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CANE RIVER WATERWAY COMMISSION
ANNUAL FINANCIAL REPORT
JUNE 30, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 MAR 01 2000

Cane River Waterway Commission
Annual Financial Report
June 30, 1999

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Johnson, Thomas & Cunningham

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ACCOUNTANTS' COMPILATION REPORT ON THE FINANCIAL STATEMENTS

To the Board of the
Cane River Waterway Commission

We have compiled the accompanying balance sheet of the Cane River Waterway Commission, a component unit of the State of Louisiana, as of June 30, 1999, and the related Statement of Revenues, Expenditures and Changes in Fund Balance-Budget (GAAP Basis) and Actual for the year then ended and the accompanying supplementary information contained in schedules G-1 and G-2, which are presented only for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared on the modified accrual basis of accounting, which is the generally accepted accounting standard established by the Governmental Accounting Standards Board for governmental units.

A compilation is limited to presenting, in the form of financial statements, information that is the representation of management. We have not audited or reviewed the accompanying financial statements, and accordingly, do not express an opinion or any other form of assurance on them.

Johnson, Thomas & Cunningham
Johnson, Thomas & Cunningham, CPA's

February 2, 2000
Natchitoches, Louisiana

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

Cane River Waterway Commission

Combined Balance Sheet
Fund Types and Account Group
June 30, 1999 and 1998

	<u>Governmental Funds</u>		<u>Account Group</u> <u>General</u> <u>Fixed Assets</u>	<u>Totals</u> <u>(Memorandum Only)</u>	
	<u>General Fund</u>	<u>Capital Projects Fund</u>		<u>6-30-99</u>	<u>6-30-98</u>
<u>Assets:</u>					
Cash & Cash Equivalents	\$ 0	\$714,159	\$ 0	\$ 714,159	\$727,059
Revenue Receivable	1,008	2,046	0	3,054	0
Due from Other Fund	0	26,908	0	26,908	26,908
Land	0	0	52,000	52,000	52,000
Building	0	0	26,485	26,485	26,485
Equipment	0	0	37,924	37,924	35,727
Facilities & Improvements	0	0	178,326	178,326	0
Total Assets	\$ <u>1,008</u>	\$ <u>743,113</u>	\$ <u>294,735</u>	\$ <u>1,038,856</u>	\$ <u>868,179</u>
<u>Liabilities & Fund Equity:</u>					
<u>Liabilities-</u>					
Bank Overdraft	\$ 4,416	\$ 0	\$ 0	\$ 4,416	\$ 0
Accounts Payable	263	0	0	263	617
Due to Other Fund	26,908	0	0	26,908	26,908
Total Liabilities	\$ <u>31,587</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>31,587</u>	\$ <u>27,525</u>
<u>Fund Equity-</u>					
Investment in General Fixed Assets	\$ 0	\$ 0	\$294,735	\$ 294,735	\$114,212
Fund Balance-					
Unreserved-					
Undesignated	0	743,113	0	743,113	726,442
Deficit	(30,579)	0	0	(30,579)	0
Total Fund Equity	\$ <u>(30,579)</u>	\$ <u>743,113</u>	\$ <u>294,735</u>	\$ <u>1,007,269</u>	\$ <u>840,654</u>
Total Liabilities & Fund Equity	\$ <u>1,008</u>	\$ <u>743,113</u>	\$ <u>294,735</u>	\$ <u>1,038,856</u>	\$ <u>868,179</u>

See accountants' compilation report and notes to financial statements.

Cane River Waterway Commission

Combined Statement of Revenues, Expenditures and Changes in Fund Balances-
Governmental Fund Types
Year Ended June 30, 1999

	<u>Governmental Fund Types</u>		<u>Totals</u>	
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>(Memorandum Only)</u>	
			<u>6-30-99</u>	<u>6-30-98</u>
REVENUES:				
Taxes	\$ 89,830	\$182,382	\$272,212	\$273,771
Miscellaneous	<u>0</u>	<u>27,404</u>	<u>27,404</u>	<u>33,929</u>
Total Revenues	<u>\$ 89,830</u>	<u>\$209,786</u>	<u>\$299,616</u>	<u>\$307,700</u>
EXPENDITURES:				
Current-				
General Government	\$ 47,936	\$ 0	\$ 47,936	\$ 22,484
Public Safety	85,262	0	85,262	66,525
Public Works	<u>0</u>	<u>180,326</u>	<u>180,326</u>	<u>26,661</u>
Total Expenditures	<u>\$133,198</u>	<u>\$180,326</u>	<u>\$313,524</u>	<u>\$115,670</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (43,368)	\$ 29,460	\$ (13,908)	\$192,030
Fund Balance-Beginning of Year	<u>12,789</u>	<u>713,653</u>	<u>726,442</u>	<u>534,412</u>
Fund Balance (Deficit)-End of Year	<u>\$(30,579)</u>	<u>\$743,113</u>	<u>\$712,534</u>	<u>\$726,442</u>

