

**RED RIVER PARISH
PORT COMMISSION**

**ANNUAL FINANCIAL REPORT
JUNE 30, 2004**

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 2-2-05

Red River Parish Port Commission
Financial Report
June 30, 2004

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Red River Parish Port Commission

P. O. Box 1270
Coushatta, LA 71019

MANAGEMENT'S DISCUSSION AND ANALYSIS for the Year Ended June 30, 2004

The Management's Discussion and Analysis is an element of the new reporting model adopted by the *Governmental Accounting Standards Board (GASB)* in their Statement No. 34. As this is the first year the Port will be reporting under this new model, certain comparative information with the previous year, which is by design included in this model, will not be presented in the analysis, as permitted by GASB No. 34 with respect to first year reporting.

Financial Highlights

This annual report consists of a series of new financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Port as a whole and present a longer-term view of the Port's finances. These statements tell how these services were financed in the short-term as well as what remains for future spending. Its operations are conducted through a general fund.

A summary of the basic government-wide financial statements is as follows:

Summary of Statement of Net Assets

ASSETS:	
Cash and Cash Equivalents	\$ 34,135
Accounts Receivable	17,200
Capital Assets (net)	<u>784,413</u>
Total Assets	<u>\$835,748</u>
LIABILITIES	\$ <u>0</u>
NET ASSETS:	
Invested in Capital Assets, Net of Related Debt	\$784,413
Unrestricted	<u>51,335</u>
Total Net Assets	<u>\$835,748</u>
Total Liabilities & Net Assets	<u>\$835,748</u>

Summary of Statement of Activities

	Governmental <u>Activities</u>
REVENUES:	
Charge for Services	\$ 10,978
Grants	313,196
Interest	<u>258</u>
Total Revenues	\$324,432
EXPENDITURES:	
Port Operations	<u>36,781</u>
Change in Net Assets	<u>\$287,651</u>

- The Port's assets exceeded its liabilities by \$835,748 for the year.
- Unreserved net assets of \$51,335 represent the portion available to maintain the Port's obligation to both citizens and creditors.

General Fund Budgetary Highlights

The Port did not budget revenues or expenditures used in its ongoing major projects during the year. At year end, actual revenues were \$228,656 more than budgeted and actual expenditures were \$211,340 more than budgeted expenditures.

Economic Factors and Next Year's Budget

The Port has prepared its FY 2004/2005 operations budget for the General Fund on the assumption that revenues and expenditures will remain fairly constant next year.

Contacting the Port

This financial report is designed to provide our citizens, grantors, and creditors with a general overview of the Port's finances and to show the Port's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to the Port at P. O. Box 1270, Coushatta, LA 71019.

Johnson, Thomas & Cunningham
Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1962-1996)

Mark D. Thomas, CPA – A Professional Corporation
Roger M. Cunningham, CPA – A Professional Corporation

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ACCOUNTANTS' COMPILATION REPORT ON THE FINANCIAL STATEMENTS

To the Board of Commissioners
of the Red River Parish Port Commission

We have compiled the accompanying financial statements of the Red River Parish Port Commission, a component unit of the State of Louisiana, as of June 30, 2004 and for the year then ended, in accordance with *Statements on Standards for Accounting and Review Services* issued by the *American Institute of Certified Public Accountants*. The financial statements have been prepared on the modified accrual basis of accounting, which is the generally accepted accounting method established by the Governmental Accounting Standards Board for governmental units.

A compilation is limited to presenting, in the form of financial statements, information that is the representation of the Commission's management. 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.

The Management's Discussion and Analysis and budgetary comparison information on pages 1 through 4 and 23 through 24, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have not audited or reviewed this information, and accordingly, we do not express an opinion or any other form of assurance on it.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report dated December 3, 2004, on the results of our agreed-upon procedures.

Johnson, Thomas & Cunningham
Johnson, Thomas & Cunningham, CPA's

December 3, 2004
Natchitoches, Louisiana

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

Red River Parish Port Commission
Statement of Net Assets
June 30, 2004

	<u>Governmental Activities</u>
ASSETS:	
Current Assets:	
Cash & Cash Equivalents	\$ 34,135
Accounts Receivable	<u>17,200</u>
Total Current Assets	\$ 51,335
Non-current Assets:	
Capital Assets (net)	<u>784,413</u>
Total Assets	<u>\$835,748</u>
LIABILITIES	\$ <u>0</u>
NET ASSETS:	
Invested in Capital Assets , Net of Related Debt	\$784,413
Unrestricted	<u>51,335</u>
Total Net Assets	<u>\$835,748</u>

See accountant's compilation report and notes to financial statements.

