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MERMENTAU RIVER HARBOR AND TERMINAL DISTRICT

FINANCIAL REPORT

DECEMBER 31, 2003

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 9.1.04

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# BROUSSARD, POCHE', LEWIS & BREUX, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

122 East 5th St.  
P.O. Drawer 307  
Crowley, Louisiana  
70527-0307  
phone: (337) 783-0650  
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## INDEPENDENT ACCOUNTANT'S REPORT

### Other Offices:

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(337) 988-4930  
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Abbeville, LA  
(337) 898-1497  
New Iberia, LA  
(337) 364-4554  
Church Point, LA  
(337) 684-2855

To the Board of Commissioners  
Mermentau River Harbor and Terminal District  
Mermentau, Louisiana

We have compiled the accompanying financial statements of the Mermentau River Harbor and Terminal District, as of and for the year ended December 31, 2003, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

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

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of State law, we have issued a report, dated April 5, 2004, on the results of our agreed-upon procedures.

*BROUSSARD, POCHE', LEWIS & BREUX, L.L.P.*

Eugene C. Gilder, CPA\*  
Donald W. Kelley, CPA\*  
Herbert Lemone II, CPA\*  
Frank A. Siagno, CPA\*  
Scott J. Broussard, CPA\*  
L. Charles Abshire, CPA\*  
Kenneth R. Dugas, CPA\*  
P. John Blanchet III, CPA\*  
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Troy J. Breux, CPA\*  
Fayette T. Dupre', CPA\*  
Mary A. Castille, CPA\*  
Joey L. Breux, CPA\*  
Terrel P. Dressel, CPA\*

### Retired:

Sidney L. Broussard, CPA 1980  
Leon K. Poche', CPA 1984  
James H. Breux, CPA 1987  
Erma R. Walton, CPA 1988  
George A. Lewis, CPA\* 1992  
Geraldine J. Wimberley, CPA\* 1995  
Rodney L. Savoy, CPA\* 1996  
Larry G. Broussard, CPA\* 1996  
Lawrence A. Cramer, CPA\* 1999  
Michael P. Crochet, CPA\* 1999  
Ralph Friend, CPA 2002

Crowley, Louisiana  
April 5, 2004

MERMENTAU RIVER HARBOR AND TERMINAL DISTRICT

COMBINED BALANCE SHEET -  
 ALL FUND TYPES AND ACCOUNT GROUPS  
 December 31, 2003  
 See Accountant's Compilation Report

ASSETS	Governmental Fund Types	
	General Fund	Capital Projects Fund
Cash and cash equivalents	\$ 12,612	\$ 18,132
Investments, at cost	261,783	-
Receivables:		
Ad valorem taxes	45,240	-
State revenue sharing	3,934	-
Leases and tonnage fees	13,502	-
Due from other governmental entities	-	25,857
Due from other funds	20,530	-
Land and land improvements	-	-
<b>Total assets</b>	<b>\$ 357,601</b>	<b>\$ 43,989</b>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	\$ 1,569	\$ 34,476
Due to other funds	-	20,530
<b>Total liabilities</b>	<b>\$ 1,569</b>	<b>\$ 55,006</b>
Fund equity:		
Investment in general fixed assets	\$ -	\$ -
Unreserved - undesignated (deficit)	356,032	(11,017)
<b>Total fund equity</b>	<b>\$ 356,032</b>	<b>\$ (11,017)</b>
 <b>Total liabilities and fund equity</b>	 <b>\$ 357,601</b>	 <b>\$ 43,989</b>

See Notes to Financial Statements.

