

PLAQUEMINES PARISH GOVERNMENT
 Pointe-a-la-Hache, Louisiana
 GOVERNMENTAL FUND TYPE - GENERAL AND
 SPECIAL REVENUE FUNDS
 Combined Statement of Revenues, Expenditures,
 and Changes in Fund Balances - Budget
 (GAAP Basis) and Actual, 1995

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES (CONT.)			
Economic development and assistance	\$84,150	\$38,148	\$46,002
Transportation	2,755,793	2,534,194	221,599
Total expenditures	<u>18,195,057</u>	<u>16,082,928</u>	<u>2,112,129</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>1,948,422</u>	<u>4,957,967</u>	<u>3,009,545</u>
OTHER FINANCING SOURCES (Uses)			
Operating transfers in			
Operating transfers out	(3,574,842)	(2,725,611)	849,231
Proceeds of sale of assets	341,700	341,475	(225)
Total other financing sources (uses)	<u>(3,233,142)</u>	<u>(2,384,136)</u>	<u>849,006</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>(1,284,720)</u>	<u>2,573,831</u>	<u>3,858,551</u>
FUND BALANCES AT BEGINNING OF YEAR, AS RESTATED	9,931,373	9,533,415	(397,958)
Residual equity transfer	<u>184,390</u>	<u>230,837</u>	<u>46,447</u>
FUND BALANCES AT END OF YEAR	<u><u>\$8,831,043</u></u>	<u><u>\$12,338,083</u></u>	<u><u>\$3,507,040</u></u>

(Concluded)

The accompanying notes are an integral part of this statement.

SPECIAL REVENUE FUNDS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<u>\$7,670,395</u>	<u>\$6,866,853</u>	<u>\$803,542</u>
<u>(2,311,651)</u>	<u>(1,009,893)</u>	<u>1,301,758</u>
1,679,548 (639,000)	1,637,778 (634,639)	(41,770) 4,361
<u>1,040,548</u>	<u>1,003,139</u>	<u>(37,409)</u>
(1,271,103)	(6,754)	1,264,349
1,264,762 (184,390)	1,264,762 (234,134)	(49,744)
<u>(\$190,731)</u>	<u>\$1,023,874</u>	<u>\$1,214,605</u>

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PLAQUEMINES PARISH GOVERNMENT
 Pointe-a-la-Hache, Louisiana
 PROPRIETARY FUND TYPE - ENTERPRISE FUNDS

Combined Statement of Revenues, Expenses,
 and Changes in Retained Earnings
 For the Year Ended December 31, 1995

OPERATING REVENUES	
Charges for services	\$6,751,878
Other	131,483
Total revenues	<u>6,883,361</u>
OPERATING EXPENSES	
Personal services	1,194,481
Contractual services, supplies, materials, and other	7,256,306
Depreciation	741,545
Total operating expenses	<u>9,192,332</u>
OPERATING LOSS	<u>(2,308,971)</u>
NONOPERATING REVENUES (Expenses)	
Interest income	196,967
Ad valorem taxes	1,965,537
Loss on disposal of assets	(1,587)
Total nonoperating revenues (expenses)	<u>2,160,917</u>
INCOME (Loss) BEFORE OPERATING TRANSFERS	(148,054)
Operating transfers in	298,163
Operating transfers out	<u>(13,790)</u>
NET INCOME	136,319
ADD DEPRECIATION ON CONTRIBUTED CAPITAL FIXED ASSETS	<u>346,336</u>
INCREASE IN RETAINED EARNINGS	482,655
RETAINED EARNINGS AT BEGINNING OF YEAR, AS RESTATED (note 2)	<u>6,438,164</u>
RETAINED EARNINGS AT END OF YEAR	<u><u>\$6,920,819</u></u>

The accompanying notes are an integral part of this statement.

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PLAQUEMINES PARISH GOVERNMENT
 Pointe-a-la-Hache, Louisiana
 PROPRIETARY FUND TYPE - ENTERPRISE FUNDS

Combined Statement of Cash Flows
 For the Year Ended December 31, 1995

Operating loss	(\$2,308,971)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:	
Depreciation	741,544
Provision for doubtful accounts	2,281
Change in assets and liabilities:	
Increase in receivables	(287,133)
Increase in accounts payable	92,371
Increase in other liabilities	26,478
Net cash used by operating activities	<u>(1,733,430)</u>
Cash flows from noncapital financing activities:	
Ad valorem tax collections	1,965,537
Operating transfers in	298,163
Principal paid on note	(362,765)
Short-term loans from other funds	3,984,971
Net cash provided by non-capital financing activities	<u>5,885,906</u>
Cash flows from capital and related financing activities:	
Acquisition/construction of capital assets	(1,228,415)
Decrease in intergovernmental receivables	1,512,570
Operating transfers out	(13,790)
Decrease in contracts and retainage payable	(915,361)
Principal paid on bonds	(165,000)
Net cash provided by capital and related financing activities	<u>(809,996)</u>
Cash flow from investing activity - interest received on time deposits	<u>196,967</u>
Net increase in cash and cash equivalents	3,539,447
Cash and cash equivalents at beginning of year	<u>629,140</u>
Cash and cash equivalents at end of year	<u><u>\$4,168,587</u></u>

The accompanying notes are an integral part of this statement.

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PLAQUEMINES PARISH GOVERNMENT
Pointe-a-la-Hache, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 1995

INTRODUCTION

The Plaquemines Parish Government is the governing authority for Plaquemines Parish and is a political subdivision of the State of Louisiana. For administrative and reporting purposes, the parish is known as the Plaquemines Parish Government (the government). The parish council consists of nine members who are elected to represent each of the nine districts. The parish president, elected by the voters of the parish, is the chief executive officer of the parish and is responsible for carrying out the policies adopted by the government and for administration of all parish departments, offices, and agencies. The parish council and the parish president serve four-year terms that expire on December 31, 1998.

Plaquemines Parish occupies 1,986 square miles with a population of approximately 26,000. The government maintains approximately 116 miles of roads, of which 57 miles are paved, 35 miles are asphalt, and 24 miles are shelled. The government's offices are located in the parish courthouse in Pointe-a-la-Hache and the administration building is located in Port Sulphur. The road maintenance facilities are located in Port Sulphur and Belle Chasse. The government has a total of 529 employees.

Louisiana Revised Statute 33:1236 gives the government various powers in regulating and directing the affairs of the Parish and its inhabitants. The more notable of those are the powers to make regulations for its own government; to regulate the construction and maintenance of roads, bridges, and maintenance of drainage systems; to regulate the sale of alcoholic beverages; and to provide for the health and welfare of the poor, disadvantaged, and unemployed in the parish. Funding to accomplish these tasks is provided by ad valorem taxes, sales taxes, beer and alcoholic beverage permits, state revenue sharing, various other state and federal grants, service charges, and royalties from oil and gas.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Plaquemines Parish Government is the reporting entity for Plaquemines Parish. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

PLAQUEMINES PARISH GOVERNMENT
 Pointe-a-la-Hache, Louisiana
 Notes to the Financial Statements (Continued)

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Plaquemines Parish Government 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 parish government 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 parish government.
2. Organizations for which the parish government does not appoint a voting majority but are fiscally dependent on the parish government.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the government has determined that the following component units are part of the reporting entity:

<u>Component Unit</u>	<u>Fiscal Year End</u>	<u>Criteria Used</u>
Clerk of Court	June 30	2
Tax Assessor	December 31	2
District Attorney	December 31	2
Plaquemines Parish Comprehensive Care Center	December 31	1a., 1b.
Plaquemines Parish Economic Development Board	December 31	1a., 1b.

The government has chosen to issue financial statements of the primary government only; therefore, none of the previously listed component units are included in the accompanying financial statements.

Organizations for which the parish maintains accounting records are considered part of the primary government and include the Twenty-Fifth Judicial District Criminal Court Fund.

PLAQUEMINES PARISH GOVERNMENT
Pointe-a-la-Hache, Louisiana
Notes to the Financial Statements (Continued)

GASB Statement 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (Plaquemines Parish Government) financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. These financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government (Plaquemines Parish Government).

Considered in the determination of component units of the reporting entity were the Plaquemines Parish Sheriff, School Board, Indigent Defender Board, and the various unincorporated municipalities in the parish. It was determined that these governmental entities are not component units of the Plaquemines Parish Government reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of the Plaquemines Parish Government.

B. FUND ACCOUNTING

The government 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 financial resources.

Funds of the government are classified into three categories: governmental, proprietary, and fiduciary. Each category is divided into separate fund types. The fund classifications and a description of each existing fund type are as follows:

1. **Governmental Funds**

Governmental funds are used to account for all or most of the government's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

- a. General Fund--the general operating fund of the government, accounts for all financial resources, except those required to be accounted for in other funds.

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Pointe-a-la-Hache, Louisiana
Notes to the Financial Statements (Continued)

- b. Special Revenue Funds--account for the proceeds of specified revenue sources that are legally restricted to expenditures for specified purposes.
- c. Debt Service Funds--account for transactions relating to resources retained and used for payment of interest and principal on those long-term obligations recorded in the general long-term obligations account group.
- d. Capital Projects Funds--account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

2. Proprietary Funds

Proprietary funds are used to 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 differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary funds include enterprise funds.

Enterprise funds account for operations (1) where the intent of the governing body is that the cost (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 (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

3. Fiduciary Funds

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. Fiduciary funds include agency funds that account for assets that the government holds on behalf of others as their agent. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

C. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds and agency funds. The governmental funds use the following practices in recording revenues and expenditures.

1. Revenues

Ad valorem taxes and the related state revenue sharing (which are based on population and homesteads in the parish) are recorded in the fiscal year operating budgets they are intended to finance. The 1995 ad valorem taxes that became due on November 22, 1995, are recorded as deferred revenue at December 31, 1995, and will be included as revenue in 1996. The taxes are generally collected in December of the current year and January and February of the ensuing year.

Sales and use taxes are recorded as revenue when they become susceptible to accrual, which is when received by the retailers.

Federal and state grants are recorded when the funds are measurable and available.

Substantially all other revenues are recorded when they become available to the government.

Oil royalty and mineral income, which is included in Use of Money and Property, is recorded when the revenue becomes available to the government.

Interest income on interest-bearing demand deposits, which is also included in Use of Money and Property, is recorded at the end of each month when credited by the bank.

Interest income on time deposits and treasury bills is recorded when the time deposits and treasury bills have matured and the interest is available. Interest income on investments is recorded when earned.

PLAQUEMINES PARISH GOVERNMENT
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Notes to the Financial Statements (Continued)

2. **Expenditures**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term obligations which are recognized when due.

3. **Other Financing Sources (Uses)**

Transfers between funds that are not expected to be repaid and sales of fixed assets are accounted for as other financing sources (uses) as the underlying events occur.

The proprietary funds are accounted for on a flow of economic resources measurement focus and on a determination of net income and capital maintenance. With this measurement focus, 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 they are earned, and expenses are recognized at the time the liabilities are incurred.

D. BUDGET PRACTICES

The proposed budget for the Plaquemines Parish Government for the year ended December 31, 1995, was completed and made available for public inspection on October 31, 1994. A budget hearing was held on December 8, 1994, where the proposed 1995 operational budget failed and was not adopted. One-half of the 1994 operational budget was adopted in accordance with Plaquemines Parish Charter Section 7.02B by Ordinance 94-548, dated December 8, 1994. The capital improvements budget was formally adopted by Ordinance 94-549, dated December 8, 1994. The operational budget was amended and re-adopted by Ordinance 95-258, dated June 22, 1995.

