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GREATER OUACHITA PORT COMMISSION  
WEST MONROE, LOUISIANA

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COMPREHENSIVE FINANCIAL STATEMENTS

FOR THE YEAR ENDED

DECEMBER 31, 2003

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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 8-4-04

GREATER OUACHITA PORT COMMISSION  
DECEMBER 31, 2003

CONTENTS

	<u>PAGE</u>
Independent Auditors' Report.....	1-2
Management's Discussion and Analysis.....	3-4

FINANCIAL STATEMENTS

BUSINESS-TYPE ACTIVITIES

GOVERNMENT-WIDE FINANCIAL STATEMENTS:

Statement of Net Assets.....	5
Statement of Activities.....	6

FUND FINANCIAL STATEMENTS:

Balance Sheet - Proprietary Fund.....	7
Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Fund.....	8
Statement of Cash Flows - Proprietary Fund.....	9
Notes to Financial Statements.....	10-16

SUPPLEMENTAL INFORMATION

Report on Compliance and on Internal Control Over Financial Reporting Based on An Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....	17-18
Schedule of Findings and Questioned Costs.....	19-20
Schedule of Prior Year Audit Findings.....	21
Management's Corrective Action Plan.....	22

# JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.



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"The CPA Never Underestimate The Value"

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- Accounting & Auditing
  - H.U.D. Audits
  - Non-Profit Organizations
- Business & Financial Planning
- Tax Preparation & Planning
  - Individual & Partnership
  - Corporate & Fiduciary
- Bookkeeping & Payroll Services

June 25, 2004

## INDEPENDENT AUDITORS' REPORT

To the Board of the  
Greater Ouachita Port Commission  
West Monroe, Louisiana

We have audited the accompanying component unit financial statements of the business-type activities of the Greater Ouachita Port Commission, as of and for the year ended December 31, 2003, as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 financial statements are free of material misstatement. 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 financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and fund information for the Greater Ouachita Port Commission as of December 31, 2003, and the respective changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2004, on our consideration of the Greater Ouachita Port Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

As described in Note 1, the Commission has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as of December 31, 2003.

Management's discussion and analysis on pages 3 through 4 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

*Johnston, Perry, Johnson & Associates, L.L.P.*

JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS

**GREATER OUACHITA PORT COMMISSION**  
FOR THE YEAR ENDED DECEMBER 31, 2003

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Our discussion and analysis of the Greater Ouachita Port Commission's (the Commission) financial performance presents management's overview of the Port's financial activities for the year ended December 31, 2003. Please read it in conjunction with the Commission's financial statements.

**FINANCIAL HIGHLIGHTS**

For the year ended December 31, 2003, the Commission's Net Cash Provided by Operating Activities was \$243,775.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The Commission operates as an enterprise fund and presents its financial statements using the accrual basis of accounting. As an enterprise fund, the Commission's basic financial statements include three components: Government-Wide Financial Statements, Fund Financial Statements, and Notes to the Financial Statements.

The Statement of Net Assets includes all of the Commission's assets and liabilities, with the difference between the two reported as net assets. Net assets are reported as unrestricted at December 31, 2003. The increases or decreases in the Commission's net assets are an indicator of whether its financial position is improving or deteriorating. The Statement of Net Assets provides a basis for evaluating the capital structure of the Commission, and assessing its liquidity and financial flexibility.

The Statement of Activities shows how the Commission's net assets changed during the year. All of the current year's revenues and expenses were recorded when the underlying transaction occurs, regardless of the timing of related cash flows. The Statement of Activities measures the Commission's performance over the last year, and whether the Commission recovered its costs through fees and other revenues.

The Statement of Cash Flows provides information regarding the Commission's cash receipts and cash disbursements during the year. The statement reports cash activity in three categories, cash flows from operations, and cash flows from investing activities. This statement accounts only for transactions that result in cash receipts and cash disbursements.

The Notes to the Financial Statements provide a description of the accounting policies used to prepare the financial statements and presents material disclosures required by accounting principles generally accepted in the United States of America that are not otherwise presented in the financial statements.

**GREATER OUACHITA PORT COMMISSION**  
FOR THE YEAR ENDED DECEMBER 31, 2003

**MANAGEMENT'S DISCUSSION AND ANALYSIS** (Continued)

NET ASSETS

For the year ended December 31, 2003 net assets changed as follows:

Beginning Net Assets	1,946
Increase in Net Assets	<u>245,258</u>
Ending Net Assets	<u>247,204</u>

CHANGE IN NET ASSETS

The following schedule presents a summary of revenues and expenses for the fiscal year ended December 31, 2003, and their percentage of total.

