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**POINTE COUPEE PORT, HARBOR AND TERMINAL DISTRICT
NEW ROADS, LOUISIANA**

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 1996**

**A COMPONENT UNIT OF THE
POINTE COUPEE PARISH POLICE JURY**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-23-97

POINTE COUPEE PORT, HARBOR AND TERMINAL DISTRICT
19255 PORT ROAD
LETTSWORTH, LA 70753
(504) 492-3367

GOVERNING BOARD
(effective January 1, 1996)

POINTE COUPEE PARISH POLICE JURY APPOINTEES
James Bellanger
Ted Glaser
Hanson Lopez (President)
James Wells

CITY OF NEW ROADS APPOINTEES
Tammy Leonard (Vice President)
Roland Roberts

VILLAGE OF MORGANZA
Mitch Frey (Sec/Treas)

POINTE COUPEE PORT, HARBOR AND TERMINAL DISTRICT
NEW ROADS, LOUISIANA
FOR THE YEAR ENDED DECEMBER 31, 1996

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George F. Delaune

CERTIFIED PUBLIC ACCOUNTANT

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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Mr. Hanson Lopez, President
and Members of the Board of Commissioners
Pointe Coupee Port Commission
Parish of Pointe Coupee, Louisiana

I have audited the accompanying general purpose financial statements of the POINTE COUPEE PORT, HARBOR AND TERMINAL DISTRICT, PARISH OF POINTE COUPEE, LOUISIANA (the "District"), a component unit of the Pointe Coupee Parish Police Jury, as of and for the year ended December 31, 1996, as listed in the Table of Contents. These general purpose financial statements are the responsibility of the Board of Commissioners. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and with provisions of Louisiana Revised Statute 24:513 and the provisions of the Louisiana Governmental Audit Guide, published jointly by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the District as of December 31, 1996, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated April 1, 1996, on my consideration of the District's internal control structure and a report dated April 1, 1996, on its compliance with laws and regulations.

George F. Delaune, CPA

July 15, 1997

POINTE COUPEE PORT, HARBOR AND TERMINAL DISTRICT
NEW ROADS, LOUISIANA
BALANCE SHEET
DECEMBER 31, 1996, 1995 AND 1994

	<u>1996</u>	<u>1995</u>	<u>1994</u>
ASSETS			
Current Assets:			
Cash and investments	\$75,698	\$102,857	\$108,282
Receivables -			
Port charges and leases	40,341	8,911	4,559
Damages and refunds	11,246	11,246	922
Prepaid insurance	4,975	5,226	13,969
Total Current Assets	<u>132,260</u>	<u>128,240</u>	<u>127,732</u>
Property, Plant, and Equipment:			
Dock facilities	418,264	418,264	418,264
Roads and parking areas	18,617	18,617	18,617
Fencing	7,886	7,886	7,886
Sewer system and lines	3,310	3,310	3,310
Storage facilities	30,388	30,388	30,388
Machinery and equipment	28,179	28,179	28,179
Office equipment	10,408	10,408	12,440
Truck	800	800	800
Signs	958	958	958
	<u>518,810</u>	<u>518,810</u>	<u>520,842</u>
Less accumulated depreciation	<u>(398,705)</u>	<u>(359,707)</u>	<u>(319,930)</u>
Total Property, Plant, and Equipment, Net	<u>120,105</u>	<u>159,103</u>	<u>200,912</u>
TOTAL ASSETS	<u><u>\$252,365</u></u>	<u><u>\$287,343</u></u>	<u><u>\$328,644</u></u>

The accompanying notes are an integral part of this statement.