Formal budgetary integration is employed as a management control device for the General, special revenue, and enterprise funds. Budget comparisons are used to control the operations of the parish.

With the exception of a few departments, which are controlled at the department or division level, the government exercises budgetary control at the department/function level. Unexpended appropriations lapse at year-end and must be re-appropriated in the next year's budget to be expended.

The government's adopted budget is on the modified accrual basis of accounting. The budget comparison statement included in the accompanying financial statements

PLAQUEMINES PARISH GOVERNMENT
Pointe-a-la-Hache, Louisiana
Notes to the Financial Statements (Continued)

contains the original adopted budget and all subsequent amendments for the General and special revenue funds.

Amendments to the adopted operating budget may be proposed by either the president or council member and must be adopted by ordinance by the council.

E. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General and special revenue funds.

Appropriations are valid only for the year in which made, and any part of such appropriation that is not encumbered or expended, lapses at the end of the year.

Encumbrances outstanding at year-end are reported as reservations of fund balance since they do not constitute expenditures or liabilities.

F. CASH AND INVESTMENTS

Cash includes amounts in demand deposits (pooled account), interest-bearing demand deposits, and money market accounts. Under state law, the government 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.

Under state law, the government may invest in United States bonds, treasury notes, or certificates. Investments are stated at cost, except for investments in the Deferred Compensation Agency Fund, which are reported at market.

**G. SHORT-TERM INTERFUND
RECEIVABLES/PAYABLES**

Short-term interfund receivables/payables are used to account for amounts owed to a particular fund by another fund. This includes only short-term obligations such as expenditures that are the legal responsibility of one fund paid by another fund, with the understanding that the latter will be reimbursed by the former fund.

H. PREPAID ITEMS

The government establishes prepaid expenditures for liability insurance, hurricane protection project payments in advance, travel advances and postage. Payments

PLAQUEMINES PARISH GOVERNMENT
Pointe-a-la-Hache, Louisiana
Notes to the Financial Statements (Continued)

made for such items that will benefit periods beyond December 31, 1995, are recorded as prepaid items.

I. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are reported in the general fixed assets account group. Public domain or infrastructures are not capitalized. Interest costs incurred during construction are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost. Approximately 80 percent of general fixed assets are valued at historical cost, while the remaining 20 percent are valued at estimated cost based on the actual cost of like items. Fixed assets used in the proprietary fund operations are included on the balance sheet of the funds net of accumulated depreciation. Depreciation of all exhaustible fixed assets used by proprietary fund operations is charged as an expense against operations. Depreciation is computed using the straight-line method over the following useful lives:

Building and improvements	35 years
Machinery and equipment	3-35 years
Waterlines	12 years

Contributed capital used to purchase fixed assets is being amortized based on the depreciation associated with those assets; this decreases contributed capital by the amount amortized.

J. COMPENSATED ABSENCES

The government has the following policy relating to annual leave, sick leave, short-term absences, and compensatory overtime:

1. **Annual Leave**

Depending upon length of service, full-time employees of the government earn from 6 to 24 days of annual leave each year. All annual leave time earned by employees must be used by December 31 of the same calendar year. Accordingly, as of December 31, 1995, the government has no liability to employees for annual leave.

2. **Sick Leave**

Depending upon length of service, full-time employees of the government can accumulate up to 130 working days of sick leave. When sick leave is taken, employees are paid at a rate of 75 percent of

their salary for a period of time beginning on the eighth day of illness. Sick leave does not vest and employees are not compensated for unused sick leave upon termination.

3. Short-Term Absences

Full-time employees of the government earn five days short-term absence each year. Leave that is not taken at year-end may be accumulated to a maximum of 400 hours and will be added to the employee's pay at time of separation of employment. The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the governmental funds for the amount accrued during the year that would normally be liquidated with expendable available financial resources. The cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group. Leave privileges associated with employees of the proprietary funds are recorded as a fund liability and operating expense as benefits accrue to employees.

4. Overtime Accrued

It is the practice of the government to credit eligible employees with compensatory time at the rate of one and a half times the actual hours worked in excess of 40 hours per week. The cost for this compensatory time is recognized as a current expenditure and current liability or long-term liability. In proprietary funds, the cost of compensatory time is recognized as a current expense and current liability. This time may be used by employees in the same manner as short-term leave time. Compensatory overtime not taken will be added to the employee's pay at the time of separation from employment.

K. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due. Long-term obligations expected to be financed from proprietary fund operations are accounted for in those funds.

L. FUND EQUITY

1. Contributed Capital - contributed capital is recorded in proprietary funds that have received contributions from other funds when such resources

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Pointe-a-la-Hache, Louisiana
Notes to the Financial Statements (Continued)

are restricted for the acquisition or construction of capital assets. Contributed capital is amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such resources. This depreciation is closed to the contributed capital account and is reflected as an adjustment to net income.

2. **Reserves** - reserves represent those portions of fund equity not appropriate for expenditures or legally segregated for a specific future use.
3. **Designated Fund Balances** - designated fund balances represent tentative plans for future use of financial resources.

M. INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is being reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

N. SALES TAXES

The government collects a one percent sales tax that may be used to operate the parish government and provide public services and facilities. In addition, the government collects a two percent sales tax for the Plaquemines Parish School Board and remits those collections each month to the school board net of collection expenses. One-third of the collection expenses are paid by the government, and two-thirds are paid by the school board.

O. TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Such data are not comparable to a consolidation, and interfund eliminations have not been made in the aggregation of this data.

PLAQUEMINES PARISH GOVERNMENT
 Pointe-a-la-Hache, Louisiana
 Notes to the Financial Statements (Continued)

2. PRIOR PERIOD ADJUSTMENTS

The December 31, 1994, fund balances/retained earnings were restated to reflect the following adjustments:

	General Fund	Capital Projects Funds	Enterprise Funds
Beginning balance, before restatement	<u>\$9,380,628</u>	<u>\$6,612,661</u>	<u>\$7,579,890</u>
Adjustments:			
Understatement of the prior year's sales tax revenue and the related receivable	446,991		
Overstatement of prior years' payroll related liabilities	103,754		
Overstatement of prior years' receivables	(397,958)	(329,413)	
Prior year's unrecorded liability for water and sewer contract			(1,181,123)
Fixed asset inventory adjustment			48,674
Miscellaneous corrections		(2,172)	
Understatement of prior year's compensated absences payable			(9,277)
Total adjustments	<u>152,787</u>	<u>(331,585)</u>	<u>(1,141,726)</u>
Beginning balance, as restated	<u><u>\$9,533,415</u></u>	<u><u>\$6,281,076</u></u>	<u><u>\$6,438,164</u></u>

3. LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes for the year ended December 31, 1995:

	Authorized Millage	Levied Millage	Expiration Date
Parishwide taxes:			
Parish (alimony tax)	4.52%	4.52%	12/31/2009
Road Maintenance	1.86%	1.86%	12/31/2009
Water	2.47%	2.47%	12/31/2009
Library	1.24%	1.24%	12/31/2009
Pollution Control	2.47%	2.47%	12/31/2009
Public Health	1.24%	1.24%	12/31/2009
Garbage and Waste Disposal	3.69%	3.69%	12/31/2009
Solid Waste and Wastewater Disposal	1.24%	1.24%	12/31/2009
Total	<u><u>18.73%</u></u>	<u><u>18.73%</u></u>	

PLAQUEMINES PARISH GOVERNMENT
 Pointe-a-la-Hache, Louisiana
 Notes to the Financial Statements (Continued)

The following are the principal taxpayers for the parish (amounts expressed in thousands):

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Value</u>	<u>Percentage Total</u>
Chevron	Oil/Gas	\$38,445,410	10.03%
BP Oil	Oil/Gas	37,446,880	9.77%
Electro Coal	Coal	15,187,930	3.96%
Flores & Rucks	Oil/Gas	12,166,990	3.17%
Freeport McMoran	Sulphur	11,785,480	3.07%
IMT	Coal	8,565,825	2.23%
Hollywood Marine Incorporated	Watercraft	8,277,760	2.16%
TEPI - Texaco	Oil/Gas	7,949,410	2.07%
Bender Shipyard	Shipyard	7,431,010	1.93%
Tennessee Gas Pipeline	Oil/Gas	7,387,415	1.92%
Total		<u>\$154,644,110</u>	<u>40.31%</u>

4. CASH AND CASH EQUIVALENTS

At December 31, 1995, the government has cash (book balances) totaling \$14,305,795 as follows:

Demand deposits	\$367,988
Interest-bearing demand deposits	155,717
Money market accounts	<u>13,782,090</u>
Total	<u>\$14,305,795</u>

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.

At December 31, 1995, the government has \$15,315,955 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance and \$15,215,955 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the government that the fiscal agent has failed to pay deposited funds upon demand.

PLAQUEMINES PARISH GOVERNMENT
 Pointe-a-la-Hache, Louisiana
 Notes to the Financial Statements (Continued)

5. INVESTMENTS

At December 31, 1995, the government holds United States treasury bills totaling \$3,199,963 with a market value of \$3,213,305. These investments are stated on the balance sheet at cost. The United States treasury bills are in the name of the government and are held in the trust department of a custodial bank selected by the government. Because the United States treasury bills are held by the government's agent in the name of the government, they are classified in Category 1 in applying the credit risk of GASB Codification Section 150.164. These treasury bills matured subsequent to year-end for their par value of \$3,243,000.

In addition to the aforementioned investments, the government participates in a deferred compensation plan (Note 10). At December 31, 1995, the plan administrator held life insurance contracts and annuities for plan participants valued at \$135,793. These assets are valued at cash surrender value for the life insurance contracts and fair market value for the annuities.

6. RECEIVABLES

The following is a summary of receivables at December 31, 1995.

<u>Class of Receivables</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Proprietary Funds</u>
Taxes:				
Ad valorem	\$1,697,110	\$3,480,583		\$1,854,807
Sales and use	426,617			8,582
Other	33,581	47,906		25,532
Intergovernmental - grants:				
Federal	156,278			1,213,913
State	151,488	23,125	\$342,200	521,497
Local	644,587			
Accounts		51,352		1,222,545
Other	2,879,486	163,230	11,823	53,467
Total	<u>\$5,989,147</u>	<u>\$3,766,196</u>	<u>\$354,023</u>	<u>\$4,900,343</u>

7. FIXED ASSETS

The changes in the general fixed assets follow:

PLAQUEMINES PARISH GOVERNMENT
 Pointe-a-la-Hache, Louisiana
 Notes to the Financial Statements (Continued)

	Balance January 1, 1995	Prior Year Corrections	Balance January 1, 1995, As Restated	Additions	Deductions	Balance December 31, 1995
Land	\$7,596,845	\$237,276	\$7,834,121	\$2,340		\$7,836,461
Buildings	64,220,650	(239,276)	63,981,374			63,981,374
Improvements other than buildings	21,173,591		21,173,591			21,173,591
Machinery and equipment	15,003,422	(1,736)	15,001,686	1,670,969	(\$1,002,528)	15,670,127
Construction in progress				2,340	(2,340)	
Total	\$107,994,508	(\$3,736)	\$107,990,772	\$1,675,649	(\$1,004,868)	\$108,661,553

The prior year corrections relate to the reclassification of property from buildings to land and miscellaneous inventory corrections.

