

REPORT

MILLENNIUM PORT AUTHORITY  
Baton Rouge, Louisiana

JUNE 30, 2004

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9-22-04

MILLENNIUM PORT AUTHORITY  
Baton Rouge, Louisiana

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DUPLANTIER, HRAPMANN,  
HOGAN & MAHER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

1340 Poydras St., Suite 2000 · New Orleans, LA 70112  
(504) 586-8866  
FAX (504) 525-5888  
cpa@dhhmcpa.com

MICHAEL J. O'ROURKE, C.P.A.  
WILLIAM G. STAMM, C.P.A.  
CLIFFORD J. GIFFIN, JR., C.P.A.  
DAVID A. BURGARD, C.P.A.  
LINDSAY J. CALUB, C.P.A., L.L.C.  
GUY L. DUPLANTIER, C.P.A.  
MICHELLE H. CUNNINGHAM, C.P.A.  
DENNIS W. DILLON, C.P.A.

ANN M. HARGES, C.P.A.  
ROBIN A. STROHMEYER, C.P.A.

KENNETH J. BROOKS, C.P.A., ASSOCIATE

A.J. DUPLANTIER JR., C.P.A.

(1919-1985)  
FELIX J. HRAPMANN, JR., C.P.A.  
(1919-1990)  
WILLIAM R. HOGAN, JR., C.P.A.  
(1920-1996)  
JAMES MAHER, JR., C.P.A.  
1920-1990

MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

August 11, 2004

Millennium Port Authority  
Baton Rouge, Louisiana

We have audited the accompanying financial statements of the Millennium Port Authority, a component unit of the State of Louisiana, as of and for the year ended June 30, 2004, as listed in the index to report. These financial statements are the responsibility of the Millennium Port Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Millennium Port Authority, as of June 30, 2004 and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis and the Budget Comparison Schedule on pages 3 through 6 and page 19, respectively, are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplementary information on page 20 and the Office of Statewide Reporting Package are presented for purposes of additional analysis and are not a required part of the financial statements of the Millennium Port Authority. The supplementary information for the year ended June 30, 2004 on page 20 and the Office of Statewide Reporting Package have been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, are fairly presented in all material respects in relation to the financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 11, 2004 on our consideration of Millennium Port Authority's internal control over financial reporting and on its compliance with laws and regulations. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

**Duplantier, Hrapmann, Hogan & Maher, L.L.P.**

MILLENNIUM PORT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2004

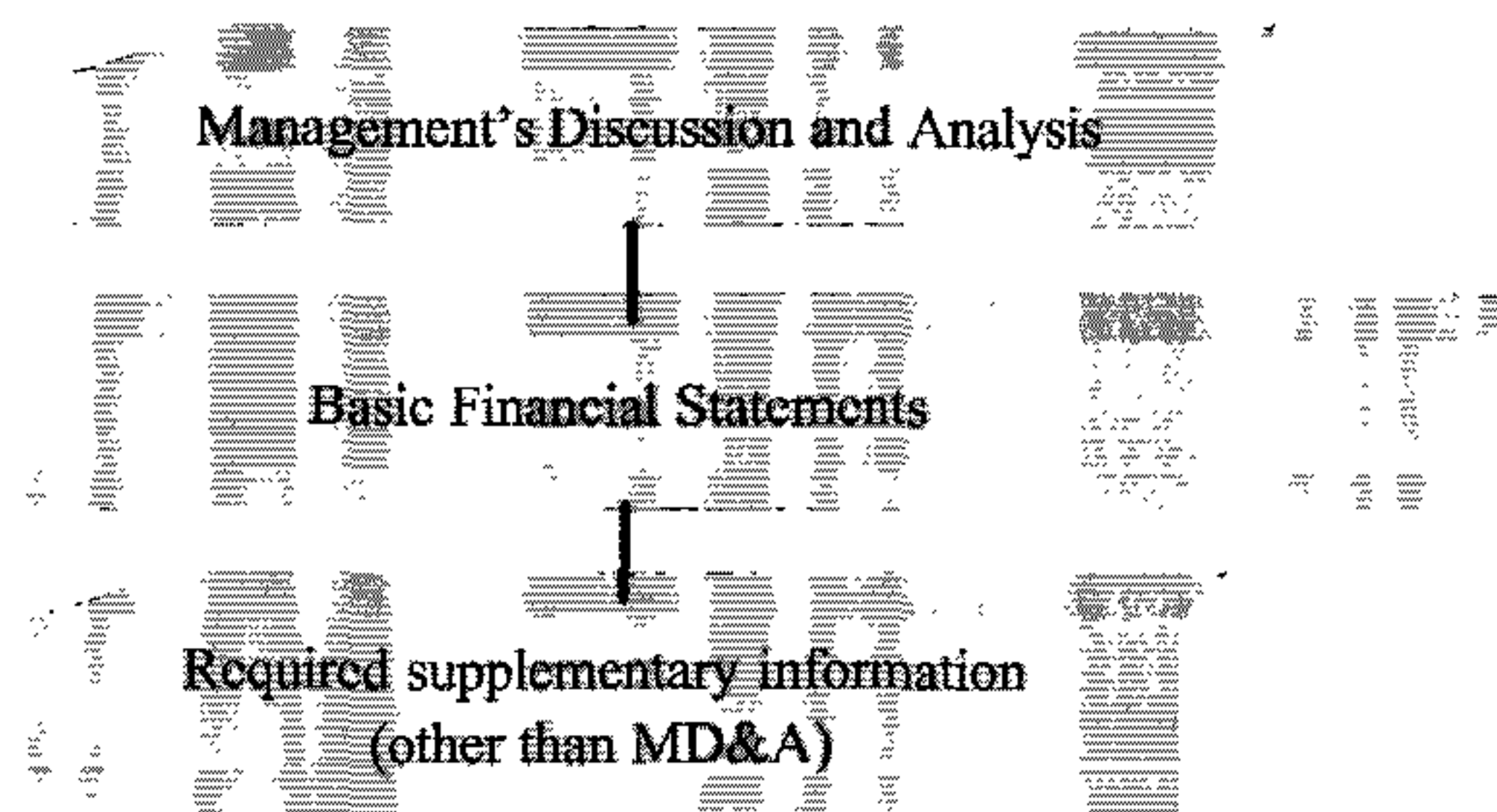
The Management's Discussion and Analysis of the Millennium Port Authority's financial performance presents a narrative overview and analysis of Millennium Port Authority's financial activities for the year ended June 30, 2004. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the additional information contained in the Millennium Port Authority's financial statements, which begin on page 7.

