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CANE RIVER WATERWAY COMMISSION

ANNUAL FINANCIAL REPORT

JUNE 30, 1986

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Release Date: MAR 08 1987

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1987

Case River Waterway Commission
Annual Financial Report
June 30, 1990

TABLE OF CONTENTS

	Exhibit	Page
Independent Auditor's Report on the Financial Statements	—	i-2
Component Unit Financial Statements — (Combined Statements—Overview)		
Combined Balance Sheet—Fund Types and Account Group	A	4
Combined Statement of Revenues, Expenditures and Changes in Fund Balance—Governmental Fund Types	B	5
Combined Statement of Revenues, Expenditures and Changes in Fund Balance—Budget (GAAP Basis) and Actual—General and Capital Projects Funds	C	6
Notes to the Financial Statements	—	8-14
Financial Statements of the Individed Fund and the Account Group		
General Fund		
Balance Sheet	D-1	17
Statement of Revenues, Expenditures and Changes in Fund Balance—Budget (GAAP Basis) and Actual	D-2	18
Statement of Expenditures—Budget (GAAP Basis) and Actual	D-3	19
Capital Projects Fund		
Balance Sheet	E-1	23
Statement of Revenues, Expenditures and Changes in Fund Balance—Budget (GAAP Basis) and Actual	E-2	23

Cano River Waterway Commission
Notes to Financial Statements
June 30, 1996

At June 30, 1996, the Cano River Waterway Commission had cash and cash equivalents totaling \$384,715. 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 Canal agent bank. These pledged securities are held in the name of the pledging Canal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the Commission. The deposits at June 30, 1996, were secured as follows:

	Cash Equivalents		Total
	Cash	Certificates of Deposits	
Carrying Amount on Balance Sheet	\$384,715	\$0	\$384,715
Bank Balances:			
Insured by FDIC	264,456	0	264,456
Uninsured Balances	\$_____0	\$0	\$_____0

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, 1996, follows:

	Categories			Carrying Amount	Market Value
	1	2	3		
U. S. Government Securities	\$141,258	\$0	\$0	\$141,258	\$141,258

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.

6. LITIGATION

As of June 30, 1996, a suit for personal injury damages had been filed against the Commission. Legal counsel for the commission is of the opinion that the commission is not liable for the damages claimed.

Johnson, Thomas & Cunningham

Chartered Public Accountants

John B. Brown, C.P.A., Chief Accounting Executive

Paul M. Brown, C.P.A., Chief Accounting Executive

Ray B. Cunningham, C.P.A., Chief Accounting Executive

1001 Shell Road

Shreveport, Louisiana 71201

504-334-2800

Telex 330033JAP4447

INTERIM AUDITORS' REPORT

To the Board of the
Cane River Waterway Commission

We have audited the accompanying general purpose financial statements of the Cane River Waterway Commission, Natchitoches, Louisiana, a component unit of the State of Louisiana, as of June 30, 1996, and for the year then ended as listed in the table of contents. These general purpose financial statements are the responsibility of the management of the Waterway Commission. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, the standards for financial and compliance and its contained in Government Auditing Standards, issued by the U.S. General Accounting Office, and the Louisiana Governmental Audit Guide. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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 general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Cane River Waterway Commission, Natchitoches, Louisiana, as of June 30, 1996, and the results of its operations for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the individual fund and account group financial statements referred to above present fairly, in all material respects, the financial position of the individual funds and the account group of the Cane River Waterway Commission, Natchitoches, Louisiana, as of June 30, 1996, and the results of operations of such funds for the year then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole, and on the individual fund and account group financial statements. The accompanying financial information listed as "Supplementary Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Cane River Waterway Commission. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and in our opinion, is fairly stated in all material respects in relation to such financial statements taken as a whole.

