

**CANE RIVER WATERWAY COMMISSION****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 1-19-05

Cane River Waterway Commission  
Financial Report  
June 30, 2004

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# CANE RIVER WATERWAY COMMISSION

**P.O. Box 2300  
Natchitoches, LA 71457**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

*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 Commission 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 Commission as a whole and present a longer-term view of the Commission'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:

Assets	\$1,153,106
Capital Assets, Net of Accumulated Depreciation	<u>316,610</u>
Total Assets	\$1,469,716

LIABILITIES:

Accounts Payables	<u>6,292</u>
Net Assets	<u>\$1,463,424</u>

NET ASSETS:

Investment in Capital Assets, Net of Related Debt	\$ 316,610
Unrestricted Net Assets	<u>1,146,814</u>
Total Net Assets	<u>\$1,463,424</u>

## Summary of Statement of Activities

## REVENUES:

General Revenues:	
Taxes	\$178,916
Other	<u>5,477</u>
Total Revenues	<u>\$184,393</u>

## EXPENSES:

Personal Services	\$ 52,726
Public Safety	18,172
General and Administration	<u>49,386</u>
Total Expenses	<u>\$120,284</u>

Change in Net Assets \$ 64,109

- This Commission's assets exceeded its liabilities by \$1,463,424 (net assets) for the year.
- Unreserved net assets of \$1,146,814 represent the portion available to maintain the Commission's obligation to both citizens and creditors.

General Fund Budgetary Highlights

The actual revenues were \$15,194 more than the budgeted amount for the year and expenses were \$6,659 below the budgeted amount for the year.

Economic Factors and Next Year's Budget

The primary revenue source for the Commission is property taxes. This tax is not subject to changes in the economy, in the short-term. However, in the long-term, significant increases/decreases in the tax base would be evident. The budget for FY 2004/2005 should not change significantly from the FY 2003/2004 budget.

Contacting the Commission

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Commission's finances and to show the Commission's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to the Commission at P. O. Box 2300, Natchitoches, LA 71457.

**Johnson, Thomas & Cunningham**  
**Certified Public Accountants**

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

Mark D. Thomas, CPA – A Professional Corporation  
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ACCOUNTANT'S COMPILATION REPORT ON THE FINANCIAL STATEMENTS

To the Board of Commissioners  
Cane River Waterway Commission  
P.O. Box 2300  
Natchitoches, LA 71457

We have compiled the accompanying financial statements of the governmental activities and major fund information of the Cane River Waterway Commission, a component unit of the State of Louisiana as of and for the year ended June 30, 2004, which collectively comprise the Commission's basic financial statements as listed in the Table of Contents, 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 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 24 through 26, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. Management has prepared the Management's Discussion & Analysis information. We have compiled the other supplementary information from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information or on Management's Discussion & Analysis.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report dated November 16, 2004, on the results of our agreed-upon procedures.

**Johnson, Thomas & Cunningham**

Johnson, Thomas & Cunningham, CPA's

November 16, 2004  
Natchitoches, LA 71457

## BASIC FINANÇIAL STATEMENTS

GOVERNMENT-WIDE  
FINANCAL STATEMENTS

Cane River Waterway Commission  
Statement of Net Assets  
June 30, 2004

	Governmental <u>Activities</u>
ASSETS:	
Current Assets:	
Cash & Cash Equivalents	\$1,153,106
Non-current Assets:	
Capital Assets (Net)	<u>316,610</u>
Total Assets	<u>\$1,469,716</u>
LIABILITIES:	
Liabilities:	
Accounts Payable	\$ <u>6,292</u>
NET ASSETS:	
Invested in Capital Assets, Net of Related Debt	\$ 316,610
Unrestricted	<u>1,146,814</u>
Total Net Assets	<u>\$1,463,424</u>
Total Liabilities and Net Assets	<u>\$1,469,716</u>

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

Cane River Waterway Commission  
Statement of Activities  
June 30, 2004

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses) Revenues and Changes in Net Assets Government Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities:				
General Government	\$ 18,172	\$0	\$0	\$ (18,172)
Public Safety	49,386	0	0	(49,386)
Personal Services	<u>52,726</u>	<u>0</u>	<u>0</u>	<u>(52,726)</u>
 Total Governmental Activities	 <u>\$120,284</u>	 <u>\$0</u>	 <u>\$0</u>	 <u>\$ (120,284)</u>
General Revenues:				
Taxes:				
Property Taxes				\$ 178,916
Interest				<u>5,477</u>
Total General Revenues				<u>\$ 184,393</u>
Change in Net Assets				\$ 64,109
Net Assets June 30, 2003 (Restated, see Note 2)				<u>1,399,315</u>
Net Assets June 30, 2004				<u>\$1,463,424</u>