### FINANCIAL HIGHLIGHTS

- \* The Millennium Port Authority was awarded a grant from the Delta Regional Authority in the amount of \$293,000. Grant funds were received on June 28, 2004.
- \* The Millennium Port Authority's assets exceeded its liabilities at the close of fiscal year 2004 by \$541,492.
- \* The Millennium Port Authority's revenue was \$737,503 and the net results from activities was \$419,260.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

MILLENNIUM PORT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2004

### Basic Financial Statements

The basic financial statements present information for the Millennium Port Authority as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the government-wide financial statements and fund financial statements.

**Government-wide Financial Statements:** The *government-wide financial statements* are designed to provide readers with a broad overview of the Millennium Port Authority's finances, in a manner similar to private-sector business. The government-wide financial statements include:

Statement of Net Assets – this statement presents the current and long term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Millennium Port Authority is improving or deteriorating.

Statement of Activities – this statement presents information showing how Millennium Port Authority's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

**Fund Financial Statements:** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Millennium Port Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Millennium Port Authority are considered governmental funds.

### FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets

	June 30,	
	<u>2004</u>	<u>2003</u>
Current assets		
Cash	\$ 542,625	\$ 145,613
Accounts receivable	<u>          </u>	<u>51,000</u>
Total current assets	542,625	196,613
Non-current assets		
Capital assets - equipment, net of depreciation	<u>16,785</u>	<u>12,734</u>
Total assets	<u>559,410</u>	<u>209,347</u>
Liabilities:		
Accounts payable	<u>17,918</u>	<u>87,115</u>
Total liabilities	<u>17,918</u>	<u>87,115</u>
Fund balances/net assets		
Invested in capital assets, net of related depreciation	16,785	12,734
Unreserved/Unrestricted	<u>524,707</u>	<u>109,498</u>
Total fund balances/net assets	<u>541,492</u>	<u>122,232</u>
Total liabilities and fund balances/net assets	<u>\$ 559,410</u>	<u>\$ 209,347</u>

**MILLENNIUM PORT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2004**

Statement of Activities

	June 30,	
	2004	2003
Operating revenues	\$ 548,545	\$ 119,000
Other revenues	188,958	189,082
Total revenues	737,503	308,082
Operating expenses	318,243	413,501
Net increase (decrease) in net assts	\$ 419,260	\$ (105,419)

**VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS**

Expenses were \$397,757 less than budget due to the Authority not initiating two additional planning tasks as anticipated. Awards were delayed as a result of a change in the timing of receipt of Delta Regional Authority Grant funds and concerns regarding the amount of funds, if any, that might be provided by the State for fiscal year 2004-2005.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

The Millennium Port Authority's budget for fiscal year 2004-2005 is being developed based on the following considerations:

- \* No funding was provided by the State in the 2004-2005 appropriations bill and funding from other State sources is not anticipated
- \* Fiscal year 2004-2005 activities must be based on funding available to the Authority at the end of fiscal year 2003-2004.
- \* Unless additional funding sources are identified during the year, only those planning tasks initially intended to be initiated in fiscal year 2003-2004 will be scheduled.

The Authority anticipates that next year's budget to actual results will improve based on the following:

- \* Timing relating to the receipt of funding will not be a factor that could result in delays in budget execution.
- \* Planned activities will be limited to those that can be accomplished with funds on hand.
- \* Schedules associated with the initiation, conduct and completion of planned tasks will be totally within the control of the Authority.

MILLENNIUM PORT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2004

**CONTACTING THE MILLENNIUM PORT AUTHORITY'S MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Millennium Port Authority's finances and to show the Millennium Port Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Ned Peak (504) 528-3366.



MILLENNIUM PORT AUTHORITY  
STATEMENT OF NET ASSETS  
JUNE 30, 2004

## ASSETS:

## Current assets

Cash	\$ 542,625
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## Non-current assets

Capital assets - equipment, net of depreciation	<u>16,785</u>
---	---------------

Total assets	<u>559,410</u>
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## LIABILITIES:

## Liabilities:

Accounts payable	<u>17,918</u>
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## NET ASSETS:

Invested in capital assets, net of related depreciation	16,785
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Unrestricted	<u>524,707</u>
--------------	----------------

Total net assets	<u>\$ 541,492</u>
------------------	-------------------

See accompanying notes.

MILLENNIUM PORT AUTHORITY  
STATEMENT OF ACTIVITIES  
JUNE 30 2004

<u>Function/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Change in Net Assets</u>
Transportation	\$ 318,243	\$ -	\$ 548,545	\$ -	\$ 230,302
General revenues:					
					188,330
					628
					<u>188,958</u>
					419,260
					<u>122,232</u>
					<u>\$ 541,492</u>

See accompanying notes.

MILLENNIUM PORT AUTHORITY  
GOVERNMENTAL FUNDS BALANCE SHEET  
JUNE 30, 2004

	General Fund
<b>ASSETS:</b>	
Cash	\$ <u>542,625</u>
Total assets	\$ <u><u>542,625</u></u>
<b>LIABILITIES:</b>	
Accounts payable	\$ <u>17,918</u>
Total liabilities	<u>17,918</u>
<b>FUND BALANCE:</b>	
Unreserved	<u>524,707</u>
Total fund balance	<u>524,707</u>
Total liabilities and fund balance	\$ <u><u>542,625</u></u>

See accompanying notes.

MILLENNIUM PORT AUTHORITY  
RECONCILIATION OF THE GOVERNMENTAL FUND  
BALANCE SHEET TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2004

Amounts reported for governmental fund in the statement  
of net assets are different because:

Total Fund Balance at June 30, 2004	\$ 524,707
Capital assets net of accumulated depreciation at June 30, 2004	<u>16,785</u>
 TOTAL NET ASSETS AS OF JUNE 30, 2004	 \$ <u>541,492</u>

See accompanying notes.

