

GREATER OUACHITA PORT COMMISSION

WEST MONROE, LOUISIANA

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ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

DECEMBER 31, 2013

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GREATER OUACHITA PORT COMMISSION  
DECEMBER 31, 2013

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"The CPA. Never Underestimate The Value."

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## 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, 2013, 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, 2013, 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 4 to 7 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 Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2014, 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.

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

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

Monroe, Louisiana  
June 30, 2014

**GREATER OUACHITA PORT COMMISSION**  
FOR THE YEAR ENDED DECEMBER 31, 2013

**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, 2013. Please read it in conjunction with the Commission's financial statements.

**NEW ACCOUNTING PRONOUNCEMENT IMPLEMENTED**

The Commission implemented Governmental Accounting Standards Board (GASB) Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* in fiscal year 2012. 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 reader will note a change in terminology from "net assets" to "net position".

**FINANCIAL HIGHLIGHTS**

For the year ended December 31, 2013, the Commission's Net Cash Used by Operating Activities was \$(5,517), compared to \$(6,331) used in the prior year.

**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, 2013. 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 \$12,556,439 at December 31, 2013, with liabilities being \$4,640 at December 31, 2013.

**GREATER OUACHITA PORT COMMISSION**  
FOR THE YEAR ENDED DECEMBER 31, 2013

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

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, 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, 2013, net position changed as follows:

Beginning Net Position	12,381,298
Increase (Decrease) in Net Position	<u>170,501</u>
Ending Net Position (Of Which \$12,272,184 is Invested in Capital Assets)	<u>12,551,799</u>

CHANGE IN NET POSITION

During the year 2013, we started construction of an exterior rail spur with an estimated cost of approximately \$3,297,000. The project will be completed in 2014.

The following schedule presents a summary of revenue and expenses for the fiscal years ended December 31, 2013 and 2012, and their percentage of total.

**GREATER OUACHITA PORT COMMISSION**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

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

CHANGE IN NET POSITION (Continued)

	<u>12/31/13</u>	%	<u>12/31/12</u>	%
	<u>12/31/13</u>	<u>12/31/13</u>	<u>12/31/12</u>	<u>12/31/12</u>
<u>Revenues</u>				
Grants	832,064	97.14	1,721,848	99.16
Donations	-	-	-	-
Other	<u>24,482</u>	<u>2.86</u>	<u>14,539</u>	<u>.84</u>
<u>Total Revenues</u>	<u>856,546</u>	<u>100.00</u>	<u>1,736,387</u>	<u>100.00</u>
<u>Expenses</u>				
Insurance	8,208	1.20	8,658	1.49
Depreciation	656,304	95.66	559,711	96.36
Professional Fees	11,900	1.73	9,778	1.68
Miscellaneous	<u>9,633</u>	<u>1.41</u>	<u>2,730</u>	<u>.47</u>
<u>Total Expenses</u>	<u>686,045</u>	<u>100.00</u>	<u>580,877</u>	<u>100.00</u>
<u>Excess Revenues (Expenses)</u>	<u>170,501</u>		<u>1,155,510</u>	

For the years ended December 31, 2013 and 2012, 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 have received grants totaling approximately \$1.8 million to construct an exterior rail spur extension. Construction started in 2013 and is expected to be completed in 2014. The current operation of this rail spur is to serve the needs of our regional customers. By implementing this project, the Commission has been able to assist the State of Louisiana in retaining numerous 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, 2013

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

CHANGE IN NET POSITION (Continued)

The Greater Ouachita Port Commission also procured funding for a rail spur extension. The project was completed as planned in 2013 and is currently being utilized.

Sources of funding for projects have been and will be obtained from capital multiple sources, including:

- The Economic Development Administration
- Delta Regional Authority
- State of Louisiana - Facility Planning and Control
- OEDC Land Corporation
- Twin Cities and Parish Public Trust
- Federal Railroad Administration

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, 2013

Business-Type  
Activities

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents (Includes Restricted Cash for Capital Assets of \$131,271)	238,744
Accounts Receivable - Operations	935
Accounts Receivable - Restricted for Capital Asset Acquisition	<u>162,043</u>
 <u>TOTAL CURRENT ASSETS</u>	 <u>401,722</u>

CAPITAL ASSETS

Land	900,000
Other Capital Assets, Net of Depreciation (Includes \$157,479 of Construction in Process)	<u>11,254,717</u>
 <u>TOTAL CAPITAL ASSETS</u>	 <u>12,154,717</u>

TOTAL ASSETS

12,556,439

LIABILITIES AND NET POSITION

LIABILITIES

Accounts Payable - Operations	381
Accounts Payable from Restricted Assets - Capital Assets	<u>4,259</u>
 <u>TOTAL LIABILITIES</u>	 <u>4,640</u>

NET POSITION

Unrestricted (Deficit)	401,341
Net Investment in Capital Assets	<u>12,150,458</u>
 <u>TOTAL NET POSITION</u>	 <u>12,551,799</u>

