

GREATER OUACHITA PORT COMMISSION

WEST MONROE, LOUISIANA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

DECEMBER 31, 2014

GREATER OUACHITA PORT COMMISSION
DECEMBER 31, 2014

CONTENTS

	<u>PAGE</u>
Independent Auditors' Report.....	1-4
Management's Discussion and Analysis.....	5-8
FINANCIAL STATEMENTS	
Statement of Net Position.....	9
Statement of Revenues and Expenses (Enterprise Fund).....	10
Statement of Changes in Net Position.....	11
Statement of Cash Flows.....	12
Notes to Financial Statements.....	13-22
OTHER INFORMATION	
Schedule of Expenditures of Federal Awards.....	23
Notes to the Schedule of Expenditures of Federal Awards.....	24
Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer.....	25
COMPLIANCE SECTION	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on An Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	26-27
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by <i>OMB Circular A-133</i>	28-30
Schedule of Findings and Questioned Costs.....	31-32
Summary Schedule of Prior Year Findings.....	33
Management's Corrective Action Plan.....	34

JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.

ROWLAND H. PERRY, CPA, APC
CHARLES L. JOHNSON, JR., CPA
VIOLET M. ROUSSEL, CPA, APC
JAY CUTHBERT, CPA, APAC
PAM BATTAGLIA, CPA
DAWN WHITSTINE, CPA



America Counts on CPAs®

Certified Public Accountants

3007 Armand Street

Monroe, Louisiana 71201

Telephone (318) 322-5156 or (318) 323-1411

Facsimile (318) 323-6331

- Accounting & Auditing
 - HUD Audits
 - Non-Profit Organizations
 - Governmental Organizations
- Business & Financial Planning
- Tax Preparation & Planning
 - Individual & Partnership
 - Corporate & Fiduciary
- Bookkeeping & Payroll Services

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Greater Ouachita Port Commission, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the

assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the business-type activities of the Greater Ouachita Port Commission, as of December 31, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 to 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer on page 25 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2015, on our consideration of the Greater Ouachita Port Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of

internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

Johnson Perry Roussel & Cuthbert, LLP

JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

Monroe, Louisiana
June 29, 2015

GREATER OUACHITA PORT COMMISSION
FOR THE YEAR ENDED DECEMBER 31, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Greater Ouachita Port Commission's (the Commission) financial performance presents management's overview of the Commission's financial activities for the year ended December 31, 2014. Please read it in conjunction with the Commission's financial statements.

FINANCIAL HIGHLIGHTS

For the year ended December 31, 2014, the Commission's Net Cash Provided by Operating Activities was \$4,209, compared to \$(5,517) used in the prior year.

The assets of the Port exceeded liabilities at December 31, 2014 by \$14,818,665.

The Port's net position increased by \$2,266,866 for the year ended December 31, 2014.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

The Statement of Net Position includes all of the Commission's assets and liabilities, with the difference between the two reported as net position. Net position is all unrestricted at December 31, 2014. The increases or decreases in the Commission's net position are an indicator of whether its financial position is improving or deteriorating. The Statement of Net Position provides a basis for evaluating the capital structure of the Commission, and assessing its liquidity and financial flexibility. Total assets are \$14,845,103 at December 31, 2014, with liabilities being \$26,438 at December 31, 2014.

The Statement of Revenues and Expenses shows how the Commission's net position changed during the year. All of the current year's revenues and expenses were recorded when the underlying transaction occurs,

GREATER OUACHITA PORT COMMISSION
FOR THE YEAR ENDED DECEMBER 31, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

regardless of the timing of related cash flows. The Statement of Revenues and Expenses measures the Commission's performance over the last year, and whether the Commission recovered its costs through fees and other revenues.

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

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

NET POSITION

For the year ended December 31, 2014, net position changed as follows:

Beginning Net Position	12,551,799
Increase (Decrease) in Net Position	<u>2,266,866</u>
Ending Net Position (Of Which \$14,707,437 is Invested in Capital Assets)	<u>14,818,665</u>

CHANGE IN NET POSITION

During the year 2014, we completed construction of a rail spur extension with a cost of approximately \$3.4 million.

The following schedule presents a summary of revenue and expenses for the fiscal years ended December 31, 2014 and 2013, and their percentage of total.

