

2487

RECEIVED
DEC 13 1962

OFFICIAL
FILE COPY
DO NOT SEND OUT

When necessary
tear from this
copy and PLACE
BACK IN FILE

CADDO-PARISH PORT COMMISSION
SHREVEPORT, LOUISIANA
DECEMBER 31, 1962

Under provisions of state law, this report is a public document. A copy of the report is to be submitted to the auditor, or reviewed, sent, and other appropriate public officials. The report is available for public inspection at the Public Receipts Office of the Louisiana Auditor and, where appropriate, at the office of the parish clerk of court.

DEC 23 1962

Release Date _____

CADDOUSSIER PORT COMMISSION

SHREVEPORT, LOUISIANA

TABLE OF CONTENTS

ADDED FINANCIAL STATEMENTS

	<u>Page</u>
<u>Independent Auditor's Report on General Purpose Financial Statements</u>	1
<u>General Purpose Financial Statements:</u>	
<u>Combined Balance Sheet-All Funds and Account Groups</u>	2
<u>Combined Statement of Revenues, Expenditures and Changes in Fund Balance-Governmental Funds</u>	3
<u>Statement of Revenues, Expenditures and Changes in Fund Balance-Budget (GAAP Basis) and Actual-General Fund</u>	4
<u>Statement of Revenues, Expenditures, and Changes in Retained Earnings-Proprietary Fund</u>	5
<u>Statement of Cash Flows-Proprietary Fund</u>	6
<u>Notes to Financial Statements</u>	7-15

OTHER REPORTS

<u>Compliance Report Based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards</u>	16
<u>Report on the Internal Control Structure in Accordance With Government Auditing Standards</u>	17-18

ADDITIONAL FINANCIAL STATEMENTS

February 16, 1998

The Board of Commissioners
Caddo-Boesler Port Commission
Shreveport, Louisiana

Independent Auditor's Report

We have audited the accompanying general purpose financial statements of the Caddo-Boesler Port Commission as of December 31, 1997, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Caddo-Boesler Port Commission's management. 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 and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 general purpose 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 above present fairly, in all material respects, the financial position of the Caddo-Boesler Port Commission, as of December 31, 1997, and the results of its operations and the cash flows of its proprietary fund for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated February 16, 1998 on our consideration of the Commission's internal control structure and a report dated February 16, 1998 on its compliance with laws and regulations.

Heard, McElroy & Vestal, LLP

CADDOROSSIER PORT COMMISSION

ALL FUNDS AND ACCOUNT GROUPS

COMBINED BALANCE SHEET AS OF DECEMBER 31, 1997

A S S E T S	Governmental Funds			Proprietary Funds
	General	Capital Projects	Debt Service	Enterprise Fund
Cash and interest-bearing deposits-Note 2	1,574	1,054,411	440,081	-
Cash/over of deposit	-	1,680,080	450,080	-
Investment in U.S. Treasury bills	-	-	-	-
Accrued interest receivable	-	15,782	1,219	-
Accounts receivable-at valorem taxes, net of allowance for uncollectibles of \$133,530 for 1997-Note 10	-	1,081,800	-	-
Accounts receivable-other-Note 9	10,057	782,989	-	-
Due from other funds	-	-	-	-
Land, buildings and equipment (net, where appli- cable, of accumulated depreciation)-Note 4	-	-	-	1,985,032
Amount to be provided for retirement of general long-term debt-Note 13	-	-	-	-
Amount available in debt service fund	-	-	-	-
Total assets	12,631	5,542,892	885,230	1,985,032
LIABILITIES AND FUND EQUITY				
Liabilities:				
Note payable bond anticipation note-Note 14	-	-	-	-
Accounts payable	13,082	600,814	-	3,838
Accrued liabilities payable	3,727	49,985	-	-
Deferred revenue-Notes 10 and 16	-	1,032,189	-	-
Due to other funds	-	-	-	-
Long-term debt-Note 13	-	-	-	-
Total liabilities	16,809	1,682,998	-	3,838
Fund equity:				
Contributed capital-Note 6	-	-	-	2,894,435
Investment in general fund assets-Note 4	-	-	-	-
Retained earnings (deficit)-Note 5	-	-	-	(603,141)
Fund balance-unreserved:				
Undesignated (deficit)	(4,180)	-	-	-
Designated for capital improvements (deficit)	-	1,399,874	-	-
Fund balance reserved for debt service	-	-	885,230	-
Total fund equity (deficit)	(4,180)	1,800,674	885,230	1,985,032
Total liabilities and fund equity	12,631	5,342,892	885,230	1,985,032