Red River Parish Port Commission
Statement of Activities
June 30, 2004

Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets Government Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities: General Government- Port Operations	\$36,781	\$10,978	\$16,157	\$297,039	\$287,393
		General Revenues:			
				Interest	\$ 258
				Change in Net Assets	\$287,651
				Net Assets June 30, 2003 (Restated - See Note 2)	548,097
				Net Assets June 30, 2004	\$835,748

See accountant's compilation report and notes to financial statements.

FUND FINANCIAL STATEMENTS

Red River Parish Port Commission
Balance Sheet-Governmental Fund
June 30, 2004

	General Fund
ASSETS:	
Cash and Cash Equivalents	\$34,135
Accounts Receivable	<u>17,200</u>
Total Assets	<u>\$51,335</u>
LIABILITIES:	
Total Liabilities	\$ 0
FUND BALANCES:	
Unreserved	<u>51,335</u>
Total Liabilities and Fund Balances	<u>\$51,335</u>

See accountant's compilation report and notes to financial statements.

Red River Parish Port Commission
Reconciliation of the Governmental Fund
Balance Sheet to the Statement of Net Assets
June 30, 2004

Total Fund Balance for the Governmental Fund at June 30, 2004	\$ 51,335
Total Net Assets reported in Governmental Activities are not financial resources and, therefore, are not reported in the fund. Those assets consist of:	
Land, Equipment, and Buildings Net of Accumulated Depreciation	<u>784,413</u>
Total Net Assets of Governmental Activities at June 30, 2004	<u>\$835,748</u>

See accountant's compilation report and notes to financial statements.

Red River Parish Port Commission
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund
General Fund
Year Ended June 30, 2004

	<u>Actual</u>
REVENUES:	
Intergovernmental-	
Red River Waterway	\$313,196
Miscellaneous-	
Rent/Fees	10,978
Interest	<u>258</u>
Total Revenues	<u>\$324,432</u>
EXPENDITURES:	
Current-	
General Government-	
Professional Services	\$ 20,830
Legal & Accounting	11,564
Administrative	901
Insurance	1,417
Capital Outlay	<u>290,867</u>
Total Expenditures	<u>\$325,579</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,147)
Fund Balance-Beginning of Year	<u>52,482</u>
Fund Balance-End of Year	<u>\$ 51,335</u>

See accompanying notes and accountant's compilation report.

Red River Parish Port Commission
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance of the Governmental Fund
to the Statement of Activities
for the Year Ended June 30, 2004

Total Net Change in Fund Balance
at June 30, 2004, per Statement of Revenues,
Expenditures and Changes in Fund Balance \$ (1,147)

The Change in Net Assets
reported for Governmental Activities
in the Statement of Activities is different because:

Governmental funds report capital outlays
as expenditures while Governmental Activities
report depreciation expense to allocate those
expenditures over the life of the assets.

Capital Outlays for the year ended June 30, 2004 290,867
Depreciation expense for year ended June 30, 2004 (2,069)

Total changes in Net Assets at June 30, 2004,
per Statement of Activities \$287,651

NOTES TO FINANCIAL STATEMENTS

Red River Parish Port Commission
Notes to Financial Statements
June 30, 2004

Introduction:

The Red River Parish Port Commission was created by Act 1975 containing R. S. 34:3166 of the Louisiana Legislature. The Commission serves all of Red River Parish. The Commission shall regulate the commerce and traffic, within the Port area in such a manner as it may, in its judgment, be for the best interest of the State.

1. Summary of Significant Accounting Policies:

A. REPORTING ENTITY-

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

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the State of Louisiana to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the State of Louisiana.
2. Organizations for which the State of Louisiana does not appoint a voting majority but are fiscally dependent on the State of Louisiana.
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 created by Act 1975, the Red River Parish Port Commission, the 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 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.

Red River Parish Port Commission
Notes to Financial Statements
June 30, 2004

B. BASIS OF PRESENTATION-

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Port's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

C. FUND ACCOUNTING-

The accounts of the Port are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. 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 is maintained consistent with legal and managerial requirements.

The Port maintains only one fund. It is categorized as a governmental fund.

Governmental Fund-

General Fund

The General Fund is the general operating fund of the Port. It is used to account for all financial resources except those required to be accounted for in another fund.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING-

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus-

The government-wide Statement of Net Assets and the Statement of Activities are presented using the economic resources measurement focus as defined in item b. below.

Red River Parish Port Commission
Notes to Financial Statements
June 30, 2004

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement is used as appropriate.