Case Files/Waterway Commission
Annual Financial Report
June 30, 1996

T A B L E O F C O N T E N T S

	Index	Page
<i>General Fixed Assets Account Group:</i>		
<i>Statement of General Fixed Assets</i>	F-1	24
<i>Statement of Changes in General Fixed Assets</i>	F-2	25
<i>Internal Control and Compliance:</i>		
<i>Independent Auditors' Report on Internal Control Structure: Isolated Matters Noted in A Financial Statement Audit Conducted in Accordance with Governmental Auditing Standards</i>	G-1	27-28
<i>Independent Auditors' Report on Compliance with Laws and Regulations Based on An Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards</i>	G-2	29
<i>Supplementary Information:</i>		
<i>Schedule of Per Diem Paid to Board Members</i>	BB-1	31
<i>Schedule of Expenditures by Object</i>	E-1	32

Johnson, Rivers & Cunningham

Chartered Accountants

October 21, 1996

Page 27

John E. Rivers, III, C.P.A., C.F.A., C.F.P., C.F.P.S., C.F.P.T.

Paul W. Johnson, C.P.A., C.F.A., C.F.P., C.F.P.S., C.F.P.T.

John R. Cunningham, C.P.A., C.F.A., C.F.P., C.F.P.S., C.F.P.T.

1000 Lakeside Drive

Metairie, Louisiana 70002

(504) 885-8000

Telex: 150033JRR-4447

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
SIGNIFICANT DEFICIENCIES NOTED IN A FINANCIAL
STATEMENT ALERT CONDUCTED IN ACCORDANCE WITH
GOVERNMENTAL ACCOUNTING STANDARDS**

To the Board of the
Cane River Waterway Commission

We have audited the component unit financial statements of the Cane River Waterway Commission for the year ended June 30, 1996, and have issued our report thereon dated December 18, 1996.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the U.S. General Accounting Office, and the Louisiana Governmental Audit Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the Commission is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the component unit financial statements of the Cane River Waterway Commission for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk, in order to determine our auditing procedures for the purpose of expressing our opinion on the component unit financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Case 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, 1995

	General Fund			Capital Projects Fund		
	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)
REVENUES:						
Taxes	\$ 78,800	\$ 74,902	\$ 4,902	\$ 0	\$ 0	\$ 0
Miscellaneous	— 0	— 0	— 0	15,000	16,008	1,008
Total Revenues	\$ 78,800	\$ 74,902	\$ 4,902	\$ 15,000	\$ 16,008	\$ 1,008
EXPENDITURES:						
Current:						
General Government	\$ 17,550	\$ 18,817	\$ 8,515	\$ 0	\$ 0	\$ 0
Public Safety	48,000	38,631	9,969	0	0	0
Public Works	— 0	— 0	— 0	18,800	6,969	3,849
Total Expenditures	\$ 65,550	\$ 57,448	\$ 16,882	\$ 18,800	\$ 7,969	\$ 10,840
Excess (Deficiency) of Revenues Over Expenditures	\$ 13,250	\$ 17,454	\$ 11,784	\$ 5,800	\$ 8,039	\$ 10,000
Fund Balance—Beginning of Year	(11,178)	(11,178)	— 0	280,835	280,835	— 0
Fund Balance—End of Year	\$ 2,072	\$ 5,276	\$ 11,784	\$ 286,635	\$ 288,874	\$ 10,000

See notes to financial statements.

Utah River Waterway Commission
Notes to Financial Statements
June 30, 1996

3. Organizations for which the reporting entity issues 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 Utah, 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 infrastructures 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, 1996

INTRODUCTION

The Cane River Waterway Commission was created by the Louisiana State Legislature by Act 791, Senate Bill Number 524. 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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying component unit 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 Board's 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 financially dependent on the state.

FINANCIAL STATEMENTS OF THE INDIVIDUAL FUNDS
AND THE ACCOUNT GROUP

CENTRAL FUND

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

Clear River Waterway Commission
General Fund

Balance Sheets
June 30, 1996 and 1995

	1996	1995
Assets		
Cash	\$18,157	\$ 21,282
Revenue Receivables	— 0	— 684
Total Assets	\$18,157	\$ 21,966
Liability & Fund Balance		
Liabilities:		
Accounts Payable	\$ 314	\$ 1,508
Due to Capital Projects Fund	46,585	51,515
Total Liabilities	\$46,900	\$53,023
Fund Balance-		
Deficit	\$28,743	\$31,138
Total Liabilities & Fund Balance	\$28,743	\$31,820

See notes to financial statements.