The accompanying notes are an integral part of these financial statements.

Account Groups		Totals	
General	General	(Memorandum Cost)	
Fixed Assets	Long-Term Debt	1997	1998
-	-	1,518,898	2,404,988
-	-	2,858,808	-
-	-	-	1,589,944
-	-	18,811	15,089
-	-	2,891,819	1,984,046
-	-	773,026	218,018
-	-	-	7,889
31,531,280	-	53,546,311	47,894,289
-	28,604,778	78,184,778	17,148,872
-	<u>828,338</u>	<u>681,130</u>	<u>481,857</u>
<u>31,531,280</u>	<u>28,608,608</u>	<u>88,897,155</u>	<u>11,702,618</u>
-	-	-	9,314,184
-	-	887,744	263,219
-	-	53,037	51,877
-	-	3,093,188	1,663,951
-	-	-	7,889
-	28,083,080	32,080,808	17,688,328
-	<u>28,083,080</u>	<u>32,972,968</u>	<u>38,335,941</u>
-	-	2,894,435	2,884,435
31,531,280	-	31,328,288	43,775,439
-	-	(803,240)	(781,185)
-	-	(4,382)	(30,593)
-	-	1,998,674	(7,123,085)
-	-	<u>828,338</u>	<u>481,857</u>
<u>31,531,280</u>	-	<u>28,824,733</u>	<u>31,186,289</u>
<u>31,531,280</u>	<u>28,608,608</u>	<u>88,897,155</u>	<u>11,702,618</u>

CARDIFF/ROSS/PORT COMMISSION

GOVERNMENTAL FUNDS

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE FOR THE YEAR ENDED DECEMBER 31, 1997

	Governmental Funds			Totals	
	General	Capital Projects	Debt Service	Administration (Debt) 1997	1996
Revenues:					
Intergovernmental-Note 3	48,608	1,688,000	-	1,858,828	3,848,893
Ad valorem taxes-Note 18	303,808	2,137,154	-	2,262,154	2,118,887
License rentals-Note 18	683,900	51,527	-	235,130	179,548
Port operations revenue	52,260	-	-	52,260	-
Interest earned	248,558	(8,254)	1,361	246,984	301,288
EDA grant	-	18,800	-	25,000	-
Miscellaneous income	5,000	286	-	1,285	8,128
Total revenues	635,442	4,137,512	1,361	4,796,576	6,688,624
Expenditures:					
Purchase of office equipment- Note 4	-	19,982	-	18,862	6,828
General and administrative	493,252	368,476	-	853,722	548,773
Legal and accounting	15,478	118,794	-	134,273	73,040
Travel, promotion and marketing	117,213	34,811	-	141,348	134,897
Professional services	2,969	114,247	-	117,326	68,836
Debt service	-	-	558,328	580,328	-
Construction in progress-Note 4	-	5,715,828	-	3,725,029	(4,281,481)
Total expenditures	629,032	6,383,473	558,328	3,972,633	(3,117,127)
Excess (deficiency) of revenues over expenditures	6,410	(2,245,961)	(196,967)	(1,776,057)	(8,917,383)
Other financing sources (uses):					
Proceeds from water revenue bonds-Note 13	-	11,858,808	-	11,980,080	1,207,798
Transfers between funds	-	(882,242)	808,348	-	-
Net other financing sources (uses)	-	10,976,566	808,348	11,980,080	1,207,798
Excess (deficiency) of revenues and other sources over expenditures	6,410	8,732,758	441,381	9,173,741	(7,138,443)
Fund balance:					
Balance at beginning of year (deficit)	<u>(48,586)</u>	<u>(7,133,883)</u>	<u>(431,657)</u>	<u>(6,682,029)</u>	<u>(411,423)</u>
Balance at end of year (deficit)	(42,176)	1,598,875	808,328	1,481,711	(6,682,029)

The accompanying notes are an integral part of these financial statements.