A summary of proprietary fund plant and equipment follows:

	Water and Sewer Fund	Port Harbor Fund	Boat Harbors Fund	Golf Course Fund	Total
Buildings	\$11,477,440	\$5,255,176		\$362,983	\$17,095,599
Improvements other than buildings	16,534,493				16,534,493
Machinery and equipment	494,914	813,281	\$359,499	113,599	1,781,293
Construction in progress	9,395,641	31,879			9,427,520
Subtotal	37,902,488	6,100,336	359,499	476,582	44,838,905
Less accumulated depreciation	(19,871,225)	(751,184)	(311,972)	(195,875)	(21,130,256)
Total	\$18,031,263	\$5,349,152	\$47,527	\$280,707	\$23,708,649

8. RETIREMENT SYSTEM

Substantially all employees of the Plaquemines Parish Government are members of the Parochial Employees Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the government are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life,

PLAQUEMINES PARISH GOVERNMENT
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Notes to the Financial Statements (Continued)

equal to 3 percent of their final average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one percent of final-average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980, plus 3 percent of final-average salary for each year of service credited after the revision date. Final-salary average is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504) 928-1361.

Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary, and the Plaquemines Parish Government is required to contribute at an actuarially determined rate. The current rate is 8.0 percent of annual covered payroll. Contributions to the System include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each Parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Plaquemines Parish Government are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by an actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. Plaquemines Parish Government contributions to the System under Plan A for the years ending December 31, 1995, 1994, and 1993, were \$726,989, \$761,755, and \$799,955, respectively, equal to the required contributions for each year.

9. SUPPLEMENTAL RETIREMENT PAY

In accordance with Parish Ordinance No. 87-144 adopted in 1987 and subject to the availability of budgeted funds, eligible retired parish employees are entitled to receive supplemental retirement pay from the parish. Eligible employees are defined as having worked 40 hours per week for a minimum of 10 years and reached normal retirement age of 60 while employed and receive less than \$300 per month in Parochial Employees' Retirement System of Louisiana retirement benefits. Eligible retirees receive supplement benefits at the rate of \$15 per month for each year of service not to exceed 20 years or a maximum amount of \$200 per month. The total amount paid to 20 retired employees in 1995 was \$45,341.

10. DEFERRED COMPENSATION PLAN

The Plaquemines Parish Government offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by a third party, the State Mutual Life Assurance Company of America. The plan, which is available to all employees, permits employees to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan all property and rights purchased with those amounts and all income attributable to those amounts, property, or rights (until paid or made available to the employee or other beneficiary) are solely the property and rights of the government (without being restricted to the provisions of benefits under the plan), subject only to the claims of the government's general creditors. Participants' rights under the plan are equal to those of general creditors of the government in an amount equal to the fair market value of the deferred account for each participant. The deferred compensation liability and asset are equal to the total cash balances for each participant's account as of December 31, 1995.

The government has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The government intends to honor its moral obligation to the participants implicit in the program. Investments under the plan total \$135,793, as reflected on Statement A.

**11. POSTEMPLOYMENT HEALTH CARE
AND LIFE INSURANCE BENEFITS**

The Plaquemines Parish Government provides certain continuing health care and life insurance benefits for its retired employees as authorized by Resolution No. 94-319. Substantially, all of the government's employees become eligible for these benefits if they reach normal retirement age while working for the government. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid in full by the government or jointly by the employee and the government, depending on the retiree's individual situation. The government recognizes the cost of providing these benefits as an expenditure when paid. For 1995, the cost to Plaquemines Parish Government for 86 retirees totaled \$395,116.

**12. ACCOUNTS, SALARIES, AND
OTHER PAYABLES**

The payables of \$2,708,777 at December 31, 1995, are as follows:

PLAQUEMINES PARISH GOVERNMENT
 Pointe-a-la-Hache, Louisiana
 Notes to the Financial Statements (Continued)

<u>Class of Payables</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Proprietary Funds</u>
Salaries	\$329,026		
Withholdings	388,206		
Accounts	796,254	\$168,618	\$208,315
Other			818,358
Total	<u>\$1,513,486</u>	<u>\$168,618</u>	<u>\$1,026,673</u>

13. COMPENSATED ABSENCES

Full-time employees of the government are granted five days of short-term absence leave each year. Leave that is not taken before year-end may be accumulated and will be added to the employee's pay at the time of separation from employment.

At December 31, 1995, employees of the government have accumulated and vested \$265,830 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. Of this amount, \$118,169 is recorded as a current liability of the General Fund, and \$111,298 is recorded within the general long-term account group. The leave liability for employees of the enterprise funds, in the amount of \$36,365, is accounted for within the funds.

Eligible employees are credited with compensatory time for hours worked in excess of 40 hours per week. Compensatory overtime not taken before year-end may be accumulated and will be added to the employee's pay at the time of separation from employment.

At December 31, 1995, employees of the government have accumulated approximately \$194,360 of compensatory overtime. Of this amount, \$38,444 is recorded as a current liability in the General Fund and \$120,873 is recorded within the general long-term account group. The overtime leave liability for employees of the enterprise funds in the amount of \$35,041 is accounted for within the funds.

14. LEASES

The Plaquemines Parish Government records items under capital leases as assets and obligations in the accompanying financial statements.

The following is a schedule of future minimum lease payments under capital leases and the present value of the net minimum lease payments as of December 31, 1995:

PLAQUEMINES PARISH GOVERNMENT
 Pointe-a-la-Hache, Louisiana
 Notes to the Financial Statements (Continued)

	<u>Computer</u>	<u>Copy Machines</u>	<u>Total</u>
Fiscal year:			
1996	\$31,713	\$65,814	\$97,527
1997		36,179	36,179
1998		26,864	26,864
1999		13,614	13,614
2000		6,300	6,300
Total minimum lease payments	<u>31,713</u>	<u>148,771</u>	<u>180,484</u>
Less - amount representing interest	<u>(2,547)</u>	<u>(17,463)</u>	<u>(20,010)</u>
Present value of net minimum lease payments	<u>\$29,166</u>	<u>\$131,308</u>	<u>\$160,474</u>

15. COMMITMENTS UNDER CONTRACT

The Plaquemines Parish Government entered into a contract with Environmental Operators, Inc., for the receipt and disposal of solid waste, payable in monthly installments of \$66,667 for the first year and adjustable thereafter for changes in the Consumer Price Index. The contract commenced on October 1, 1994, and ends on September 30, 1996. Thereafter, the contract is automatically renewed for successive terms of two years each unless canceled in writing by either party no less than 120 days before expiration of the then current term. If the agreement is terminated on or before December 31, 1999, the contract includes a termination fee equal to 50 percent of the then annual fee, which early termination fee shall not be less than \$500,000.

The Plaquemines Parish Government entered into a contract with Professional Services Group, Inc. ("PSG"), for the management and operation of its water and wastewater treatment facilities and the associated water distribution and wastewater collection systems, for meter reading, billing, and collection services, and for an accelerated meter replacement program. The contract commenced on October 1, 1992, and ends on December 27, 1997. The contract automatically renews for successive terms of 5 years each unless canceled in writing by either party at least 120 days before the expiration of the then current term. The contract, as amended, provides for monthly fees for debt service of \$36,980, monthly base service fees of \$410,358 (in 1996), and monthly fees of \$57,917 for meter reading, billing, and collection services. The monthly base service fee is subject to annual negotiation but has generally been increased based on changes in the Consumer Price Index. The contract also provides for an early termination fee equal to PSG's unrecovered capital costs and related expenditures, including its investment in the accelerated meter replacement program.

16. OTHER COMMITMENTS

On March 6, 1964, the Plaquemines Parish Government and the Department of the Army, United States Corps of Engineers entered into an Act of Assurance and Acts of Supplemental Assurance on May 2, 1973; September 10, 1987; and December 21, 1992; for the construction of the New Orleans to Venice, Louisiana, Hurricane Protection Project. The parish's

PLAQUEMINES PARISH GOVERNMENT
 Pointe-a-la-Hache, Louisiana
 Notes to the Financial Statements (Continued)

contributions that may be met through cash or work-in-kind credit are due at the beginning of the Corps of Engineers' fiscal year, which begins in September, for that year's projected expenditures. At year-end, the parish establishes a fund balance reserve for the payment due the following September. Projected contributions for which fund balance reserves have not been established are as follows:

<u>Payment Date</u>	<u>Contribution</u>
September 1997	\$1,157,000
September 1998	1,029,000
September 1999	1,543,000
September 2000	1,071,000
Balance to complete	<u>6,590,000</u>
Total	<u><u>\$11,390,000</u></u>

17. CHANGES IN LONG-TERM DEBT OBLIGATIONS - GENERAL LONG-TERM DEBT ACCOUNT GROUP

The following is a summary of the long-term debt obligation transactions for the year ended December 31, 1995:

	<u>Compensated Absences</u>	<u>Capital Leases</u>	<u>Litigation and Claims</u>	<u>General Obligation Bonds</u>	<u>Certificate of Indebtedness</u>	<u>Total</u>
Long-term debt payable at January 1, 1995	\$326,267	\$65,457	\$672,978	\$26,715,000	\$2,120,000	\$29,899,702
Prior year corrections	(78,303)	185,861				107,558
Long-term debt payable at January 1, 1995, as restated	247,964	251,318	672,978	\$26,715,000	\$2,120,000	30,007,260
Additions	137,896		1,726,787			1,864,683
Deductions	(153,689)	(90,844)		(1,095,000)	(490,000)	(1,829,533)
Long-term debt payable at December 31, 1995	<u>\$232,171</u>	<u>\$160,474</u>	<u>\$2,399,765</u>	<u>\$25,620,000</u>	<u>\$1,630,000</u>	<u>\$30,042,410</u>

The prior year corrections relate to unrecorded capital leases of copier machines.

PLAQUEMINES PARISH GOVERNMENT
 Pointe-a-la-Hache, Louisiana
 Notes to the Financial Statements (Continued)

General obligation bonds and certificates of indebtedness are comprised of the following individual issues:

<u>Description</u>	<u>Amount Outstanding</u>
General Obligation Bonds:	
\$15,330,000 - Public Improvement Bonds, Series 1992, due in annual installments ranging from \$115,000 to \$1,895,000 through August 2008, with interest from 3.2 percent to 6.5 percent. Debt retirement payments are made from the Public Improvement Bonds, Series 1992, Debt Service Fund.	\$14,620,000
\$10,000,000 - Public Improvement Bonds, Series 1991, due in annual installments ranging from \$280,000 to \$800,000 through August 2011, with interest from 5.95 percent to 9.0 percent. Debt retirement payments are made from the Public Improvement Bonds, Series 1991, Debt Service Fund.	8,775,000
\$5,640,000 - Public Improvement Bonds, Series 1988, due in annual installments ranging from \$370,000 to \$805,000 through August 1998, with interest from 7.5 percent to 11.0 percent. Debt retirement payments are made from the Public Improvement Bonds, Series 1988, Debt Service Fund.	<u>2,225,000</u>
Total General Obligation Bonds	<u>25,620,000</u>
Certificates of Indebtedness:	
\$500,000 - Certificates of Indebtedness Bonds, Series 1993, due in annual installments ranging from \$90,000 to \$110,000 through January 1998, with interest from 3.5 percent to 4.9 percent. Debt retirement payments are made from Certificates of Indebtedness Bonds, Series 1993, Debt Service Fund.	315,000
\$1,710,000 - Certificates of Indebtedness Bonds, Series 1994, due in annual installments ranging from \$395,000 to \$460,000 through April 1998, with interest from 4.15 percent to 4.85 percent. Debt retirement payments are made from Certificates of Indebtedness Bonds, Series 1994, Debt Service Fund.	<u>1,315,000</u>
Total Certificates of Indebtedness	<u>1,630,000</u>
Total	<u><u>\$27,250,000</u></u>

PLAQUEMINES PARISH GOVERNMENT
 Pointe-a-la-Hache, Louisiana
 Notes to the Financial Statements (Continued)

The general obligation bonds are secured by and payable from 10 percent of the royalties received by the State of Louisiana from mineral leases on state-owned land located within Plaquemines Parish and from a pledge of the full faith and credit of the parish.