See accountants' compilation report and notes to financial statements.

Cane River Waterway Commission
Statement of Revenues, Expenditures and Changes in Fund Balances-
Budget (GAAP Basis) and Actual
General and Capital Projects Funds
Year Ended June 30, 1999

	<u>General Fund</u>			<u>Capital Projects Fund</u>		
	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
REVENUES:						
Taxes	\$ 90,000	\$ 89,830	\$ (170)	\$182,500	\$182,382	\$ (118)
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>	<u>30,000</u>	<u>27,404</u>	<u>(2,596)</u>
Total Revenues	<u>\$ 90,000</u>	<u>\$ 89,830</u>	<u>\$ (170)</u>	<u>\$212,500</u>	<u>\$209,786</u>	<u>\$ (2,714)</u>
EXPENDITURES:						
Current-						
General Government	\$ 26,750	\$ 47,936	\$(21,186)	\$ 0	\$ 0	\$ 0
Public Safety	73,250	85,262	(12,012)	0	0	0
Public Works	<u>0</u>	<u>0</u>	<u>0</u>	<u>212,500</u>	<u>180,326</u>	<u>32,174</u>
Total Expenditures	<u>\$100,000</u>	<u>\$133,198</u>	<u>\$(33,198)</u>	<u>\$212,500</u>	<u>\$180,326</u>	<u>\$32,174</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (10,000)	\$ (43,368)	\$(33,368)	\$ 0	\$ 29,460	\$29,460
Fund Balance-Beginning of Year	<u>12,789</u>	<u>12,789</u>	<u>0</u>	<u>713,653</u>	<u>713,653</u>	<u>0</u>
Fund Balance (Deficit)-End of Year	<u>\$ 2,789</u>	<u>\$ (30,579)</u>	<u>\$(33,368)</u>	<u>\$713,653</u>	<u>\$743,113</u>	<u>\$29,460</u>

See accountants' compilation report and notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Cane River Waterway Commission
Notes to Financial Statements
June 30, 1999

INTRODUCTION

The Cane River Waterway Commission was created by the Louisiana State Legislature by Act 391, Senate Bill Number 924. The Waterway Commission is composed of all of the territory located within the Parish of Natchitoches. The Commission was created for operating and maintaining a navigable waterway system known as the Cane River Waterway, which is located entirely in Natchitoches Parish. The governing board administers the operations and responsibilities of the commission in accordance with the provisions of Louisiana Statutes. Members of the commission board are appointed by the Governor of Louisiana.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of the Cane River Waterway Commission 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.

B. REPORTING ENTITY

The State of Louisiana is the reporting entity for the Cane River Waterway Commission. The financial reporting entity consists of (a) the primary government (state), (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 Boards Statement No. 14 established criteria for determining which component units should be considered part of the State of Louisiana for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the state 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 state.
2. Organizations for which the state does not appoint a voting majority, but are fiscally dependent on the state.

Cane River Waterway Commission
Notes to Financial Statements
June 30, 1999

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

Because the state appoints the Commission's Board and imposes its will on the Commission, the Commission was determined to be a component unit of the State of Louisiana; the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Commission and do not present information on the state, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The accounts of the Commission are organized on the basis of funds and an account group, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Revenues are accounted for based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The funds presented in the accompanying financial statements are described as follows:

Governmental Fund Types-

1. General Fund-The general fund is the general operating fund of the Commission. It is used to account for all financial resources except for those required to be accounted for in another fund.
2. Capital Projects Fund-The capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed through another fund.

D. FIXED ASSETS

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. The governmental funds are accounted for on a spending or "financial flow" measurement focus, and only current assets and current liabilities are generally included on their balance sheets.