- a. The governmental fund utilizes a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on the balance sheet. The operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.
- b. The government-wide financial statement utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost of recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net assets.

Basis of Accounting-

In the government-wide Statement of Net Assets and Statement of Activities, the governmental activities are presented using the 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 assets used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting.

E. CASH AND INTEREST-BEARING DEPOSITS-

For purposes of the Statement of Net Assets, cash and interest-bearing deposits include all demand accounts and savings accounts of the Port.

F. CAPITAL ASSETS-

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Port maintains a threshold level of \$500 or more for capitalizing capital assets.

Red River Parish Port Commission
Notes to Financial Statements
June 30, 2004

The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of useful lives by type of asset is as follows:

Infrastructure	25 years
----------------	----------

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

G. COMPENSATED ABSENCES-

There are no employees of the Port, therefore no entry is made to record compensated absences.

H. EQUITY CLASSIFICATIONS-

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. 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.
- b. Restricted net assets---Consists of net assets with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted net assets---All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

I. ESTIMATES-

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent

Red River Parish Port Commission
Notes to Financial Statements
June 30, 2004

assets and liabilities at the date of the financial statement and the reported amounts of revenue, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

J. EXPENDITURES/EXPENSES-

In the government-wide financial statements, expenses are classified by function for the governmental activities.

In the fund financial statements, expenditures are classified by character.

In the fund financial statements, governmental funds report expenditures of financial resources.

K. BUDGET-

Prior to the beginning of each fiscal year, the Port adopts a budget for the next fiscal year. The budget is open for public inspection. All budgetary appropriations lapse at the end of the fiscal year. The budget is prepared on the modified accrual basis of accounting.

2. Changes in Accounting Principles:

For the year ended June 30, 2004, the Port has implemented GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. GASB No. 34 creates new basic financial statements for reporting on the Port's financial activities.

The financial statements now include government-wide financial statements prepared on the accrual basis of accounting, and fund financial statements which present information for individual major funds rather than by fund type which has been the mode of presentation in previously issued financial statements.

The implementation of GASB No. 34 caused the opening fund balance at June 30, 2003, to be restated in terms of "net assets" as follows:

Total fund balance-Governmental Fund at June 30, 2003		\$ 52,482
Add: Cost of capital assets at June 30, 2003	\$497,684	
Less: Accumulated Depreciation at June 30, 2003	(2,069)	<u>495,615</u>
Net Assets at June 30, 2003		<u>\$548,097</u>

Red River Parish Port Commission
Notes to Financial Statements
June 30, 2004

3. Cash and Cash Equivalents:

For reporting purposes, cash and cash equivalents include demand deposits, time deposits, and certificates of deposit. At June 30, 2004, the Port had cash and cash equivalents (collected bank balances) totaling \$34,135. Cash and cash equivalents are stated at cost, which approximates market. Under Louisiana law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These pledged securities are held in the name of the pledging bank in a holding or custodial bank in the form of safekeeping receipts held by the Port. The deposits at June 30, 2004, were secured as follows:

Demand Deposits	\$34,135
FDIC Insurance	<u>34,135</u>
Uninsured	\$ <u>0</u>

4. Capital Assets:

Capital asset activity for the year ended June 30, 2004, is as follows:

Governmental Activities	Balance <u>07-01-03</u>	Additions	Deletions	Balance <u>06-30-04</u>
Capital Assets:				
Land	\$324,777	\$ 0	\$0	\$324,777
Roads	51,728	82,435	\$0	134,163
Construction in Progress	<u>121,179</u>	<u>208,432</u>	<u>0</u>	<u>329,611</u>
Total Assets	\$497,684	\$290,867	\$0	\$788,551
Less, Accumulated Depreciation:				
Roads	<u>2,069</u>	<u>2,069</u>	<u>0</u>	<u>4,138</u>
Net Capital Assets	<u>\$495,615</u>	<u>\$288,798</u>	<u>\$0</u>	<u>\$784,413</u>

Depreciation expense of \$2,069 was charged to the Port operations.

5. Litigation:

At June 30, 2004, there were no pending civil suits against the Port.

6. Related Parties:

The Port had no identified related party transactions for the year ended June 30, 2004.