	<u>1996</u>	<u>1995</u>	<u>1994</u>
LIABILITIES AND FUND EQUITY			
Current Liabilities:			
Accounts payable	\$1,643	\$520	\$4,454
Management fee payable	30,717	24,075	
Payroll taxes payable			743
Advance rents collected	<u>1,602</u>	<u>5,104</u>	<u>1,602</u>
Total Current Liabilities	<u>33,962</u>	<u>29,699</u>	<u>6,799</u>
Long-Term Debt:			
Lease financing			<u>1,327</u>
Total Long-Term Debt			<u>1,327</u>
Total Liabilities	<u>33,962</u>	<u>29,699</u>	<u>8,126</u>
Fund Equity:			
Retained earnings - unrestricted	<u>218,404</u>	<u>257,644</u>	<u>320,518</u>
Total Fund Equity	<u>218,404</u>	<u>257,644</u>	<u>320,518</u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$252,366</u></u>	<u><u>\$287,343</u></u>	<u><u>\$328,644</u></u>

The accompanying notes are an integral part of this statement.

POINTE COUPEE PORT, HARBOR AND TERMINAL DISTRICT
NEW ROADS, LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR THE YEARS ENDED DECEMBER 31, 1996, 1995 AND 1994

	<u>1996</u>	<u>1995</u>	<u>1994</u>
Revenues:			
Lease rentals and duties	\$33,220	\$32,252	\$34,172
Limestone loading charges	28,420	33,698	20,002
Cottonseed loading charges		2,286	7,536
Grain unloading charges			12,398
Fertilizer unloading charges	8,091	18,530	6,556
Crane rental	4,375	1,207	5,335
Stand-by time charges			2,625
Dockage charges	350	2,895	1,300
Water charges	614	405	275
Interest earned on investments	1,964	1,815	2,759
	<u>77,034</u>	<u>93,088</u>	<u>92,958</u>
Total Revenues			
Expenses:			
Director salary and expense		11,050	27,200
Salaries and wages		12,002	35,831
Payroll taxes	1,807	2,416	5,433
Group insurance		2,751	8,033
Travel expense	223	628	1,467
Meetings	388	315	623
Dues		450	725
Contract labor and expense	402	1,705	5,118
Management fees	54,924	42,390	
Audit fees	1,400	1,400	1,400
Legal fees	3,022		2,100
Professional fees	100	339	1,920
Bookkeeping	875	2,210	
Repairs, maintenance and supplies	2,212	14,093	22,996
Diesel fuel		311	3,150
Utilities	3,909	4,549	6,079
Insurance	6,641	14,695	44,580
Office supplies, postage, and copier	271	710	3,799
Publishing		21	129
Telephone and pager service	926	1,895	2,202
Miscellaneous		1,340	1,348
Depreciation	38,998	40,692	41,609
Uncollectibles and billing adjustments	176		3,480
	<u>116,274</u>	<u>155,962</u>	<u>219,222</u>
Total Expenses			
Net (Loss)	(39,240)	(62,874)	(126,264)
Retained Earnings - January 1	<u>257,644</u>	<u>320,518</u>	<u>446,782</u>
RETAINED EARNINGS - DECEMBER 31	<u><u>\$218,404</u></u>	<u><u>\$257,644</u></u>	<u><u>\$320,518</u></u>

The accompanying notes are an integral part of this statement.

POINTE COUPEE PORT, HARBOR AND TERMINAL DISTRICT
NEW ROADS, LOUISIANA
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 1996, 1995 AND 1994

