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CAROL ROSSER POST COMMISSION

MONROE, LOUISIANA

DECEMBER 30, 1999

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

Release Date: MAY 2 3 2000

CADDO-BOSCHÉ PORT COMMISSION

SHREVEPORT, LOUISIANA

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AUDITED FINANCIAL STATEMENTS

February 10, 2000

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

Independent Auditor's Report

We have audited the accompanying general purpose financial statements of the Caddo-Boisier Port Commission as of December 31, 1999, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Caddo-Boisier 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. These 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-Boisier Port Commission, as of December 31, 1999, 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.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying other information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Caddo-Boisier Port 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 the general purpose financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued a report dated February 10, 2000, on our consideration of the Commission's internal control structure and on its compliance with laws and regulations.

Heard, McElroy & Vestal, LLP

CALDWELL COUNTY COMMISSION

ALL FUNDS AND ACCOUNT GROUPS

COMBINED BALANCE SHEET AS OF DECEMBER 31, 1992

ASSETS	Governmental Funds			Proprietary Fund
	General	Capital Projects	Water Revenue Board Reserve Fund	Enterprise Fund
Cash and interest-bearing deposits—Note 2	113,836	1,111,877	451,564	-
Certificates of deposit	-	1,680,000	454,800	-
Accrued interest receivable	-	8,127	-	-
Accounts receivable—of various users, net of allowance for uncollectibles of \$143,640 for 1992—Note 9	-	2,250,243	-	-
Accounts receivable—other	79,981	213,373	-	-
Due from other funds	176,000	-	-	-
Land, buildings and equipment (net, where applicable, of accumulated depreciation)—Note 4	-	-	-	1,721,776
Amount to be provided for retirement of general long-term debt—Note 11	-	-	-	-
Amount available to debt service fund	-	-	-	-
Total assets	389,797	4,984,620	906,364	1,721,776
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	61,917	139,745	-	-
Accrued liabilities payable	789	43,141	-	-
Deferred revenues—Notes 9 and 10	189,036	3,613,360	-	-
Due to other funds	-	179,000	-	-
Long-term debt—Note 11	-	-	-	-
Total liabilities	251,742	3,972,246	-	-
Fund equity:				
Contributed capital—Note 8	-	-	-	2,894,415
Investment in general fund assets—Note 4	-	-	-	-
Residual earnings (deficit)—Note 9	-	-	-	(1,172,639)
Fund balances—reserved:				
Unassigned	37,542	-	-	-
Designated for capital improvements	-	611,253	-	-
Fund balance reserved for debt service	-	-	281,584	-
Total fund equity	37,542	611,253	281,584	1,721,776
Total liabilities and fund equity	389,797	4,583,699	906,364	1,721,776

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

Account Groups		Totals	
General	General	(Memorandum Bal.)	
Fixed Assets	Long-Term Debt	1992	1993
-	-	1,377,269	1,379,969
-	-	1,493,000	1,493,000
-	-	9,137	8,342
-	-	2,150,969	2,180,999
-	-	333,234	643,474
-	-	173,000	253,968
78,694,943	-	33,486,739	63,713,383
-	28,110,907	38,130,917	37,514,838
-	981,584	961,384	899,759
<u>78,694,943</u>	<u>28,093,581</u>	<u>102,514,263</u>	<u>92,928,657</u>
-	-	894,462	891,351
-	-	45,434	47,810
-	-	3,282,338	3,178,383
-	-	173,000	228,968
-	39,033,581	39,812,903	38,414,588
-	29,911,941	30,237,315	30,713,789
-	-	2,894,438	2,884,435
30,684,943	-	78,694,943	61,591,134
-	-	(1,173,659)	(1,033,140)
-	-	57,342	51,999
-	-	411,393	580,409
-	-	891,384	899,759
<u>30,684,943</u>	-	<u>79,877,138</u>	<u>62,973,944</u>
<u>30,684,943</u>	<u>38,812,903</u>	<u>102,514,263</u>	<u>92,928,657</u>

