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**EAST CAMERON PORT, HARBOR, AND  
TERMINAL DISTRICT  
Cameron, Louisiana**

**General Purpose Financial Statements  
With Independent Auditor's Report  
As of and for the Year Ended  
December 31, 1999**

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 JUL 26 2000

**VERNON R  
COON**  
CERTIFIED PUBLIC ACCOUNTANT

EAST CAMERON PORT, HARBOR, AND  
TERMINAL DISTRICT  
Cameron, Louisiana

General Purpose Financial Statements  
With Independent Auditor's Report  
As of and for the Year Ended  
December 31, 1999

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## Independent Auditor's Report

### EAST CAMERON PORT, HARBOR, AND TERMINAL DISTRICT Cameron, Louisiana

I have audited the general purpose financial statements of East Cameron Port, Harbor, and Terminal District, a component unit of the Cameron Parish Police Jury, as of December 31, 1999, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of East Cameron Port, Harbor, and Terminal District's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of East Cameron Port, Harbor, and Terminal District as of December 31, 1999, and the results of operations for the year then ended in conformity with generally accepted accounting principles.

EAST CAMERON PORT, HARBOR, AND  
TERMINAL DISTRICT  
Cameron, Louisiana  
Independent Auditor's Report  
December 31, 1999

In accordance with *Government Auditing Standards*, I have also issued a report dated June 29, 2000 on East Cameron Port, Harbor, and Terminal District's compliance with laws and my consideration of the agency's internal control over financial reporting. 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 my audit.

A handwritten signature in black ink, appearing to be 'W. J. ...', written over a horizontal line.

West Monroe, Louisiana  
June 29, 2000

**GENERAL PURPOSE FINANCIAL STATEMENTS  
(OVERVIEW)**

EAST CAMERON PORT, HARBOR  
AND TERMINAL DISTRICT  
Cameron, Louisiana  
ALL FUND TYPES AND ACCOUNT GROUPS

Balance Sheet, December 31, 1999

	GOVERNMENTAL FUND TYPE - GENERAL FUND	ACCOUNT GROUP - GENERAL FIXED ASSETS	TOTAL (MEMORANDUM ONLY)
<b>ASSETS</b>			
Cash and cash equivalents	\$883,820		\$883,820
Land		\$1,000,000	1,000,000
<b>TOTAL ASSETS</b>	<b>\$883,820</b>	<b>\$1,000,000</b>	<b>\$1,883,820</b>
<b>LIABILITIES AND FUND EQUITY</b>			
Liabilities	NONE	NONE	NONE
Fund Equity:			
Investment in general fixed assets		\$1,000,000	1,000,000
Fund balance - unreserved - undesignated	\$883,820		883,820
Total Fund Equity	883,820	1,000,000	1,883,820
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$883,820</b>	<b>\$1,000,000</b>	<b>\$1,883,820</b>

The accompanying notes are an integral part of this statement.

EAST CAMERON PORT, HARBOR  
AND TERMINAL DISTRICT  
Cameron, Louisiana  
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
For the Year Ended December 31, 1999

**REVENUES**

Use of money and property - interest earnings \$39,144

**EXPENDITURES**

Current - public works - operating services 13,311

**EXCESS OF REVENUES OVER EXPENDITURES** 25,833

**FUND BALANCE AT BEGINNING OF YEAR (Note 3)** 857,987

**FUND BALANCE AT END OF YEAR** \$883,820

The accompanying notes are an integral part of this statement.

EAST CAMERON PORT, HARBOR, AND  
TERMINAL DISTRICT  
Cameron, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended December 31, 1999

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

East Cameron Port, Harbor, and Terminal District was created under Louisiana Revised Statute 34:2501. The district has all the rights, privileges, and immunities granted to corporations in Louisiana. The district is governed by a five-member board of commissioners who are appointed by the Cameron Parish Police Jury and who serve without compensation. The board of commissioners has the power to regulate the commerce and traffic of the district in such a manner as will be in the best interest of the state.

**A. REPORTING ENTITY**

As the governing authority of the parish, for reporting purposes, the Cameron Parish Police Jury is the financial reporting entity for Cameron Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which 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.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Cameron Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:
  - a. The ability of the police jury to impose its will on that organization and/or;
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.



EAST CAMERON PORT, HARBOR  
AND TERMINAL DISTRICT  
Cameron, Louisiana  
Notes to the Financial Statements (Continued)

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury appoints all board members of the district and can impose its will on the district, the district was determined to be a component unit of the Cameron Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

## **B. FUND ACCOUNTING**

The district uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain *government functions or activities*.

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed assets and general long-term obligations) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the *measurement of results of operations*.

Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types." Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through *service charges or user fees*. Fiduciary funds are used to account for assets held for others. The district's current operations require the use of only governmental funds (General Fund). All financial resources of the district are accounted for in this fund. General operating expenditures are paid from this fund.

## **C. FIXED ASSETS AND LONG-TERM DEBT**

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures (capital outlay) in the

EAST CAMERON PORT, HARBOR  
AND TERMINAL DISTRICT  
Cameron, Louisiana  
Notes to the Financial Statements (Continued)

General Fund and the related assets are reported in the general fixed assets account group. The only fixed asset of the district, a 3.7-mile channel, is valued at historical cost. No depreciation has been provided on this general fixed asset.

The account group is not a fund. It is concerned only with the measurement of financial position and does not involve measurement of results of operations. The district has no long-term debt at December 31, 1999.