	<u>1996</u>	<u>1995</u>	<u>1994</u>
Cash Flows From Operating Activities:			
Net (loss)	(\$39,240)	(\$62,874)	(\$126,264)
Adjustments to reconcile net (loss) to net cash provided by operations -			
Depreciation	38,998	40,692	41,609
(Increase) decrease in -			
Accounts receivable	(31,430)	(14,676)	30,831
Prepaid insurance	251	8,743	(3,023)
Decrease (increase) in -			
Accounts payable	1,122	(3,934)	858
Management fee payable	6,642	24,075	
Payroll taxes payable		(743)	(1,327)
Garnishments			(209)
Advance rents collected	(3,502)	3,502	
Net Cash (Used) by Operating Activities	<u>(27,159)</u>	<u>(5,215)</u>	<u>(57,525)</u>
Cash Flows From Investing Activities:			
Acquisition of property, plant, and equipment			(6,097)
Disposition of property, plant, and equipment		1,117	
Net Cash Provided (Used) by Investing Activities		<u>1,117</u>	<u>(6,097)</u>
Cash Flows From Financing Activities:			
Payments on lease financing		(1,327)	(153)
Net Cash Provided (Used) by Financing Activities		<u>(1,327)</u>	<u>(153)</u>
Net (Decrease) in Cash	(27,159)	(5,425)	(63,775)
Cash - January 1	<u>102,857</u>	<u>108,282</u>	<u>172,057</u>
CASH - DECEMBER 31	<u><u>\$75,698</u></u>	<u><u>\$102,857</u></u>	<u><u>\$108,282</u></u>

The accompanying notes are an integral part of this statement.

POINTE COUPEE PORT, HARBOR AND TERMINAL DISTRICT
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1996

NOTE 1 - INTRODUCTION

The Pointe Coupee Port, Harbor and Terminal District (the "District") was created by Act No. 23 of the 1967 Regular Session of the Louisiana Legislature, Louisiana Revised Statutes 34:2451 et seq., as a political subdivision of the state with full corporate powers. The territorial limits and territorial jurisdiction of said District shall be the territory comprising and lying within the limits and boundaries of the Parish of Pointe Coupee, Louisiana.

The Pointe Coupee Port Commission was created by the same Act and was established as the governing authority of the District. The commission is composed of seven members, who are appointed and serve for terms as follows:

1. Four commissioners are appointed by the governing authority of the Parish of Pointe Coupee;
2. Two commissioners are appointed by the governing authority of the City of New Roads; and
3. One commissioner is appointed by the governing authority of the Village of Morganza.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Reporting Entity

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Pointe Coupee Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.

POINTE COUPEE PORT, HARBOR AND TERMINAL DISTRICT
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1996

2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

In applying criteria 1, the District was determined to be a component unit of the Pointe Coupee Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

Fund Accounting

The District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available resources.

Funds of the District are classified as proprietary funds. Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary funds include:

Enterprise Fund – account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All proprietary funds are accounted for on a flow of economic resources measurement focus

POINTE COUPEE PORT, HARBOR AND TERMINAL DISTRICT
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1996

and a determination of net income and capital maintenance. With this measurement focus, and all assets and liabilities associated with the operation of these funds are included on the balance sheet. The proprietary funds use the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time liabilities are incurred.

Encumbrances

The District does not follow the encumbrance method of accounting.

Cash and Cash Equivalents and Investments

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less are considered to be cash equivalents. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with a bank organized under Louisiana law or of any other state of the United States, or under the laws of the United States.

Under state law, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

Bad Debts

The District uses the direct charge-off method whereby uncollectible amounts due from ad valorem taxes are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. The direct charge-off method is used because it does not cause a material departure from GAAP and it approximates the valuation method.

Inventories

Inventories for supplies are immaterial and are recorded as expenditures when purchased.

Fixed Assets

All fixed assets are stated at purchased historical cost. The cost of additions includes contracted work, direct labor, materials and allowable costs. Significant additions, improvements, maintenance and repairs are capitalized.

POINTE COUPEE PORT, HARBOR AND TERMINAL DISTRICT
 NEW ROADS, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 1996

Depreciation of all exhaustible fixed assets used by the proprietary fund is charged as an expense against its operations. Depreciation has been provided over the estimated useful lives using the straight line method. The estimated useful lives are as follows:

Dock facilities	5 - 15 years
Machinery and equipment	5 years
Office equipment	5 years

Compensated Absences

The District adheres to the same policies as the Pointe Coupee Parish Police Jury for vacation and sick leave which are as follows:

After 1 year of service	5 vacation days and 5 sick days
After 2 years of service	10 vacation days and 10 sick days
After 6 years of service	15 vacation days and 15 sick days
After 10 years of service	20 vacation days and 20 sick days

Any unused vacation or unused sick days will be credited toward retirement.