CALICO-BOSCHER PORT COMMISSION

GOVERNMENTAL FUNDS

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

(IN FUND BALANCE FOR THE YEAR ENDED DECEMBER 31, 1999)

	Governmental Funds			Totals	
	General	Capital Projects	Water Resource Board Resource Fund	(Millions of Dollars)	(Only) 1999
Revenues:					
Intergovernmental-Note 3	40,000	5,315,900	-	5,355,900	8,294,137
Ad valorem taxes-Note 8	785,685	1,748,662	-	2,434,279	2,365,898
License rentals-Note 13	375,140	28,878	-	404,018	230,838
Water and sewer revenue	-	314,434	-	314,434	303,612
Port operations revenue	281,937	-	-	281,937	116,867
Interest earned	191,965	(712)	15,818	306,131	698,514
Refundings of levies	-	308,249	-	308,249	-
Contributions for purchase of infrastructure	-	-	-	-	115,808
Miscellaneous income	5,000	-	-	5,000	282,538
Total revenues	1,641,730	8,378,362	15,818	9,837,994	11,772,312
Expenditures:					
Purchase of office equipment- Note 4	80,268	11,700	-	21,973	9,236
Purchase of building and real estate	-	1,676,810	-	1,676,811	-
Purchase of mineral lease	-	2,000	-	2,000	55,178
General and administrative	992,593	3,334	-	995,717	1,115,798
Pier station operations	-	845,898	-	845,898	387,264
Legal and accounting	134,348	53,414	-	187,762	141,075
Travel, promotion and marketing	183,369	-	-	183,369	183,779
Professional services	138,882	-	-	138,882	73,499
Data services	-	1,218,652	651,230	1,869,882	1,023,077
Construction in progress-Note 4	-	3,358,718	-	3,358,718	8,087,681
Total expenditures	1,438,860	9,038,232	651,230	11,128,122	11,731,775
(Deficiency) of revenues over expenditures	(7,950)	(660,869)	(641,332)	(1,456,148)	(680,154)
Other financing sources (uses):					
Proceeds from certificate of indebiture-Note 17	-	1,380,000	-	1,380,000	-
Transfer from proprietary fund	-	225,080	-	225,080	-
Transfer from sewer funds	14,001	657,290	643,137	-	-
Use other financing sources	<u>(14,001)</u>	<u>(661,790)</u>	<u>(643,137)</u>	<u>1,375,880</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures	6,140	60,884	1,815	68,852	(680,154)
Fund balances:					
Balance at beginning of year	21,180	299,969	898,738	1,220,167	3,481,721
Balance at end of year	<u>27,320</u>	<u>361,292</u>	<u>900,554</u>	<u>1,529,416</u>	<u>1,781,567</u>

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

CANDID-BOSSE FORT 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, 2020

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	40,000	40,000	-
All values-in taxes	373,345	708,601	(335,256)
License rentals	158,145	253,140	(95,000)
Interest earned	220,000	192,965	(27,035)
Operating revenues	283,000	202,832	(80,168)
Miscellaneous income	3,000	3,000	-
Total revenues	1,477,490	1,412,338	(65,152)
Expenditures:			
Purchase of office equipment	10,000	10,268	(268)
General and administrative	1,811,490	992,200	(819,290)
Travel, postage and marketing	200,000	283,369	(83,369)
Professional services, including legal and accounting	270,000	264,438	5,562
Total expenditures	2,491,490	1,450,665	(1,040,825)
Excess (deficiency) of revenues over expenditures	-	(3,856)	(3,856)
Other financing sources:			
Transfers between funds	-	14,000	14,000
Excess of revenues and other financial asset expenditures	-	6,144	6,144
Fund balance:			
Balance at beginning of year	51,389	51,389	-
Balance at end of year	51,389	57,533	6,144

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

CADDO-FOSTER PORT COMMISSION

SECRETARY FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN RETAINED EARNINGS