CADDOROSSER PORT COMMISSION

GOVERNMENTAL FUNDS-GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET (GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 1997

	General Fund		
	Budget	Actual	Variance Favorable (Disfavorable)
Revenues:			
Intergovernmental	48,800	48,800	-
Ad valorem taxes	213,538	188,800	(24,738)
License rentals	143,149	187,593	44,444
Interest earned	200,800	249,576	48,776
Operating revenues	50,000	51,195	1,195
Miscellaneous income	5,000	5,000	-
Total revenues	661,287	631,442	(29,845)
Expenditures:			
General and administrative	484,620	493,152	1,078
Trust, promotion and marketing	152,050	117,133	(34,917)
Professional services, including legal and accounting	13,000	13,118	(7,688)
Total expenditures	650,670	623,413	(27,687)
Excess of revenues over expenditures	-	6,409	6,409
Fund balance:			
Balance at beginning of year (deficit)	(10,582)	(10,582)	-
Balance at end of year (deficit)	(10,582)	(4,173)	6,409

The accompanying notes are an integral part of these financial statements.

GADCO-BUSSIER FORT CONSOLIDATION

PROPRIETARY FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN RETAINED EARNINGS

FOR THE YEAR ENDED DECEMBER 31, 2021

<u>Operating revenues</u>	
Charges for services	1,977
<u>Operating expenses</u>	
Depreciation	123,818
Maintenance expense	208
Total operating expenses	<u>124,026</u>
<u>Net loss</u>	(122,049)
<u>Retained earnings</u>	
Balance (deficit) at beginning of year	(791,185)
Balance (deficit) at end of year	<u>(913,234)</u>

The accompanying notes are an integral part of these financial statements.

CADDOPUSHER PORT COMMISSION
PROPRIETARY FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2011

Cash flows from operating activities:	
Net loss	(112,856)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation expense	112,818
Decrease:	
Accounts receivable	1,278
Increase (decrease):	
Accounts payable	7,834
Due to other funds	<u>(7,834)</u>
Total adjustments	<u>123,096</u>
Net cash provided by operating activities	<u>10</u>
Net decrease in cash	0
Cash and cash equivalents, beginning of year	0
Cash and cash equivalents, end of year	0

The accompanying notes are an integral part of these financial statements.

CADDO-BOSKIE PORT COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1997

(b) *Organization and Summary of Accounting Policies*

Organization

The Caddo-Boskie Port Commission ("Port Commission") is a political subdivision of the State of Louisiana and was created by Act 1875 No. 66 and numbered Chapter 37 Sections 24-3158 through 24-3169 under authority of R. S. 24-253 continued as a statute from Article VI, Section 32 of the Constitution of the State of Louisiana of 1821. The Port Commission has the power to regulate the commerce and traffic within the Caddo-Boskie port area.

The Port is governed by a Board of nine Commissioners; one each is appointed by the Bossier Parish Police Jury and the Caddo Parish Commission, five are appointed by the governing authority of the City of Shreveport, and two are appointed by the City of Bossier City. The Commissioners are not compensated for their services. They are, however, reimbursed in full for travel expenditures.

Title to all property and improvements operated by the Port Commission is held for the public and vests in the Port Commission for public administration, subject to the right of the Port Commission to lease, sell or otherwise dispose of the property with proper public notice.

Significant Accounting Policies

The accounting and reporting policies of the Port Commission conform to generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

(b) *Basis of Accounting*

The accounting and 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 generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The proprietary fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The modified accrual basis of accounting is used by governmental funds. 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. Expenditures are recorded when the related fund liability is incurred.