The Certificates of Indebtedness are secured by and payable solely from a pledge and dedication of the excess of annual revenues above statutory, necessary and usual charges in each of the fiscal years during which the certificates are outstanding.

At December 31, 1995, the government has accumulated \$5,912 in debt service funds for future debt requirements. The annual requirements to amortize all bonded debt outstanding at December 31, 1995, including interest of \$13,864,736, are as follows:

<u>Fiscal Year</u>	<u>Bonded Debt</u>
1996	\$3,421,761
1997	3,417,600
1998	3,414,440
1999	2,821,397
2000	2,823,083
2001-2011	<u>25,216,455</u>
Total	<u>\$41,114,736</u>

In accordance with Louisiana Revised Statute 39:562, the government is legally restricted from incurring general obligation bonded debt for any one of the purposes provided by Louisiana Revised Statute 39:562 in excess of 10 percent of the assessed value of taxable property in the parish. At December 31, 1995, the statutory limit for each purpose is \$38,312,986.

Advance Refunding

On April 1, 1992, Plaquemines Parish Government refunded and defeased in substance \$13,360,000 of the Public Improvement Bonds, Series 1988 (outstanding 4/12/92, \$17,785,000) maturing August 1, 1999, to August 1, 2008, (with interest from 7.85 percent to 8.4 percent) with the proceeds from Public Improvement Bonds, Series 1992 (with interest from 3.2 percent to 6.5 percent).

The net proceeds of the Public Improvement Bonds, Series 1992 were used to purchase U.S. Treasury securities--state and local government series. These sources were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments for the Public Improvement Bonds, Series 1988, maturing August 1, 1999, to August 1, 2008, to their redemption on August 1, 1998. As a result, the Public Improvement Bonds, Series 1988 bonds maturing August 1, 1999, to August 1, 2008, are considered to be defeased, and the liability for the bonds outstanding as of December 31, 1995, totaling \$13,360,000, has been removed from the long-term debt account group.

PLAQUEMINES PARISH GOVERNMENT
 Pointe-a-la-Hache, Louisiana
 Notes to the Financial Statements (Continued)

**18. CHANGES IN LONG-TERM DEBT -
 PROPRIETARY FUNDS**

The following is a summary of the proprietary funds' long-term obligation transactions for the year ended December 31, 1995:

	Compensated Absences (Long-Term Portion)	Other Payable	Certificates of Indebtedness	Total
Long-term debt payable at January 1, 1995	\$37,877		\$1,845,000	\$1,882,877
Prior year corrections (note 2)	9,277	\$1,181,123		1,190,400
Long-term debt payable at January 1, 1995, as restated	47,154	1,181,123	1,845,000	3,073,277
Additions	28,884			28,884
Deductions	(33,247)	(362,765)	(165,000)	(561,012)
Long-term debt payable at December 31, 1995	<u>\$42,791</u>	<u>\$818,358</u>	<u>\$1,680,000</u>	<u>\$2,541,149</u>

<u>Description</u>	<u>Amount Outstanding</u>
Bonded Debt - Certification of Indebtedness:	
\$2,000,000 - Certificates of Indebtedness Bonds, Series 1993, due in annual installments ranging from \$155,000 to \$250,000 through March 2003, with interest from 3.2 percent to 5.2 percent. Debt retirement payments are made from the Port, Harbor and Terminal District Fund.	<u>\$1,680,000</u>

The Port, Harbor and Terminal District Fund's \$2,000,000 Certificates of Indebtedness principal payment due March 1996, in the amount of \$175,000 is recorded as a current liability; the remaining principal of \$1,505,000 is recorded as a long-term liability.

The Certificates of Indebtedness are secured by and payable solely from a pledge and dedication of the excess of annual revenues of the Plaquemines Port, Harbor and Terminal District above statutory, necessary and usual charges in each of the fiscal years during which the certificates are outstanding.

The annual requirements to amortize all bonded debt outstanding at December 31, 1995, including interest of \$351,308, are as follows:

PLAQUEMINES PARISH GOVERNMENT
 Pointe-a-la-Hache, Louisiana
 Notes to the Financial Statements (Continued)

<u>Fiscal Year</u>	<u>Bonded Debt</u>
1996	\$249,826
1997	252,799
1998	249,968
1999	256,218
2000	256,395
2001-2003	766,103
Total	<u>\$2,031,309</u>

19. CHANGES IN AGENCY FUNDS

A summary of changes in assets and liabilities follows:

	<u>Balance at Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances at End of Year</u>
Assets:				
Cash	\$85,770	\$12,804,577	(\$11,736,322)	\$1,154,025
Investments	146,062	17,820	(28,089)	135,793
Total Assets	<u>\$231,832</u>	<u>\$12,822,397</u>	<u>(\$11,764,411)</u>	<u>\$1,289,818</u>
Liabilities:				
Interfund payables		\$4,129,544	(\$3,771,359)	\$358,185
Deposits due others	\$146,062	8,214,379	(7,530,737)	829,704
Other liabilities	85,770	478,474	(462,315)	101,929
Total Liabilities	<u>\$231,832</u>	<u>\$12,822,397</u>	<u>(\$11,764,411)</u>	<u>\$1,289,818</u>

20. RESIDUAL EQUITY TRANSFER

Louisiana Revised Statute 15:571.11 requires that one-half of any balance remaining in the Criminal Court Fund at year-end be transferred to the parish General Fund. The following details the amount due at December 31, 1995:

Balance due at January 1, 1995	\$399,823
Amount due for 1995	234,134
Total	<u>633,957</u>
Remitted during 1995	(399,823)
Balance due at December 31, 1995	<u>\$234,134</u>

PLAQUEMINES PARISH GOVERNMENT
 Pointe-a-la-Hache, Louisiana
 Notes to the Financial Statements (Continued)

In addition, as authorized by Ordinance 95-259, a residual equity transfer was made from the General Fund to the Waterworks District Fund in the amount of \$3,297.

21. INTERFUND RECEIVABLES/PAYABLES

Interfund receivables/payables at December 31, 1995, are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Federal Revenue Sharing	\$114,093
General	Road Maintenance	38,632
General	Public Health	28,026
General	Solid Waste	36,356
General	Library	10,127
General	Criminal Court	234,134
General	DWI Court Administered	340
General	1988 G.O. Bond Construction	3,069
General	1991 G.O. Bond Construction	63,431
General	Waterworks District	3,801,526
General	Port, Harbor and Terminal District	1,742,230
General	Boat Harbors	9,551
General	Judicial Court Reporter	39,779
General	Sales Tax	358,185
General	911	622
General	Witness Fee	1,763
General	Golf Course	3,330
Special revenue funds:		
Public Health	Waterworks District	65,000
Solid Waste	Waterworks District	55,000
Library	Waterworks District	45,000
Federal Revenue Sharing	General Fund	160,545
Federal Revenue Sharing	1988 G.O. Bond Construction	2,414
Federal Revenue Sharing	School and Road	19,532
School and Road	Waterworks District	495,000
School and Road	Port, Harbor and Terminal District	1,134
Transportation	Waterworks District	15,000
Criminal Court	Waterworks District	405,000
Judicial Court Reporter	Waterworks District	35,000
911	Waterworks District	180,000
Capital project funds:		
1988 G.O. Bond Construction	1991 G.O. Bond Construction	72,234
1991 G.O. Bond Construction	General Fund	20,364
1991 G.O. Bond Construction	1988 G.O. Bond Construction	2,223,965
Series 1993 Certificates of Indebtedness (Capital Projects)	Water and Sewer	80,000

PLAQUEMINES PARISH GOVERNMENT
 Pointe-a-la-Hache, Louisiana
 Notes to the Financial Statements (Continued)

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Enterprise funds:		
Waterworks District	Port Harbor	\$649
Waterworks District	General Fund	87,737
Boat Harbors	Waterworks District	5,000
Port, Harbor and Terminal District	Waterworks District	157
Port, Harbor and Terminal District	General	152,458
		<hr/>
Total		<u>\$10,606,383</u>

22. INTERFUND TRANSFERS

The following is a summary of interfund transfers during 1995:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Road Maintenance	General	\$914,520
Public Health	General	348,541
Certificate of Indebtedness Series 1993 (Debt Service)	General	111,620
Certificates of Indebtedness Series 1994 (Debt Service)	General	161,462
Golf Course	General	61,909
Boat Harbors	General	236,254
Capital Improvements	General	866,588
Road Maintenance	School and Road	75,000
Road Maintenance	Transportation	275,000
Certificates of Indebtedness Series 1994 (Debt Service)	Public Health	91,938
Certificates of Indebtedness Series 1994 (Debt Service)	Solid Waste	105,729
Certificates of Indebtedness Series 1994 (Debt Service)	Library	18,388
Certificates of Indebtedness Series 1994 (Debt Service)	Road Maintenance	68,584
Certificates of Indebtedness Series 1994 (Debt Service)	Port, Harbor and Terminal District	13,790
Witness Fee	General	24,717
		<hr/>
Total		<u>\$3,374,040</u>

PLAQUEMINES PARISH GOVERNMENT
 Pointe-a-la-Hache, Louisiana
 Notes to the Financial Statements (Continued)

23. RESERVED AND DESIGNATED RETAINED EARNINGS/FUND BALANCES

The following is a detail of the composition of fund balance reserves and designations and retained earnings reserves as presented on Statement A:

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Fund	Total
Fund balances:					
Encumbrances	\$83,940	\$7,586			\$91,526
Prepaid items	1,187,371				1,187,371
Capital projects				\$1,091	1,091
1992 contingencies	36,560				36,560
1994 contingencies	284,760				284,760
Debt service			\$5,912		5,912
Corp of Engineers - 1996	835,000				835,000
Total	\$2,427,631	\$7,586	\$5,912	\$1,091	\$2,442,220
Retained earnings - reserved for capital projects - enterprise funds					<u>\$879,025</u>
Designations:					
Emergencies	\$1,000,000				\$1,000,000
Self-insurance	1,000,000				1,000,000
Capital projects	717,932	\$343,142		\$6,028,055	7,089,129
Total	\$2,717,932	\$343,142	NONE	\$6,028,055	\$9,089,129

Reserved for Encumbrances

The reserve for encumbrances in the amount of \$91,526 represents that portion of the applicable appropriation that is committed under purchase order or contract but which does not constitute expenditures or liabilities.

Reserved for Prepaid Items

The reserve for prepaid items in the amount of \$1,187,371 represents payments to vendors for expenditures that will apply to periods after December 31, 1995. Included in this total is payment of \$526,269, made in September 1995, to the Corp of Engineers for the parish's estimated contribution to the New Orleans to Venice Hurricane Protection Project to fund construction during the Corp of Engineer's fiscal year, 1995, which began in September 1995.

PLAQUEMINES PARISH GOVERNMENT
Pointe-a-la-Hache, Louisiana
Notes to the Financial Statements (Continued)

Reserved for 1992 Contingencies

The reserve for 1992 contingencies in the amount of \$36,560 represents disputed professional service invoices from 1992.

Reserved for 1994 Contingencies

The reserve for 1994 contingencies in the amount of \$284,760 represents disputed professional service invoices from 1994.