FOR THE YEAR ENDED DECEMBER 31, 1999

Revenues:	
Gain on sale of equipment	798,874
Operating expenses:	
Depreciation	<u>118,373</u>
Net income	680,501
Retained earnings:	
Balance (deficit) at beginning of year	(1,813,218)
Transfer to capital projects fund	<u>522,939</u>
Balance (deficit) at end of year	(1,172,655)

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

CARDIGROSSER PORT COMMISSION

PROPRIETARY FUND

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 1999

Cash flows from operating activities:	
Net income	75,591
Adjustments to reconcile net income to net cash provided by operating activities:	
Gain on sale of equipment	(198,824)
Depreciation expense	339,239
Total adjustments	(75,591)
Net cash provided by operating activities	<u> </u>
Cash flows from investing activities:	
Proceeds from sale of equipment	215,000
Transfer of proceeds to capital fund	(215,000)
Net cash from investing activities	<u> </u>
Net change in cash	
Cash and cash equivalents, beginning of year	<u> </u>
Cash and cash equivalents, end of year	<u> </u>

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

CADDO-BOSHER PORT COMMISSION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1989

CD Description and Significant Accounting Policies

Organization

The Caddo-Bossier Port Commission ("Port Commission") is a political subdivision of the State of Louisiana and was created by Act 1975 No. 66 and numbered Chapter 37 Sections 34-3188 through 34-3200 under authority of R. S. 34:250 continued as a statute from Article VI, Section 12 of the Constitution of the State of Louisiana of 1921. The Port Commission has the power to regulate the commerce and traffic within the Caddo-Bossier 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 owned 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.

(a) 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 basis. 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 receivable or accrued (i.e., when they become both measurable and available). "Measurable" means the amount of the revenues 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.

00 Organization 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 at the time liabilities are incurred.

04 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 improvement of capital facilities not reported in the other governmental funds.

Debt Service Fund

The water revenue bond reserve fund is used to account for the accumulation of revenues for, and the payment of, general long-term debt principal, interest, and related costs.

ENTERPRISE FUNDS

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 Incremental 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.

(7) Organization and Straight-Line Accounting Policies (Continued)

(c) Budgets and Budgetary Accounting

The Port Commission utilizes the following procedures in compiling 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 month 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.

(c) Property, Plant, and Equipment

General Fixed Assets Group of Accounts

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 estimated 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 concerned 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.

Intermodal 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 accounts 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:

Intermodal Container Facility	30 years
Equipment	10 years

(c) Total Columns

The total columns on the combined statements are captioned "Miscellaneous Only" to indicate that they are prepared only to facilitate financial analysis. Data in those 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 this data.

(c) Comparative Data

Comparative total data for the prior year, which was summarized from the 1998 financial statements, has been presented in the accompanying financial statements in order to provide an understanding of changes in the Port Commission's financial position and operations and are not intended to present all information necessary for a fair presentation in accordance with generally accepted accounting principles. Comparative (i.e., presentation of prior year needs 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)

(c) Statement of Cash Flows

For the purposes of the Statement of Cash Flows, the carrying 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 state financial institutions. At December 31, 1999 and 1998, the carrying amounts of the Port Commission cash demand deposits were \$1,677,269 and \$1,378,864 and the bank balances were \$2,038,782 and \$1,168,583. 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, 1999:

General Fund	Budget	Actual
Red River Waterway Commission	<u>40,000</u>	<u>40,000</u>
<u>Capital Projects Fund</u>		
Facility Planning & Control	2,524,341	2,808,134
State of Louisiana Department of Transportation and Development	11,014,568	2,248,719
Red River Waterway Commission	<u>5,892,860</u>	<u>862,812</u>
	<u>20,128,899</u>	<u>3,525,893</u>

(4) Property, Plant, and Equipment

A summary of changes in general fixed assets follows:

	1998	Additions	1999
<u>General fixed assets:</u>			
Land, including acquisition costs	4,830,039	-	4,830,039
Port development	190,314	-	190,314
Buildings and real estate	-	1,678,840	1,678,841
Furniture and fixtures	33,760	17,434	41,196
Office equipment	33,760	4,542	38,302
Construction in progress	54,298,265	7,085,278	61,383,543
	<u>60,898,136</u>	<u>8,783,382</u>	<u>69,681,518</u>
		1999	1998
<u>Investment in general fixed assets by source-cumulative totals:</u>			
Ad valorem taxes		8,738,362	1,351,676
State grants and proceeds from debt		60,794,624	59,368,153
General fund revenues		210,856	210,856
Federal grants		<u>338,771</u>	<u>358,833</u>
		<u>70,082,513</u>	<u>61,891,418</u>

66 Property, Plant, and Equipment (Continued)

During the year ended December 31, 1998, construction in progress expenditures consisted mainly of large forcing-dolphins, tank and storage facility, railroad access, and access roads. Total capitalized interest costs included in construction in progress were \$1,589,024 for 1999, and \$1,437,634 for 1998.

The following is a summary of proprietary fund fixed assets:

	1999	1998
<u>Enterprise Fund</u>		
Intermodal container facility	2,183,806	2,183,806
Land, including acquisition costs	218,438	218,438
Equipment, including office equipment	<u>78,873</u>	<u>502,733</u>
	2,471,117	2,904,977
Less accumulated depreciation	<u>(738,620)</u>	<u>(1,839,542)</u>
Net property, plant and equipment	<u>1,732,497</u>	<u>1,065,435</u>

67 Fund Deficit

The retained earnings deficit in the Enterprise Fund of \$1,172,859 and \$3,813,218 at December 31, 1999 and 1998, is due mainly to the depreciation expense which has been accumulating since inception.

68 Contributed Capital

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

69 Compensated Absence

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

Vacation - Accrues in the following manner:

- | | |
|------------------------------|--------------------------|
| 1) After 1 year of service | 10 days of paid vacation |
| 2) After 10 years of service | 15 days of paid vacation |

Part-time employees shall accrue vacation on a pro rata basis. Employees may accumulate and carry forward 100 days of vacation but vacation carried forward must be taken before July 1 of the following year.

Sick Leave - Earned by full-time employees at the rate of 5 days per year after one year of continuous employment and accumulating up to 26 weeks maximum. Part-time employees accumulate sick leave on a pro rata basis.

70 Budget Variances

During 1999, the Port Commission exceeded its budget in one area, as shown on Page 4, mainly due to additional fixtures and equipment purchased for a new administrative building.

(8) Property Taxes

On April 3, 1993, the voters of Caddo and Bossier parishes approved a special tax of 2% 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 1998 assessment have been recorded as deferred revenues for the year 1999 in the amount of \$2,984,000. See Note 13 for an explanation of other deferred revenue.

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 collectibility is estimated to be improbable.

(9) Leases

The Port Commission leased equipment during the year, under an operating lease. Rental expense was \$24,714 in 1998. Future minimum lease payments under this operating lease are as follows:

2000	24,714
2001	24,714
2002	24,714
2003	41,080
2004	-
	<u>205,202</u>

(10) Profit-Sharing Plan

Prior to 1999, the Port Commission maintained a SEP Retirement Plan and contributed seven and one-half percent (7 1/2%) of each employee's salary with the employee permitted, through a salary reduction plan, to defer like amount. During 1999, the existing SEP Retirement Plan was determined to be prohibitive for employee contributions and the plan was terminated. Beginning January 1, 2000, the Port adopted and initiated a Qualified 401(k) Retirement Program for all eligible employees who are 21 years of age, completed 11 months of service, and are credited with 1,000 hours of service. Under this plan, the Board of Commissioners may determine a discretionary contribution percent of gross salary for each budget year. It is set as a contribution of zero and one-half percent (1/2%) of gross salary for the year 2000. The Port also adopted a plan under Code Section 457, Salary Deferral Plan, for employee contribution, effective January 1, 2000.