Fixed assets used in the governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in the governmental funds. Public domain or infra-structures are not capitalized. No depreciation has been provided on general fixed assets. Fixed assets are valued at historical cost.

Cane River Waterway Commission
Notes to Financial Statements
June 30, 1999

The account group is not a "fund". It is concerned only with the measurement of financial position, not with measurement of results of operations.

E. BASIS OF ACCOUNTING

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

The governmental funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Ad valorem taxes are recognized as revenue in the year for which budgeted, that is, in the year in which such taxes are billed and collected. Interest on investments is considered to be susceptible to accrual.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Purchases of various operating supplies are regarded as expenditures at the time purchased.

F. BUDGETS

Annual operating budgets are adopted for the General and Capital Projects funds. The Commission follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to the beginning of each fiscal year, the Treasurer prepares a proposed budget and submits same to the Board of Commissioners.
2. The Board of Commissioners approves the budget, or amends it as necessary, and it is held open for public inspection.
3. All budgetary appropriations lapse at the end of each fiscal year.
4. The budget is adopted on a basis consistent with generally accepted accounting principles.

G. ENCUMBRANCES

The Cane River Waterway Commission does not employ the use of "Encumbrance" accounting.

Cane River Waterway Commission
Notes to Financial Statements
June 30, 1999

II. COMPARATIVE DATA

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Commission's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

I. TOTAL COLUMNS ON STATEMENTS

Total columns on the combined statements-overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. LEVIED TAXES

The Commission is empowered to levy property tax millages to finance its general operations. The Commission levies taxes on real and business property located within the boundaries of the Commission. Property taxes are levied by the Commission based on property values assessed by the Natchitoches Parish Assessor, and approved by the State of Louisiana Tax Commission.

The Natchitoches Parish Sheriff's Office bills and collects property taxes for the Commission. Collections are remitted to the Commission monthly.

The property taxes collected this fiscal year were levied on property with an assessed value of \$130,100,950. Louisiana law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$35,162,040 for 1999, leaving a taxable base of \$94,938,910. For the year ended June 30, 1999, the Commission levied the following taxes:

General Corporate Purposes	1 mill
Capital Projects	2 mills

Property Tax Calendar

Assessment date	January 1, 1998
Levy date	June 30, 1998
Tax bills mailed	October 15, 1998
Total taxes are due	December 31, 1998
Penalties & interest added	January 31, 1999
Lien date	January 31, 1999
Tax sale	May 15, 1999

Cane River Waterway Commission
Notes to Financial Statements
June 30, 1999

Property tax collections for the year ended June 30, 1999, were \$272,212, and for the year ended June 30, 1998, they were \$273,771.

The following are the principal taxpayers for the Commission:

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>Percentage Total Assessed Valuation</u>
Willamette Industries	Paper Mill	\$8,982,800	7%
Tennessee Gas	Pipeline Company	5,232,750	4%
BellSouth	Utility	3,623,930	3%
Central Louisiana Electric	Utility	2,322,100	2%
Koch Pipeline	Oil & Gas Recovery	2,243,220	2%

3. CHANGES IN GENERAL FIXED ASSETS

The following is a summary of changes in general fixed assets for the year ended June 30, 1999:

	<u>Balance 7-1-98</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6-30-99</u>
General Fixed Assets-				
Land	\$ 52,000	\$ 0	\$ 0	\$ 52,000
Buildings	26,485	0	0	26,485
Equipment	35,727	20,352	(18,155)	37,924
Facilities & Improvements	<u>0</u>	<u>178,326</u>	<u>0</u>	<u>178,326</u>
Total General Fixed Assets	<u>\$114,212</u>	<u>\$198,678</u>	<u>\$(18,155)</u>	<u>\$294,735</u>

4. CASH AND INVESTMENTS

For reporting purposes, cash and cash equivalents include cash, demand deposits, and certificates of deposit. The Commission 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. The Commission's investments consist of U.S. Government securities and are considered to be held to maturity. The Commission considers these investments to be cash equivalents.