MILLENNIUM PORT AUTHORITY  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2004

REVENUES:	
Federal grants	\$ 523,545
State appropriation	188,330
Interest income	628
Other	<u>25,000</u>
Total revenues	<u>737,503</u>
EXPENDITURES:	
Transportation	315,424
Capital outlay	<u>6,870</u>
Total expenditures	<u>322,294</u>
Net change in fund balance	415,209
Fund balance - beginning	<u>109,498</u>
FUND BALANCE - ENDING	<u>\$ 524,707</u>

See accompanying notes.

**MILLENNIUM PORT AUTHORITY**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2004**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance - governmental fund	\$	415,209
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>		
		4,051
Change in net assets governmental activities	\$	419,260

See accompanying notes.

MILLENNIUM PORT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2004

The Millennium Port Authority (Authority) was established and provided for by R.S. 34:3471 of the Louisiana Revised Statutes (LRS). It was created as a political subdivision of the state to plan, construct and operate a deep draft intermodal terminal facility. The Authority is governed by a Board of eleven Commissioners who are appointed by the governor. Commissioners serve without compensation for a term of two years. Members of the Board of Commissioners shall be selected based on the criteria set forth in R.S. 34:3474.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the Millennium Port Authority are prepared in accordance with the standards established by the Governmental Accounting Standards Board (GASB) as the successor of the National Council on Governmental Accounting (NCGA).

Financial Reporting Entity:

In June 1991, the Governmental Accounting Standards Board (GASB) issued Statement No. 14, *The Financial Reporting Entity*. The definition of the reporting entity is based primarily on the notion of financial accountability.

In determining financial accountability for legally separate organizations, the Authority considered whether its officials appoint a voting majority of an organization's governing body and whether they are able to impose their will on that organization or there is a potential for the organization to provide specific financial burdens to, or to impose specific financial burdens on, the Authority. The State also considered whether there are organizations that are fiscally dependent on it. There are no component units of the Millennium Port Authority.

The Millennium Port Authority is a component unit of the State of Louisiana and its financial statements are included in the financial statements of the State of Louisiana.

Basis of Presentation:

The accompanying financial statements of the Millennium Port Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. In addition, these financial statements include the provisions of GASB Statement Number 34, *Basic Financial Statement – Management's Discussion and Analysis-for State and Local Governments* and related standards. This standard provides for significant changes in terminology, recognition of contributions in the Statement of Revenues, Expenses and Changes in Net Assets, inclusion of a management discussion and analysis as supplementary information and other changes.

MILLENNIUM PORT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Basis of Presentation: (Continued)

The accompanying financial statements of the Millennium Port Authority present information only as to the transactions of the programs of the Millennium Port Authority as authorized by Louisiana statutes and administrative regulations.

Government-wide and Fund Financial Statements:

In accordance with Statement No. 34 of the Governmental Accounting Standards Board (GASB), "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments", included in the Port's Comprehensive Annual Financial Report for the year ended June 30, 2004 are the Management Discussion and Analysis (MD&A), government-wide financial statements which include the Statement of Net Assets and the Statement of Activities, and fund financial statements which include the Balance Sheet, Reconciliation of the Balance Sheet to the Statement of Net Assets, Statement of Revenues, Expenditures and Change in Fund Balance and Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Amounts reported as program revenues include operating grants. Likewise, general revenues include state appropriations and interest.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under this method, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred.

Fund Accounting:

The accounts of the Millennium Port Authority are organized on the basis of a fund. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. Revenues are accounted for in this individual fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The fund presented in the financial statements is described as follows:



MILLENNIUM PORT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Basis of Presentation: (Continued)

Governmental Fund:

General Fund:

The General Fund is the principal fund of the Millennium Port Authority and is used to account for the operations of the Millennium Port Authority.

Budget Practices

Budgets are prepared and adopted annually by the Millennium Port Authority. The Millennium Port Authority budgets its expenses based on state appropriations and grants it expects to receive each year. The budget was prepared using the modified accrual basis of accounting. All budgetary appropriations lapse at the end of each fiscal year.

Property and Equipment:

Property and equipment are reported in the government-wide financial statements. The cost of property, plant and equipment is depreciated over the estimated useful lives of the related assets. Depreciation is computed on the straight-line method for financial reporting purposes.

2. CASH:

At June 30, 2004, the carrying amount of cash was \$542,625 and the bank balance was \$544,102. The bank balance of \$544,102 was covered by Federal Depository Insurance and pledged collateral which is held by a "third-party safekeeper" in joint custody with the Millennium Port Authority.

3. COMPENSATION TO BOARD MEMBERS:

The board members do not receive compensation for being on the board.

4. USE OF ESTIMATES:

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

MILLENNIUM PORT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2004

5. CAPITAL ASSETS:

The following is a summary of capital assets – at cost, less accumulated depreciation:

Beginning balance	\$13,413
Additions	6,870
Less: accumulated depreciation	<u>(3,498)</u>
Total	<u>\$16,785</u>

6. SUBSEQUENT EVENTS:

Since inception, the Port received a substantial portion of its funding from State appropriations. For the 2004 – 2005 fiscal year the State eliminated the appropriation funding for the Millennium Port.



DUPLANTIER, HRAPMANN,  
HOGAN & MAHER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

MICHAEL J. O'ROURKE, C.P.A.  
WILLIAM G. STAMM, C.P.A.  
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1340 Poydras St., Suite 2000 · New Orleans, LA 70112  
(504) 586-8866  
FAX (504) 525-5888  
cpa@dhhmcpa.com

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(1922-1999)

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON A FINANCIAL STATEMENT AUDIT  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

August 11, 2004

Board of Commissioners of the  
Millennium Port Authority  
Baton Rouge, Louisiana

We have audited the financial statements of the Millennium Port Authority, as of and for the year ended June 30, 2004, and have issued our report thereon dated August 11, 2004. 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.