GREATER OUACHITA PORT COMMISSION
FOR THE YEAR ENDED DECEMBER 31, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

CHANGE IN NET POSITION (Continued)

	<u>12/31/14</u>	%	<u>12/31/13</u>	%
		12/31/14		12/31/13
<u>Revenues</u>				
Grants	3,014,580	99.10	832,064	97.10
Donations	-	-	-	-
Other	<u>27,693</u>	<u>.90</u>	<u>24,482</u>	<u>2.90</u>
<u>Total Revenues</u>	<u>3,042,273</u>	<u>100.00</u>	<u>856,546</u>	<u>100.00</u>
<u>Expenses</u>				
Insurance	8,504	1.10	8,208	1.20
Depreciation	751,523	96.90	656,304	95.70
Professional Fees	12,945	1.70	11,900	1.70
Miscellaneous	<u>2,435</u>	<u>.30</u>	<u>9,633</u>	<u>1.40</u>
<u>Total Expenses</u>	<u>775,407</u>	<u>100.00</u>	<u>686,045</u>	<u>100.00</u>
<u>Excess Revenues (Expenses)</u>	<u>2,266,866</u>		<u>170,501</u>	

For the years ended December 31, 2014 and December 31, 2013, revenues exceeded expenses.

The Greater Ouachita Port Commission has been fortunate to receive funding necessary to construct, implement, and begin operating the port project. We received grants to construct a rail spur extension. Construction started in 2012 and was completed in 2014. The current operation of this rail spur is to serve the outbound needs of Graphic Packaging of West Monroe and additional regional customers. By implementing this project, the Commission has been able to assist the State of Louisiana in retaining over 500 jobs with Graphic Packaging, and provide access for multiple employers.

Bids for the dock construction were received in May 2006. James Construction of Baton Rouge began construction of the Dock Facility in June 2006. The dock was completed in early 2008.

The Greater Ouachita Port Commission was able to procure the construction funding through the state of Louisiana, more specifically, the Department of Transportation and Development.

GREATER OUACHITA PORT COMMISSION
FOR THE YEAR ENDED DECEMBER 31, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

CHANGE IN NET POSITION (Continued)

The Greater Ouachita Port Commission also procured funding for an access road. The project is completed as planned and is currently being utilized.

CAPITAL ASSETS AND DEBT

The Port's investment in capital assets totals \$14,707,437 (net of accumulated depreciation of \$4,702,045) at December 31, 2014.

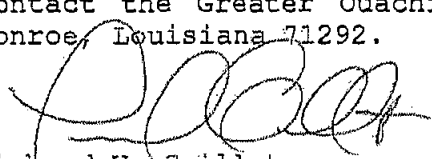
The Port has no debt at December 31, 2014.

ECONOMIC FACTORS AND NEXT YEAR EXPECTATIONS

The Port will continue to strive toward maximizing use of all port property and work to qualify for additional grants (both state and federal) to add to infrastructure and improve economic opportunities for our customers.

CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Commission's finances and to demonstrate the Commission's accountability for the financial resources it manages. If you have questions about this report or need additional financial information, contact the Greater Ouachita Port Commission, 101 Valley Road, West Monroe, Louisiana 71292.


Richard W. Guillot
President

FINANCIAL STATEMENTS

GREATER OUACHITA PORT COMMISSION
STATEMENT OF NET POSITION
DECEMBER 31, 2014

Business-Type
Activities

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	111,074
Accounts Receivable - Operations	<u>770</u>

<u>TOTAL CURRENT ASSETS</u>	<u>111,844</u>
-----------------------------	----------------

CAPITAL ASSETS

Land	900,000
Other Capital Assets, Net of Depreciation	<u>13,833,259</u>

<u>TOTAL CAPITAL ASSETS</u>	<u>14,733,259</u>
-----------------------------	-------------------

<u>TOTAL ASSETS</u>	<u>14,845,103</u>
---------------------	-------------------

LIABILITIES AND NET POSITION

LIABILITIES

Accounts Payable - Operations	616
Accounts Payable - Construction	<u>25,822</u>

<u>TOTAL LIABILITIES</u>	<u>26,438</u>
--------------------------	---------------

NET POSITION

Unrestricted (Deficit)	111,228
Net Investment in Capital Assets	<u>14,707,437</u>

<u>TOTAL NET POSITION</u>	<u>14,818,665</u>
---------------------------	-------------------