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

## FUND FINANCIAL STATEMENTS

Cane River Waterway Commission  
Balance Sheet-Governmental Fund  
June 30, 2004

Assets:

Cash & Cash Equivalents	<u>\$1,153,106</u>
Total Assets	<u>\$1,153,106</u>

Liabilities:

Accounts Payable	\$ 6,292
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Fund Balance:

Unreserved	<u>1,146,814</u>
Total Liabilities and Fund Balance	<u>\$1,153,106</u>

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

Cane River Waterway 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	\$1,146,814
Total Net Assets reported for Governmental Activities in the Statement of Net Assets is different because:	
Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the fund. Those assets consist of:	
Land, Equipment, Buildings, and Vehicles, Net of Accumulated Depreciation	<u>316,610</u>
Total Net Assets of Governmental Activities at June 30, 2004	<u>\$1,463,424</u>

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

Cane River Waterway Commission  
Statement of Revenues, Expenditures and Changes in Fund Balance-  
Governmental Funds  
Year Ended June 30, 2004

	Major Funds		Total
	General Fund	Capital Projects Fund	
<b>REVENUES:</b>			
Ad Valorem Tax	\$178,916	\$ 0	\$178,916
Interest	<u>1,278</u>	<u>4,199</u>	<u>5,477</u>
Total Revenues	<u>\$180,194</u>	<u>\$ 4,199</u>	<u>\$184,393</u>
<b>EXPENDITURES:</b>			
General Government-			
Per Diem	\$ 2,600	\$ 0	\$ 2,600
Office Expense/Telephone	5,215	5,032	10,247
Legal/Accounting	5,325	0	5,325
Insurance	<u>4,448</u>	<u>0</u>	<u>4,448</u>
Total General Government	<u>\$ 17,588</u>	<u>\$ 5,032</u>	<u>\$ 22,620</u>
Public Safety-			
Personal Services	\$ 52,726	\$ 0	\$ 52,726
Operations	22,455	0	22,455
Capital Outlay	<u>12,300</u>	<u>0</u>	<u>12,300</u>
Total Public Safety	<u>\$ 87,481</u>	<u>\$ 0</u>	<u>\$ 87,481</u>
Total Expenditures	<u>\$105,069</u>	<u>\$ 0</u>	<u>\$ 110,101</u>
Excess (Deficiency) of Revenues over Expenditures	\$ 75,125	\$ (833)	\$ 74,292
Fund Balance-Beginning of Year	<u>114,780</u>	<u>957,741</u>	<u>1,072,521</u>
Fund Balance-End of Year	<u>\$189,905</u>	<u>\$956,908</u>	<u>\$1,146,813</u>

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

Cane River Waterway Commission  
Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balance of the Governmental Funds  
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	\$ 74,292
The Change in Net Assets reported for Governmental Activities in the Statement of Activities is different because:	
ADD: Capital Outlay cost which are considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balance, are shown as increases in assets on the Statement of Net Assets	12,300
LESS: Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Depreciation expense for the year ended June 30, 2004	<u>(22,483)</u>
Total changes in Net Assets at June 30, 2004, per Statement of Activities	<u>\$ 64,109</u>

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

NOTES TO FINANCIAL STATEMENTS

Cane River Waterway Commission  
Notes to Financial Statements  
June 30, 2004

Introduction:

The Cane River Waterway Commission was created by the Louisiana State Legislature by Act 391, Senate Bill Number 924. The Waterway Commission is composed of all of the territory located within the Parish of Natchitoches. The Commission was created for operating and maintaining a navigable waterway system known as the Cane River Waterway, which is located entirely in Natchitoches Parish. The governing board administers the operations and responsibilities of the commission in accordance with the provisions of Louisiana Statutes. Members of the commission board are appointed by the Governor of Louisiana.

1. Summary of Significant Accounting Policies:

A. Reporting Entity-

The State of Louisiana is the reporting entity for the Cane River Waterway Commission. The financial reporting entity consists of (a) the primary government (state), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which 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 Boards 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 a potential component unit within the reporting entity is financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the state 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.
2. Organizations for which the state does not appoint a voting majority, but are fiscally dependent on the state.
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 appoints the Commission's Board and imposes its will on the 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, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

Cane River Waterway 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 Commission'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 Commission 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 Commission maintains two funds. They are categorized as governmental funds. The emphasis on fund financial statements is on major governmental and enterprise funds; each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

Cane River Waterway Commission  
Notes to Financial Statements  
June 30, 2004

The major funds of the Commission are described below:

Governmental Fund-

General Fund

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

Capital Project Fund

The Capital Projects Fund is used to account for financial resources to be used for the acquisition on construction of major capital facilities, other than those financed through 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-

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

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.