Fund Equity

Unreserved retained earnings for proprietary funds represent the net assets available for future operations.

NOTE 3 - CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

At December 31, 1996, the status of deposited funds and collateralized balances are as follows:

	<u>Demand</u>	<u>Time</u>	<u>Total</u>
Financial Statement Balances	<u>\$5,085</u>	<u>\$70,487</u>	<u>\$75,572</u>
Bank Balances	\$5,257	\$70,487	\$75,744
Secured by federal deposit insurance	5,257	70,487	75,744
Market value of collateralized securities			
Balance Unsecured and Uncollateralized	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

POINTE COUPEE PORT, HARBOR AND TERMINAL DISTRICT
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1996

Under state law, these deposits 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. These deposits are secured from risk by federal deposit insurance.

NOTE 4 - CHANGES IN FIXED ASSETS

A summary of changes in fixed assets follows:

	Balance 01-01-96	Additions	Deletions	Balance 12-31-96
Dock facilities	\$418,264			\$418,264
Roads and parking areas	18,617			18,617
Fencing	7,886			7,886
Sewer system and lines	3,310			3,310
Storage facilities	30,388			30,388
Machinery and equipment	28,179			28,179
Office equipment	10,408			10,408
Truck	800			800
Signs	958			958
	<u>\$518,810</u>	<u>\$0</u>	<u>\$0</u>	<u>\$518,810</u>
Accumulated depreciation	<u>\$359,707</u>	<u>\$38,998</u>		<u>\$398,705</u>

NOTE 5 - PENSION PLAN

The District has no employees; therefore, no other pension plans in effect.

NOTE 6 - LOCAL SERVICE AGREEMENT

On September 18, 1973, the District and the Parish of Pointe Coupee Police Jury entered into a local service agreement to acquire the funds necessary for the construction, administration, operations and maintenance of the Port. The major agreements to the contract are as follows:

Section 2. In consideration of the mutual covenants and agreements herein contained, the *Parish* contracts and agrees:

POINTE COUPEE PORT, HARBOR AND TERMINAL DISTRICT
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1996

- a. To acquire certain real property at a site within the Parish of Pointe Coupee, which property would include a location suitable for the construction of a port facility;
- b. To make available to the Port that portion of the property so acquired, at no cost to said Port, for a period of five (5) years from the date of acquisition of said property; and
- c. In the event said port facilities are constructed and placed in operation, the Parish shall underwrite the expenses for the administration, operations and maintenance of said port facility for a period not to exceed 3 years from the date of the commencement of operation and in an amount not to exceed \$50,000 per year.

Section 3. In consideration of the mutual covenants and agreements herein contained, the Port contracts and agrees:

- a. To undertake the actual administration, operation and maintenance of any port facility constructed pursuant to this agreement;
- b. To acquire by purchase from the Parish the land upon which any such port facilities are actually located within five (5) years from the date of purchase by the Parish at a sum which represents the purchaser's actual cost; and
- c. Should it be necessary for the Port to call upon the Parish to expend any funds under the guaranty agreement mentioned above for the administration, operation and maintenance of such port facility, then the Port agrees to reimburse the Parish from time to time, as a first priority out of any surplus over the actual costs of the administration, operation and maintenance of any facility constructed hereunder.

NOTE 7 - CONTINGENCY - ACQUISITION OF REAL ESTATE FROM PARISH

The District has not exercised its agreement to acquire the land upon which the port facility is located. This land contained 7.3265 acres at a cost to the Parish of \$10,989.75, which was acquired on August 29, 1974.

NOTE 8 - DESCRIPTION OF LEASING ARRANGEMENTS

All leased land is owned by the Police Jury of the Parish of Pointe Coupee; however, rental payments are to the Pointe Coupee Parish Port, Harbor and Terminal District.