Compliance

As part of obtaining reasonable assurance about whether the Millennium Port Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, 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 material instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described as follows:

Several travel and meal reimbursements tested were not in compliance with the *Louisiana Travel Guide*. Items were noted such as, meals were provided for contractors and commissioners for local monthly meetings, several meals and mileage reimbursements did not contain proper supporting documentation and hotel rates were paid in excess of the allowed rates.

It is our understanding that the Authority is required to follow the *Louisiana Travel Guide*. We recommend that the Authority follow the guidelines set forth in the *Louisiana Travel Guide*. If the Authority feels as though it does not fall under the jurisdiction of the *Louisiana Travel Guide*, we recommend that they seek an Attorney General's opinion regarding travel and meal reimbursement.

The Division of Administration, Office of Statewide Reporting and Accounting Policy (OSRAP) requires that the Millennium Port Authority submit the accounting financial report package by August 30, 2004. This package was not submitted to the OSRAP by the aforementioned deadline. Not submitting the reporting package by August 30, 2004 is a violation of OSRAP requirements. In the future we recommend that the Authority submit the package to the required entities on a timely basis.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Millennium Port Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Millennium Port Authority's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is noted below:

During the audit, it was discovered that the Authority lacked proper controls over federal and state grants. The Authority currently does not have an adequate review procedure for grant agreements nor do they have a system in place to ensure all federal and state funds are spent properly. A review procedure is necessary to ensure understanding of and compliance with specific terms identified by the funding source. Without a proper review procedure and monitoring system, the Authority could obtain federal funds improperly. We suggest that the Authority develop a system capable of properly accounting for the transactions and restrictions relative to these grants as well as maintaining more accurate and complete documentation for all restricted grant revenue and expenses.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness.

This report is intended for the information of the Board of Commissioners and management of Millennium Port Authority and the office of the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

**Duplantier, Hrapmann, Hogan & Maher, L.L.P.**

MILLENNIUM PORT AUTHORITY  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGET COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2004

	Original and Final Budget Amount	Actual Amounts	Statement Variance Positive (Negative)
<b>Revenues:</b>			
State appropriations	\$ 188,330	\$ 188,330	\$ -
Other	<u>482,000</u>	<u>549,173</u>	<u>67,173</u>
<b>TOTAL REVENUES</b>	<b><u>\$ 670,330</u></b>	<b><u>\$ 737,503</u></b>	<b><u>\$ 67,173</u></b>
<b>Expenditures/expenses:</b>			
Transportation			
Personnel	\$ 250,000	\$ 213,000	\$ 37,000
Operating expenses	20,000	10,144	9,856
Professional services	420,000	80,622	339,378
Travel and meetings	<u>26,000</u>	<u>18,528</u>	<u>7,472</u>
<b>TOTAL EXPENSES</b>	<b><u>\$ 716,000</u></b>	<b><u>\$ 322,294</u></b>	<b><u>\$ 393,706</u></b>

MILLENNIUM PORT AUTHORITY  
SUPPLEMENTARY INFORMATION  
GOVERNMENTAL FUNDS  
SCHEDULE OF TRANSPORTATION EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2004

## Transportation expenditures:

Bank charges	\$	279
Consulting fees		77,933
Dues and subscriptions		774
Office supplies		1,185
Personnel		213,000
Printing and reproduction		952
Postage and delivery		83
Professional fees		2,690
Telephone		365
Travel and meetings		<u>18,163</u>
<b>TOTAL TRANSPORTATION EXPENDITURES</b>	<b>\$</b>	<b><u>315,424</u></b>

**OFFICE OF STATEWIDE REPORTING PACKAGE**

Millennium Port Authority  
STATE OF LOUISIANA  
Annual Financial Statements  
June 30, 2004

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**STATE OF LOUISIANA  
Millennium Port Authority  
BALANCE SHEET  
AS OF JUNE 30, 2004**

**ASSETS**

**CURRENT ASSETS:**

Cash and cash equivalents (Note C1)	\$	<u>542,625</u>
Investments (Note C2)		
Receivables (net of allowance for doubtful accounts)(Note U)		
Due from other funds (Note Y)		
Due from federal government		
Inventories		
Prepayments		
Notes receivable		
Other current assets		
Total current assets		<u>542,625</u>

**NONCURRENT ASSETS:**

Restricted assets (Note F):		
Cash		
Investments		
Receivables		
Notes receivable		
Capital assets (net of depreciation)(Note D)		
Land		
Buildings and improvements		
Machinery and equipment		<u>16,785</u>
Infrastructure		
Construction in progress		
Other noncurrent assets		
Total noncurrent assets		<u>16,785</u>
Total assets	\$	<u>559,410</u>

**LIABILITIES**

**CURRENT LIABILITIES:**

Accounts payable and accruals (Note V)	\$	<u>17,918</u>
Due to other funds (Note Y)		
Due to federal government		
Deferred revenues		
Amounts held in custody for others		
Other current liabilities		
Current portion of long-term liabilities:		
Contracts payable		
Reimbursement contracts payable		
Compensated absences payable (Note K)		
Capital lease obligations - (Note J)		
Notes payable		
Liabilities payable from restricted assets (Note Z)		
Bonds payable		
Other long-term liabilities		
Total current liabilities		<u>17,918</u>

**NON-CURRENT LIABILITIES:**

Contracts payable		
Reimbursement contracts payable		
Compensated absences payable (Note K)		
Capital lease obligations (Note J)		
Notes payable		
Liabilities payable from restricted assets (Note Z)		
Bonds payable		
Other long-term liabilities		
Total long-term liabilities		<u>-</u>
Total liabilities		<u>17,918</u>

**NET ASSETS**

Invested in capital assets net of related debt		<u>16,785</u>
Restricted for:		
Capital projects		
Debt service		
Unemployment compensation		
Other specific purposes		
Unrestricted		<u>524,707</u>
Total net assets		<u>541,492</u>
Total liabilities and net assets	\$	<u>559,410</u>

The accompanying notes are an integral part of this financial statement.