Cane River Waterway Commission
Notes to Financial Statements
June 30, 1999

At June 30, 1999, the Cane River Waterway Commission had cash and cash equivalents totaling \$709,743. Cash and cash equivalents 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. 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 Commission. The deposits at June 30, 1999, were secured as follows:

	<u>Cash Equivalents</u>		<u>Total</u>
	<u>Cash</u>	<u>Certificates of Deposits</u>	
Carrying Amount on Balance Sheet	\$52,073	\$0	\$52,073
Bank Balances:			
Insured by FDIC	52,073	0	52,073
Insured by Pledged Securities	<u>0</u>	<u>0</u>	<u>0</u>
Uninsured Balances	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>

The Commission's investments are categorized as either (1) insured or registered for which the securities are held by the Commission or its agent in the Commission's name, (2) uninsured and unregistered for which the securities are held by the broker's or dealer's trust department or agent in the Commission's name or (3) uninsured and unregistered for which the securities are held by the broker or dealer, or by its trust department or agent but not in the Commission's name. A categorization of the Commission's investments at June 30, 1999, follows:

	<u>Categories</u>			<u>Carrying Amount</u>	<u>Market Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
U. S. Government Securities	\$ <u>657,670</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>657,670</u>	\$ <u>657,670</u>

5. VACATION & SICK LEAVE

The Waterway Commission has no employees, and therefore has no vacation and sick leave policies or liabilities. The Natchitoches Parish Sheriff's Office employs the Commission's personnel, and is reimbursed by the Commission for expenses incurred.

Cane River Waterway Commission
Notes to Financial Statements
June 30, 1999

6. YEAR 2000 ISSUES

The Waterway Commission uses manual systems for virtually all record keeping functions. The only computerized operation is the data base system used to account for names and addresses of all individuals who have completed the Water Safety Course required by the Commission for motor boat operators. This system was purchased and installed in 1999 and is year 2000 compliant.

7. LEASE COMMITMENTS

The Waterway Commission entered into a lease with a private citizen in 1998 to lease land for a parking lot at a commission boat launch. The lease runs from 8-1-98 to 7-31-08 for a total price of \$2,000, which amounts to \$200 per year.

**FINANCIAL STATEMENTS OF THE INDIVIDUAL FUNDS
AND THE ACCOUNT GROUP**

GENERAL FUND

To account for resources traditionally associated with governments, which are not required to be accounted for in another fund.

Cane River Waterway Commission
General Fund

Balance Sheets
June 30, 1999 and 1998

	<u>6-30-99</u>	<u>6-30-98</u>
<u>Assets</u>		
Cash	\$ 0	\$40,314
Revenue Receivables	<u>1,008</u>	<u>0</u>
Total Assets	<u>\$ 1,008</u>	<u>\$40,314</u>
<u>Liabilities & Fund Balance</u>		
Liabilities-		
Bank Overdraft	\$ 4,416	\$ 0
Accounts Payable	263	617
Due to Capital Projects Fund	<u>26,908</u>	<u>26,908</u>
Total Liabilities	<u>\$ 31,587</u>	<u>\$27,525</u>
Fund Balance-		
Unreserved – Undesignated	\$ 0	\$12,789
Deficit	<u>(30,579)</u>	<u>0</u>
Total Fund Balance	<u>\$(30,579)</u>	<u>\$12,789</u>
Total Liabilities & Fund Balance	<u>\$ 1,008</u>	<u>\$40,314</u>

See accountants' compilation report and notes to financial statements.

Cane River Waterway Commission
General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended June 30, 1999
With Comparative Amounts from Year Ended June 30, 1998

	1999		Variance- Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
REVENUES:				
Taxes	\$ 90,000	\$ 89,830	\$ (170)	\$91,257
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,572</u>
Total Revenues	\$ <u>90,000</u>	\$ <u>89,830</u>	\$ <u>(170)</u>	\$ <u>94,829</u>
EXPENDITURES:				
Current-				
General Government	\$ 26,750	\$ 47,936	\$(21,186)	\$22,484
Public Safety	<u>73,250</u>	<u>85,262</u>	<u>(12,012)</u>	<u>66,525</u>
Total Expenditures	\$ <u>100,000</u>	\$ <u>133,198</u>	\$ <u>(33,198)</u>	\$ <u>89,009</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (10,000)	\$ (43,368)	\$(33,368)	\$ 5,820
Fund Balance-Beginning of Year	<u>12,789</u>	<u>12,789</u>	<u>0</u>	<u>6,969</u>
Fund Balance (Deficit) -End of Year	\$ <u>2,789</u>	\$ <u>(30,579)</u>	\$ <u>(33,368)</u>	\$ <u>12,789</u>

See accountants' compilation report and notes to financial statements.