<u>Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>
Grant Revenue	250,000	99.410%
Interest Income	<u>1,483</u>	<u>.590%</u>
<u>Total Revenues</u>	<u>251,483</u>	<u>100.000%</u>
<u>Expenses</u>		
Advertising	74	1.190%
Bank Charges	10	.002%
Dues and Subscriptions	200	3.210%
Professional Fees	5,197	83.490%
Travel and Entertainment	<u>744</u>	<u>12.108%</u>
<u>Total Expenses</u>	<u>6,225</u>	<u>100.000%</u>

For the year ended December 31, 2003, revenues exceeded expenses.

CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Commission's finances and to demonstrate the Commission's accountability for the financial resources it manages. If you have questions about this report or need additional financial information, contact the Greater Ouachita Port Commission, 103 Regency Place, West Monroe, Louisiana 71291.

  
Richard W. Guillot  
President



GOVERNMENT-WIDE FINANCIAL STATEMENTS

GREATER OUACHITA PORT COMMISSION  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2003

	<u>Business-Type Activities</u>
<u>ASSETS</u>	
<u>CURRENT ASSETS</u>	
Cash and Cash Equivalents	247,204
<u>TOTAL CURRENT ASSETS</u>	<u>247,204</u>
<u>TOTAL ASSETS</u>	<u>247,204</u>
<u>LIABILITIES AND NET ASSETS</u>	
<u>LIABILITIES</u>	
Current Liabilities	-
<u>TOTAL LIABILITIES</u>	<u>-0-</u>
<u>NET ASSETS</u>	
Unrestricted	247,204
<u>TOTAL NET ASSETS</u>	<u>247,204</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>247,204</u>

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



GREATER OUACHITA PORT COMMISSION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Assets</u>
Business-Type Activities: Operating	<u>6,225</u>	<u>-0-</u>	<u>250,000</u>	<u>-0-</u>	243,775
			General Revenues: Interest		<u>1,483</u>
			<u>Changes in Net Assets</u>		245,258
			<u>Net Assets - Beginning</u>		<u>1,946</u>
			<u>Net Assets - Ending</u>		<u>247,204</u>

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

FUND FINANCIAL STATEMENTS

GREATER OUACHITA PORT COMMISSION  
BALANCE SHEET - PROPRIETARY FUND  
DECEMBER 31, 2003

Business-Type  
Activities  
Enterprise Fund

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents

247,204

TOTAL CURRENT ASSETS

247,204

TOTAL ASSETS

247,204

LIABILITIES AND NET ASSETS

LIABILITIES

Current Liabilities

-

TOTAL LIABILITIES

-0-

NET ASSETS

Unrestricted

247,204

TOTAL NET ASSETS

247,204

TOTAL LIABILITIES AND NET ASSETS

247,204

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

-7-

JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS

GREATER OUACHITA PORT COMMISSION  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
FUND NET ASSETS - PROPRIETARY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2003

	Business-Type Activities <u>Enterprise Fund</u>
<u>OPERATING REVENUE</u>	
Grant Revenue	250,000
<u>TOTAL OPERATING REVENUE</u>	<u>250,000</u>
<u>OPERATING EXPENSES</u>	
Advertising	74
Bank Service Charges	10
Dues and Subscriptions	200
Professional Fees	5,197
Travel and Entertainment	<u>744</u>
<u>TOTAL OPERATING EXPENSES</u>	<u>6,225</u>
<u>OPERATING INCOME</u>	243,775
<u>NON-OPERATING REVENUES</u>	
Interest Income	<u>1,483</u>
<u>TOTAL NON-OPERATING REVENUES</u>	<u>1,483</u>
<u>CHANGES IN NET ASSETS</u>	245,258
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>1,946</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>247,204</u>

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

GREATER OUACHITA PORT COMMISSION  
STATEMENT OF CASH FLOWS - PROPRIETARY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2003

	Business-Type Activities <u>Enterprise Fund</u>
<u>INCREASE IN CASH AND CASH EQUIVALENTS</u>	
<u>CASH FLOWS FROM OPERATIONS</u>	
Operating Grants Received	250,000
Payments for General and Administrative	( 6,225)
Cash Flows Provided by Operating Activities	<u>243,775</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Interest Income	<u>1,483</u>
Cash Flows Provided by Investing Activities	<u>1,483</u>
<u>NET INCREASE IN CASH AND CASH EQUIVALENTS</u>	245,258
<u>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</u>	<u>1,946</u>
<u>CASH AND CASH EQUIVALENTS AT END OF YEAR</u>	<u>247,204</u>
 <u>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>	
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Changes in Net Assets	<u>243,775</u>
Net Cash Provided by Operating Activities	<u>243,775</u>