Statement A

**STATE OF LOUISIANA**  
**Millennium Port Authority**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2004**

<b>OPERATING REVENUES</b>	
Sales of commodities and services	\$ _____
Assessments	_____
Use of money and property	_____
Licenses, permits, and fees	_____
Other	548,545
Total operating revenues	<u>548,545</u>
<b>OPERATING EXPENSES</b>	
Cost of sales and services	77,933
Administrative	237,491
Depreciation	2,819
Amortization	_____
Total operating expenses	<u>318,243</u>
Operating income(loss)	<u>230,302</u>
<b>NON-OPERATING REVENUES(EXPENSES)</b>	
State appropriations	188,330
Intergovernmental revenues (expenses)	_____
Taxes	_____
Use of money and property	628
Gain (loss) on disposal of fixed assets	_____
Federal grants	_____
Interest expense	_____
Other	_____
Total non-operating revenues(expenses)	<u>188,958</u>
Income(loss) before contributions and transfers	<u>419,260</u>
Capital contributions	_____
Transfers in	_____
Transfers out	_____
Change in net assets	<u>419,260</u>
Total net assets – beginning as restated	<u>122,232</u>
Total net assets – ending	<u>\$ 541,492</u>

The accompanying notes are an integral part of this financial statement.

Statement B

**STATE OF LOUISIANA  
 Millennium Port Authority  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2004**

	Program Revenues			Net (Expense)	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
Millennium					
Port Authority	\$ <u>318,243</u>	\$ -	\$ <u>548,545</u>	\$ -	\$ <u>230,302</u>
General revenues:					
Taxes					
State appropriations					188,330
Grants and contributions not restricted to specific programs					-
Interest					628
Miscellaneous					
Special items					
Transfers					
Total general revenues, special items, and transfers					188,958
Change in net assets					419,260
Net assets - beginning					122,232
Net assets - ending					\$ 541,492

The accompanying notes are an integral part of this financial statement.

**STATE OF LOUISIANA  
Millennium Port Authority  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JULY 30, 2004**

<b>Cash flows from operating activities</b>		
Cash received from customers	\$	
Cash payments to suppliers for goods and services		<u>(384,621)</u>
Cash payments to employees for services		
Payments in lieu of taxes		
Internal activity-payments to other funds		
Claims paid to outsiders		
Other operating revenues(expenses)		<u>599,545</u>
Net cash provided(used) by operating activities		<u>214,924</u>
<b>Cash flows from non-capital financing activities</b>		
State appropriations		<u>188,330</u>
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Other		
Transfers In		
Transfers Out		
Net cash provided(used) by non-capital financing activities		<u>188,330</u>
<b>Cash flows from capital and related financing activities</b>		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets		<u>(6,870)</u>
Proceeds from sale of capital assets		
Capital contributions		
Other		
Net cash provided(used) by capital and related financing activities		<u>(6,870)</u>
<b>Cash flows from investing activities</b>		
Purchases of investment securities		
Proceeds from sale of investment securities		
Interest and dividends earned on investment securities		<u>628</u>
Net cash provided(used) by investing activities		<u>628</u>
Net increase(decrease) in cash and cash equivalents		<u>397,012</u>
Cash and cash equivalents at beginning of year		<u>145,613</u>
Cash and cash equivalents at end of year	\$	<u><u>542,625</u></u>

The accompanying notes are an integral part of this statement.  
Statement D

**STATE OF LOUISIANA  
 Millennium Port Authority  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2004**

**Reconciliation of operating income(loss) to net cash provided(used) by operating activities:**

Operating income(loss)		\$ <u>230,302</u>
Adjustments to reconcile operating income(loss) to net cash		
Depreciation/amortization	<u>2,819</u>	
Provision for uncollectible accounts	<u>          </u>	
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net	<u>51,000</u>	
(Increase)decrease in due from other funds	<u>          </u>	
(Increase)decrease in prepayments	<u>          </u>	
(Increase)decrease in inventories	<u>          </u>	
(Increase)decrease in other assets	<u>          </u>	
Increase(decrease) in accounts payable and accruals	<u>(69,197)</u>	
Increase(decrease) in accrued payroll and related benefits	<u>          </u>	
Increase(decrease) in compensated absences payable	<u>          </u>	
Increase(decrease) in due to other funds	<u>          </u>	
Increase(decrease) in deferred revenues	<u>          </u>	
Increase(decrease) in other liabilities	<u>          </u>	
 Net cash provided(used) by operating activities		 \$ <u>214,924</u>

**Schedule of noncash investing, capital, and financing activities:**

Borrowing under capital lease	<u>          </u>
Contributions of fixed assets	<u>          </u>
Purchases of equipment on account	<u>          </u>
Asset trade-ins	<u>          </u>
Other (specify)	<u>          </u>
 <u>          </u>	 <u>          </u>
 <u>          </u>	 <u>          </u>
 <b>Total noncash investing, capital, and financing activities:</b>	 <b><u>          </u></b>

(Concluded)

The accompanying notes are an integral part of this statement.

Statement D

**STATE OF LOUISIANA  
MILLENNIUM PORT AUTHORITY  
Notes to the Financial Statement  
As of and for the year ended June 30, 2004**

**INTRODUCTION**

The Millennium Port Authority was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 34:3471. The following is a brief description of the operations of Millennium Port Authority which includes the parish/parishes in which the Millennium Port Authority is located:

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS OF ACCOUNTING**

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of Millennium Port Authority present information only as to the transactions of the programs of the Millennium Port Authority as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Millennium Port Authority are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

**Revenue Recognition**

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

**Expense Recognition**

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

**B. BUDGETARY ACCOUNTING**

Budgets are adopted by the Millennium Port Authority annually. The Millennium Port Authority budgets its expenses based on the state appropriations and grants it expects to receive each year. The budget was prepared using the modified accrual basis of accounting. All budgetary appropriations lapse at the end of each fiscal year.