Cane River Waterway Commission
General Fund

Schedule of Expenditures-
Budget (GAAP Basis) and Actual
Year Ended June 30, 1999
With Comparative Amounts from Year Ended June 30, 1998

	1999		Variance- Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
EXPENDITURES:				
Current-				
General Government-				
Commissioner's Per Diem	\$ 5,600	\$ 4,650	\$ 950	\$ 5,550
Legal	5,000	4,368	632	11,244
Accounting	1,750	1,750	0	1,750
Code Publication	1,200	1,236	(36)	1,176
Insurance	1,000	8,251	(7,251)	654
Secretary's Fees	1,200	1,300	(100)	1,100
Office & Telephone	1,100	1,235	(135)	1,010
Environmental Study	4,900	20,146	(15,246)	0
Lawsuit Settlement	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>0</u>
Total General Government	\$ <u>26,750</u>	\$ <u>47,936</u>	\$ <u>(21,186)</u>	\$ <u>22,484</u>
Public Safety-				
Water Patrol	\$ 48,500	\$ 55,364	\$ (6,864)	\$46,562
Supplies	300	0	300	236
Repairs	650	2,140	(1,490)	575
Water Safety Course	13,800	7,406	6,394	13,741
Capital Expenditures	<u>10,000</u>	<u>20,352</u>	<u>(10,352)</u>	<u>5,411</u>
Total Public Safety	\$ <u>73,250</u>	\$ <u>85,262</u>	\$ <u>(12,012)</u>	\$ <u>66,525</u>
Total Expenditures	\$ <u>100,000</u>	\$ <u>133,198</u>	\$ <u>(33,198)</u>	\$ <u>89,009</u>

See accountants' compilation report and notes to financial statements.

CAPITAL PROJECTS FUND

To account for financial resources to be used for the acquisition, construction or upkeep of major capital facilities, other than those financed by the General Fund.

Cane River Waterway Commission
Capital Projects Fund

Balance Sheets
June 30, 1999 and 1998

	<u>6-30-99</u>	<u>6-30-98</u>
<u>Assets</u>		
Cash & Cash Equivalents	\$714,159	\$686,745
Revenue Receivables	2,046	0
Due from General Fund	<u>26,908</u>	<u>26,908</u>
Total Assets	<u>\$743,113</u>	<u>\$713,653</u>
<u>Liabilities & Fund Balance</u>		
Liabilities-		
Accounts Payable	\$ 0	\$ 0
Fund Balance-		
Unreserved-Undesignated	<u>743,113</u>	<u>713,653</u>
Total Liabilities & Fund Balance	<u>\$743,113</u>	<u>\$713,653</u>

See accountants' compilation report and notes to financial statements.

Cane River Waterway Commission
Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended June 30, 1999
With Comparative Amounts from Year Ended June 30, 1998

	1999		Variance- Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
REVENUES:				
Taxes	\$182,500	\$182,382	\$ (118)	\$182,514
Miscellaneous- Interest	<u>30,000</u>	<u>27,404</u>	<u>(2,596)</u>	<u>30,357</u>
Total Revenues	\$212,500	\$209,786	\$ (2,714)	\$212,871
EXPENDITURES:				
Current- Public Works- Capital Expenditures	<u>212,500</u>	<u>180,326</u>	<u>32,174</u>	<u>26,661</u>
Excess of Revenues Over Expenditures	\$ 0	\$ 29,460	\$29,460	\$186,210
Fund Balance-Beginning of Year	<u>713,653</u>	<u>713,653</u>	<u>0</u>	<u>527,443</u>
Fund Balance-End of Year	<u>\$713,653</u>	<u>\$743,113</u>	<u>\$29,460</u>	<u>\$713,653</u>

See accountants' compilation report and notes to financial statements.

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets used in the governmental fund type operations.

Cane River Waterway Commission
General Fixed Assets Account Group

Schedule of General Fixed Assets
June 30, 1999 and 1998

	<u>6-30-99</u>	<u>6-30-98</u>
GENERAL FIXED ASSETS:		
Land	\$ 52,000	\$ 52,000
Building	26,485	26,485
Equipment	37,924	35,727
Facilities & Improvements	<u>178,326</u>	<u>0</u>
Total General Fixed Assets	<u>\$294,735</u>	<u>\$114,212</u>
Investment in General Fixed Assets	<u>\$294,735</u>	<u>\$114,212</u>

See accountants' compilation report and notes to financial statements.