Reserved for Corp of Engineers Due 1996

The reserve for Corp of Engineers in the amount of \$835,000 represents the estimated funding requirements for the Parish's contribution to the New Orleans to Venice Hurricane Protection Project. This contribution is due in September 1996 to fund construction during the Corp of Engineer's 1997 fiscal year, which begins in September 1997.

Designated for Emergencies

The Plaquemines Parish Government has an amount of \$1,000,000 designated for emergency purposes.

Designated for Self Insurance

The government is self insured against liability claims relative to comprehensive general liability and automobile liability through a retention fund of \$1,000,000, which is supplemented by an excess umbrella liability policy of \$5,000,000 through an insurer with an A.M. Best Rating of A+. Worker's compensation is self insured with a two-year aggregate of \$400,000 supplemented by an excess policy with coverage up to the statutory limits by an insurer with an A.M. Best Rating of A+. Marine coverages including hull, protection/indemnity, crew coverage, landings and approaches are fully insured up to \$11,000,000 by an insurer with an A.M. Best Rating of A+. Parish government buildings are decentralized by location because of the geographical make-up of the parish and are self insured against flood, fire, and extended coverage.

Designated/Reserved for Capital Projects

The detail of reserves and designations for capital projects is as follows:

PLAQUEMINES PARISH GOVERNMENT
 Pointe-a-la-Hache, Louisiana
 Notes to the Financial Statements (Continued)

<u>Fund/Project</u>	<u>Designations</u>	<u>Reserves</u>
General Fund		
West Pointe a la Hache ring levee	\$47,750	
Duvic to Venice gap	74,019	
Milan Drive flood wall	200,000	
Bergeron Road hard surfacing	95,000	
GIS mapping program	25,000	
Phoenix to Davant waterline replacement	276,163	
	<hr/>	
Total General Fund	\$717,932	
	<hr/> <hr/>	
Special Revenue Funds		
<u>School and Road</u>		
Road maintenance parishwide	\$11,523	
Hard surfacing - Oaktree to Melvin	15,000	
Hard surfacing - Bergeron Road	68,426	
Ferry landing repairs	109,850	
Resurfacing Barriere Road	57,343	
Total	262,142	
	<hr/>	
<u>Transportation</u>		
Riverbend Senior Center Park	31,000	
	<hr/>	
<u>911</u>		
GIS mapping program	50,000	
	<hr/>	
Total Special Revenue Funds	\$343,142	
	<hr/> <hr/>	
Capital Projects Funds		
<u>1991 General Obligation Bond Construction</u>		
Freshwater diversion projects	\$5,943,837	\$1,091
<u>Series 1993 Certificate of Indebtedness</u>		
Sewer repairs E thru L Street	84,218	
	<hr/>	
Total Capital Projects Funds	\$6,028,055	\$1,091
	<hr/> <hr/>	
Enterprise Funds		
<u>Waterworks District</u>		
Portable water pump		\$15,500
Sewer line repairs		200,000
K & L Street sewer line		134,404
Total		349,904
		<hr/>
<u>Port, Harbor and Terminal District Fund</u>		
Bulk terminal		4,121
Airport		500,000
GIS mapping program		25,000
Total		529,121
		<hr/>
Total Enterprise Funds		\$879,025
		<hr/> <hr/>

PLAQUEMINES PARISH GOVERNMENT
 Pointe-a-la-Hache, Louisiana
 Notes to the Financial Statements (Continued)

24. CONTRIBUTED CAPITAL

Amounts contributed to the enterprise funds for acquisition of fixed assets are recognized as contributed capital. Contributed capital is amortized based upon the depreciation recognized on that portion of the assets acquired from such contributions. This depreciation is closed to the contributed capital account and is reflected as an adjustment to net income on Statement D. The following is a summary of changes in contributed capital for the year ended December 31, 1995.

	Waterworks District Fund	Port, Harbor, and Terminal District Fund	Golf Course Fund	Total
Contributed capital at December 31, 1994	\$12,017,163	\$2,170,327	\$278,588	\$14,466,078
Additions	1,551,504	375,923		1,927,427
Amortization of contributed capital with current year depreciation	(320,725)	(16,369)	(9,241)	(346,335)
Contributed capital at December 31, 1995	<u>\$13,247,942</u>	<u>\$2,529,881</u>	<u>\$269,347</u>	<u>\$16,047,170</u>

25. ENTERPRISE FUNDS (Segment Information)

In accordance with GASB Codification Section 2500, segment information for the government's enterprise funds is as follows:

	Waterworks District Fund	Port, Harbor and Terminal District Fund	Golf Course Fund	Boat Harbors Fund	Total
Operating revenues	\$4,037,973	\$2,470,690	\$29,169	\$345,529	\$6,883,361
Operating expenses:					
Depreciation	648,260	55,819	9,242	28,224	741,545
Other	6,026,189	1,716,827	87,257	620,514	8,450,787
Operating income (loss)	(2,636,476)	698,044	(67,330)	(303,209)	(2,308,971)
Nonoperating revenues (expenses):					
Interest		196,196		771	196,967
Ad valorem taxes	1,965,537				1,965,537
Other	(103)	(819)	(665)		(1,587)
Transfers in (out)		(13,790)	61,909	236,254	284,373
Net income (loss)	(671,042)	879,631	(6,086)	(66,184)	136,319
Net working capital	(1,372,143)	3,026,464	(11,360)	(17,472)	1,625,489
Total assets	22,261,681	10,426,261	280,707	54,931	33,023,580
Capital contributions	13,247,942	2,529,881	269,347		16,047,170
Total fund equity	15,840,762	6,858,785	267,386	1,056	22,967,989

PLAQUEMINES PARISH GOVERNMENT
 Pointe-a-la-Hache, Louisiana
 Notes to the Financial Statements (Concluded)

26. CLAIMS AND ASSESSMENTS PAYABLE

At December 31, 1995, the government is involved in litigation or is aware of claims totaling \$5,365,606 resulting principally from personal injury and property damage. The government's legal representatives have reviewed all litigation and claims to evaluate the likelihood of an unfavorable outcome to the parish and to arrive at an estimate of the amount of potential loss to the government. As a result of this review, in the opinion of the government's legal representatives, there is a probability of an unfavorable outcome of \$3,195,986. In addition, the government is aware of 45 cases asserting claims against the parish alleging damages of an unknown amount for which no provision has been made in the financial statements. Each general liability claim up to \$1,000,000 is covered by the self-insurance program, as described in Note 23. Each claim exceeding \$1,000,000 is covered by an umbrella liability policy up to an additional \$5,000,000. The government is responsible for replenishing its designation of self-insurance to cover additional claims. A current liability in the amount of \$796,221 and a long-term obligation in the amount of \$2,399,765 have been established for claims which, in the opinion of the government's legal counsel, will probably result in an unfavorable outcome. No provisions for the government's possible loss contingencies have been made in the financial statements.

27. FOOD STAMP PROGRAM

The Food Stamp Program is operated by the government under an agreement with the Louisiana Department of Social Services. Under this program, the government is responsible for the issuance of food stamps to eligible participants in the parish. The value of food stamps on hand, received and issued, is not recorded in the accompanying statements. Activity for the year follows:

Balance at January 1, 1995	\$1,009,097
Received	3,594,000
Issued	<u>(3,642,218)</u>
Balance at December 31, 1995	<u>\$960,879</u>

28. FOOD DISTRIBUTION PROGRAM

The Food Distribution Program is operated by the government under an agreement with the Louisiana Department of Agriculture. Under this program, the government is responsible for the issuance of donated food commodities for use in feeding persons in needy households. The value of the donated food commodities received and issued for the year totaled \$6,117 and is not recorded in the accompanying statements.

PLAQUEMINES PARISH GOVERNMENT
Pointe-a-la-Hache, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended December 31, 1995

SPECIAL REVENUE FUNDS

ROAD MAINTENANCE FUND

The Road Maintenance Fund accounts for the expenditures in connection with the maintenance and upkeep of the parish's road system. Revenues of this fund are derived principally from ad valorem taxes and a state mowing and litter collection agreement as well as transfers from the General Fund.

PUBLIC HEALTH FUND

The Public Health Fund accounts for the expenditures in connection with the health and welfare of parish residents through Water Quality, Ambulance Services, Parish Physician and Animal Control. The revenues from this fund are derived principally through ad valorem taxes and fees collected from Ambulance Services and Animal Control as well as transfers from the General Fund.

SOLID WASTE FUND

The Solid Waste Fund accounts for the implementation of a parishwide system for the collection and disposal of solid waste. Financing for this fund is provided by ad valorem taxes and sanitation fees.

LIBRARY FUND

The Library Fund accounts for the costs of providing and maintaining parish libraries for the use of parish residents. Financing for this fund is provided by ad valorem taxes and library fines and fees collected by the libraries, which are located in Buras, Port Sulphur, and Belle Chasse.

DWI COURT ADMINISTERED FUND

The DWI Court Administered Fund was created in 1985 and accounts for fines collected by the sheriff's office and remitted to the government. The monies are used for the administration of a substance abuse center.

JUDICIAL COURT REPORTER FUND

The Judicial Court Reporter Fund accounts for judicial fees collected by the clerk of court and remitted to the government for payment of court reporter costs.

TRANSPORTATION FUND

The Transportation Fund accounts for expenditures in connection with maintenance and upkeep of the parish road system. Revenues of this fund are derived principally from the State of Louisiana through the Parish Transportation Fund. Use of this fund is restricted by Louisiana Revised Statute 48:753.

FEDERAL REVENUE SHARING FUND

The Federal Revenue Sharing Fund accounts for entitlements received under the State and Local Government Fiscal Assistance Act of 1972.

SCHOOL AND ROAD FUND

The School and Road Fund accounts for federal-shared revenue from mineral royalties of the Delta-Breton National Wildlife Refuge that is designated for providing transportation to students attending Plaquemines Parish public schools.

CRIMINAL COURT FUND

The Criminal Court Fund for the Twenty-Fifth Judicial District was established under Section 571.11 of Title 15 of the Louisiana Revised Statutes of 1950, which provides that fines and forfeitures imposed by district courts and district attorney conviction fees in criminal cases be transferred to the parish treasurer and deposited into a special account to be used for the expenses of the Criminal Court of the parish. Expenditures are made from the fund on motion of the district attorney and approval of the district judges.

911 FUND

The 911 Fund accounts for the costs of implementing and maintaining the parishwide 911 emergency system. Financing for this fund is derived primarily from fees collected from parish residents.

WITNESS FEE FUND

The Witness Fee Fund accounts for fees collected by the sheriff's office and remitted to the government for payment of witness fees provided for by Louisiana Revised Statute 15:255.