**C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (If all agency cash and investments are deposited in the State Treasury, disregard Note C.)**

**1. DEPOSITS WITH FINANCIAL INSTITUTIONS**

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Millennium Port Authority may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Millennium Port Authority may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

**STATE OF LOUISIANA  
MILLENNIUM PORT AUTHORITY  
Notes to the Financial Statement  
As of and for the year ended June 30, 2004**

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

Following the issuance of GASB Statement 3, deposits were classified into three categories of custodial credit risk depending on whether they were insured or collateralized, and who held the collateral and how it was held.

**Category 1** – Deposits that are covered by insurance (FDIC) or collateralized with securities that are held by the entity in the entity’s name or registered in the entity’s name. (separate disclosure no longer required)

**Category 2** – Deposits that are not insured but are collateralized with securities that are held by the financial institution’s trust department or agent and are in the entity’s name. (separate disclosure no longer required)

**Category 3** – Deposits that are not covered by insurance and also are not collateralized. Not collateralized includes when the securities (collateral) are held by the financial institution’s trust department or agent and they are not in the entity’s name. (separate disclosure still required)

**GASB Statement 40 only requires any category 3 deposits to be disclosed in the custodial credit risk section of Note C. If an entity has deposits exposed to custodial credit risk category 3, it should disclose the amount of those balances, the fact that they are uninsured, and whether the balances are either uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution’s trust department or agent, but not in the entity’s name.**

The deposits at June, 30 2004, consisted of the following:

	Cash	Certificates of Deposit	Other (Describe)	Total
Deposits in bank accounts per balance sheet	\$ <u>542,625</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>542,625</u>
Bank balances (category 3 only, if any)				
Identify amounts reported as category 3 by the descriptions below:				
a. Uninsured and uncollateralized	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
b. Uninsured and collateralized with securities held by the pledging institution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent but not in the entity's name	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total category 3 bank balances</b>	<b>\$ <u>-</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>-</u></b>
<b>Total bank balances (All categories including category 3 reported above)</b>	<b>\$ <u>544,102</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>544,102</u></b>

NOTE: The “Total Bank Balances” will not necessarily equal the “Deposits in Bank Account per Balance Sheet”.





**STATE OF LOUISIANA  
MILLENNIUM PORT AUTHORITY  
Notes to the Financial Statement  
As of and for the year ended June 30, 2004**

	Year ended June 30, 2004						
	Balance 6/30/2003	Prior Period Adjustment	Adjusted Balance 7/1/2003	Additions	Transfers*	Retirements	Balance 6/30/2004
<b>Capital assets not being depreciated</b>							
Land	--	--	--	--	--	--	--
Non-depreciable land improvements	--	--	--	--	--	--	--
Capitalized collections	--	--	--	--	--	--	--
Construction in progress	--	--	--	--	--	--	--
<b>Total capital assets not being depreciated</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Other capital assets</b>							
Furniture, fixtures, and equipment	13,413	--	--	6,870	--	--	20,283
Less accumulated depreciation	(679)	--	--	(2,819)	--	--	(3,498)
<b>Total furniture, fixtures, and equipment</b>	<b>12,734</b>	<b>--</b>	<b>--</b>	<b>4,051</b>	<b>--</b>	<b>--</b>	<b>16,785</b>
Buildings and improvements	--	--	--	--	--	--	--
Less accumulated depreciation	--	--	--	--	--	--	--
<b>Total buildings and improvements</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
Depreciable land improvements	--	--	--	--	--	--	--
Less accumulated depreciation	--	--	--	--	--	--	--
<b>Total depreciable land improvements</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
Infrastructure	--	--	--	--	--	--	--
Less accumulated depreciation	--	--	--	--	--	--	--
<b>Total infrastructure</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total other capital assets</b>	<b>12,734</b>	<b>--</b>	<b>--</b>	<b>4,051</b>	<b>--</b>	<b>--</b>	<b>16,785</b>
<b>Capital Asset Summary:</b>							
Capital assets not being depreciated	--	--	--	--	--	--	--
Other capital assets, at cost	13,413	--	--	6,870	--	--	20,283
<b>Total cost of capital assets</b>	<b>13,413</b>	<b>--</b>	<b>--</b>	<b>6,870</b>	<b>--</b>	<b>--</b>	<b>20,283</b>
Less accumulated depreciation	(679)	--	--	(2,819)	--	--	(3,498)
<b>Capital assets, net</b>	<b>12,734</b>	<b>--</b>	<b>--</b>	<b>4,051</b>	<b>--</b>	<b>--</b>	<b>16,785</b>

\* Should be used only for those completed projects coming out of construction-in-progress to fixed assets; not associated with transfers reported elsewhere in this packet.

<b>E. INVENTORIES</b>	N/A
<b>F. RESTRICTED ASSETS</b>	N/A
<b>G. LEAVE</b>	N/A
<b>H. RETIREMENT SYSTEM</b>	N/A
<b>I. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS</b>	N/A
<b>J. LEASES</b>	N/A
<b>K. LONG-TERM LIABILITIES</b>	N/A
<b>L. LITIGATION</b>	N/A
<b>M. RELATED PARTY TRANSACTIONS</b>	N/A
<b>N. ACCOUNTING CHANGES</b>	N/A
<b>O. IN-KIND CONTRIBUTIONS</b>	N/A
<b>P. DEFEASED ISSUES</b>	N/A
<b>Q. COOPERATIVE ENDEAVORS</b>	N/A
<b>R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)</b>	N/A
<b>S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISION</b>	N/A
<b>T. SHORT-TERM DEBT</b>	N/A
<b>U. DISAGGREGATION OF RECEIVABLE BALANCES</b>	N/A

**STATE OF LOUISIANA  
MILLENNIUM PORT AUTHORITY  
Notes to the Financial Statement  
As of and for the year ended June 30, 2004**

**V. DISAGGREGATION OF PAYABLE BALANCES**

<u>Activity</u>	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Accrued Interest</u>	<u>Other Payables</u>	<u>Total Payables</u>
<u>Transportation</u>	\$ <u>-</u>	\$ <u>17,918</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>17,918</u>
					<u>-</u>

**W. SUBSEQUENT EVENTS**

No funding was provided by the State in the 2004-2005 Appropriations Bill as provided for in prior years. The authority does not anticipate any other State funding for the 2004-2005 fiscal year.

