disbursement documentation included evidence of segregation of duties tested under #9, as applicable.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

    Obtained a listing of all active credit cards, bank debit cards, fuel cards, and P-cards for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtained management's representation that the listing is complete.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

    All 3 of the active cards were selected for testing.

    a. Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]

       There is no evidence of approval on the monthly statements.

    b. Observe that finance charges and late fees were not assessed on the selected statements.

       No finance charges and/or late fees were assessed on the selected statements

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

    All transactions selected were supported by an original itemized receipt, written documentation of the business purpose, and documentation of the individual participating in meals (for meal charges only).

Travel and Travel-Related Expense Reimbursement (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

    a. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

       No exceptions noted in Year 1 testing therefore testing excluded in Year 2.

b. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

No exceptions noted in Year 1 testing therefore testing excluded in Year 2.

c. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

No exceptions noted in Year 1 testing therefore testing excluded in Year 2.

d. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted in Year 1 testing therefore testing excluded in Year 2.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

a. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

No exceptions noted in Year 1 testing therefore testing excluded in Year 2.

b. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

No exceptions noted in Year 1 testing therefore testing excluded in Year 2.

c. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

No exceptions noted in Year 1 testing therefore testing excluded in Year 2.

d. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions noted in Year 1 testing therefore testing excluded in Year 2.

Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

    We obtained a listing of all employees and appointed officials during the fiscal year ending June 30, 2018. A representation was obtained from management that the listing was complete.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

    a. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

       All selected employees documented their daily attendance and leave.

    b. Observe that supervisors approved the attendance and leave of the selected employees/officials.

       There is no written documentation that supervisors approved the attendance and leave for employees.

    c. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

       All leave taken during the pay period was reflected in the entity's cumulative leave records.

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

    There were no terminated employees during the fiscal period.

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

    We obtained management's representation that employee and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid and associated forms have been filed by required deadlines.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

    a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

       Documentation was observed that demonstrates each employee tested completed one hour of ethics training during the fiscal period.

    b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

       The Entity does not issue an annual ethics policy.

Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

    No exceptions noted in Year 1 testing therefore testing excluded in Year 2.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

    No exceptions noted in Year 1 testing therefore testing excluded in Year 2.

Other

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

    Per discussion with management, they did not have any misappropriations of public funds or assets.

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

    The entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those control and compliance areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those control and compliance areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Broussard Poche LLP

Lafayette, Louisiana
December 27, 2018