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PLAQUEMINES PARISH GOVERNMENT
Pointe-a-la-Hache, Louisiana
SPECIAL REVENUE FUNDS

Combining Balance Sheet, December 31, 1995

	<u>ROAD MAINTENANCE</u>	<u>PUBLIC HEALTH</u>	<u>SOLID WASTE</u>	<u>LIBRARY</u>	<u>DWI COURT ADMINISTERED</u>
ASSETS					
Cash		\$2,617	\$3,039	\$553	\$13,355
Receivables (net of allowance for doubtful accounts)	\$787,519	471,987	1,927,882	471,987	950
Interfund receivables		65,000	55,000	45,000	
TOTAL ASSETS	<u>\$787,519</u>	<u>\$539,604</u>	<u>\$1,985,921</u>	<u>\$517,540</u>	<u>\$14,305</u>
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable	\$35,816	\$20,095	\$10,835	\$6,115	
Other liabilities	21,360	23,226	56,614	14,240	
Interfund payables	38,632	28,026	36,356	10,127	\$340
Deferred revenues	691,431	460,951	1,832,655	460,951	
Total Liabilities	<u>787,239</u>	<u>532,298</u>	<u>1,936,460</u>	<u>491,433</u>	<u>340</u>
Fund Equity - fund balances:					
Reserved - encumbrances	280	7,306			
Unreserved:					
Designated for capital projects					
Undesignated			49,461	26,107	13,965
Total Fund Equity	<u>280</u>	<u>7,306</u>	<u>49,461</u>	<u>26,107</u>	<u>13,965</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$787,519</u>	<u>\$539,604</u>	<u>\$1,985,921</u>	<u>\$517,540</u>	<u>\$14,305</u>

JUDICIAL COURT REPORTER	TRANSPORTATION	FEDERAL REVENUE SHARING	SCHOOL AND ROAD	CRIMINAL COURT	911	WITNESS FEE	TOTAL
\$3,829	\$3,342		\$4,695	\$981	\$92		\$32,503
950	23,125			64,304	10,304	\$7,188	3,766,196
35,000	15,000	\$182,491	496,134	405,000	180,000		1,478,625
<u>\$39,779</u>	<u>\$41,467</u>	<u>\$182,491</u>	<u>\$500,829</u>	<u>\$470,285</u>	<u>\$190,396</u>	<u>\$7,188</u>	<u>\$5,277,324</u>
		\$68,398	\$21,822	\$274	\$3,338	\$1,925	\$168,618
							115,440
\$39,779		114,093	19,532	234,134	622	1,763	523,404
							3,445,988
<u>39,779</u>	<u>NONE</u>	<u>182,491</u>	<u>41,354</u>	<u>234,408</u>	<u>3,960</u>	<u>3,688</u>	<u>4,253,450</u>
							7,586
	\$30,640		262,502		50,000		343,142
	10,827		196,973	235,877	136,436	3,500	673,146
<u>NONE</u>	<u>41,467</u>	<u>NONE</u>	<u>459,475</u>	<u>235,877</u>	<u>186,436</u>	<u>3,500</u>	<u>1,023,874</u>
<u>\$39,779</u>	<u>\$41,467</u>	<u>\$182,491</u>	<u>\$500,829</u>	<u>\$470,285</u>	<u>\$190,396</u>	<u>\$7,188</u>	<u>\$5,277,324</u>

PLAQUEMINES PARISH GOVERNMENT
Pointe-a-la-Hache, Louisiana
SPECIAL REVENUE FUNDS

**Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 1995**

	<u>ROAD MAINTENANCE</u>	<u>PUBLIC HEALTH</u>	<u>SOLID WASTE</u>	<u>LIBRARY</u>	<u>DWI COURT ADMINISTERED</u>
REVENUES					
Taxes - ad valorem	\$683,550	\$455,680	\$1,820,897	\$455,680	
Intergovernmental revenues:					
Federal funds - federal grants					
State funds:					
Parish transportation funds					
State revenue sharing	14,045	9,363	37,228	9,363	
Other	159,067				
Charges for services	300	400,211	610,494		
Fines and forfeitures				3,093	\$3,950
Use of money and property	8,635	8,517	45,829	13,450	
Other	1,813	11,000		1,125	
Total revenues	<u>867,410</u>	<u>884,771</u>	<u>2,514,448</u>	<u>482,711</u>	<u>3,950</u>
EXPENDITURES					
General government - judicial					255
Public works	2,071,959		2,417,779		
Health and welfare		1,470,413			
Culture and recreation				586,429	
Total expenditures	<u>2,071,959</u>	<u>1,470,413</u>	<u>2,417,779</u>	<u>586,429</u>	<u>255</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(1,204,549)</u>	<u>(585,642)</u>	<u>96,669</u>	<u>(103,718)</u>	<u>3,695</u>
OTHER FINANCING SOURCES (Uses)					
Operating transfers in	1,264,520	348,541			
Operating transfers out	(68,584)	(91,938)	(105,729)	(18,388)	
Total other financing sources (uses)	<u>1,195,936</u>	<u>256,603</u>	<u>(105,729)</u>	<u>(18,388)</u>	<u>NONE</u>
EXCESS (Deficiency) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(8,613)</u>	<u>(329,039)</u>	<u>(9,060)</u>	<u>(122,106)</u>	<u>3,695</u>
FUND BALANCES AT BEGINNING OF YEAR					
Residual equity transfer	8,893	336,345	58,521	148,213	10,270
FUND BALANCES AT END OF YEAR	<u>\$280</u>	<u>\$7,306</u>	<u>\$49,461</u>	<u>\$26,107</u>	<u>\$13,965</u>

JUDICIAL COURT REPORTER	TRANSPORTATION	FEDERAL REVENUE SHARING	SCHOOL AND ROAD	CRIMINAL COURT	911	WITNESS FEE	TOTAL
							\$3,415,807
			\$329,313				329,313
	\$294,339						294,339
							69,999
							159,067
\$12,555					\$132,303	\$22,613	1,178,476
				\$262,356			269,399
1,221	3,930		15,577	23,724	5,739		126,622
							13,938
<u>13,776</u>	<u>298,269</u>	<u>NONE</u>	<u>344,890</u>	<u>286,080</u>	<u>138,042</u>	<u>22,613</u>	<u>5,856,960</u>
13,776				23,849		43,830	81,710
	75,360	\$68,399	45,223				4,678,720
					49,581		1,519,994
							586,429
<u>13,776</u>	<u>75,360</u>	<u>68,399</u>	<u>45,223</u>	<u>23,849</u>	<u>49,581</u>	<u>43,830</u>	<u>6,866,853</u>
NONE	222,909	(68,399)	299,667	262,231	88,461	(21,217)	(1,009,893)
						24,717	1,637,778
	(275,000)		(75,000)				(634,639)
<u>NONE</u>	<u>(275,000)</u>	<u>NONE</u>	<u>(75,000)</u>	<u>NONE</u>	<u>NONE</u>	<u>24,717</u>	<u>1,003,139</u>
NONE	(52,091)	(68,399)	224,667	262,231	88,461	3,500	(6,754)
NONE	93,558	68,399	234,808	207,780	97,975	NONE	1,264,762
				(234,134)			(234,134)
<u>NONE</u>	<u>\$41,467</u>	<u>NONE</u>	<u>\$459,475</u>	<u>\$235,877</u>	<u>\$186,436</u>	<u>\$3,500</u>	<u>\$1,023,874</u>

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STATE OF LOUISIANA LEGISLATIVE AUDITOR

Plaquemines Parish Government
Pointe-a-la-Hache, Louisiana

July 3, 1996



Financial and Compliance Audit Division

***Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor***

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DIRECTOR OF FINANCIAL AND COMPLIANCE AUDIT

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PLAQUEMINES PARISH GOVERNMENT
Pointe-a-la-Hache, Louisiana

Primary Government Financial Statements
and Independent Auditor's Reports
As of and for the Year Ended December 31, 1995
With Supplemental Information Schedules

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge office of the Legislative Auditor and at the office of the parish clerk of court.

July 3, 1996

PLAQUEMINES PARISH GOVERNMENT
Pointe-a-la-Hache, Louisiana

Primary Government Financial Statements
and Independent Auditor's Reports
As of and for the Year Ended December 31, 1995
With Supplemental Information Schedules

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June 14, 1996

Independent Auditor's Report
on the Financial Statements

PLAQUEMINES PARISH GOVERNMENT
Pointe-a-la-Hache, Louisiana

We have audited the accompanying primary government financial statements of the Plaquemines Parish Government, as of and for the year ended December 31, 1995. These financial statements are the responsibility of management of Plaquemines Parish Government. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards; *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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As of the year ended December 31, 1994, the Plaquemines Parish Government's accounting records and internal controls contained major inadequacies. As a result of those conditions, we were unable to render an opinion on the parish government's financial statements. Accordingly, we were unable to satisfy ourselves about the fund balances and retained earnings at January 1, 1995, as presented in the accompanying financial statements.

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units. In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves about the beginning fund balances and retained earnings, as discussed in the preceding paragraph, the primary government financial statements present fairly, in all material respects, the financial position of the primary government of Plaquemines Parish Government, as of December 31, 1995, and the results of its operations and cash flows of its proprietary fund type - enterprise funds for the year then ended in conformity with generally accepted accounting principles.

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PLAQUEMINES PARISH GOVERNMENT
Pointe-a-la-Hache, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended December 31, 1995

DEBT SERVICE FUNDS

PUBLIC IMPROVEMENT BONDS, SERIES 1988 FUND

The Public Improvement Bonds, Series 1988 Fund accumulates monies for the Series 1988 Public Improvement Bonds dated August 1, 1988. Funding is provided by royalties from the State of Louisiana from mineral leases on state-owned land located within Plaquemines Parish.

PUBLIC IMPROVEMENT BONDS, SERIES 1991 FUND

The Public Improvement Bonds, Series 1991 Fund accumulates monies for the Series 1991 Public Improvement Bonds dated October 1, 1991. Funding is provided by royalties from the State of Louisiana from mineral leases on state-owned land located within Plaquemines Parish.

PUBLIC IMPROVEMENT BONDS, SERIES 1992 FUND

The Public Improvement Bonds, Series 1992 Fund accumulates monies for the Series 1992 Public Improvement Bonds dated April 1, 1992. Funding is provided by royalties from the State of Louisiana from mineral leases on state-owned land located within Plaquemines Parish.

CERTIFICATES OF INDEBTEDNESS SERIES 1993

The Certificates of Indebtedness Series 1993 Fund accumulates monies for the Series 1993 Certificates of Indebtedness dated January 1, 1993. Funding is provided from the excess of the annual revenues above statutory, necessary and usual charges in each of the fiscal years the certificates are outstanding.

CERTIFICATES OF INDEBTEDNESS SERIES 1994

The Certificates of Indebtedness Series 1994 Fund accumulates monies for the Series 1994 Certificates of Indebtedness dated April 1, 1994. Funding is provided from the excess of the annual revenues above statutory, necessary and usual charges in each of the fiscal years the certificates are outstanding.