**D. BASIS OF ACCOUNTING**

The financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements for 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 for reporting all governmental fund types. Under the modified accrual basis of accounting, 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. The district uses the following practices in recognizing and reporting revenues and expenditures:

**Revenues**

Interest income on interest bearing demand deposits is recorded at the end of the month when credited by the bank. Interest income on time deposits is recorded when the time deposits have matured and the interest is available.

**Expenditures**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

**E. BUDGET PRACTICES**

Louisiana law exempts all special districts created before December 31, 1974, from the

EAST CAMERON PORT, HARBOR  
 AND TERMINAL DISTRICT  
 Cameron, Louisiana  
 Notes to the Financial Statements (Continued)

requirements of the Local Government Budget Act. East Cameron Port, Harbor, and Terminal District was created in 1962 and, accordingly, is exempt from the budgetary requirements. Management has determined that, due to the amount and nature of the expenditures, the adoption of a budget is not required for control purposes. Accordingly, the district did not adopt a budget for the year ended December 31, 1999; therefore, the accompanying financial statements do not include a comparison of revenues and expenditures to budget.

**F. CASH AND CASH EQUIVALENTS**

Under state law, the district may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The district may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 1999, the district has cash and cash equivalents (book balances) totaling \$883,820, as follows:

Demand deposits	\$108,820
Money market accounts	<u>775,000</u>
Total	<u><u>\$883,820</u></u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. Cash and cash equivalents (bank balances) at December 31, 1999, are secured as follows:

Bank Balances	<u>\$885,320</u>
Federal deposit insurance	\$200,000
Pledged securities (uncollateralized)	<u>767,802</u>
Total	<u><u>\$967,802</u></u>

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than the name of the district, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106; however, 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.

EAST CAMERON PORT, HARBOR  
AND TERMINAL DISTRICT  
Cameron, Louisiana  
Notes to the Financial Statements (Continued)

**G. VACATION/SICK LEAVE POLICY  
AND PENSION PLAN**

The district has no employees; therefore, the district does not have a formal policy on vacation and sick leave and does not contribute to a pension plan.

**H. RISK MANAGEMENT**

The district is exposed to various risk of loss related to torts; thefts of, damage to, and destruction of assets; and errors and omissions. To handle such risk of loss, the district maintains commercial insurance policies covering general liability and surety bond coverage. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amount.

**I. TOTAL COLUMN ON  
BALANCE SHEET**

The total column on the balance sheet is captioned Memorandum Only (overview) to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

**2. LITIGATION AND CLAIMS**

The district is not involved in any litigation at December 31, 1999, nor is it aware of any unasserted claims.

**3. PRIOR PERIOD ADJUSTMENT**

The beginning fund balance of the General Fund has been adjusted to correct an error in the recognition of ad valorem taxes receivable and state revenue sharing receivable. These amounts were presented as revenue of the General Fund at December 31, 1998. The following reconciles the beginning fund balance of the General Fund, as previously reported, with amounts shown on Statement B.

EAST CAMERON PORT, HARBOR  
AND TERMINAL DISTRICT  
Cameron, Louisiana  
Notes to the Financial Statements (Continued)

Fund balance as previously reported	\$865,981
Adjustments:	
Correction in reporting ad valorem taxes receivable	(7,991)
Correction in reporting state revenue sharing receivable	<u>(3)</u>
Fund balance restated	<u><u>\$857,987</u></u>

**Independent Auditor's Reports Required  
by *Government Auditing Standards***

The following independent auditor's reports on compliance and internal control are presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.



## **Independent Auditor's Report on Compliance and Internal Control Over Financial Reporting**

### **EAST CAMERON PORT, HARBOR, AND TERMINAL DISTRICT Cameron, Louisiana**

I have audited the general purpose financial statements of East Cameron Port, Harbor, and Terminal District, a component unit of the Cameron Parish Police Jury, as of and for the year ended December 31, 1999 and have issued my report thereon dated June 29, 2000. I conducted my audit in accordance with generally accepted auditing standards 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 East Cameron Port, Harbor, and Terminal District's financial statements are free of material misstatement, I 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 amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

#### **Internal Control Over Financial Reporting**

In planning and performing my audit, I considered East Cameron Port, Harbor, and Terminal District's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

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EAST CAMERON PORT, HARBOR, AND  
TERMINAL DISTRICT  
Cameron, Louisiana  
Independent Auditor's Report on Compliance  
And Internal Control Over Financial Reporting, etc.  
December 31, 1999

This report is intended for the information of the board of commissioners of East Cameron Port, Harbor, and Terminal District and management of the district and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to be 'W. J. ...', written over a horizontal line.

West Monroe, Louisiana  
June 29, 2000



**EAST CAMERON PORT, HARBOR, AND  
TERMINAL DISTRICT  
Cameron, Louisiana**

**Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 1999**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of East Cameron Port, Harbor, and Terminal District.
2. No instances of noncompliance material to the financial statements of East Cameron Port, Harbor, and Terminal District were disclosed during the audit.
3. No reportable conditions relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control Over Financial Reporting.

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

None

**EAST CAMERON PORT, HARBOR, AND  
TERMINAL DISTRICT  
Cameron, Louisiana**

**Summary Schedule of Prior Audit Findings  
For the Year Ended December 31, 1999**

There were no audit findings reported in the audit for the year ended December 31, 1998.