(1) **Classification and Significant Accounting Policies** (Continued)

The accrual basis of accounting is utilized by the proprietary fund type. Under this method, revenues are recorded when earned and expenses are recorded as the time liabilities are incurred.

(b) **Basis of Presentation**

The accounts of the Port Commission are organized on the basis of funds or account groups, 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. The following fund types and account groups are used by the Port Commission:

GOVERNMENTAL FUNDS

Governmental funds account for all or most of the Port Commission's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets and the servicing of general long-term obligations. Governmental funds include:

General Fund

The general operating fund of the Port Commission accounts for all financial resources, except those required to be accounted for in other funds.

Capital Projects Fund

The capital projects fund accounts for the receipt and disbursement of financial resources used for the acquisition, construction, or improvements of capital facilities not reported in the other governmental funds.

Debt Service Fund

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

PROPRIETARY FUND

Enterprise Fund

The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the costs (expenses, including depreciation) of providing services are financed primarily through user charges. The Enterprise Fund consists of the Intermodal Container Handling Facility.

ACCOUNT GROUPS

General Fixed Assets Group of Accounts

The general fixed assets account group is used to establish accounting control and accountability for all fixed assets of the Port Commission, except those included in the Enterprise Fund. All fixed assets are valued at historical cost. No depreciation is recorded on general fixed assets.

General Long-Term Debt Group of Accounts

The general long-term debt group of accounts is used to account for the outstanding principal balance of all long-term debt of the Port Commission, except for any long-term debt included in the Enterprise Fund.

(C) Organization and Significant Accounting Policies (Continued)

(c) Budget and Budgetary Accounting

The Port Commission utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

- (1) A budget is prepared by the Port Commission at the beginning of each fiscal year based upon the upcoming needs during the fiscal year.
- (2) The budget is presented at a Port Commission meeting where the budget is formally adopted.
- (3) Comparison of budgeted and actual amounts is shown on page four for the general fund.

(d) General Fixed Asset and Equipment

General Fixed Asset Group or Account

Fixed assets used in governmental fund type operations are accounted for in the general fixed assets account group. All fixed assets are valued at historical cost or corrected historical cost if actual historical cost is not available. No depreciation has been provided on general fixed assets. The general fixed assets account group is not a "fund." It is accounted only with the measurement of financial position. It is not involved with measurement of results of operations. Interest costs are capitalized on major construction projects during the construction period.

Intramodal Container Handling Facility

Additions to the enterprise fund are recorded at cost or, if contributed property, at their estimated fair value at time of contribution. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. The sale or disposal of fixed assets is recorded by removing cost and accumulated depreciation from the account and charging the resulting gain or loss to income. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Intramodal Container Facility	20 years
Equipment	10 years

(e) Total Column

The total column on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position in conformity with generally accepted accounting principles and this data is not comparable to a consolidation. Interfund eliminations have not been made in the aggregation of the data.

(f) Comparative Data

Comparative total data for the prior year, which was summarized from the 1996 financial statements, has been presented in the accompanying financial statements in order to provide an understanding of change in the Port Commission's financial position and operations and are not included in present all information necessary for a full presentation in accordance with generally accepted accounting principles. 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.

(1) **Organization and Significant Accounting Policies** (Continued)

(g) **Statement of Cash Flows**

For the purposes of the Statement of Cash Flows, the enterprise fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

(2) **Cash**

All deposits of the Port Commission are held by area financial institutions. At December 31, 1997 and 1996, the carrying amounts of the Port Commission cash demand deposits were \$1,316,096 and \$1,404,988 and the bank balances were \$1,808,308 and \$1,318,131. These differences are due to deposits in transit and outstanding checks. At year end, all deposits were entirely covered by federal depository insurance, U. S. Government Securities, and/or collateralized with securities, as required by state law.