**OTHER REQUIRED
SUPPLEMENTARY INFORMATION**

Red River Parish Port Commission
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2004

	<u>Budget</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable <u>(Unfavorable)</u>
REVENUES:				
Grants - Operating	\$ 84,592	\$ 84,592	\$ 16,157	\$ (68,435)
Grants - Capital	0	0	297,039	297,039
Fees	10,978	10,978	10,978	0
Interest	<u>206</u>	<u>206</u>	<u>258</u>	<u>52</u>
Total Revenues	<u>\$ 95,776</u>	<u>\$ 95,776</u>	<u>\$324,432</u>	<u>\$ 228,656</u>
EXPENDITURES:				
Current-				
Consultants	\$ 20,830	\$ 20,830	\$ 20,830	\$ 0
Legal/Accounting	8,711	8,711	11,564	(2,853)
Office	14,846	14,846	901	13,945
Insurance	1,417	1,417	1,417	0
Capital Outlay	<u>68,435</u>	<u>68,435</u>	<u>290,867</u>	<u>(222,432)</u>
Total Expenditures	<u>\$114,239</u>	<u>\$114,239</u>	<u>\$325,579</u>	<u>\$(211,340)</u>

See accountant's compilation report and notes to financial statements.

Johnson, Thomas & Cunningham
Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1962-1996)

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**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Commissioners
of the Red River Parish Port Commission

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the Red River Parish Port Commission and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Red River Parish Port Commission's compliance with certain laws and regulations during the year ended June 30, 2004 included in the *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. 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 materials and supplies exceeding \$20,000, 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).

No expenditures found to be in violation.

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.

Management provided us with the required list including the noted information.

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

Not applicable.

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

Not applicable.

BUDGETING

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

Management provided us with a copy of the budget. There were no amendments for the year.

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

We traced the adoption of the budget to the minutes.

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

We compared the revenues and expenditures of the budget to actual revenues and expenditures. Actual expenditures exceed budgeted amounts by more than 5%.

ACCOUNTING AND REPORTING

8. Randomly select 6 disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to proper amount and payee:

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:

Each disbursement appeared to be coded correctly.

- (c) determine whether payments received approval from proper authorities:

Inspection of supporting documentation showed written approval.

MEETINGS

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

The Port is only required to post a notice of each meeting and the accompanying agenda on the door of the Port's office building. Management has asserted that such documents were properly posted.

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 any other indebtedness which have not been approved by the State Bond Commission.

We inspected copies of all bank deposits for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds or other indebtedness which had not been approved by the State Bond Commission.

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.

Not applicable.

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 Red River Parish Port Commission 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. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public record.

Johnson, Thomas & Cunningham

Johnson, Thomas & Cunningham, CPA's

December 3, 2004

Natchitoches, Louisiana

Johnson, Thomas & Cunningham
Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1962-1996)

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December 3, 2004

To the Board of Commissioners
of the Red River Parish Port Commission

We have compiled the financial statements of the Red River Parish Port Commission, and have applied certain agreed upon procedures. As part of those procedures, we have the following information to report to you.

Louisiana State Law requires that the budget be amended if either actual revenue fails to meet budgeted amounts by 5% or more; actual expenditures exceed budgeted amounts by 5% or more. For the year ended June 30, 2004, the expenditures exceed the 5% variance as there were no budget amounts for capital projects. We recommend the Port prepare their budget to include both operations and capital projects.

Sincerely,

Johnson, Thomas & Cunningham

Johnson, Thomas & Cunningham, CPA's

Red River Parish Port Commission

P. O. Box 1270
Coushatta, LA 71019

(current date)

Louisiana Legislative Auditor
1600 North Third Street
Baton Rouge, LA 70804

The following is our response to the management letter issued to us by the firm, Johnson, Thomas & Cunningham, CPA's for the year ended June 30, 2004.

Management's Corrective Action Plan

The Red River Parish Port Commission will amend its budget if either actual revenue fails to meet budgeted amounts by 5% or more, or if actual expenditures exceed budgeted amounts by 5% or more. In addition, the Red River Parish Port Commission will prepare a budget that includes both operations and capital projects.

Should you have any questions or require additional information, please do not hesitate to contact me.

Sincerely,

Joe Dill

Joe Dill
Vice-President

RED RIVER PARISH PORT COMMISSION
LOUISIANA ATTESTATION QUESTIONNAIRE

Johnson, Thomas & Cunningham, CPA's
321 Bienville Street
Natchitoches, LA 71457

In connection with your compilation of our financial statements as of June 30, 2004, and for the period 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 regulations 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 6-30-04.

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes X 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 X 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 X 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 39:43.

Yes X 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 X No ___

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:453, and/or 39:92, as applicable.

Yes X No ___

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes X No ___

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes X 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 47:1410.60.

Yes X 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 72-729.

Yes X 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/Treasurer Jerry L. Glover

Date 12-21-04