POINTE COUPEE PORT, HARBOR AND TERMINAL DISTRICT
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1996

Louis Dreyfus Corporation

On December 12, 1975, Old River Terminal Co-op entered into a lease with the Police Jury of the Parish of Pointe Coupee. The lease is for a term of 20 years, commencing January 1, 1976, and terminating on December 31, 1995, subject to renewal. On July 27, 1987, Louis Dreyfus Corporation acquired this lease by assignment.

The lease covers a 12 acre tract or parcel of land on which the storage facilities and office buildings have been erected. Also, included in the lease is the entire docking facilities which were erected by the Lessor.

The rental to be paid by the Lessee to Lessor was to commence on January 1, of the second calendar year following the completion of Lessee's grain elevator port facility, and for the original term of the lease the rental shall be as follows:

The basic guaranteed annual rental as amended shall be \$25,000 per year payable on or before December 1, of the calendar year for which said rental is owed. Port charges to be applied against said rental are as follows:

- a. The basic price for grain handling is \$0.01 per bushel for any and all grain shipped through the facility regardless of the amount.
- b. The basic guaranteed annual rental shall be the greater of \$25,000 per year or two-thirds of the average volume of grain shipped through the facilities between the years 1988 and 1996 multiplied by \$0.01 per bushel.

All of the provisions of this lease shall inure to the benefit of and be binding upon the successors, sub-tenants and assigns of the parties hereto, and the heirs, administrators and executors of any individual assignee, sub-tenant or successor of either of the parties hereto.

Ouachita Fertilizer Company, Inc.

Ouachita Fertilizer Company, Inc. leases from the Pointe Coupee Parish Port, Harbor and Terminal District and the Pointe Coupee Parish Police Jury, Lot #1, for a term of 10 years commencing January 1, 1986, and terminating December 31, 1995, and renewed for an additional 5 years.

Lot #1 is a 50' wide tract containing 3.472 acres. Also included in the lease is a 30' servitude and easement extending from Lot #1 to, and along the West side of the dock of Lessors on lower Old River, to the end of said dock with reasonable access to and use of the entire dock facility.

POINTE COUPEE PORT, HARBOR AND TERMINAL DISTRICT
 NEW ROADS, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 1996

The Lessee pays annual rental in the amount of \$3,000 for the primary term of the lease, payable in advance and \$3,500 annually for the renewal period.

Terral Barge Line, Inc.

On October 29, 1990, Terral Barge Line, Inc. entered into a lease with the Police Jury of the Parish of Pointe Coupee and the Pointe Coupee Parish Port Commission. The lease is for a term of 5 years, commencing September 1, 1990, and terminating on August 30, 1995, and renewed for an additional 5 years.

The lease covers Lots 14, 15 and 16-A which contains 6 acres together with servitude and easement. The Lessee shall pay unto Lessors annual rental in the amount of \$2,400 per year in advance to commence on September 1, 1990.

Tri-Parish Gin, Inc.

On January 30, 1991, Tri-Parish Gin, Inc. entered into a lease with the Police Jury of the Parish of Pointe Coupee and the Pointe Coupee Parish Port Commission. The lease is for a term of 20 years, commencing January 1, 1991, and terminating on December 31, 2010, subject to renewal.

The lease covers Lots 9, 10, 11, and 12 of Block 2 and Lots 17, 18, 19, 20, 21, 22 and a portion of Lot 16 of Block 3.

The Lessee shall pay unto Lessors in advance annual rentals as follows:

Year	Annual Rental
1991	None
1992	\$1,090.68
1993	1,090.68
1994	1,454.24
1995	1,454.24
1996	1,817.80
1997	1,817.80
1998	2,181.36
1999	2,181.36
2000	2,544.92
2001 - 2010	3,635.60

POINTE COUPEE PORT, HARBOR AND TERMINAL DISTRICT
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1996

NOTE 9 - LITIGATION AND CLAIMS

There is no pending litigation against the District.