(3) **Intergovernmental Revenues**

The following governmental entities provided funding for the Port Commission during the year ended December 31, 1997:

General Fund	Budget	Actual
Red River Waterway Commission	<u>48,808</u>	<u>48,808</u>
Capital Projects Fund		
State Road Commission	7,374,250	98,200
State of Louisiana Department of Transportation and Development	7,542,800	1,296,099
Red River Waterway Commission	<u>3,823,772</u>	<u>612,648</u>
	<u>18,745,622</u>	<u>1,957,955</u>

(4) **Property, Plant, and Equipment**

A summary of changes in general fixed assets follows:

	1996	Additions	1997
General fixed assets:			
Land, including acquisition costs	6,890,009	-	6,890,009
Port development	187,354	-	187,354
Furniture and fixtures	18,128	5,464	23,592
Office equipment	34,040	14,505	48,545
Construction in progress	<u>38,681,788</u>	<u>3,733,839</u>	<u>44,415,627</u>
	<u>46,771,419</u>	<u>3,753,804</u>	<u>50,525,288</u>
		1997	1996
Investment in general fixed assets by source:			
All values in thousands		4,985,937	4,985,937
State grants and proceeds from debt		48,414,614	39,638,715
General fund revenues		218,858	210,986
Federal grants		<u>819,777</u>	<u>910,771</u>
		<u>51,429,186</u>	<u>45,746,409</u>

(4) Property, Plant, and Equipment (Continued)

During the year ended December 31, 1997, construction in progress consisted mainly of Phase II, construction of the water and sewer project, railroad access, and access roads. Total capitalized interest costs included in construction in progress was \$1,049,149 for 1997, and \$1,309,487 for 1996.

The following is a summary of proprietary fixed fixed assets:

	1997	1996
<u>Enterprise fund:</u>		
Intermodal container facility	2,183,096	2,083,808
Land, including acquisition costs	219,438	219,438
Equipment, including office equipment	<u>307,723</u>	<u>300,713</u>
	2,801,157	2,804,149
<u>Less-accumulated depreciation</u>	<u>(906,435)</u>	<u>(781,387)</u>
Net property, plant and equipment	<u>1,894,722</u>	<u>2,112,862</u>

(5) Fund Deficit

The retained earnings deficit in the Enterprise Fund of \$993,241 and \$781,387 at December 31, 1997 and 1996, is due mainly to the depreciation expense which has been accumulating since inception.

(6) Contributed Capital

Contributed capital is recorded in the Enterprise Fund for capital grants restricted for the acquisition or construction of capital assets.

(7) Compensated Absence

The Port Commission has the following policy relating to vacation and sick leave:

Vacation - Accrued in the following manner:

- | | |
|---------------------------|------------------------------------|
| 1) 1st 5 years | 1 day per month of employment |
| 2) 6th through 10th year | 1 1/2 days per month of employment |
| 3) 11th through 15th year | 2 days per month of employment |
| 4) Over 15 years | 2 1/2 days per month of employment |

Upon voluntary resignation or retirement, an employee will be compensated for annual leave accumulated to the date of separation, provided he has completed twelve or more months of continuous service, and submitted notice at least two weeks in advance of the effective date of resignation.

Sick leave - Accrued at the rate of one day for each month of continuous employment.

(8) Budget Variances

During 1997, the Port Commission exceeded its budget in one area, as shown on Page 4, mainly due to additional legal fees associated with unanticipated lawsuits.

(8) **Accounts Receivable-Other**

Since 1994, the Port has spent \$433,478 for a study and design regarding the intermodal expanded facility at the Kansas City Southern Railway's Overhaul Yard. These expenditures are to be reimbursed by the Railway to the Port in accordance with an agreement, and have been shown in an accounts receivable in the capital projects fund. The balance due at December 31, 1997 was \$80,800. The remaining balance of \$622,678 accounts receivable-other is due from the Department of Transportation and Development, Red River Waterway Commission, and the State Bond Commission for Phase II.