<u>Account Group</u> General Fixed Assets	<u>Total (Memorandum Only)</u>
\$ -	\$ 30,744
-	261,783
-	45,240
-	3,934
-	13,502
-	25,857
-	20,530
708,345	708,345
<u>\$ 708,345</u>	<u>\$ 1,109,935</u>
\$ -	\$ 36,045
-	20,530
<u>\$ -</u>	<u>\$ 56,575</u>
\$ 708,345	\$ 708,345
-	345,015
<u>\$ 708,345</u>	<u>\$ 1,053,360</u>
<u>\$ 708,345</u>	<u>\$ 1,109,935</u>

## MERMENTAU RIVER HARBOR AND TERMINAL DISTRICT

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES

Year Ended December 31, 2003

See Accountant's Compilation Report

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total (Memorandum Only)</u>
<b>Revenues:</b>			
<b>Taxes:</b>			
Ad valorem	\$ 45,367	\$ -	\$ 45,367
<b>Intergovernmental:</b>			
State revenue sharing	5,902	-	5,902
<b>Use of money and property:</b>			
Investment income	5,687	91	5,778
Leases	5,417	-	5,417
Tonnage fees	77,473	-	77,473
	<hr/>	<hr/>	<hr/>
Total revenues	\$ 139,846	\$ 91	\$ 139,937
	<hr/>	<hr/>	<hr/>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Public works:</b>			
Pension deduction	\$ 1,569	\$ -	\$ 1,569
Administrative cost	12,717	-	12,717
Contract services	13,680	-	13,680
	<hr/>	<hr/>	<hr/>
Total expenditures	\$ 27,966	\$ -	\$ 27,966
	<hr/>	<hr/>	<hr/>
Excess of revenues over expenditures	\$ 111,880	\$ 91	\$ 111,971
Fund balance (deficit), beginning	244,152	(11,108)	233,044
	<hr/>	<hr/>	<hr/>
Fund balance (deficit), ending	\$ 356,032	\$ (11,017)	\$ 345,015
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See Notes to Financial Statements.

## MERMENAU RIVER HARBOR AND TERMINAL DISTRICT

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND  
 Year Ended December 31, 2003  
 See Accountant's Compilation Report

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<b>Revenues:</b>			
<b>Taxes:</b>			
Ad valorem	\$ 42,695	\$ 45,367	\$ 2,672
<b>Intergovernmental:</b>			
State revenue sharing	5,832	5,902	70
<b>Use of money and property:</b>			
Investment income	5,550	5,687	137
Leases	4,667	5,417	750
Tonnage fees	65,000	77,473	12,473
<b>Total revenues</b>	<u>\$ 123,744</u>	<u>\$ 139,846</u>	<u>\$ 16,102</u>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Public works:</b>			
Pension deduction	\$ 1,465	\$ 1,569	\$ (104)
Administrative cost	13,330	12,717	613
Contract services	-	13,680	(13,680)
<b>Total expenditures</b>	<u>\$ 14,795</u>	<u>\$ 27,966</u>	<u>\$ (13,171)</u>
<b>Excess of revenues over expenditures</b>	<u>\$ 108,949</u>	<u>\$ 111,880</u>	<u>\$ 2,931</u>
Fund balance, beginning	228,385	244,152	15,767
<b>Fund balance, ending</b>	<u><u>\$ 337,334</u></u>	<u><u>\$ 356,032</u></u>	<u><u>\$ 18,698</u></u>

See Notes to Financial Statements.

MERMENTAU RIVER HARBOR AND TERMINAL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
See Accountant's Compilation Report

Note 1. Summary of Significant Accounting Policies

The Mermentau River Harbor and Terminal District (the "District") was created as a political subdivision of the State of Louisiana under the provisions of Louisiana Revised Statute 34:3221-3229. The District is responsible for the regulation of commerce and traffic within the harbor and terminal area, which consists of Ward 5 of Acadia Parish, Louisiana. Project waterways include the Mermentau River, Bayou Plaquemine Brule, and Bayou Nezpique. The Board of Commissioners of the District is comprised of seven members who are appointed by various governing authorities within the harbor and terminal area. The Mermentau River Harbor and Terminal District does not have any employees.