Cane River Waterway Commission
General Fixed Assets Account Group

Schedule of Changes in General Fixed Assets
June 30, 1999 and 1998

	<u>Balance</u> <u>7-1-98</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6-30-99</u>
GENERAL FIXED ASSETS:				
Land	\$ 52,000	\$ 0	\$ 0	\$ 52,000
Building	26,485	0	0	26,485
Equipment	35,727	20,352	(18,155)	37,924
Facilities & Improvements	<u>0</u>	<u>178,326</u>	<u>0</u>	<u>178,326</u>
 Total General Fixed Assets	 <u>\$114,212</u>	 <u>\$198,678</u>	 <u>\$(18,155)</u>	 <u>\$294,735</u>
 Investment in General Fixed Assets	 <u>\$114,212</u>	 <u>\$198,678</u>	 <u>\$(18,155)</u>	 <u>\$294,735</u>

See accountants' compilation report and notes to financial statements.

AGREED UPON PROCEDURES

Johnson, Thomas & Cunningham

Certified Public Accountants

Exhibit G
Page 26

Eddie G. Johnson, C.P.A., A Professional Corporation (1962-1996)

Mark D. Thomas, C.P.A., A Professional Corporation

Roger M. Cunningham, C.P.A., A Professional Corporation

J. Paul Sklar, C.P.A., A Professional Corporation

*321 Bienville Street
Natchitoches, Louisiana 71457
(318) 352-3652
Fax (318) 352-4447*

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of the
Cane River Waterway Commission

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the Cane River Waterway Commission and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Cane River Waterway Commission's compliance with certain laws and regulations during the year ended June 30, 1999 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the 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.

PUBLIC BID LAW

1. Select all expenditures made during the year for material and supplies exceeding \$15,000, or public works exceeding \$50,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

The Commission was a party in two construction projects during the year. The proper bidding procedures were followed.

CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interest of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedures (3) were also included on the listing obtained from management in agreed-upon procedures (2) as immediate family members.

Upon review, we found no instances that would fall under the above circumstances.

BUDGETING

5. Obtained a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget, there were no amendments.

6. Trace the budget adoption and amendments to the minute book.

We traced the adoption of the original budget to the minutes of a meeting. It was adopted by a unanimous decision.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Budget revisions were required that were not made for the General Fund. In addition, the General Fund ended the year with a deficit fund balance, which should be addressed by the Commission.

ACCOUNTING AND REPORTING

8. Randomly select 6 disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to proper amount and payee:

We expanded our test to include 10 disbursements and found that all but two were for the proper amount and made to the correct payee. The remaining two were for liability insurance and were made to the correct payee, and were for the amount invoiced to the Commission. However, the amounts shown as payable on the invoice were in excess of the amounts shown on the deck page of the policy for a total difference of \$728.50.

- (b) determine if payments were properly coded to the correct fund and general ledger account:

Each disbursement appeared to be coded correctly.

- (c) determine whether payments received approval from proper authorities:

Inspection of supporting documentation showed written approval.

MEETINGS

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law)

Management has asserted that meetings have been properly advertised.

DEBT

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds or any other indebtedness which have not been approved by the State Bond Commission.

We inspected copies of all bank deposits for the period under examination and noted no deposits, which appeared to be proceeds of bank loans, bonds or other indebtedness.

ADVANCES AND BONUSES

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees, which may constitute bonuses, advances, or gifts.

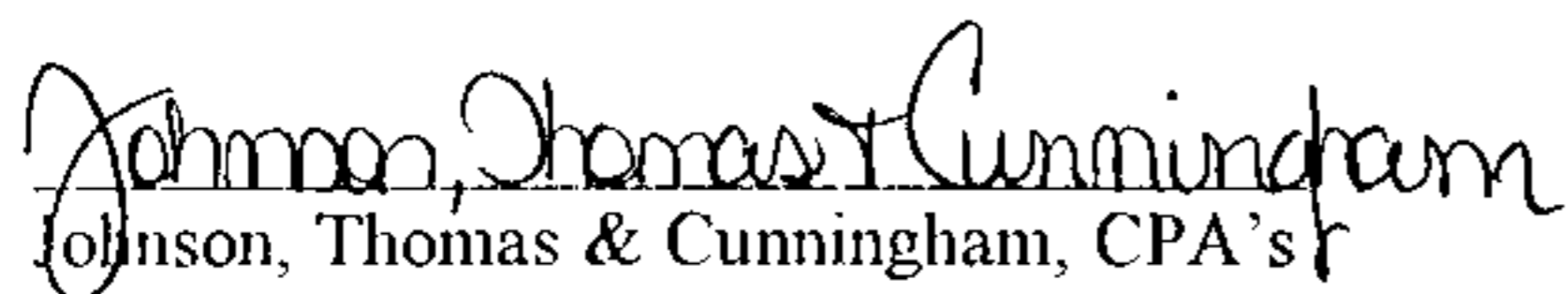
Upon review, we found no additional payments to employees, which would constitute a violation of the above procedure.