(9) **Property Taxes**

On April 3, 1993, the voters of Caddo and Bossier parishes approved a special tax of 2 1/4 mills to be levied on the property subject to taxation in the port area consisting of Caddo and Bossier Parishes for a period of twenty-five years, commencing with the year 1993, for the purpose of site acquisition and for constructing, acquiring, improving and equipping docks and wharves, transfer and storage facilities, commercial and industrial facilities and other port, transportation and infrastructure facilities and improvements within the port area, and for paying the commission's expenses of administering, maintaining, operating and marketing its facilities in the port area. The Port Commission included projected revenues from this tax assessment in its budget for the year 1998. Therefore, anticipated revenues from the 1997 assessment have been recorded as deferred revenue for the year 1997 in the amount of \$2,225,320.

Property taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on January 1 of the following year. An allowance is established for delinquent taxes to the extent that their collectability is estimated to be improbable.

(11) **Leases**

The Port Commission leased office space under a 31-month lease at \$1,509 per month. Total rental expense for 1997 was \$20,231, which included rent of \$256 per month to start a conference room. Future minimum lease payments are as follows:

1998	18,223
1999	18,701
	<u>34,924</u>

(12) **Deferred Compensation Plan**

The Port Commission maintains a qualified deferred compensation plan under Section 401(k) of the Internal Revenue Code. Under the plan, employees may elect to defer up to seven and one-half percent (7 1/2%) of their salary, subject to Internal Revenue service limits. The Port contributes a matching seven and one-half percent (7 1/2%). Port Commission contributions to the plan amounted to \$11,238 and \$18,648 for 1997 and 1998.

(13) **Long-Term Debt**

During 1996, limited tax bonds were issued for the purpose of providing funds to pay the expenditures made in connection with the construction of the Port facilities. The bonds are special and limited obligations of the Port. During 1993, water revenue bonds were issued to pay the Bond Anticipation Notes for interim financing to construct a sewerworks system at the Port site. Following is a summary of bonds payable, which are included in the general long-term debt group of accounts:

(13) Long-Term Debt (Continued)

Description	Amount of Original Issue (Bonds Only)	Principal Payments	Issued 1997	Balance December 31, 1997
Water Revenue Bonds, Series 1997, principal payments begin 3/31/2000, interest payments begin 4/30/98, secured and payable from water revenue, interest at 5.5%, final maturity 3/31/2027	-	-	11,850,000	11,850,000
Limited Tax Revenue and Refunding Bonds Series 1995-D, principal paid March 1, interest paid March 1 and September 1, secured and payable from the proceeds of 2.15 mill of valuation tax, interest rates from 9% to 9.75, final maturity 3/1/2025	6,580,000	198,000	-	6,482,000
Limited Tax Bonds, Series 1995-C, principal paid March 1, interest paid March 1 and September 1, secured and payable from the proceeds of 2.15 mill of valuation tax, interest rates from 9% to 9.75, final maturity 3/1/2025	4,778,000	135,080	-	4,642,920
Sewer Limited Tax Bonds, Series 1995, principal payments begin March 1, 1997, interest payments began September 1, 1995, interest rate 5.45%, final maturity 3/1/2035	6,880,000	255,325	-	6,624,675
Total general long-term debt:		<u>593,325</u>	<u>11,850,000</u>	<u>28,898,600</u>

The annual debt service requirements to maturity, including principal and interest, for long-term debt as of December 31, 1997 are as follows:

Year Ending December 31	General Long-Term Debt
1998	2,854,471
1999	2,844,217
2000	2,948,511
2001	2,952,648
2002	2,938,850
2003-2007	10,538,462

(12) Long-Term Debt (Continued)

Year Ending December 31	General Long-Term Debt
2008-2012	18,714,484
2013-2017	8,492,340
2018-2021	3,788,758
2022-2027	3,788,758
2028-2032	3,788,758
2033-2037	3,260,850
Total	35,707,858
Less interest	26,007,535
Outstanding principal	<u>9,700,323</u>

There are a number of limitations and restrictions contained in the bond indentures. The Port is in compliance with all significant limitations and restrictions.