Cano River Waterway Commission
Notes to Financial Statements
June 30, 1996

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

K. 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 basis applied.

The governmental funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as per revenue events. 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 receivable to accrual.

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

L. 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.

M. ENCUMBRANCES

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

Case River Waterway Commission
General Fund

Statement of Expenditures-
Budget (GLAP Basis) and Actual
Year Ended June 30, 1996

With Comparative Amounts from Year Ended June 30, 1995

	1996		Variance- Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
EXPENDITURES:				
Current:				
General Government:				
Commissioner's Pay Item	\$ 4,650	\$ 3,880	\$ 2,890	\$ 3,880
Legal	7,080	3,588	3,482	847
Audit	3,080	2,875	125	2,915
Code Publications	180	0	180	45
Insurance	1,000	654	346	1,080
Total General Government	17,770	10,997	6,773	8,867
Public Safety:				
Water Patrol	\$41,200	\$37,155	\$ 4,045	\$35,581
Supplies	3,800	330	3,468	1,840
Repairs	2,800	1,440	1,359	2,519
Capital Expenditures	1,200	0	1,200	1,852
Total Public Safety	49,000	38,925	10,075	41,792
Total Expenditures	66,770	49,922	16,848	50,659

See 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.

NOTES TO FINANCIAL STATEMENTS

INTERNAL CONTROL AND COMPLIANCE

The financial information for the preceding year which is included for comparative purposes was taken from the financial report for that year in which we expressed an unqualified opinion on the general purpose, individual fund, and account group financial statements of the Case River Watership Commission.

J. Thomas & Cunningham
Johnson, Thomas & Cunningham, CPAs

December 18, 1996
Hatchers Cove, Louisiana

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

Lower Meritt Waterway Commission

Combined Balance Sheet
Fund Types and Account Group
June 30, 1996 and 1995

	Governmental Funds		Account	Totals	
	General Fund	Capital Projects Fund	Group General Fixed Assets	(Micromedium Only)	
				6-30-95	6-30-96
Assets					
Cash	\$19,197	\$ 299	\$ 0	\$ 39,896	\$ 39,141
Investments	0	345,299	0	345,299	328,191
Revenue Receivable	0	0	0	0	604
Due From Other Fund	0	46,585	0	46,585	33,149
Building	0	0	28,485	28,485	28,485
Equipment	0	0	32,682	32,682	32,192
Total Assets	\$19,197	\$392,143	\$58,977	\$498,277	\$463,458
Liabilities & Fund Equity:					
Liabilities-					
Accounts Payable	\$ 516	\$ 0	\$ 0	\$ 516	\$ 1,589
Due to Other Fund	46,585	0	0	46,585	33,149
Total Liabilities	\$46,981	\$ 0	\$ 0	\$ 48,981	\$ 35,000
Fund Equity:					
Investment in General Fixed Assets	\$ 0	\$ 0	\$58,977	\$ 58,977	\$ 58,977
Fund Balance-					
Unassigned	0	392,143	0	392,143	383,605
Deficit	(2,784)	0	0	(2,784)	(25,178)
Total Fund Equity	\$17,216	\$392,143	\$58,977	\$443,376	\$486,454
Total Liabilities & Fund Equity	\$64,197	\$392,143	\$58,977	\$492,277	\$463,458

See notes to financial statements.