<u>TOTAL LIABILITIES AND NET POSITION</u>	<u>14,845,103</u>
---	-------------------

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

GREATER OUACHITA PORT COMMISSION
STATEMENT OF REVENUES AND EXPENSES (ENTERPRISE FUND)
FOR THE YEAR ENDED DECEMBER 31, 2014

<u>OPERATING REVENUES</u>		
Port Operations		27,693
<u>OPERATING EXPENSES</u>		
Depreciation	751,523	
Professional Fees	12,945	
Insurance	8,504	
Other	<u>2,435</u>	
<u>TOTAL OPERATING EXPENSES</u>		<u>775,407</u>
<u>OPERATING INCOME (LOSS)</u>		<u>(747,714)</u>
<u>NON-OPERATING REVENUE</u>		
Interest	-	
Grants (Intergovernmental)	<u>3,014,580</u>	
<u>TOTAL NON-OPERATING REVENUE</u>		<u>3,014,580</u>
<u>CHANGE IN NET POSITION - INCREASE (DECREASE)</u>		<u>2,266,866</u>

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

- 10 -

JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

GREATER OUACHITA PORT COMMISSION
STATEMENT OF CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2014

<u>NET POSITION - BEGINNING OF YEAR</u>	12,551,799
Changes in Net Position - Increase (Decrease)	<u>2,266,866</u>
<u>NET POSITION - END OF YEAR</u>	<u>14,818,665</u>

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

- 11 -

JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

GREATER OUACHITA PORT COMMISSION
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2014

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash Received from Operations (Customers)	27,858	
Payments for Goods and Services to Vendors	(23,649)	
 Net Cash Flows (Uses) from Operating Activities		 4,209

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:

None		-0-
------	--	-----

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Capital Grants Collected	3,176,623	
Payment for Capital Acquisition	(3,308,502)	
 Net Cash Flows (Uses) from Capital and Related Financing Activities		 (131,879)

CASH FLOWS FROM INVESTING ACTIVITIES:

Interest		-0-
----------	--	-----

NET INCREASE (DECREASE) IN CASH (127,670)

CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR 238,744

CASH AND CASH EQUIVALENTS - END OF YEAR 111,074

RECONCILIATION OF OPERATING INCOME TO NET

CASH FLOWS FROM OPERATING ACTIVITY:

Operating Income (Loss)		(747,714)
Add: Depreciation		751,523
(Increase) Decrease in Current Assets:		
Accounts Receivable - Operations		165
Increase (Decrease) in Current Liabilities:		
Accounts Payable - Operations		<u>235</u>
 Net Cash Flows (Uses) from Operating Activities		 <u>4,209</u>

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

GREATER OUACHITA PORT COMMISSION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

ORGANIZATION

The Greater Ouachita Port Commission (the Commission) was created in 1998 by the Revised Statutes 34:1401 through 1406 by the Louisiana Legislature. The Commission is composed of seven members, who shall serve without compensation. The Commission shall exercise the powers therein conferred upon it, within the port area of Ouachita Parish. The Commission may authorize a reasonable travel allowance for its members in the performance of their duties, and it may employ such officers, or agents, and employees as it may find necessary in the performance of its duties, and may prescribe the duties, powers and compensation of such officers, agents, and employees. The Commission may, on such terms upon which it may agree, contract for legal, financial, engineering and other professional services necessary or expedient in the conduct of its affairs, and may on terms and conditions mutually agreeable, utilize the services of the executive department of the state.

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Commission complies with accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Government Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent sections of this note.

GREATER OUACHITA PORT COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:
(Continued)

Basis of Presentation Fund Accounting

The Commission's operations are accounted for in a proprietary fund type—the enterprise fund. The proprietary fund type is accounted for using the flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operations are included on the balance sheet. Net position is segregated into Invested in Capital Assets - Net of Related Debt: Restricted and Unrestricted earnings. The operating statement presents increases (revenues) and decreases (expenses) in net total position.

The Commission is financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges. The measurement focus emphasizes the determination of net income. The Commission follows the accrual basis of accounting for its proprietary fund. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Under the provisions of GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Fund Accounting," the Commission has elected not to follow Financial Accounting Standards Board guidance issued subsequent to November 30, 1989.