NOTE 10 - COMPENSATION PAID TO BOARD MEMBERS

In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, compensation paid to board members is as follows:

Hanson Lopez, President	\$0
James Bellanger	0
Mitch Frey	0
Ted Glaser	0
Tammy Leonards	0
Roland Roberts	0
James Wells	0
	0
Total Compensation	\$0

NOTE 11 - FEDERAL FINANCIAL ASSISTANCE

There are no active awards for the year ended December 31, 1996.

NOTE 12 - MANAGEMENT AGREEMENT

The District entered into a Management Agreement with Terral Riverservices, Inc., "TRS" effective April 1, 1995, for a period of 4 3/4 years. TRS will act as agent for the District and will:

- received all revenues and leases and maintain accounting records,
- manage the dock and provide such personnel as needed to operate the crane and stevedoring obligations, and
- maintain and repair equipment.

The District will receive the first \$20,000 of all revenues, TRS will receive the next \$60,000, and the excess over \$80,000 will be shared 25% by the District and 75% by TRS. For the balance of 1995 only, the District received the first \$20,000 of all revenues, and the excess over \$20,000 will be shared 25% by the District and 75% by TRS. For 1996, TRS was due \$54,923.75 in management fees.

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE
BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Mr. Hanson Lopez, President
and the Members of the Board of Commissioners
Pointe Coupee Parish Port Commission
Parish of Pointe Coupee, Louisiana

I have audited the general purpose financial statements of the **POINTE COUPEE PORT, HARBOR AND TERMINAL DISTRICT, PARISH OF POINTE COUPEE, LOUISIANA** (the "District"), a component unit of the Pointe Coupee Parish Police Jury, for the year ended December 31, 1996, and have issued my report thereon dated July 15, 1997.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the District is responsible for establishing and maintaining an internal control structure. In fulfilling that responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of polices and procedures may deteriorate.

In planning and performing my audit of the general purpose financial statements of the District for the year ended December 31, 1996, I obtained an understanding of the internal control structure

With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control structure and its operations that I consider to be material weaknesses as defined above, except that the District's operations are too small to have an adequate internal control structure.

This condition was considered in determining the nature, timing, and extent of the audit tests to be applied in my audit of the 1996 financial statements, and this report does not affect my report on the financial statements dated July 15, 1997.

This report is intended solely for the information of management, the Police Jury of the Parish of Pointe Coupee, New Roads, Louisiana (oversight entity), the Legislative Auditor for the State of Louisiana, and interested state and federal agencies. However, this report is a matter of public record and its distribution is not limited.

George F. Delaune, CPA

July 15, 1997

George F. Delaune

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS BASED ON AN AUDIT OF THE GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Mr. Hanson Lopez, President
and the Members of the Board of Commissioners
Pointe Coupee Parish Port Commission
Parish of Pointe Coupee, Louisiana

I have audited the general purpose financial statements of the POINTE COUPEE PORT, HARBOR AND TERMINAL DISTRICT, PARISH OF POINTE COUPEE, LOUISIANA (the "District"), a component unit of the Pointe Coupee Parish Police Jury, for the year ended December 31, 1996, and have issued my report thereon dated July 15, 1997.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the District is the responsibility of management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of the District's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of my audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. However, I have noted the following instance of noncompliance that is not material to the financial statements.

Audit Engagement Not Completed by June 30, 1997

The District entered into a management agreement for the daily operations of the entity; consequently, general and administrative duties were turned over to the chairman. When the

chairman relocated his office, some of the data was misplaced and had to be retrieved from other sources. This delayed to completion of the audit.

I considered this instance of noncompliance in forming my opinion on whether the District's 1996 general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect my report dated July 17, 1997, on those general purpose financial statements.

This report is intended for the information of management, the Police Jury of the Parish of Pointe Coupee, New Roads, Louisiana (oversight entity), the Legislative Auditor for the State of Louisiana, and interested state and federal agencies. However, this report is a matter of public record and its distribution is not limited.

George F. Delaune, CPA

July 15, 1997