Basis of presentation:

The accompanying financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the generally accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below:

Financial reporting entity:

A financial reporting entity consists of (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. GASB Statement No. 14, *The Financial Reporting Entity*, establishes criteria for determining which entities should be considered a component and, as such, part of the reporting entity for financial reporting purposes. The basic criteria are as follows:

1. A potential component unit must have separate corporate powers that distinguish it as being legally separate from the primary government. These include the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued in its own name without recourse to a state or local government, and the right to buy, sell, lease, and mortgage property in its own name.
2. The primary government must be financially accountable for a potential component unit. Financial accountability may exist as a result of the primary government appointing a voting majority of the potential component unit's governing body; their ability to impose their will on the potential component unit by significantly influencing the programs, projects, activities, or level of services performed or provided by the potential component unit; or the existence of a financial benefit or



## MERMENTAU RIVER HARBOR AND TERMINAL DISTRICT

### NOTES TO FINANCIAL STATEMENTS See Accountant's Compilation Report

burden. In addition, financial accountability may also exist as a result of a potential component unit being fiscally dependent on the primary government.

In some instances, the potential component unit should be included in the reporting entity (even when the criteria in No. 2 above are not met), if exclusion would render the reporting entity's financial statements incomplete or misleading.

Because the Mermentau River Harbor and Terminal District includes all funds, account groups, activities, et cetera, that are controlled by the District as an independent political subdivision of the State of Louisiana, the District is a separate governmental reporting entity. Because the District's Board of Commissioners are appointed by various governing authorities within the District and are solely responsible for designating management and for fiscal matters, which include (1) the responsibility for funding deficits and operating deficiencies and (2) fiscal management for controlling the collection and disbursement of funds, and because of the scope of public service provided by the District, the District is considered an independent political subdivision. Certain units of local government over which the District exercises no oversight responsibility, such as the parish police jury, parish school board, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Mermentau River Harbor and Terminal District.

#### Basis of presentation - fund accounting:

The District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the restrictions, if any, on the spending activities. The various funds are summarized by type and grouped in the financial statements of this report as follows:

#### Governmental Funds

Governmental funds are used to account for all or most of the governmental entity's general activities, including the collection and disbursement of

MERMENTAU RIVER HARBOR AND TERMINAL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
See Accountant's Compilation Report

specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

General Fund:

The General Fund is the general operating fund of the District and accounts for all financial resources except those required to be accounted for in another fund. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and capital improvement costs that are not paid through other funds are paid from the General Fund.

Capital Projects Fund:

The capital projects fund is used to account for the financial resources received and used for the acquisition, construction, or improvement of major capital facilities.

Account Group

The account group is a reporting device used to account for certain assets of the governmental funds not recorded directly in those funds. The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. The account group is not a "fund." It is concerned only with the measurement of financial position. It is not involved with the measurement of the results of operations.

General Fixed Assets Account Group:

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in the governmental funds. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are not capitalized with general fixed assets, as these assets are immovable and of value only to the District. In accordance with accounting principles generally accepted in the United States of America, no provision is made for depreciation of such assets in the General Fixed Assets Account Group.

All fixed assets are stated on the basis of historical cost. Assets acquired through gift or donation are recorded at their estimated fair value at time of acquisition.

MERMENTAU RIVER HARBOR AND TERMINAL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
See Accountant's Compilation Report

Basis of accounting:

Basis of accounting refers to when revenues and expenditures or expenses, as appropriate, are recognized in the accounts and reported in the financial statements; measurement focus refers to what is being measured. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The governmental funds use a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Their reported fund balance (net current assets) is considered a measure of "available spending resources." 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. Accordingly, they are said to present a summary of sources and uses of "available spending resources" during a period. The modified accrual basis of accounting is utilized by the governmental fund types. Their revenues are recognized when susceptible to accrual, i.e., when they become 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. Taxpayer-assessed income, gross receipts, and sales taxes are considered measurable when in the hands of intermediary collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain. Expenditure-driven grant revenues are recorded when the qualifying expenditures have been incurred and all other grant requirements have been met. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, if measurable. Exceptions to this general rule include: (1) accumulated unpaid vacation, sick pay, and other employee amounts which are not accrued because they do not vest or accumulate; and (2) principal and interest on general long-term debt which is recognized when due.