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

GREATER OUACHITA PORT COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

INTRODUCTION

The Greater Ouachita Port Commission (the Commission) was created by the Revised Statutes 34:1401 through 1406 by the Louisiana Legislature. The Commission is composed of seven members, who shall serve without compensation. The Commission shall exercise the powers therein conferred upon it, within the port area of Ouachita Parish. The Commission may authorize a reasonable travel allowance for its members in the performance of their duties, and it may employ such officers, or agents, and employees as it may find necessary in the performance of its duties, and may prescribe the duties, powers and compensation of such officers, agents, and employees. The Commission may, on such terms upon which it may agree, contract for legal, financial, engineering and other professional services necessary or expedient in the conduct of its affairs, and may on terms and conditions mutually agreeable, utilize the services of the executive department of the state.

The Commission shall have authority, when authorized to do so by a vote of a majority of the property taxpayers of the port area qualified to vote at an election for the purpose in accordance with law, to levy annually on all property situated within the port area, subject to taxation, an ad valorem tax not to exceed two and one-half mills on the dollar.

Also, the Commission may acquire by expropriation any wharves, landing, or any other properties necessary for the benefit and advantage of the commerce of the Commission.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Commission complies with accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Government Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standard Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent sections of this note. For the fiscal year ended December 31, 2003, the Commission has adopted the new financial reporting requirements of GASB Statements No. 33 and 34. As a result, an entirely new financial presentation format has been implemented.

GREATER OUACHITA PORT COMMISSION  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

In June 1999, the GASB unanimously approved statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. Certain of the significant changes in the presentation of its funds financial information include, for the first time, a Management Discussion and Analysis (MD&A) section providing an analysis of the Commission's overall financial position and results of operations and financial statements prepared using full accrual accounting for all fund activities. These and other changes are reflected in the accompanying financial statements including the notes to the financial statements. The Enterprise Fund has elected to implement the general provisions of the statement in the current year and plans to report capital assets.

Basic Financial Statements

*Government-Wide Financial Statements* - The statement of net assets and statement of activities display information about the reporting government as a whole.

Fund Accounting

The Commission's funds are enterprise funds. Enterprise funds are proprietary funds used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

Reporting Entity

For financial reporting purposes, in conformity with GASB, the Greater Ouachita Port Commission is a component unit of the State of Louisiana. The financial reporting entity consists of (a) the primary government (State of Louisiana), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the 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 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



GREATER OUACHITA PORT COMMISSION  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the police jury to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the State of Louisiana provides for the Port's operation and maintenance, the Greater Ouachita Port Commission was determined to be a component unit of the State of Louisiana, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Greater Ouachita Port Commission and do not present information on the State of Louisiana, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

Measurement Focus and Basis of Accounting

*Measurement Focus* - The government-wide financial statements are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets, financial position, and cash flows. All assets and liabilities (whether current or non-current) associated with their activities are reported. All proprietary funds utilize the

GREATER OUACHITA PORT COMMISSION  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

*Basis of Accounting* - The government-wide financial statements are presented using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred or economic assets are used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. In the fund financial statements, governmental funds are presented on a modified accrual basis of accounting. Revenues are recognized when "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 (including capital outlay) are recorded when the related fund liability is incurred.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. For purposes of the

GREATER OUACHITA PORT COMMISSION  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents (Continued)

statements of Cash flows, the Commission considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. Under state law, the Commission may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Fund Equity

Equity is classified as net assets and displayed in three components:

1. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
2. Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

NOTE 2 - CASH AND CASH EQUIVALENTS

The Commission has cash and cash equivalents (book balances) totaling \$247,204.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

GREATER OUACHITA PORT COMMISSION  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 2 - CASH AND CASH EQUIVALENTS (Continued)

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at December 31, 2003, are secured as follows:

Bank Balances	247,204
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Because the pledged securities are held by a custodial bank in the same name of the fiscal agent bank rather than in the name of the Commission, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106; however, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Commission that the fiscal agent bank has failed to pay deposited funds upon demand.

NOTE 3 - OPERATING GRANT

During the year ended December 31, 2003, the Commission received \$250,000 from the Delta Regional Authority (DRA). Such funds are to be used to develop the Ouachita terminals in Ouachita Parish, Louisiana.