Cane River Waterway Commission  
Notes to Financial Statements  
June 30, 2004

**Basis of Accounting-**

In the government-wide Statement of 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. However, debt service expenditures are recorded only when payment is due.

**E. Assets, Liabilities, and Equity-**

**Cash and Interest-Bearing Deposits-**

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

**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 Commission maintains a threshold level of \$500 or more for capitalizing capital assets.

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.

Cane River Waterway Commission  
Notes to Financial Statements  
June 30, 2004

The range of useful lives by type of asset is as follows:

Furniture, computers	5 years
Radios	10 years
Buildings/Landings	40 years
Boats	7 years

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 the 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.

F. Budget-

Prior to the beginning of each fiscal year, the Cane River Waterway Commission 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.

G. 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, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

Cane River Waterway Commission  
Notes to Financial Statements  
June 30, 2004

2. Changes in Accounting Principles:

For the year ended June 30, 2004, the Commission 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 Commission'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		\$1,072,521
Add: Cost of capital assets at June 30, 2003	\$ 441,974	
Less: Accumulated Depreciation at June 30, 2003	(115,180)	<u>326,794</u>
Net Assets at June 30, 2003		<u>\$1,399,315</u>

3. Cash and Cash Equivalents:

At June 30, 2004, the Cane River Waterway Commission had cash and cash equivalents totaling \$1,153,106. Cash and cash equivalents are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the Commission. The deposits at June 30, 2004, were secured as follows:

	<u>Cash Equivalents</u>			<u>Total</u>
	<u>Cash</u>	<u>Certificates of Deposits</u>	<u>U. S. Government Securities</u>	
Carrying Amount on Balance Sheet	\$165,666	\$195,868	\$791,572	\$1,153,106
Bank Balances:				
Insured by FDIC	100,000	0	0	100,000
Insured by Pledged Securities	65,666	195,868	0	261,534
U. S. Government Securities	<u>0</u>	<u>0</u>	<u>791,572</u>	<u>791,572</u>
Uninsured Balances	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Cane River Waterway Commission  
Notes to Financial Statements  
June 30, 2004

4. Compensated Absences:

The Waterway Commission has no employees, and therefore has no vacation and sick leave policies or liabilities. The Natchitoches Parish Sheriff's Office employs the Commission's personnel, and is reimbursed by the Commission for expenses incurred.

5. Lease Commitments:

The Waterway Commission entered into a lease with a private citizen in 1998 to lease land for a parking lot at a commission boat launch. The lease runs from 8-1-98 to 7-31-08 for a total price of \$2,000, which amounts to \$200 per year.

6. Capital Assets:

Capital Asset balances and activity for the year ended June 30, 2004, is as follows:

<u>Activities</u>	<u>Balance 07-01-03</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06-30-04</u>
Capital Assets Not Depreciated:				
Land	\$ 52,000	\$ 0	\$0	\$ 52,000
Capital Assets Depreciated:				
Buildings/Boat Launches	334,874	0	0	334,874
Radios	5,283	0	0	5,283
Equipment	5,192	0	0	5,192
Boats/Motors	<u>44,625</u>	<u>12,300</u>	<u>0</u>	<u>56,925</u>
Total Assets	<u>\$441,974</u>	<u>\$12,300</u>	<u>\$0</u>	<u>\$454,274</u>
Less, Accumulated Depreciation:				
Buildings/Boat Launches	\$ 78,736	\$ 16,813	\$0	\$ 95,549
Radios	3,397	547	0	3,944
Equipment	4,411	423	0	4,834
Boats/Motors	<u>28,637</u>	<u>4,700</u>	<u>0</u>	<u>33,337</u>
Total Depreciation	<u>\$115,181</u>	<u>\$ 22,483</u>	<u>\$0</u>	<u>\$137,664</u>
Net Capital Assets	<u>\$326,793</u>	<u>\$(10,183)</u>	<u>\$0</u>	<u>\$316,610</u>

Depreciation expense of \$22,483 was charged to the public safety functions.

Cane River Waterway Commission  
Notes to Financial Statements  
June 30, 2004

7. Levied Taxes:

The Commission is empowered to levy property tax millages to finance its general operations. The Commission levies taxes on real and business property located within the boundaries of the Commission. Property taxes are levied by the Commission based on property values assessed by the Natchitoches Parish Assessor, and approved by the State of Louisiana Tax Commission.