(14) Notes Payable

The Port issued Bond Anticipation Notes in 1995 not to exceed \$11,858,808 to provide interim financing for the cost of constructing and acquiring improvements and extensions to the waterworks system at the Port site. The principal and interest of these notes was paid in 1997 from the proceeds of water revenue bonds, discussed in Note 13. The balance of the note at December 31, 1996, was \$9,316,188, which included interest paid totaling \$245,950. This note was included in the Capital Projects Fund.

(15) Operating Agreement-Intermodal Container Handling Facility

During 1995, the Port entered into an agreement with Ryan Walsh, Inc. to convey operating rights of the Intermodal Container Handling Facility for a term of three years. All terminal charges are to accrue to Ryan Walsh, who will in turn pay the Port a percentage of the billable revenue, depending on the amount of the revenue. Ryan Walsh has also agreed to pay the Port a yearly fee based on the number of lifts per year.

(16) Deferred Revenue

During 1996, the Port entered into a lease agreement with Quaker State Corporation for the lease of a 94.5 acre tract of land at the Port site. The lease is for a term of twenty years from November 1, 1994, and the total rent of \$1,830,540 was prepaid. Rental income of \$51,517 and \$18,834 was recognized in 1997 and 1998.

(17) Litigation

As of December 31, 1997, the Port was involved in four lawsuits. First, the Port has filed suit for return of overpayment made by the Port to a contractor for construction work which the Port claims was not authorized, but was approved for payment by the Port's consulting engineers. Secondly, the Port has filed suit against the Caddis Sales and Use Tax Commission for a declaratory judgment concerning the Port's exemption from sales tax, which the Port believes should extend to construction materials purchased by contractors as agent for the Port. This litigation is in preliminary stages, and the outcome is difficult to predict. The third suit seeks recovery for materials supplied to a contractor and incorporated into construction done at the Port. It is expected the bonding company will satisfy this claim. The fourth lawsuit is for the recovery of the purchase price, plus expenses and attorney fees, of a fleet vessel which did not meet contractual specifications agreed upon between its parties. The Port Commission is vigorously attempting to resolve the matter in favor of the Port.

(18) Rental Income Under Operating Leases

The Post is a lessee of certain property which consists principally of acreage and the use of a petroleum dock. Some leases contain option renewal periods. Following is a schedule by year of future rental income to be received under noncancelable operating leases in effect as of December 31, 1997:

Year Ending December 31:

1998	90,795
1999	90,795
2000	90,795
2001	90,795
Thereafter	<u>1,782,490</u>
	<u>1,664,670</u>

OTHER REPORTS

February 16, 1998

The Board of Commissioners
Caddo-Bozler Post Commission
Shreveport, Louisiana

Compliance Report Based on an Audit of General Purpose Financial
Statements Performed in Accordance with Government Auditing Standards

We have audited the general purpose financial statements of the Caddo-Bozler Post Commission as of and for the year ended December 31, 1997, and have issued our report thereon dated February 16, 1998.

We conducted our 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 we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Caddo-Bozler Post Commission is the responsibility of the Caddo-Bozler Post Commission's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the Caddo-Bozler Post Commission's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit 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 for the information of the Board of Commissioners and management. However, this report is a matter of public record and its distribution is not limited.

Heard, McElroy & Vestal, LLP

February 18, 1998

The Board of Commissioners
Caddo-Bozler Port Commission
Shreveport, Louisiana

Report on the Internal Control Structure as
Assessed With Government Auditing Standards

We have audited the general purpose financial statements of Caddo-Bozler Port Commission as of and for the year ended December 31, 1997, and have issued our opinion thereon dated February 18, 1998.

We conducted our 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 we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of Caddo-Bozler Port 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 general purpose 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, prevention 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 general purpose financial statements of Caddo-Bozler Port Commission, for the year ended December 31, 1997, 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 financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our combination of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose 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. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the Board of Commissioners and management. However, this report is a matter of public record and its distribution is not limited.

David, M.º Elroy V. Veral, CPA