NOTE 4 - OTHER AGREEMENTS AND SUBSEQUENT EVENTS

The Louisiana Economic Development Corporation awarded the Commission one million dollars to be used to develop and construct a railway spur in connection with the Ouachita terminal development. The funds were received in 2004. The Commission is actively pursuing other funding sources for the development of the Ouachita port terminal.

In 2004, the Commission has entered into various agreements for the construction of the railway spur and engineering services for approximately 1.3 million dollars.

The Commission has also entered into a joint public-private development agreement with Ouachita Terminals to develop a marketing and business plan, to provide/develop funding sources and to select/develop a site for a port on the Ouachita River in Ouachita Parish, Louisiana. Certain fees and expenses will be reimbursed by the Commission. As of December 31, 2003, no such reimbursements had been paid to Ouachita Terminals. Amounts to be paid in future years are not presently determinable. However, \$200,000 of fees and expenses were approved for payment in 2004.



GREATER OUACHITA PORT COMMISSION  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 5 - RISK MANAGEMENT

The Commission is exposed to various risks of loss related to torts, theft or damage to assets and errors and omissions. The Commission believes that any such loss is remote and has not purchased commercial insurance on such risk.

The Commission, at the present time, has no employees. However, if employees are hired, adequate workers compensation will be obtained.

NOTE 6 - BUDGET REQUIREMENTS

The only activity of the Commission is enterprise activities. As the Commission has no general or special revenue funds, no budget is required.

SUPPLEMENTAL INFORMATION

# JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.



JULIAN B. JOHNSTON, CPA  
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  - Non-Profit Organizations
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## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

June 25, 2004

To the Board of the  
Greater Ouachita Port Commission  
West Monroe, Louisiana

We have audited the component unit financial statements of the business-typed activities of the Greater Ouachita Port Commission as of and for the year ended December 31, 2003, and have issued our report thereon dated June 25, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Greater Ouachita Port Commission's component unit financial statements 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 audits 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 Greater Ouachita Port Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the



internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Greater Ouachita Port Commission's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 03-1.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above is a material weakness.

This report is intended for the information of management and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Johnston, Perry, Johnson & Associates, L.L.P.*

JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS

GREATER OUACHITA PORT COMMISSION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

To the Board of the  
Greater Ouachita Port Commission  
West Monroe, Louisiana

We have audited the component unit financial statements of the business-type activities of the Greater Ouachita Port Commission as of and for the year ended December 31, 2003, and have issued our report thereon dated June 25, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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, 2003, 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

Material Weaknesses \_\_\_yes Xno

Reportable Conditions Xyes \_\_\_no

Compliance

Compliance Material to Financial Statements \_\_\_yes Xno

B. Federal Awards - N/A

Internal Control

Material Weaknesses \_\_\_yes \_\_\_no

Type of Opinion on Compliance

Unqualified \_\_\_ Qualified \_\_\_

For Major Programs Disclaimer\_\_\_ Adverse \_\_\_

Are their findings required to be reported in accordance  
with Circular A-133, Section .510 (a)?

C. Identification of Major Programs: N/A

CFDA Number(s) Name of Federal Program (or cluster)

Dollar threshold used to distinguish between Type A and  
Type B Programs \$N/A

Is the auditee a "low-risk" auditee, as defined by OMB  
Circular A-133? \_\_\_yes \_\_\_no N/A

GREATER OUACHITA PORT COMMISSION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2003

Section II - Financial Statement Findings

Internal Control

03-1

Criteria: Good internal control policies require that all checks written be signed by two directors.

Conditions: All checks written by the Commission are only required to have one signature.

Questioned Costs: None

Context: Not applicable

Effect: This finding has no effect on the financial statements.

Cause: The Commission did not setup its checking account to require more than one signature.

Recommendation: We recommend that the Commission require two signatures on all checks.

Reply: Management agrees with this finding and will change its policy to require two signatures on all checks.

Compliance

There were no findings nor recommendations for compliance for the year ended December 31, 2003.

Section III - Federal Award Findings and Questioned Costs - N/A

GREATER OUACHITA PORT COMMISSION  
SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2003

Section I - Internal Control and Compliance Material to the Financial Statements

No findings were reported under this section.

Section II - Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III - Management Letter

No management letter was issued.

**GREATER OUACHITA PORT COMMISSION**

MANAGEMENT'S CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED DECEMBER 31, 2003

Comments on Findings and Recommendations

Management agrees that two signatures should be required on all checks.

Actions Taken or Planned

Management will change its policy to require all checks paid to have two signatures.

Status of Corrective Action on Prior Findings

Not Applicable