<b>X. SEGMENT INFORMATION</b>	N/A
<b>Y. DUE TO/DUE FROM AND TRANSFERS</b>	N/A
<b>Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>	N/A
<b>AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS</b>	N/A



**STATE OF LOUISIANA  
MILLENNIUM PORT AUTHORITY  
SCHEDULE OF STATE FUNDING  
For the Year Ended June 30, 2004**

<b>Description of Funding</b>	<b>Amount</b>
1. <u>State appropriations</u>	\$ <u>188,330</u>
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
9. _____	_____
10. _____	_____
<b>Total</b>	<b>\$ <u>188,330</u></b>



**STATE OF LOUISIANA  
MILLENNIUM PORT AUTHORITY  
SCHEDULE OF NOTES PAYABLE  
JUNE 30, 2004**

**N/A**

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
<b>Total</b>		<b>\$ _____</b>	<b>\$ _____</b>	<b>\$ _____</b>	<b>\$ _____</b>		<b>\$ _____</b>

\*Send copies of new amortization schedules



**STATE OF LOUISIANA  
MILLENNIUM PORT AUTHORITY  
SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE AMORTIZATION  
For The Year Ended JUNE 30, 2004**

N/A

Fiscal Year Ending:	Principal	Interest
2005	\$ _____	\$ _____
2006	_____	_____
2007	_____	_____
2008	_____	_____
2009	_____	_____
2010	_____	_____
2011	_____	_____
2012	_____	_____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
2029	_____	_____
<b>Total</b>	\$ _____ <b>--</b>	\$ _____ <b>--</b>



**STATE OF LOUISIANA  
MILLENNIUM PORT AUTHORITY  
SCHEDULE OF CAPITAL LEASE AMORTIZATION  
For The Year Ended June 30, 2004**

Fiscal Year Ending:	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
2005	\$ _____	\$ _____	\$ _____	\$ _____ --
2006	_____	_____	_____	_____ --
2007	_____	_____	_____	_____ --
2008	_____	_____	_____	_____ --
2009	_____	_____	_____	_____ --
2010-2014	_____	_____	_____	_____ --
2015-2019	_____	_____	_____	_____ --
2020-2024	_____	_____	_____	_____ --
2025-2029	_____	_____	_____	_____ --
<b>Total</b>	<b>\$ _____ --</b>	<b>\$ _____ --</b>	<b>_____ --</b>	<b>_____ --</b>

**STATE OF LOUISIANA  
MILLENNIUM PORT AUTHORITY  
SCHEDULE OF NOTES PAYABLE AMORTIZATION**

**N/A**

Fiscal Year Ending:	<u>Principal</u>	<u>Interest</u>
2005	\$ _____	\$ _____
2006	_____	_____
2007	_____	_____
2008	_____	_____
2009	_____	_____
2010-2014	_____	_____
2015-2019	_____	_____
2020-2024	_____	_____
2025-2029	_____	_____
<b>Total</b>	<b>\$ _____</b>	<b>\$ _____</b>

**STATE OF LOUISIANA  
MILLENNIUM PORT AUTHORITY  
SCHEDULE OF BONDS PAYABLE AMORTIZATION  
For The Year Ended June 30, 2004**

**N/A**

Fiscal Year Ending:	Principal	Interest
2005	\$ _____	\$ _____
2006	_____	_____
2007	_____	_____
2008	_____	_____
2009	_____	_____
2010	_____	_____
2011	_____	_____
2012	_____	_____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
2029	_____	_____
<b>Total</b>	<b>\$ _____ --</b>	<b>\$ _____ --</b>

**STATE OF LOUISIANA**  
**MILLENNIUM PORT AUTHORITY**

**COMPARISON FIGURES**

To assist OSRAP in determining the reason for the change in financial position for the state and reason for the changes in the budget, please complete the schedule below. If the change is greater than 10%, explain the reason for the change.

	<u>2004</u>	<u>2003</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ 737,503	\$ 308,081	\$ 429,422	\$ 139%
Expenses	318,243	413,501	(95,258)	23%
2) Capital assets				
Long-term debt				
Net Assets	541,492	122,232	419,260	343%
Explanation for change:	<u>Revenue - DRA funds received in June 2004. MPA expected to receive these funds in the 2004-2005 fiscal year. Expenses - More studies were performed in fiscal year 2002-2003 compared to fiscal year 2003-2004.</u>			

3)	<u>2004 Original Budget</u>	<u>2004 Final Budget</u>	<u>Difference</u>	<u>Percentage Change</u>
Revenues	\$ 670,330	\$ 670,330	\$ -	\$ -
Expenditures	716,000	716,000	-	-
Explanation of change:				

	<u>2004 Final Budget</u>	<u>2004 Actual Budget</u>	<u>Difference</u>	<u>Percentage Change</u>
Revenues	670,330	737,503	67,173	10.02%
Expenditures	716,000	318,243	397,757	55.55%

Explanation of change: Revenue – DRA funds received in June 2004, anticipated receiving during 2005 fiscal Year end. Expenses – Two planning tasks not initiated as planned.



DUPLANTIER, HRAPMANN,  
HOGAN & MAHER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

MICHAEL J. O'ROURKE, C.P.A.  
WILLIAM G. STAMM, C.P.A.  
CLIFFORD J. GIFFIN, JR., C.P.A.  
DAVID A. BURGARD, C.P.A.  
LINDSAY J. CALUB, C.P.A., L.L.C.  
GUY L. DUPLANTIER, C.P.A.  
MICHELLE H. CUNNINGHAM, C.P.A.  
DENNIS W. DILLON, C.P.A.

ANN M. HARGES, C.P.A.  
ROBIN A. STROHMEYER, C.P.A.