Budgets and budgetary accounting:

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Secretary-Treasurer submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Due to the fact that proposed expenditures do not exceed \$250,000, it is not necessary to have a public hearing.
3. The budget is then legally enacted through passage of an ordinance.

MERMENTAU RIVER HARBOR AND TERMINAL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
See Accountant's Compilation Report

4. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

All budget appropriations lapse at year-end. Actual expenditures may not legally exceed budgeted appropriations by more than 5% at the individual fund level. The budget as shown in the report is as amended by the Board of Commissioners in an open meeting.

Encumbrances:

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded in order to reserve that portion of the applicable appropriation, is not utilized by the District.

Total column on the financial statements:

The total column on the financial statements is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with accounting principles generally accepted in the United States of America. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

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 at the date of the financial statements and the reported amounts of revenues and expenditures or expenses, as appropriate, during the reporting period. Actual results could differ from those estimates.

Cash and investments:

For reporting purposes, the District considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Short-term interfund receivables and payables:

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

MERMENTAU RIVER HARBOR AND TERMINAL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
See Accountant's Compilation Report

Note 2. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and are due by December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year. Property tax revenues are recognized when levied to the extent that they result in current receivables.

The District authorized and levied a general maintenance tax of 4.08 mills for the year ended December 31, 2003.

Note 3. Cash and Investments

For reporting purposes, cash and cash equivalents include demand deposits, interest-bearing demand deposits, and time deposits. Under State law, the District may invest in United States bonds, treasury notes or certificates, or time certificates of deposit of State banks having their principal office in the State of Louisiana, or any other federally insured investment. The District may also invest in shares of any homestead and building and loan association in any amount not exceeding the federally insured amount. Deposits (bank balances) totaling \$292,527 at December 31, 2003, were fully secured by Federal Deposit Insurance Corporation (FDIC) coverage plus pledged securities held by the custodial bank in the bank's name (Category 3) with a fair market value of \$197,313.

Note 4. Receivables

The following is a summary of receivables reported in the General Fund at December 31, 2003:

Ad valorem taxes	\$ 45,240
State revenue sharing	3,934
Leases and tonnage fees	<u>13,502</u>
Total receivables	<u>\$ 62,676</u>

MERMENTAU RIVER HARBOR AND TERMINAL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
See Accountant's Compilation Report

Note 5. Changes in General Fixed Assets

The following is a summary of the changes in general fixed assets for the year ended December 31, 2003:

<u>Asset Category</u>	<u>Balance, December 31, 2002</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance, December 31, 2003</u>
Land	\$ 339,890	\$ -	\$ -	\$ 339,890
Land improvements	<u>368,455</u>	<u>-</u>	<u>-</u>	<u>368,455</u>
Total general fixed assets	<u>\$ 708,345</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 708,345</u>

Note 6. Leases

The District has no capital or operating leases at December 31, 2003; however, as lessor, the District has leased the following parcels of land:

1. Lease for 13.97 acres of land to Port Aggregates, Inc., with a lease expiration date of August 31, 2012. The lease includes graduated payments ranging from \$236 to \$336, each month.
2. Lease for 15.5563 acres of land to Acadiana Export, Inc. The lease payments are \$1,500, each year with ½ payable on February 15<sup>th</sup> and ½ payable on August 15<sup>th</sup>.
3. Lease for 10.7494 acres of land to Mid State Sand and Gravel Company, Inc. (the Lessee). The lease payments are \$5,375, per year payable in advance on the first day of each year. At the signing of the lease, the Lessee was required to pay to the District \$20,000, for the purchase of mitigation credits in order to obtain permits necessary for the use of all of the surface being leased. This payment entitles the Lessee to a \$2,500, credit against tonnage fees for eight years beginning with the year 2000.

Lease revenues for the year ended December 31, 2003, totaled \$5,417.