FILING OF REPORTS

12. Louisiana Statutes require that the Commission complete and file its financial statements by December 31 of each year. For the year ended June 30, 1999, the Commission's statements are not being filed on time. The Louisiana Legislative Auditor's Office does not have the authority to grant an extension of time for the filing of these statements, but was made aware of this situation prior to December 31 and agreed to accept the report after its required filing date.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Cane River Waterway Commission and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.


Johnson, Thomas & Cunningham, CPA's

February 2, 2000
Natchitoches, Louisiana

APPENDIX F. LOUISIANA ATTESTATION QUESTIONNAIRE

February 16, 2000 Date

Johnson, Thomas + Cunningham, CPA
321 Bienville St.
Natchitoches, LA 71457
(Auditors)

In connection with your compilation of our financial statements as of June 30, 1999 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of February 16, 2000 (date).

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes No

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes No

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes No

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:43.

Yes No

Accounting and Reporting

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes No

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes No

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes No

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes No

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 47:1410.60.

Yes No

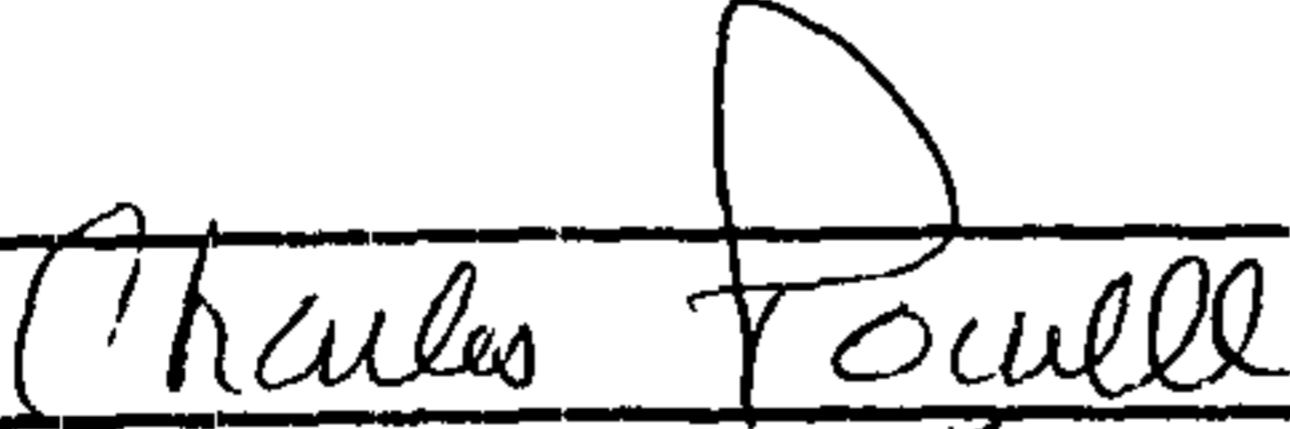

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

	Secretary	_____	Date
_____	Treasurer	2-16-00	Date
	President	2-16-00	Date

Note-Quasi-public entities should delete reference to the above statutes, unless required to follow such laws by contract with their public funding agencies. The quasi-public entities should include a representation that they have complied with the contractual provisions under which they have received state and/or local funds.