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PLAQUEMINES PARISH GOVERNMENT
 Pointe-a-la-Hache, Louisiana
 DEBT SERVICE FUNDS

Combining Balance Sheet, December 31, 1995

	PUBLIC IMPROVEMENT BONDS		TOTAL
	<u>SERIES 1988</u>	<u>SERIES 1992</u>	
ASSETS			
Cash	<u>\$10,000</u>	<u>\$5,912</u>	<u>\$15,912</u>
LIABILITIES AND FUND EQUITY			
Liabilities - matured bonds and interest payable	\$10,000		\$10,000
Fund Equity - fund balance - reserved for debt service		<u>\$5,912</u>	<u>5,912</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$10,000</u>	<u>\$5,912</u>	<u>\$15,912</u>

PLAQUEMINES PARISH GOVERNMENT
Pointe-a-la-Hache, Louisiana
DEBT SERVICE FUNDS

**Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 1995**

	PUBLIC IMPROVEMENT BONDS		
	<u>SERIES 1988</u>	<u>SERIES 1991</u>	<u>SERIES 1992</u>
REVENUES			
Intergovernmental revenue:			
State funds - parish royalty fund	\$853,583	\$947,778	\$1,049,070
Other			
Total revenues	<u>853,583</u>	<u>947,778</u>	<u>1,049,070</u>
EXPENDITURES			
Debt service:			
Principal retirement	625,000	345,000	125,000
Interest	228,583	602,257	922,088
Other		521	3,762
Total expenditures	<u>853,583</u>	<u>947,778</u>	<u>1,050,850</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	NONE	NONE	(1,780)
OTHER FINANCING SOURCES			
Operating transfers in	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	NONE	NONE	(1,780)
FUND BALANCES AT BEGINNING OF YEAR	<u>NONE</u>	<u>NONE</u>	<u>7,692</u>
FUND BALANCES AT END OF YEAR	<u>NONE</u>	<u>NONE</u>	<u>\$5,912</u>

CERTIFICATES OF INDEBTEDNESS		
<u>SERIES 1993</u>	<u>SERIES 1994</u>	<u>TOTAL</u>
		\$2,850,431
	\$44	44
<u>NONE</u>	<u>44</u>	<u>2,850,475</u>
\$95,000	395,000	1,585,000
16,420	68,799	1,838,147
200	200	4,683
<u>111,620</u>	<u>463,999</u>	<u>3,427,830</u>
(111,620)	(463,955)	(577,355)
<u>111,620</u>	<u>459,891</u>	<u>571,511</u>
NONE	(4,064)	(5,844)
<u>NONE</u>	<u>4,064</u>	<u>11,756</u>
<u>NONE</u>	<u>NONE</u>	<u>\$5,912</u>

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PLAQUEMINES PARISH GOVERNMENT
Pointe-a-la-Hache, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended December 31, 1995

CAPITAL PROJECTS FUNDS

1988 GENERAL OBLIGATION BOND CONSTRUCTION FUND

The 1988 General Obligation Bond Construction Fund is used to account for the construction of levees, Belle Chasse Pumping Station No. 2, and freshwater diversion structures. Financing is being provided from the sale of \$19,000,000 in general obligation bonds on August 16, 1988, of which \$15,000,000 is for levees; \$1,500,000 is for the Belle Chasse Pumping Station No. 2; and \$2,500,000 is for freshwater diversion structures.

1991 GENERAL OBLIGATION BOND CONSTRUCTION FUND

The 1991 General Obligation Bond Construction Fund is used for the construction of freshwater diversion structures. Financing is being provided from the sale of \$10,000,000 in general obligation bonds on December 11, 1991.

SERIES 1993 CERTIFICATES OF INDEBTEDNESS

The Series 1993 Certificates of Indebtedness Fund is used for repairing sewer lines from the sewer lift station on "E" Street Through "L" Street. Financing is provided from the sale of the \$500,000 Certificate of Indebtedness on February 9, 1993.

CAPITAL IMPROVEMENTS FUND

The Capital Improvements Fund is used to account for the purchase of construction of various major capital facilities or equipment that are being financed from the General Fund.

PLAQUEMINES PARISH GOVERNMENT
 Pointe-a-la-Hache, Louisiana
 CAPITAL PROJECTS FUNDS

Combining Balance Sheet, December 31, 1995

	SERIES 1988 GENERAL OBLIGATION BONDS CONSTRUCTION	SERIES 1991 GENERAL OBLIGATION BONDS CONSTRUCTION	SERIES 1993 CERTIFICATES OF INDEBTEDNESS	TOTAL
ASSETS				
Cash	\$1,941,349	\$630,012	\$4,218	\$2,575,579
Investments		3,199,963		3,199,963
Receivables	284,365	69,658		354,023
Interfund receivables	72,234	2,244,329	80,000	2,396,563
	<u>2,297,948</u>	<u>6,143,962</u>	<u>84,218</u>	<u>8,526,128</u>
TOTAL ASSETS				
LIABILITIES AND FUND EQUITY				
Liabilities:				
Contracts payable		\$9,130		\$9,130
Retainage payable	\$68,500	54,239		122,739
Interfund payables	2,229,448	135,665		2,365,113
Total Liabilities	<u>2,297,948</u>	<u>199,034</u>	<u>NONE</u>	<u>2,496,982</u>
Fund Equity - fund balances:				
Reserved for capital projects		1,091		1,091
Unreserved - designated for capital projects		5,943,837	\$84,218	6,028,055
Total Fund Equity	<u>NONE</u>	<u>5,944,928</u>	<u>84,218</u>	<u>6,029,146</u>
	<u>2,297,948</u>	<u>6,143,962</u>	<u>84,218</u>	<u>8,526,128</u>
TOTAL LIABILITIES AND FUND EQUITY				

PLAQUEMINES PARISH GOVERNMENT
Pointe-a-la-Hache, Louisiana
CAPITAL PROJECTS FUNDS

**Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 1995**

	SERIES 1988 GENERAL OBLIGATION BONDS CONSTRUCTION	SERIES 1991 GENERAL OBLIGATION BONDS CONSTRUCTION	SERIES 1993 CERTIFICATES OF INDEBTEDNESS	CAPITAL IMPROVEMENTS	TOTAL
REVENUES					
Intergovernmental revenues - state funds - other		\$66,405			\$66,405
Use of money and property		320,104	\$3,476		323,580
Total revenues	NONE	386,509	3,476	NONE	389,985
EXPENDITURES					
Public works	NONE	641,915	NONE	\$866,588	1,508,503
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES					
	NONE	(255,406)	3,476	(866,588)	(1,118,518)
OTHER FINANCING SOURCES					
Operating transfers in	NONE	NONE	NONE	866,588	866,588
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES					
	NONE	(255,406)	3,476	NONE	(251,930)
FUND BALANCES AT BEGINNING OF YEAR, AS RESTATED					
	NONE	6,200,334	80,742	NONE	6,281,076
FUND BALANCES AT END OF YEAR					
	NONE	\$5,944,928	\$84,218	NONE	\$6,029,146

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PLAQUEMINES PARISH GOVERNMENT
Pointe-a-la-Hache, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended December 31, 1995

ENTERPRISE FUNDS

WATERWORKS DISTRICT FUND

The Waterworks District Fund accounts for the operations of the water systems of the parish. Waterworks are located at Belle Chasse, Port Sulphur, Buras, and Pointe-a-la-Hache.

PORT HARBOR AND TERMINAL DISTRICT FUND

The Port, Harbor and Terminal District Fund accounts for the operations of the government's Port, Harbor and Terminal District.

GOLF COURSE FUND

The Golf Course Fund accounts for the operations of the government's golf courses.

BOAT HARBORS FUND

The Boat Harbors Fund accounts for the maintenance and upkeep of the parish's boat harbors, boatways, shipyards, and oyster docks. Boat harbors are located at Buras, Venice, Pointe-a-la-Hache, and Port Eads. Boatways are located at Lake Hermitage, Empire, and Pointe-a-la-Hache. Shipyards are located at Empire and Pointe-a-la-Hache. The oyster docks are located in Empire, Buras, and Pointe-a-la-Hache.

PLAQUEMINES PARISH GOVERNMENT
Pointe-a-la-Hache, Louisiana
ENTERPRISE FUNDS

Combining Balance Sheet, December 31, 1995

	WATERWORKS DISTRICT	PORT, HARBOR AND TERMINAL DISTRICT	GOLF COURSE	BOAT HARBORS	TOTAL
ASSETS					
Current assets:					
Cash	\$21,316	\$4,144,867		\$2,404	\$4,168,587
Receivables (net of allowance for doubtful accounts)	4,120,716	779,627			4,900,343
Interfund receivables	88,386	152,615		5,000	246,001
Total current assets	<u>4,230,418</u>	<u>5,077,109</u>	<u>NONE</u>	<u>7,404</u>	<u>9,314,931</u>
Property, plant and equipment:					
Buildings	11,477,440	5,255,176	\$362,983		17,095,599
Improvements other than buildings	16,534,493				16,534,493
Machinery and equipment	494,914	813,281	113,599	359,499	1,781,293
Construction in progress	9,395,641	31,879			9,427,520
Less accumulated depreciation	<u>(19,871,225)</u>	<u>(751,184)</u>	<u>(195,875)</u>	<u>(311,972)</u>	<u>(21,130,256)</u>
Net property, plant and equipment	<u>18,031,263</u>	<u>5,349,152</u>	<u>280,707</u>	<u>47,527</u>	<u>23,708,649</u>
TOTAL ASSETS	<u><u>\$22,261,681</u></u>	<u><u>\$10,426,261</u></u>	<u><u>\$280,707</u></u>	<u><u>\$54,931</u></u>	<u><u>\$33,023,580</u></u>
LIABILITIES AND FUND EQUITY					
Liabilities:					
Current liabilities:					
Accounts payable	\$84,152	\$105,305	\$6,378	\$12,480	\$208,315
Contracts payable	76,881	2,209			79,090
Retainage payable	95,764				95,764
Bonds payable		175,000			175,000
Interfund payables	5,181,683	1,744,013	3,330	9,551	6,938,577
Compensated absences payable		24,118	1,652	2,845	28,615
Other liabilities	164,081				164,081
Total current liabilities	<u>5,602,561</u>	<u>2,050,645</u>	<u>11,360</u>	<u>24,876</u>	<u>7,689,442</u>
Long-term liabilities:					
Bonds payable		1,505,000			1,505,000
Compensated absences payable		11,831	1,961	28,999	42,791
Other payable	818,358				818,358
Total long-term liabilities	<u>818,358</u>	<u>1,516,831</u>	<u>1,961</u>	<u>28,999</u>	<u>2,366,149</u>
Total Liabilities	<u>6,420,919</u>	<u>3,567,476</u>	<u>13,321</u>	<u>53,875</u>	<u>10,055,591</u>
Fund Equity:					
Contributed capital	13,247,942	2,529,881	269,347		16,047,170
Retained earnings:					
Reserved for capital projects	349,904	529,121			879,025
Unreserved	2,242,916	3,799,783	(1,961)	1,056	6,041,794
Total Fund Equity	<u>15,840,762</u>	<u>6,858,785</u>	<u>267,386</u>	<u>1,056</u>	<u>22,967,989</u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$22,261,681</u></u>	<u><u>\$10,426,261</u></u>	<u><u>\$280,707</u></u>	<u><u>\$54,931</u></u>	<u><u>\$33,023,580</u></u>

PLAQUEMINES PARISH GOVERNMENT
Pointe-a-la-Hache, Louisiana
ENTERPRISE FUNDS

**Combining Schedule of Revenues, Expenses,
and Changes in Retained Earnings
For the Year Ended December 31, 1995**

	WATERWORKS DISTRICT	PORT, HARBOR AND TERMINAL DISTRICT	GOLF COURSE	BOAT HARBORS	TOTAL
OPERATING REVENUES					
Charges for services	\$4,012,544	\$2,364,636	\$29,169	\$345,529	\$6,751,878
Other	25,429	106,054			131,483
Total operating revenues	<u>4,037,973</u>	<u>2,470,690</u>	<u>29,169</u>	<u>345,529</u>	<u>6,883,361</u>
OPERATING EXPENSES					
Personal services		831,552	44,749	318,180	1,194,481
Contractual services, supplies, materials, and other	6,026,189	885,275	42,508	302,334	7,256,306
Depreciation	648,260	55,819	9,242	28,224	741,545
Total operating expenses	<u>6,674,449</u>	<u>1,772,646</u>	<u>96,499</u>	<u>648,738</u>	<u>9,192,332</u>
OPERATING INCOME (Loss)	<u>(2,636,476)</u>	<u>698,044</u>	<u>(67,330)</u>	<u>(303,209)</u>	<u>(2,308,971)</u>
NONOPERATING REVENUES (Expenses)					
Interest income		196,196		771	196,967
Ad valorem taxes	1,965,537				1,965,537
Other	(103)	(819)	(665)		(1,587)
Total nonoperating revenues (expenses)	<u>1,965,434</u>	<u>195,377</u>	<u>(665)</u>	<u>771</u>	<u>2,160,917</u>
INCOME (Loss) BEFORE OPERATING TRANSFERS	<u>(671,042)</u>	<u>893,421</u>	<u>(67,995)</u>	<u>(302,438)</u>	<u>(148,054)</u>
Operating transfers in			61,909	236,254	298,163
Operating transfers out		(13,790)			(13,790)
NET INCOME (Loss)	<u>(671,042)</u>	<u>879,631</u>	<u>(6,086)</u>	<u>(66,184)</u>	<u>136,319</u>
ADD DEPRECIATION ON CONTRI- BUTED CAPITAL FIXED ASSETS	<u>320,725</u>	<u>16,369</u>	<u>9,242</u>	<u>NONE</u>	<u>346,336</u>
NET INCREASE (Decrease) IN RETAINED EARNINGS	<u>(350,317)</u>	<u>896,000</u>	<u>3,156</u>	<u>(66,184)</u>	<u>482,655</u>
RETAINED EARNINGS AT BEGIN- NING OF YEAR, AS RESTATED	<u>2,943,137</u>	<u>3,432,904</u>	<u>(5,117)</u>	<u>67,240</u>	<u>6,438,164</u>
RETAINED EARNINGS AT END OF YEAR	<u>\$2,592,820</u>	<u>\$4,328,904</u>	<u>(\$1,961)</u>	<u>\$1,056</u>	<u>\$6,920,819</u>