The Natchitoches Parish Sheriff's Office bills and collects property taxes for the Commission. Collections are remitted to the Commission monthly.

The property taxes collected this fiscal year were levied on property with an assessed value of \$164,111,910. Louisiana law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$39,699,300 for 2004, leaving a taxable base of \$124,412,610. For the year ended June 30, 2004, the Commission levied the following taxes:

General Corporate Purposes                      1.5 mill

Property Tax Calendar

Assessment date	January 1, 2003
Levy date	June 30, 2003
Tax bills mailed	October 15, 2003
Total taxes are due	December 31, 2003
Penalties & interest added	January 31, 2004
Lien date	January 31, 2004
Tax sale	May 15, 2004

Property tax collections for the year ended June 30, 2004, were \$178,916, and for the year ended June 30, 2003, they were \$165,075.

8. Pending Litigation:

There were no civil suits seeking damages against the Commission outstanding at June 30, 2004.

9. Related Party Transactions:

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

OTHER REQUIRED  
SUPPLEMENTARY INFORMATION

Cane River Waterway Commission  
General Fund  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2004

	<u>Budget</u>		<u>Actual</u>	Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Ad Valorem Tax	\$162,000	\$162,000	\$178,916	\$16,916
Interest	<u>3,000</u>	<u>3,000</u>	<u>1,278</u>	<u>(2,204)</u>
Total Revenues	<u>\$165,000</u>	<u>\$165,000</u>	<u>\$180,194</u>	<u>\$15,194</u>
EXPENDITURES:				
Per Diem	\$ 6,000	\$ 6,000	\$ 2,600	\$ 3,400
Legal/Accounting	5,800	5,928	5,325	603
Advertising	2,000	2,000	2,262	(262)
Repair & Maintenance	11,000	5,000	897	4,103
Telephone	1,000	1,000	1,056	(56)
Insurance	4,500	4,500	4,448	52
Testing	6,000	6,000	8,994	(2,994)
Oil, Grease, Fuel	600	600	500	100
Postage	200	200	148	52
Office	500	2,500	4,843	(2,343)
Boating Safety	10,000	9,000	8,970	30
Equipment	10,000	16,000	12,300	3,700
Personnel	<u>50,000</u>	<u>53,000</u>	<u>52,726</u>	<u>274</u>
Total Expenditures	<u>\$107,600</u>	<u>\$111,728</u>	<u>\$105,069</u>	<u>\$ 6,659</u>

Cane River Waterway Commission  
Capital Projects Fund  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2004

	<u>Budget</u>		<u>Actual</u>	Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Interest	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$4,199</u>	<u>\$(801)</u>
EXPENDITURES:				
Office Expense	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$5,032</u>	<u>\$ (32)</u>

**SUPPLEMENTARY INFORMATION**

**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

321 Bienville Street  
Natchitoches, Louisiana 71457  
(318) 352-3652  
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INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners  
Cane River Waterway Commission  
P. O. Box 2300  
Natchitoches, LA 71457

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the Cane River Waterway Commission and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Cane River Waterway 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.

Management provided us with the required list.

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.

No violations found.

### **BUDGETING**

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

Management provided us with a copy of the original budget. There was one amendment to the budget during the year.

6. Trace the budget adoption to the minute book.

We traced the adoption of the budget and amendment to the minutes of the Commission. They were adopted by a unanimous decision.

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 final budget to actual revenues and expenditures. Actual revenues and expenditures for the year did not 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. In addition, non-recurring entries were discussed and approved in the minutes.

### **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 through 42:12 (the open meetings law).

The Commission is only required to post a notice of each meeting and the accompanying agenda on the door of the Commission'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 that appeared to be proceeds of bank loans, bonds, or other indebtedness that 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 that may constitute bonuses, advances, or gifts.

No violations found.

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 Cane River Waterway 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 document.

#### **Johnson, Thomas & Cunningham**

Johnson, Thomas & Cunningham, CPA's

November 16, 2004  
Natchitoches, Louisiana

**CANE RIVER WATERWAY COMMISSION**  
**P. O. Box 2300**  
**Natchitoches, LA 71457**

**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 June 30, 2004.

**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  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 39:43.

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 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.



Cane River Waterway Commission  
Schedule of Per Diem Paid to Board Members  
Year Ended June 30, 2004

<u>Name</u>	<u>Amount</u>
Danny Matt	\$ 550
Kenneth Prudhomme	450
Grits Gresham	300
Luther Lott, Jr.	500
C. D. Brazzel	<u>800</u>
Total	<u>\$2,600</u>