(11) Long-Term Debt

During 1996, limited tax bonds were issued for the purpose of providing funds to pay for expenditures made in connection with the construction of the Port facilities. The bonds are special and limited obligations of the Port. During 1997, water revenue bonds were issued to pay the Bond Anticipation Note for interest financing to construct a wastewater system at the Port site. Following is a summary of bonds payable, which are included in the general long-term debt group of accounts:

Description	Amount of Original Issue (Book Value)	Balance January 1, 1999	Principal Payments	Issued 1999	Balance December 31, 1999
-------------	---	-------------------------------	-----------------------	----------------	---------------------------------

Water Revenue Bonds, Series 1997,
principal payments begin 5/31/2000,
interest payments began 4/30/98,
accrued and payable from water
revenue, interest at 5.5%, bond
maturity 5/31/2002

11,998,000	11,944,288	2,000	-	11,942,288
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(17) Long-Term Debt (Continued)

Description	Amount of Original Issue (Books/Gold)	Balance January 1, 1999	Principal Payments	Issued 1999	Balance December 31, 1999
Limited Tax Revenue and Refunding Bonds Series 1993-D, principal paid March 1, interest paid March 1 and September 1, accrued and payable from the proceeds of 2½ mill ad valorem tax, interest rates from 5% to 6%, final maturity 3/1/2015	6,580,000	6,205,000	295,000	-	6,000,000
Limited Tax Bonds, Series 1993-C, principal paid March 1, interest paid March 1 and September 1, accrued and payable from the proceeds of 2½ mill ad valorem tax, interest rates from 3% to 5%, final maturity 3/1/2015	4,776,000	4,498,000	150,000	-	4,348,000
Seven Limited Tax Bonds, Series 1995, principal payments began March 1, 1997, interest payments began September 1, 1995, interest rate 2.45%, final maturity 3/1/2026	6,158,320	5,775,000	290,000	-	5,500,000
Certificates of Indebtedness, Series 1998, principal payments begin December 1, 1999, interest payments begin December 1, 1999, interest rate 6.125%, final maturity 12/31/2028	1,580,000	-	81,000	1,300,000	1,300,000
Total general long-term debt		<u>20,419,000</u>	<u>796,000</u>	<u>1,300,000</u>	<u>20,023,000</u>

The annual debt service requirements to maturity, including principal and interest, for long-term debt as of December 31, 1999 are as follows:

Year Ending (December 31)	General Long-Term Debt
2000	2,070,958
2001	2,517,236
2002	2,368,100
2003	2,308,318
2004	2,286,147
2005-2009	11,310,880
2010-2014	80,873,718
2015-2019	5,640,899
2020-2024	3,783,358
2025-2029	3,768,358

(13) Long-Term Debt (Continued)

Year Ending, December 31	General Long-Term Debt
2000-2004	3,765,360
2005-2017	<u>1,768,658</u>
Total	5,534,018
Less: Interest	<u>23,185,847</u>
Outstanding principal	<u>28,719,865</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.

(13) Deferred Revenue

During 1996, the Port entered into a lease agreement with Quaker State Corporation for the lease of a 54.5 acre tract of land at the Port site. The lease is for a term of twenty years from November 1, 1994, and the total cost of \$4,830,340 was prepaid. In 1998, the Port partially canceled the lease in order to acquire acreage back for additional construction. The Port paid \$65,491 to Quaker State, leaving a balance of \$4,014,013 prepaid as of December 31, 1998. Rental income of \$50,878 was recognized in 1999 and 1998 for this lease. During 1998, the Port entered a lease agreement with Oakley Louisiana, Inc. for a term of forty years. Total rent of \$200,000 was prepaid. Rental income of \$1,000 and \$5,961 was recognized in 1999 and 1998.

(14) Litigation

As of December 31, 1998, the Port was involved in two lawsuits. First, the Port has filed suit against the Caddo-Shreveport Sales and the 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 second lawsuit is for injunctive relief and unspecified damages arising out of interference with Port operations caused by harmful and unlawful chemical emissions. This case is in preliminary stages.