Note 7. Per Diem to Board of Commissioners

The Board of Commissioners does not receive any compensation for attendance of meetings. The Board of Commissioners at December 31, 2003, includes:

Kate T. Bangle  
Stephen T. Broussard  
Lonnie Conner  
Donlean Gary

Keith Henry  
Karlton Thibodeaux  
Robert Dale Thibodeaux

MERMENTAU RIVER HARBOR AND TERMINAL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
See Accountant's Compilation Report

Note 8. Interfund Receivables and Payables

Interfund balances at December 31, 2003, consisted of the following individual fund receivables and payables:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 20,530	\$ -
Capital Projects Fund	-	20,530
Total interfund balances	<u>\$ 20,530</u>	<u>\$ 20,530</u>

Note 9. Port Access Road

As of December 31, 2003, the District had incurred costs of \$1,019,228, in planning, acquiring, and constructing a port access road. The project is being funded through bond proceeds and grant revenue. The port access road is substantially complete; however, the District has not accepted the project and, accordingly, has not paid the final retainer of \$34,476. The contractor has filed a suit against the District for such payment.

Note 10. Deficit Fund Balance

At December 31, 2003, the District's Capital Projects Fund has a deficit fund balance of \$11,017. This deficit will be eliminated by future transfers from the General Fund.

Note 11. New Reporting Standard

In June 1999, the GASB issued Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. This standard established new financial reporting requirements for state and local governments throughout the United States. When implemented, it will require new information and restructure much of the information that governments have presented in the past. Comparability with reports issued in all prior years will be affected. The District is required to implement this standard for the fiscal year ended December 31, 2004. The District has not yet determined the full impact that adoption of GASB Statement No. 34 will have on the financial statements.



## BROUSSARD, POCHE', LEWIS & BREAUX, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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New Iberia, LA  
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Church Point, LA  
(337) 684-2855

### INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners  
Mermentau River Harbor and Terminal District  
Mermentau, Louisiana

Eugene C. Gilder, CPA\*  
Donald W. Kelley, CPA\*  
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Terrel P. Dressel, CPA\*

*Retired:*

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Larry G. Broussard, CPA\* 1996  
Lawrence A. Cramer, CPA\* 1999  
Michael P. Crochet, CPA\* 1999  
Ralph Friend, CPA 2002

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the Mermentau River Harbor and Terminal District and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Mermentau River Harbor and Terminal District's compliance with certain laws and regulations during the year ended December 31, 2003, included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

#### **Public Bid Law**

1. Select all expenditures made during the year for material and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There were no expenditures for material and supplies exceeding \$15,000, or public works exceeding \$100,000, for the year ended December 31, 2003.

#### **Code of Ethics for Public Officials and Public Employees**

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

Members of American Institute of Certified Public Accountants  
Society of Louisiana Certified Public Accountants



To the Board of Commissioners  
Mermentau River Harbor and Terminal District  
Mermentau, Louisiana

Management provided us with the required list including the noted information. The District did not have any employees for the year ended December 31, 2003.

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

The District did not have any employees for the year ended December 31, 2003.

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

As noted in agreed-upon procedure (3), the District did not have any employees for the year ended December 31, 2003.

#### ***Budgeting***

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

Management provided us with a copy of the original budget and a copy of the amended budget.

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

We traced the adoption of the original budget to the minutes of a meeting held on December 18, 2002, which indicated that the budget had been adopted by the Board of Commissioners. We traced the adoption of the amended budget to the minutes of a meeting held on November 19, 2003, which indicated that the amended budget had been adopted by the Board of Commissioners.

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

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual expenditures for the year exceeded budgeted amounts by more than 5%.

#### ***Accounting and Reporting***

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

- a. trace payments to supporting documentation as to proper amount and payee;

To the Board of Commissioners  
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We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- b. determine if payments were properly coded to the correct fund and general ledger account; and

All six of the selected payments were properly coded to the correct fund and general ledger account.

- c. determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approval from proper authorities.

#### **Meetings**

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

The Mermentau River Harbor and Terminal District is currently advertising notice of meetings in a local journal.

#### **Debt**

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

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

#### **Advances and Bonuses**

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

The District did not have any employees during the year ended December 31, 2003.