SUPPLEMENTARY INFORMATION

Cane River Waterway Commission
Schedule of Per Diem Paid to Board Members
Year Ended June 30, 1999

<u>Name</u>	<u>Amount</u>
Kenneth Prudhomme	\$ 450
Grits Gresham	350
Ann Brittain	350
C. D. Brazzel	1,100
Charles Powell	<u>2,400</u>
Total	<u>\$4,650</u>

Cane River Waterway Commission
Schedule of Expenditures by Object
Year Ended June 30, 1999

<u>Object</u>	<u>Maintenance Fund</u>	<u>Capital Projects Fund</u>
Personal Services	\$ 55,364	\$ 0
Per Diem	4,650	0
Operating Services	14,162	0
Supplies	7,406	0
Professional Services	31,264	0
Capital Expenditures	<u>20,352</u>	<u>180,326</u>
Total	<u>\$133,198</u>	<u>\$180,326</u>

CANE RIVER WATERWAY COMMISSION
P. O. Box 37
Natchitoches, Louisiana 71457

Exhibit K
Page 35

February 16, 2000

Louisiana Legislative Auditors Office
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

Gentlemen:

**MANAGEMENT'S CORRECTED ACTION PLAN IN RESPONSE
TO REPORT OF LEGISLATIVE AUDITOR**

Please accept this as management's corrective action plan in response to the recent report of Johnson, Thomas & Cunningham CPAs who conducted the audit for the fiscal year ending June 30, 1999:

- 1.) The need to amend the Budget when variances exceed 5%.

RESPONSE: The Cane River Waterway Commission will review and amend the Budget not less often than quarterly to determine the existence of any budgetary variances and thereafter amend the Budget if the anticipated deviation is greater than 5%.

- 2.) How the deficit in the General Fund will be erased.

RESPONSE: Cane River Waterway Commission will budget in the future to erase the General Fund deficit and attempt to persuade our State Representative and State Senator to introduce Legislation to amend language in the enabling statute (R. S. 34:3269) to allow limited use of Capital Funds for Capital Asset Purchases used for operation and maintenance purposes.

- 3.) Amounts paid for insurance in excess of the amounts shown payable on the policy declarations page.

RESPONSE: Amounts paid in excess of earned premiums by any insurer which issued policies to the Cane River Waterway Commission shall be recovered from the local agency, by legal

measures if required. The Commission will adopt a mandatory policy, as an internal control, to compare the premiums listed on any declarations page attached to policies actually issued to the statements received from any such agent. In addition, the Commission has directed its counsel to obtain, i.) copies of all policies of insurance which actually issued to the Commission for at least a three year period, ii.) copies of statements for premiums charged by the agent of record, iii.) amount of premiums actually charged for each such policy by the insurer; and, iv.) amounts paid by Cane River Waterway Commission for insurance coverages which were never placed. Any sums paid by the Cane River Waterway Commission which exceed the earned premiums shall be recovered from the local agency, by legal measures if required.

- 4.) Need to file financial reports within six months of year-end.

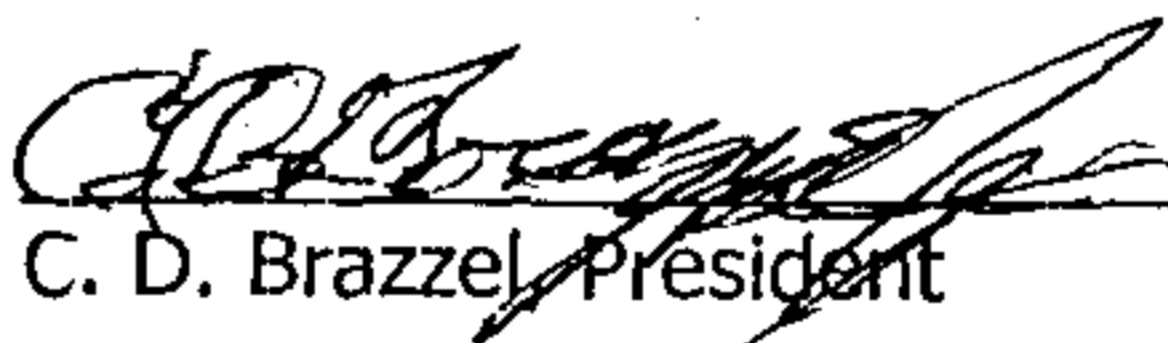
RESPONSE: Cane River Waterway Commission has always in the past and will continue to submit the information to our auditors to insure timely financial reporting to the Legislative Auditor's office.

If anything in addition to this may be required, please advise.

With kind regards, I am

Sincerely yours,

CANE RIVER WATERWAY COMMISSION


C. D. Brazzel, President

CDB/str