(15) Rental Income Under Operating Leases

The Port is a lessor of certain property which consists principally of storage 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, 1999:

Total Ending December 31:

2000	93,793
2001	93,793
2002	93,793
2003	93,793
Thereafter	<u>1,770,280</u>
	<u>1,661,660</u>

(16) Water and Sewerage Revenue

The Port receives revenue from the City of Shreveport which collects from water and sewerage customers for the use of the waterworks system which was constructed by proceeds received by the Port from the issuance of water revenue bonds. As of December 31, 1999, there were four commercial users of the

014) Water and Sewerage Revenue (Continued)

waterworks system. Total revenue received in 1998 and 1999 was \$304,434 and \$268,412. Following is a schedule of water rates charged by the City of Strevport:

Customer fee on sewerage charges		4.80
Sewerage charge per 1,000 gallons:	Residential	4.32
	Commercial	1.34
	Industrial	1.34
Water charges per 1,000 gallons:	Residential	1.42
	Commercial	1.80
	Industrial	2.35

Note: Post customers are charged double since the system is located outside the city limits.

OTHER REPORTS

February 10, 2000

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

**Report on Compliance and on Internal Control Over Financial
Reporting Based on an Audit of Financial Statements Performed in
Accordance with Government Auditing Standards**

We have audited the financial statements of Caddo-Boonee Port Commission as of and for the year ended December 31, 1999, and have issued our report thereon dated February 10, 2000. We considered our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the financial statements of Caddo-Boonee Port Commission are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered internal control over financial reporting of Caddo-Boonee Port Commission in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the Board of Commissioners, management, and the Office of the Legislative Auditor, State of Louisiana, and is not intended to be and should not be used by anyone other than these specified parties.

CADDO-BUSHER PORT COMMISSION

SCHEDULE I OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 1999

We have audited the financial statements of Caddo-Bossier Port Commission as of and for the year ended December 31, 1999, and have issued our report thereon dated February 10, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 1999 resulted in an unqualified opinion.

Section I - Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control - No material weakness or reportable condition was noted; no management letter was issued.

Compliance - no material noncompliance was noted.

b. Federal Awards - No major program.

Section II - Financial Statement Findings

No matters were reported.

CADDOLEBOSIER PORT COMMISSION
SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED DECEMBER 31, 1999

No prior year findings were reported.

OTHER INFORMATION

CADDO-BOSHER PORT COMMISSION
P. O. Box 32879
Shreveport, Louisiana 71135-2001
(318) 851-4561

BOARD OF COMMISSIONERS

A. E. Bouda
Michael H. Whitewright
Steve Watkins
Jerry C. Harris
Edward G. Powell
Maxine K. Sarge
Lasson J. Walker
Archie Trevell, II
Duncan McRae

President
Vice-President
Secretary-Treasurer
Commissioner
Commissioner
Commissioner
Commissioner
Commissioner
Commissioner

CARDO-BLOSSIE FORT COMMISSION

SCHEDULE OF INSURANCE

DECEMBER 31, 2000

	Coverage	Expiration
Commercial General Liability Coverage:		
Products and completed operations aggregate	2,000,000	1-1-2001
Personal and advertising injury	2,000,000	1-1-2001
Basis coverage	1,000,000	1-1-2001
Fire damage	50,000	1-1-2001
Medical expense-each person	2,000	1-1-2001
Commercial Property Coverage:		
Blanket property and equipment	50,295,389	1-1-2001
Valuable papers	100,000	1-1-2001
EDP equipment	90,000	1-1-2001
Commercial Umbrella:		
Excess liability coverage	10,000,000	1-1-2001
Annual aggregate	10,000,000	1-1-2001
Self-insured retention	25,000	1-1-2001
Other:		
Employee dishonesty	500,000	1-1-2001
Forgery	500,000	1-1-2001
Public officials liability	2,000,000	1-1-2001
Commercial Auto:		
Liability	1,000,000	1-1-2001
Towing and labor	2,700	1-1-2001
Worker's Compensation:		
Worker's compensation	Statutory	10-25-2000
Health accident	1,000,000	10-25-2000
Discrete-policy limit	1,000,000	10-25-2000
Discrete-each employer	1,000,000	10-25-2000