Case River Waterway Commission

Combined Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Fund Types
Year Ended June 30, 1996

	Governmental Fund Types		Totals	
	General Fund	Capital Projects Fund	(Microseconds Only)	
			6-30-96	6-30-95
REVENUES:				
Taxes	\$ 74,982	\$ 0	\$ 74,982	\$ 78,281
Miscellaneous	0	16,068	16,068	12,324
Total Revenues	\$ 74,982	\$ 16,068	\$ 91,050	\$ 90,605
EXPENDITURES:				
Current:				
General Government	\$ 18,837	\$ 0	\$ 18,837	\$ 8,687
Public Safety	18,611	0	18,611	18,689
Public Works	0	6,560	6,560	613
Total Expenditures	\$ 37,448	\$ 6,560	\$ 44,008	\$ 27,989
Excess (Deficiency) of Revenues Over Expenditures	\$ 37,534	\$ 9,508	\$ 47,042	\$ 62,616
Fund Balance-Beginning of Year	(21,178)	(81,602)	(102,780)	(115,189)
Fund Balance (Deficit) End of Year	\$ 16,356	\$ 2,906	\$ 19,262	\$ 47,427

See notes to financial statements.

Case River Waterway Commission
General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Year Ended June 30, 1996
With Comparative Amounts from Year Ended June 30, 1995

	1996		Variance- Favorable (Unfavorable)(%)	1995 (Actual)
	Budget	Actual		
REVENUES:				
Taxes	\$ 78,000	\$ 74,902	\$ 4,902	\$ 70,283
Miscellaneous	9	9	9	1,088
Total Revenues	\$ 78,009	\$ 74,911	\$ 4,902	\$ 71,371
EXPENDITURES:				
Current-				
General Government	\$ 17,750	\$ 18,837	\$ 6,913	\$ 8,687
Public Safety	38,680	38,631	5,992	38,689
Total Expenditures	\$ 56,430	\$ 57,468	\$ 10,032	\$ 47,376
Excess (Deficiency) of Revenues Over Expenditures	\$ 21,579	\$ 17,443	\$ 21,704	\$ 23,995
Fund Balance- Beginning of Year	(23,178)	(23,178)	 9	(23,178)
Fund Balance- End of Year	\$ 29,328	\$ 12,265	\$ 21,189	\$ 23,178

See notes to financial statements.

Ohio River Waterway Commission
Notes to Financial Statements
June 30, 1996

9. FUND DEFICIT

The Commission's General Fund has had a deficit fund balance for the past several years. For the year ended June 30, 1996, the Commission increased its property tax millage from .5 to 1 mill. This increased millage has reduced the fund deficit from \$(53,178) at the beginning of the year to \$(2,744) at the end of the year. This increased millage should have the effect of funding this deficit over the next few years.

Cane River Waterway Commission
Notes to Financial Statements
June 30, 1998

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 fiscal year) data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

1. TOTAL COLUMNS IN STATEMENTS

Total columns on the combined statements-overview are captioned "Management 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 elimination 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 \$107,866,000. Louisiana law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$29,411,000 for 1998, leaving a taxable base of \$78,455,000. For the year ended June 30, 1998, the Commission levied the following taxes:

General Corporate Purpose 1 mill

Property Tax Calendar

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

Cane River Waterway Commission
Notes to Financial Statements
June 30, 1996

Property tax collections for the year ended June 30, 1996, were \$24,860, and for the year ended June 30, 1995, they were \$70,281.

The following are the principal taxpayers for the Commission:

Enterprise	Type of Business	Assessed Valuation	Percentage Total Assessed Valuation
Williams Industries	Paper Mill	\$ 8,079,879	84%
Transco Gas	Pipeline Company	3,951,380	41%
South Central Bell	Utility	3,152,500	31%
Central Louisiana Electric	Utility	2,096,349	21%
Western Gas Resources	Oil & Gas Recovery	2,628,292	27%
Total		\$20,408,390	209%

3. CHANGES IN GENERAL FIXED ASSETS

The following is a summary of changes in general fixed assets for the year ended June 30, 1996:

	Balance 7-1-95	Additions	Deletions	Balance 6-30-96
General Fixed Assets:				
Buildings	\$26,483	\$0	\$0	\$26,483
Equipment	22,492	\$0	\$0	22,492
Total General Fixed Assets	\$48,975	\$0	\$0	\$48,975

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 at state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or plans of savings and loan associations and savings banks and in share accounts and time certificate accounts of Federally or state chartered credit unions.