TOTAL LIABILITIES AND NET POSITION

12,556,439

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, 2013

<u>OPERATING REVENUES</u>		
Port Operations		24,350
<u>OPERATING EXPENSES</u>		
Depreciation	656,304	
Professional Fees	11,900	
Insurance	8,208	
Other	<u>9,633</u>	
<u>TOTAL OPERATING EXPENSES</u>		<u>686,045</u>
<u>OPERATING INCOME (LOSS)</u>		<u>(661,695)</u>
<u>NON-OPERATING REVENUE</u>		
Interest	132	
<u>OTHER REVENUE</u>		
Grants - Capital and Other	<u>832,064</u>	
<u>TOTAL NON-OPERATING REVENUE</u>		<u>832,196</u>
<u>CHANGE IN NET POSITION - INCREASE (DECREASE)</u>		<u>170,501</u>

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

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

GREATER OUACHITA PORT COMMISSION  
STATEMENT OF CHANGES IN NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2013

<u>NET POSITION -- BEGINNING OF YEAR</u>	12,381,298
Changes in Net Position - Increase (Decrease)	<u>170,501</u>
<u>NET POSITION - END OF YEAR</u>	<u>12,551,799</u>

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

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

GREATER OUACHITA PORT COMMISSION  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2013

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash Received from Operations (Customers)	24,210	
Payments for Goods and Services to Vendors	( 29,727)	
 Net Cash Flows (Uses) from Operating Activities		 ( 5,517)

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:

None -0-

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Capital Grants Collected	821,667	
Payment for Capital Acquisition	(1,157,296)	
 Net Cash Flows (Uses) from Capital and Related Financing Activities		 ( 335,629)

CASH FLOWS FROM INVESTING ACTIVITIES:

Interest 132

NET INCREASE (DECREASE) IN CASH (341,014)

CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR 579,758

CASH AND CASH EQUIVALENTS - END OF YEAR 238,744

RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITY:

Operating Income (Loss)	(661,695)
Add: Depreciation	656,304
(Increase) Decrease in Current Assets:	
Accounts Receivable - Operations	( 140)
Increase (Decrease) in Current Liabilities:	
Accounts Payable - Operations	<u>14</u>
 Net Cash Flows (Uses) from Operating Activities	 ( <u>5,517</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, 2013

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, 2013

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's are 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, 2013

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, 2013

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, 2013

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.

NOTE 2 - CASH AND CASH EQUIVALENTS:

The Commission has cash and cash equivalents (book balances) totaling \$238,744, of which \$131,271 is restricted for acquisition of capital assets.

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.

GREATER OUACHITA PORT COMMISSION  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 2 - CASH AND CASH EQUIVALENTS: (Continued)

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, 2013, 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's investment balances exposed to custodial credit risk (not registered in the entity's name), totaled approximately \$225,000 at December 31, 2013.

NOTE 3 - CAPITAL GRANTS CONTRIBUTIONS:

During the year ended December 31, 2013, the Commission received capital grant funding totaling \$832,064 from the following: Delta Regional Authority, Economic Development 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

GREATER OUACHITA PORT COMMISSION  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 4 - OTHER AGREEMENTS AND SUBSEQUENT EVENTS: (Continued)

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, 2013 were \$24,350.

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 2013, there were no claims in excess of insurance coverage.

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.

GREATER OUACHITA PORT COMMISSION  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 7 - FIXED 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, 2013:

	01/01/13 <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	12/31/13 <u>Balance</u>
Land	900,000	-	-	900,000
Equipment	1,960,303	-	-	1,960,303
Port Facilities	10,984,222	-	-	10,984,222
Rail Spurs - Additions	<u>1,788,766</u>	<u>471,948</u>	-	<u>2,260,714</u>
<u>Total Capital Assets</u>	15,633,291	471,948	-0-	16,105,239
Less: Accumulated Depreciation	( <u>3,294,218</u> )	( <u>656,304</u> )	-	( <u>3,950,522</u> )
<u>NET CAPITAL ASSETS</u>	<u>12,339,073</u>	( <u>184,356</u> )	-0-	<u>12,154,717</u>

The Commission is in the process of constructing an exterior rail spur extension which is expected to be completed in 2014.

Depreciation for 2013 is \$656,304. Construction of the port and rail facilities is ongoing.

NOTE 8 - CONTINGENCIES:

As of December 31, 2013, 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

GREATER OUACHITA PORT COMMISSION  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 8 - CONTINGENCIES: (Continued)

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, 2013.

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.

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.

GREATER OUACHITA PORT COMMISSION  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 13 - NON-CASH INVESTING AND FINANCING ACTIVITIES:

There were no non-cash investing and financing activities for the year ended December 31, 2013.

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 30, 2014, 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.



COMPLIANCE SECTION

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

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"The CPA. Never Underestimate The Value."

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## 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, 2013, 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 30, 2014.

### **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.

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

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

Monroe, Louisiana  
June 30, 2014

GREATER OUACHITA PORT COMMISSION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

\* Material weakness(es) identified?                     yes     no

\* Control deficiency(s) identified that are  
not considered to be material weaknesses?             yes     none reported

Noncompliance material to financial  
statements noted?     yes     no

GREATER OUACHITA PORT COMMISSION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2013

SECTION II - FINANCIAL STATEMENT FINDINGS

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

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, 2013.

GREATER OUACHITA PORT COMMISSION  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
DECEMBER 31, 2013

SECTION I - Internal Control

There were no findings or questioned costs for the year ended December 31, 2012.

SECTION II - Compliance

There were no findings or questioned costs for the year ended December 31, 2012.

GREATER OUACHITA PORT COMMISSION  
MANAGEMENT'S CORRECTIVE ACTION PLAN  
DECEMBER 31, 2013

Not Applicable. No Findings.