KENNETH J. BROOKS, C.P.A., ASSOCIATE

1340 Poydras St., Suite 2000 · New Orleans, LA 70112  
(504) 586-8866  
FAX (504) 525-5888  
cpa@dhhmcpa.com

A.J. DUPLANTIER JR., C.P.A.  
(1919-1985)  
FELIX J. HRAPMANN, JR., C.P.A.  
(1919-1998)  
WILLIAM R. HOGAN, JR., C.P.A.  
(1920-1996)  
JAMES MAHER, JR., C.P.A.  
(1971-1980)

MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS SOCIETY

August 11, 2004

Legislative Auditor  
Engagement Processing  
Post Office Box 94397  
Baton Rouge, LA 70804

## SCHEDULES AND DATA COLLECTION FORM

### SECTION 1: SUMMARY OF AUDITOR'S REPORT

#### A. FINANCIAL STATEMENT AUDIT OPINION:

We have audited the financial statements of the Millenium Port Authority as of and for the year ended June 30, 2004 and have issued our report thereon dated August 11, 2004. 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, 2004 resulted in an unqualified opinion.

#### B. REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING:

##### Internal Control:

Material weaknesses - None noted  
Reportable conditions -- See attached 04-03

##### Compliance:

Noncompliance -- See attached 04-01 through 04-02

SECTION 2: FINANCIAL STATEMENT FINDINGS

A. CURRENT YEAR FINDINGS:

04-01

Several travel and meal reimbursements tested were not in compliance with the *Louisiana Travel Guide*. Items were noted such as, meals were provided for contractors and commissioners for local monthly meetings, several meals did not contain proper documentation, hotel rates were paid in excess of the allowed rates and mileage reimbursements did not contain proper supporting documentation. It is our understanding that the Authority is required to follow the *Louisiana Travel Guide*. We recommend that the Authority follow the guidelines set forth in the *Louisiana Travel Guide*. If the Authority feels as though it does not fall under the jurisdiction of the *Louisiana Travel Guide*, we recommend that they seek an Attorney General's opinion regarding travel and meal reimbursement.

04-02

The Division of Administration, Office of Statewide Reporting and Accounting Policy (OSRAP) requires that the Millennium Port Authority submit the accounting financial reporting package by August 30, 2004. This package was not submitted to the OSRAP by the aforementioned deadline. Not submitting the reporting package by August 30, 2004 is a violation of OSRAP requirements. In the future, we recommend that the Authority submit the package to the required entities on a timely basis.

04-03

Controls over grants of federal and state funds are inadequate. The Authority currently does not have an adequate review procedure for grant agreements nor do they have a system in place to ensure all federal and state funds are spent properly. A review procedure is necessary to ensure understanding of and compliance with specific terms identified by the funding source. Without a proper review procedure and monitoring system, the Authority could obtain federal funds improperly. We suggest that the Authority develop a system capable of properly accounting for the transactions and restrictions relative to these grants as well as maintaining more accurate and complete documentation for all restricted grant revenue and expenses.

**SECTION 3: PRIOR YEAR FINANCIAL STATEMENT FINDINGS**

**B. PRIOR YEAR FINDINGS:**

03-01

During the prior year audit, it was discovered that the Millennium Port Authority did not follow the state travel guidelines for meals. The Authority paid in excess of the meal allowance and paid meals for those not traveling. Paying in excess of the state travel policy for meals and paying meals for those not traveling is in violation of the state travel policy. We recommended that the Authority only pay meals for those traveling and pay within the guidelines of the state travel policy. This finding was repeated in 2004.

03-02

During the testing of the Louisiana Budget Act, it was discovered that the preparer of the Millennium Port Authority's budget did not sign the budget message, the budget did not include the Authority's estimated beginning fund balance and the estimated ending fund balance nor was the budget amended when revenues fell below 5% or more of the projected budget. Not having the preparer sign the budget message, not including estimated fund balance for beginning and end of year and not amending the budget when revenues fall below 5% of projected amounts is in violation of the Louisiana Budget Act. We recommended that the preparer of the Millennium Port Authority's budget sign the budget message, include the estimated beginning and ending fund balance in the budget and amend the budget when revenues fall below 5% of projected amounts. This has been resolved in 2004.

**Millennium Port Authority  
1350 Port of New Orleans Place  
New Orleans, Louisiana 70130**

September 8, 2004

Legislative Auditor  
1600 North Third Street  
Post Office Box 94397  
Baton Rouge, Louisiana 70804-9397

During the conduct of the current year audit, the outside auditor identified several Financial Statement Findings. These "Findings" are addresses below:

**04-01**

Several travel and meal reimbursements tested were not in compliance with the Louisiana Travel Guide. The hotel rate on one visit to Washington, DC was in excess of the allowed rate. This was recognized and approved by the Executive Director in accordance with Authority policy. However, it was not submitted to the Commissioner of Administration prior to the commencement of travel in accordance with State guidelines. In reviewing some mileage reimbursements it was noted that the mileage traveled appeared greater than the destinations indicated. We will be more diligent in requiring a better explanation of travel mileage by ensuring that multiple destinations are indicated where appropriate. Periodic stakeholder meetings are held in conjunction with the implementation of the Millennium Port Planning process in accordance with policies established by the Authority. The auditor has determined that such meeting be in compliance with travel guidelines. In order to ensure that the Authority complies with all appropriate State regulations during the conduct of its business, during budget year 2004-2005 Millennium Port Authority Operating Procedures will be compiled and coordinated with the Legislative Auditor and Attorney General to ensure proper compliance with all State regulations.

**04-02**

The accounting financial report package was not submitted to the Division of Administration, Office of Statewide Reporting and Accounting Policy (OSRAP) by August 30, 2004, as required. Unfortunately, issues were raised at the audit exit conference conducted on August 26, 2004 that could only be appropriately addressed by a consultant to the Authority that was out of state on vacation. The appropriate issues were addressed in a timely manner upon his return. In future years, we will ensure that the exit interview is scheduled at a time that will ensure that any issue raised can be appropriate addressed so as to file the report by the required date.



04-03

Control over grants of federal and state funds are inadequate. Although the Authority has utilized all grant funds consistent with the intent of grant agreements, it does not have a formal procedure relating to the review and approval of grant agreements, ensuring proper and timely documentation of any mutually agreed upon changes during the execution of grants and for monitoring the transactions associated with the utilization of grant funds. Written procedures will be established consistent with the outside auditor's recommendations.

Sincerely,



Edward J. Peak  
Executive Director