Case River Watership Commission
Capital Projects Fund

Balance Sheets
June 30, 1996 and 1995

	6-30-96	6-30-95
Assets		
Cash	\$ 299	\$ 299
Investments	243,269	279,791
Due from General Fund	46,585	53,545
Total Assets	\$290,143	\$333,635
Liabilities & Fund Balance		
Liabilities		
Accounts Payable	\$ 0	\$ 0
Fund Balance		
Unreserved-Undesignated	290,143	333,635
Total Liabilities & Fund Balance	\$290,143	\$333,635

See notes to financial statements.

Clare River Waterway Commission
Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance—
Budget (GAAP Basis) and Actual
Year Ended June 30, 1995
With Comparative Amounts from Year Ended June 30, 1994

	1995		Variance- Favorable (Unfavorable)	1994 Actual
	Budget	Actual		
REVENUES:				
Miscellaneous:				
Interest	\$ 15,000	\$ 14,000	\$1,000	\$ 14,500
Loss on Investments	— 0	— 0	— 0	13,700
Total Revenues	\$ 15,000	\$ 14,000	\$1,000	\$ 28,200
EXPENDITURES:				
Current:				
General Government	\$ 0	\$ 0	\$ 0	\$ 0
Public Works	10,000	6,500	3,500	600
Total Expenditures	\$ 10,000	\$ 6,500	\$3,500	\$ 600
Excess of Revenues Over Expenditures	\$ 5,000	\$ 7,500	\$4,000	\$ 10,100
Fund Balance—Beginning of Year	383,005	383,005	— 0	372,800
Fund Balance—End of Year	388,005	390,505	\$4,100	382,900

See notes to financial statements.

GENERAL FIXED ASSETS ACCOUNT GROUP

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

J. Thomas & Cunningham

Chartered Public Accountants

Exhibit C-2

Page 29

John G. Brown, F.C.P.A., Chief Financial Officer

Paul M. Brown, F.C.P.A., Chief Financial Officer

Ray E. Cunningham, F.C.P.A., Chief Financial Officer

1000 Broadway Street

Metairie, Louisiana 70002

(504) 885-2000

Telex: 235525JHJHJHJHJH

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENTAL AUDITING STANDARDS**

To the Board of the Canal
River Waterway Commission

We have audited the compliance with financial statements of the Canal River Waterway Commission, Marshfield, Louisiana, for the year ended June 30, 1996, and have issued our report thereon dated December 18, 1996.

We conducted our audit in accordance with generally accepted auditing standards, the standards for financial and compliance audits contained in Government Auditing Standards, issued by the U.S. General Accounting Office, and the Louisiana Governmental Audit Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Canal River Waterway Commission is the responsibility of the Commission's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Commission's compliance with certain provisions of laws, regulations, contracts, and grants. However, it should be noted that our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended solely for the information of the Board of Commissioners of the Waterway Commission. This report is to not intended to limit the distribution of this report, which is a matter of public record.

J. Thomas & Cunningham
Thomas & Cunningham, CPAs

December 18, 1996
Marshfield, Louisiana

Case River Waterway Commission
General Fixed Assets Account Group

Statement of Changes in General Fixed Assets
June 30, 1996 and 1995

	Balance 2-1-95	Additions	Deletions	Balance 6-30-96
GENERAL FIXED ASSETS:				
Building	\$26,485	0	0	\$26,485
Equipment	32,492	0	0	32,492
Total General Fixed Assets	\$58,977	0	0	\$58,977
Investment in General Fixed Assets	\$58,977	0	0	\$58,977

Ohio River Waterway Commission
General Fixed Assets Account Group

Statement of General Fixed Assets
June 30, 1998 and 1993

GENERAL FIXED ASSETS:	6-30-98	6-30-93
Building	\$78,485	\$28,485
Equipment	32,492	32,882
Total General Fixed Assets	\$110,977	\$61,367
Investment in General Fixed Assets	\$110,977	\$61,367

See notes to financial statements.