#### **Prior Comments and Recommendations**

12. Review any prior year suggestions, recommendations, and/or comments and indicate the extent to which such matters have been resolved.

Our prior year report dated April 12, 2003, did not include any comments or unresolved matters.

To the Board of Commissioners  
Mermentau River Harbor and Terminal District  
Mermentau, Louisiana

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

This report is intended solely for the use of management of the Mermentau River Harbor and Terminal District and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor, State of Louisiana, as a public document.

*BROUSSARD, POCHÉ, LEWIS & BREAUX, L.L.P.*

Crowley, Louisiana  
April 5, 2004

MERMENTAU RIVER HARBOR AND TERMINAL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended December 31, 2003

We have compiled the financial statements of the Mermentau River Harbor and Terminal District as of and for the year ended December 31, 2003, and have issued our report thereon April 5, 2004. We conducted our compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

**Section I. Summary of Accountant's Reports**

Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses  yes  No      Reportable Conditions  Yes  No

Compliance

Compliance Material to Financial Statements  Yes  No

**Section II. Financial Statement Findings**

#2003-1 - Budget Violation

Finding and effect: For the year ended December 31, 2003, actual expenditures exceeded budgeted expenditures by more than 5% in the General Fund; thus, the District is not in compliance with the Local Government Budget Act (Louisiana Revised Statutes (LSA-R.S.) 39:1310).

Cause: Management failed to adequately monitor the budget of the General Fund amend it accordingly to be within the 5% limitation.

Recommendation: We recommend that management closely monitor the budget and make every effort possible to stay within the 5% limitation by amending the budget as deemed necessary.

Response: Management has agreed to obtain better budgeting control in the future by monitoring the budget more closely and making amendments when necessary to comply with the 5% limitation.

**Section III. Federal Award Findings and Questioned Costs**

There were no matters noted relating to reportable conditions, material weaknesses, or instances of noncompliance, including questioned costs relating to Federal awards for the year ended December 31, 2003.

**LOUISIANA ATTESTATION QUESTIONNAIRE  
(For Attestation Engagements of Government)  
March 23, 2004 (Date Transmitted)**

Broussard, Poche', Lewis & Breaux, L.L.P.  
Post Office Drawer 307  
Crowley, Louisiana 70527-0307 (Auditors)

In connection with your compilation of our financial statements as of December 31, 2003, and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of March 23, 2004 (date of completion/representations).

**Public Bid Law**

It is true that we have complied with the Public Bid Law, LSA-RS 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes [] No [  ]

**Code of Ethics for Public Officials and Public Employees**

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

Yes [] No [  ]

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

Yes [] No [  ]

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34. Yes [] No [  ]

**Accounting and Reporting**

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

Yes [] No [  ]

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable. Yes [] No [  ]

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.  
Yes [] No [ ]

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in LSA-RS 42:1 through 42:12.  
Yes [] No [ ]

**Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.  
Yes [] No [ ]

**Advances and Bonuses**

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.  
Yes [] No [ ]

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

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

\_\_\_\_\_  
Secretary \_\_\_\_\_ Date

\_\_\_\_\_  
Treasurer \_\_\_\_\_ Date

Stephen J. Barousse  
President 3-23-04 Date

MERMENTAU RIVER HARBOR AND TERMINAL DISTRICT

MANAGEMENT'S CORRECTIVE ACTION PLAN  
Year Ended December 31, 2003

**Section I. Internal Control and Compliance Material to the Financial Statements**

#2003-1 - Budget Violation

Management will obtain better budgeting control in the future by monitoring the budget more closely and making amendments when necessary to comply with the 5% limitation.

**Section II. Internal Control and Compliance Material to Federal Awards**

There were no matters noted relating to reportable conditions, material weaknesses, or instances of noncompliance, including questioned costs, relating to Federal awards for the year ended December 31, 2003.

**Section III. Management Letter**

There were no matters reported in a separate management letter for the year ended December 31, 2003.

Responsible Party: Stephen T. Broussard, President