Reporting Entity

GASB Statements establishes criteria for determining the governmental reporting entity and its component units. Component units are defined as legally separate organizations for which the elected officials of a primary government are financially accountable. The criteria used in determining whether financial accountability exists include the appointment of a voting majority of an organization's governing board, the ability of the primary government to

GREATER OUACHITA PORT COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:
(Continued)

Reporting Entity (Continued)

impose its will on that organization or whether there is a potential for the organization to provide specific financial benefits or burdens to the primary government. Fiscal dependency may also play a part in determining financial accountability. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The Commission was created by Louisiana Revised Statute 34.1401 through 34.1406. The governing board of commissioners administers the operations and responsibilities in accordance with the provisions of Louisiana statutes. The seven members of the Board are appointed by the Governor of the State of Louisiana. The Commission has all the powers and privileges granted under the constitution and statutes of the State of Louisiana which include, but are not limited to, the authority to incur debt, to issue bonds, to construct and maintain wharves and landings, and to charge fees for the use of facilities administered by it.

Based on the criteria described above, it has been determined that the Commission is not a component unit of the State of Louisiana for financial reporting purposes, rather it is a "stand-alone" government. Likewise, the Division of Administration for the State of Louisiana treats the Commission as a primary government. The accompanying statements present only transaction of the Commission. No other potential component units meet the criteria for inclusion in the financial statements of the Commission.

Bad Debts

The Commission uses the reserve method for bad debt charge offs. The Commission reviewed receivables at year end and determined there was no need for an allowance.

GREATER OUACHITA PORT COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Use of Estimates

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

Cash and Cash Equivalents

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

Fund Equity

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

1. Net investment in capital assets - Consists of 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.

GREATER OUACHITA PORT COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Fund Equity (Continued)

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

Recently Issued and Adopted Accounting Pronouncement

In June 2011, the Governmental Accounting Standards Board (GASB) issued Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The statement of net assets is renamed the statement of net position and includes four components: assets, deferred outflows of resources, liabilities and deferred inflows of resources. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011.

Revenues and Expenses

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the Commission. Operating revenues primarily consist of fees from Port activities. The revenue is being recognized when earned. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from non-exchange transactions.

GREATER OUACHITA PORT COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Revenues and Expenses (Continued)

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, restricted resources are applied first.

NOTE 2 - CASH AND CASH EQUIVALENTS:

The Commission has cash and cash equivalents (book balances) totaling \$111,074.

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

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at December 31, 2014, are fully secured by the FDIC and pledges of securities.

Custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Commission's investment policy requires that all investments be fully collateralized and held by the counterparty's trust department or agent. Investments in external investment pools, mutual funds, and other pooled investments are not exposed to custodial credit risk because of their natural diversification and the diversification required by the Securities and Exchange Commission. The Commission had no investment balances exposed to custodial credit risk at December 31, 2014.

The Commission manages its exposure to interest rate risk and declines in fair market values by limiting investments

GREATER OUACHITA PORT COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 2 - CASH AND CASH EQUIVALENTS: (Continued)

to "money market investments", which are defined as creditworthy, highly liquid investments of one year or less. The general use of long-term securities is limited.

NOTE 3 - CAPITAL GRANTS CONTRIBUTIONS:

During the year ended December 31, 2014, the Commission received capital grant funds totaling \$3,014,580 from the following: Economic Development Administration, Federal Railroad Administration, OEDC Land Corporation, Cities of Monroe and West Monroe, Louisiana and the State of Louisiana.

NOTE 4 - OTHER AGREEMENTS AND SUBSEQUENT EVENTS:

The Commission has entered into a joint public-private development agreement with Ouachita Terminals to develop a marketing and business plan, to provide/develop funding sources and to select/develop a site for a port on the Ouachita River in Ouachita Parish, Louisiana. Certain fees and expenses will be reimbursed by the Commission. Amounts to be paid in future years are not presently determinable. The Commission has also entered into an agreement with Ouachita Terminals to operate the port. Ouachita Terminals will provide and pay for the day-to-day operating expenses of the port. Ouachita Terminals will also bill and collect the fees charged for port activities.

The Commission will receive fees from Ouachita Terminals based on shipping volume of the port. Revenues for the year ended December 31, 2014 were \$27,693.

The Commission has applied for port development funds from federal and state agencies.

NOTE 5 - RISK MANAGEMENT:

The Commission is exposed to various risks of losses related to torts; theft, damage, and destruction of assets. To manage these risks, the Commission has obtained coverage from commercial insurance companies. During 2014, there were no claims in excess of insurance coverage.

GREATER OUACHITA PORT COMMISSION
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 5 - RISK MANAGEMENT: (Continued)

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

NOTE 6 - BUDGET REQUIREMENTS:

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

NOTE 7 - FIXED ASSETS:

Property and equipment acquired with the Commission funds are considered to be owned by the Commission while used in the program or in future authorized programs. However, funding sources have a revolutionary interest in these assets as well as the determination of use of any proceeds from the sale of these assets.

Fixed assets of the Port Commission are included at cost plus any construction period interest for all assets with a cost over \$1,000. Depreciation is recorded on all exhaustible assets using the straight-line method over the estimated life of each asset. Estimated useful lives are as follows:

Port Facilities	20 - 40 Years
Rail Facilities	20 Years
Furniture, Fixtures & Equipment	7 - 10 Years

Details - Capital Assets for Year Ended December 31, 2014:

	01/01/14 Balance	Additions	Deletions	12/31/14 Balance
Land	900,000	-	-	900,000
Equipment	1,960,303	-	-	1,960,303
Port Facilities	10,984,222	-	-	10,984,222
Rail Spurs	<u>2,260,714</u>	<u>3,330,065</u>	-	<u>5,590,779</u>
<u>Total Capital Assets</u>	16,105,239	3,330,065	-0-	19,435,304
Less: Accumulated Depreciation	(<u>3,950,522</u>)	(<u>751,523</u>)	-	(<u>4,702,045</u>)
<u>NET CAPITAL ASSETS</u>	<u>12,154,717</u>	<u>2,578,542</u>	<u>-0-</u>	<u>14,733,259</u>

GREATER OUACHITA PORT COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 7 - FIXED ASSETS: (Continued)

Depreciation for 2014 is \$751,523. Construction of the port and rail facilities is ongoing.

NOTE 8 - CONTINGENCIES:

As of December 31, 2014, the Commission did not have any pending litigation or potential non-disclosed liabilities.

The Commission participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Commission has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the Commission, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

The Commission has applied for funds for port development from various governmental agencies. If the Commission is not able to secure additional funding, it may have an adverse effect on the port development.

NOTE 9 - DEBT:

The Commission has no debt outstanding at December 31, 2014.

NOTE 10 - FUNDING POLICIES AND SOURCES OF FUNDS:

The Commission receives a majority of its monies from federal and state agencies. If significant budget cuts are made at the federal/state level, it could have an adverse effect on the operations of the Commission. The port receives a majority of its port revenue from a limited number of customers. The loss of any of these customers would have an adverse effect on the operations of the port.

GREATER OUACHITA PORT COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 11 - BOARD OF COMMISSIONERS' COMPENSATION:

The Board of Commissioners is a voluntary board; therefore, no compensation has been paid to any member.

NOTE 12 - IMPAIRMENT OF LONG-LIVED ASSETS:

In accordance with the accounting guidance for the impairment or disposal of long-lived assets, the Commission reviews its property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. No impairment loss has been recognized to date.

NOTE 13 - NON-CASH INVESTING AND FINANCING ACTIVITIES:

There were no non-cash investing and financing activities for the year ended December 31, 2014.

NOTE 14 - SUBSEQUENT EVENTS:

Events that occur after the balance sheet date but before the financial statements were issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of the Commission through June 29, 2015, the date the report was available for issue, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosures in the notes to the financial statements.

OTHER INFORMATION

GREATER OUACHITA PORT COMMISSION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2014

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
<u>U.S. Department of Commerce</u> Economic Development Administration	11.300	N/A	581,715
<u>U.S. Department of Transportation</u> *Federal Railroad Administration	20.320	N/A	<u>2,000,000</u>
<u>TOTAL FEDERAL EXPENDITURES</u>			<u>2,581,715</u>

*Major Program

GREATER OUACHITA PORT COMMISSION
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE A - BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Greater Ouachita Port Commission under programs of the federal government for the year ended December 31, 2014. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the Commission, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Commission.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
2. Pass-through entity identifying numbers are presented where available.

NOTE C - SUBRECIPIENTS:

The Commission had no subrecipients during the year ended December 31, 2014.

GREATER OUACHITA PORT COMMISSION
 SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO
 AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
 FOR THE PERIODS ENDED DURING FISCAL YEAR DECEMBER 31, 2014

AGENCY HEAD NAME/TITLE: RICHARD GUILLOT, PRESIDENT

<u>Purpose</u>	<u>Amount</u>
Salary	-0-
Benefits-insurance	-0-
Benefits-retirement	-0-
Benefits-other (describe)	-0-
Benefits-other (describe)	-0-
Benefits-other (describe)	-0-
Car allowance	-0-
Vehicle provided by government (enter amount reported on W-2)	-0-
Per diem	-0-
Reimbursements	-0-
Travel	-0-
Registration Fees	-0-
Conference travel	-0-
Housing	-0-
Unvouchered expenses (example: travel advances, etc.)	-0-
Special meals	-0-
Other	-0-

COMPLIANCE SECTION

JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.

ROWLAND H. PERRY, CPA, APC
CHARLES L. JOHNSON, JR., CPA
VIOLET M. ROUSSEL, CPA, APC
JAY CUTHBERT, CPA, APAC

PAM BATTAGLIA, CPA
DAWN WHITSTINE, CPA



America Counts on CPAs®

Certified Public Accountants

3007 Armand Street

Monroe, Louisiana 71201

Telephone (318) 322-5156 or (318) 323-1411

Facsimile (318) 323-6331

- Accounting & Auditing
 - HUD Audits
 - Non-Profit Organizations
 - Governmental Organizations
- Business & Financial Planning
- Tax Preparation & Planning
 - Individual & Partnership
 - Corporate & Fiduciary
- Bookkeeping & Payroll Services

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Greater Ouachita Port Commission, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated June 29, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant*

deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.

Johnson Perry Roussel & Cuthbert, LLP
JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

Monroe, Louisiana
June 29, 2015

JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.

ROWLAND H. PERRY, CPA, APC
CHARLES L. JOHNSON, JR., CPA
VIOLET M. ROUSSEL, CPA, APC
JAY CUTHBERT, CPA, APAC

PAM BATTAGLIA, CPA
DAWN WHITSTINE, CPA

CPA

America Counts on CPAs®

Certified Public Accountants

3007 Armand Street
Monroe, Louisiana 71201
Telephone (318) 322-5156 or (318) 323-1411
Facsimile (318) 323-6331

- Accounting & Auditing
 - HUD Audits
 - Non-Profit Organizations
 - Governmental Organizations
- Business & Financial Planning
- Tax Preparation & Planning
 - Individual & Partnership
 - Corporate & Fiduciary
- Bookkeeping & Payroll Services

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

Report of Compliance for Each Major Federal Program

We have audited the Greater Ouachita Port Commission's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Commission's major federal programs for the year ended December 31, 2014. The Commission's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Commission's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to

above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Commission's compliance.

Opinion on Each Major Federal Program

In our opinion, the Greater Ouachita Port Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

Report on Internal Control over Compliance

Management of the Commission is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Commission's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.

Johnson Perry Roussel & Cuthbert, LLP
JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

Monroe, Louisiana
June 29, 2015

GREATER OUACHITA PORT COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2014

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- * Material weakness(es) identified? ___ yes X no
- * Control deficiency(s) identified that are
not considered to be material weaknesses? ___ yes X none reported
- Noncompliance material to financial
statements noted? ___ yes X no

Federal Awards

Internal control over major programs:

- * Material weakness(es) identified? Not Applicable
- * Control deficiency(s) identified that are
not considered to be material weaknesses? ___ yes X none reported

Type of auditors' report issued on compliance for major programs:
Unqualified

Any audit findings disclosed that are
required to be reported in accordance
with section 510(a) of Circular A-133? ___ yes X no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
20.320	U.S. Department of Transportation - Federal Railroad Administration

Dollar threshold used to distinguish
between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? ___ yes X no

GREATER OUACHITA PORT COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2014

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no findings or questioned costs for the year ended December 31, 2014.

SECTION III - FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS
MAJOR PROGRAM - ECONOMIC DEVELOPMENT ADMINISTRATION GRANT

There were no findings or questioned costs for the year ended December 31, 2014.

GREATER OUACHITA PORT COMMISSION
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
DECEMBER 31, 2014

SECTION I - Internal Control

There were no findings or questioned costs for the year ended December 31, 2013.

SECTION II - Compliance

There were no findings or questioned costs for the year ended December 31, 2013.

GREATER OUACHITA PORT COMMISSION
MANAGEMENT'S CORRECTIVE ACTION PLAN
DECEMBER 31, 2014

Not Applicable. No Findings.