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PLAQUEMINES PARISH GOVERNMENT
 Pointe-a-la-Hache, Louisiana
 ENTERPRISE FUNDS

Combining Schedule of Cash Flows
 For the Year Ended December 31, 1995

	WATERWORKS DISTRICT	PORT, HARBOR AND TERMINAL DISTRICT	GOLF COURSE	BOAT HARBORS	TOTAL
Cash flows from operating activities:					
Operating income (loss)	(\$2,636,476)	\$698,044	(\$67,330)	(\$303,209)	(\$2,308,971)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	648,260	55,819	9,242	28,224	741,545
Provision for doubtful accounts	2,281				2,281
Change in assets and liabilities:					
(Increase) in receivables	(155,329)	(126,804)		(5,000)	(287,133)
Increase in accounts payable	35,393	46,623	5,827	4,528	92,371
Increase/(decrease) in other liabilities	38,324	(6,853)	(3,763)	(1,230)	26,478
Net cash provided (used) by operating activities	<u>(2,067,547)</u>	<u>666,829</u>	<u>(56,024)</u>	<u>(276,687)</u>	<u>(1,733,429)</u>
Cash flows from noncapital financing activities:					
Ad valorem tax collections	1,965,537				1,965,537
Operating transfers in			61,909	236,254	298,163
Principal paid on note	(362,765)				(362,765)
Short-term loan from other funds	3,312,079	672,892			3,984,971
Net cash provided by non-capital financing activities	<u>4,914,851</u>	<u>672,892</u>	<u>61,909</u>	<u>236,254</u>	<u>5,885,906</u>
Cash flows from capital and related financing activities:					
Acquisition/construction of capital assets	(383,896)	(843,276)		(1,243)	(1,228,415)
Decrease in intergovernmental receivables	147,547	1,365,023			1,512,570
Operating transfers out		(13,790)			(13,790)
Decrease in contracts and retainage payable	(516,629)	(398,732)			(915,361)
Principal paid on bonds		(165,000)			(165,000)
Net cash used by capital and related financing activities	<u>(752,978)</u>	<u>(55,775)</u>	<u>NONE</u>	<u>(1,243)</u>	<u>(809,996)</u>
Cash flow from investing activity - interest received on time deposits					
	<u>NONE</u>	<u>196,196</u>	<u>NONE</u>	<u>771</u>	<u>196,967</u>
Net increase (decrease) in cash and cash equivalents	2,094,326	1,480,141	5,885	(40,905)	3,539,447
Cash and cash equivalents at beginning of year	<u>(2,073,010)</u>	<u>2,664,726</u>	<u>(5,885)</u>	<u>43,309</u>	<u>629,140</u>
Cash and cash equivalents at end of year	<u>\$21,316</u>	<u>\$4,144,867</u>	<u>NONE</u>	<u>\$2,404</u>	<u>\$4,168,587</u>

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PLAQUEMINES PARISH GOVERNMENT
Pointe-a-la-Hache, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended December 31, 1995

FIDUCIARY FUND

SALES TAX FUND

The Sales Tax Fund accounts for the collection and distribution of the Plaquemines Parish's 3 percent sales and use tax. Two percent is dedicated to the Plaquemines Parish School Board. The government is the collecting agent for the tax and remits to the school board its pro rata share of the tax less two-thirds of the collection expenses. The government's sales tax ordinance provides that the proceeds can be used for general governmental expenses and for providing public services and facilities in the parish.

DEFERRED COMPENSATION FUND

The Deferred Compensation Fund accounts for the contributions and withdrawals by government employees who participate in the deferred compensation plan created and organized in accordance with Internal Revenue Code Section 457. The plan is administered by a third party--the State Mutual Life Assurance Company of America. The plan, which is available to all employees, permits employees to defer the income tax on a portion of their salaries until future years.

PLAQUEMINES PARISH GOVERNMENT
 Pointe-a-la-Hache, Louisiana
 AGENCY FUNDS

Combining Balance Sheet, December 31, 1995

	SALES TAX FUND	DEFERRED COMPENSATION FUND	TOTAL
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash	\$1,154,025		\$1,154,025
Investments		\$135,793	135,793
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$1,154,025</u>	<u>\$135,793</u>	<u>\$1,289,818</u>
LIABILITIES			
Interfund payables	\$358,185		\$358,185
Deposits due others	693,911	\$135,793	829,704
Other liabilities	101,929		101,929
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>\$1,154,025</u>	<u>\$135,793</u>	<u>\$1,289,818</u>

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PLAQUEMINES PARISH GOVERNMENT
Pointe-a-la-Hache, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended December 31, 1995

COMPENSATION PAID COUNCIL MEMBERS
AND PARISH PRESIDENT

The schedule of compensation paid council members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the council members is included in the legislative expenditures of the General Fund. In accordance with Article IV, Section 4.07 of the Plaquemines Parish Charter for Local Self-Government, as amended, the members of the council receive \$28,100 per year, payable monthly, except for the chairperson who receives \$29,100.

Compensation paid the parish president is included in executive expenditures of the General Fund. In accordance with the Plaquemines Parish Government's Charter for Local Self-Government, Section 3.09, the president's salary is \$52,000 per year, payable monthly.

FEDERALLY ASSISTED PROGRAMS

In accordance with the Single Audit Act of 1984 and Office of Management and Budget Circular A-128, a schedule of federally assisted program activity is presented.

LEGISLATIVE AUDITOR

PLAQUEMINES PARISH GOVERNMENT

Pointe-a-la-Hache, Louisiana

Audit Report, December 31, 1995

However, the primary government financial statements, because they do not include the financial data of component units of the Plaquemines Parish Government, do not purport to, and do not, present fairly the financial position of the Plaquemines Parish Government as of December 31, 1995, and the results of its operations and the cash flows of its proprietary fund type - enterprise funds for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 14, 1996, on our consideration of the Plaquemines Parish Government's internal control structure and a report dated June 14, 1996, on its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the primary government financial statements taken as a whole. The accompanying supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the primary government financial statements of the Plaquemines Parish Government. Such information has been subjected to the procedures applied in the audit of the primary government financial statements and, in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves about the fund balances and retained earnings at the beginning of the year, as discussed previously, is fairly stated in all material respects in relation to the primary government financial statements taken as a whole.

Respectfully submitted,



Daniel G. Kyle, CPA, CFE
Legislative Auditor

ES:THC:dl

[PPG]

PLAQUEMINES PARISH GOVERNMENT
 Pointe-a-la-Hache, Louisiana
 ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, December 31, 1995

	GOVERNMENTAL FUND TYPE			
	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS
ASSETS AND OTHER DEBITS				
Assets:				
Cash (note 4)	\$6,359,189	\$32,503	\$15,912	\$2,575,579
Investments (note 5)				3,199,963
Receivables (net of allowances for doubtful accounts) (note 6)	5,989,147	3,766,196		354,023
Interfund receivables (note 21)	6,485,194	1,478,625		2,396,563
Prepaid items (note 1-H)	1,187,371			
Land, buildings, and equipment (net where applicable of accumulated depreciation) (note 7)				
Other Debits:				
Amount available in debt service funds				
Amount to be provided for the retirement of general long-term debt				
TOTAL ASSETS AND OTHER DEBITS	\$20,020,901	\$5,277,324	\$15,912	\$8,526,128
LIABILITIES, EQUITY, AND OTHER CREDITS				
Accounts, salaries, and other payables (note 12)	\$1,513,486	\$168,618		
Contract and retainage payable	6,277			\$131,869
Claims and assessments payable (note 26)	796,221			
Interfund payables (note 21)	421,104	523,404		2,365,113
Deposits due others	6,215			
Deferred revenues	4,726,643	3,445,988		
Other liabilities	56,259	115,440		
Matured bonds and interest payable			\$10,000	
Compensated absences payable (note 13)	156,613			
Capital lease payable (note 14)				
Bonds payable (notes 17 and 18)				
Total Liabilities	7,682,818	4,253,450	10,000	2,496,982
Fund Equity and Other Credits:				
Contributed capital (net of accumulated amortization) (note 24)				
Investment in general fixed assets (note 7)				

(Continued)

The accompanying notes are an integral part of this statement.

Statement A

PROPRIETARY FUND TYPE - ENTERPRISE FUNDS	FIDUCIARY FUND TYPE - AGENCY FUNDS	ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)
		GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	
\$4,168,587	\$1,154,025 135,793			\$14,305,795 3,335,756
4,900,343 246,001				15,009,709 10,606,383 1,187,371
23,708,649		\$108,661,553		132,370,202
			\$5,912	5,912
			30,036,498	30,036,498
<u>\$33,023,580</u>	<u>\$1,289,818</u>	<u>\$108,661,553</u>	<u>\$30,042,410</u>	<u>\$206,857,626</u>
\$1,026,673 174,854				\$2,708,777 313,000
6,938,577	\$358,185 829,704		\$2,399,765	3,195,986 10,606,383 835,919
164,081	101,929			8,172,631 437,709 10,000
71,406			232,171 160,474	460,190 160,474
1,680,000			27,250,000	28,930,000
<u>10,055,591</u>	<u>1,289,818</u>	<u>NONE</u>	<u>30,042,410</u>	<u>55,831,069</u>
16,047,170				16,047,170
		\$108,661,553		108,661,553

PLAQUEMINES PARISH GOVERNMENT
 Pointe-a-la-Hache, Louisiana
 ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, December 31, 1995

	GOVERNMENTAL FUND TYPE			
	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS
LIABILITIES, EQUITY, AND OTHER CREDITS (CONT.)				
Fund Equity and Other Credits: (Cont.)				
Retained earnings:				
Reserved for capital projects (note 23)				
Unreserved				
Fund balances:				
Reserved (note 23)	\$2,427,631	\$7,586	\$5,912	\$1,091
Unreserved:				
Designated (note 23)	2,717,932	343,142		6,028,055
Undesignated	7,192,520	673,146		
Total Fund Equity	<u>12,338,083</u>	<u>1,023,874</u>	<u>5,912</u>	<u>6,029,146</u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$20,020,901</u></u>	<u><u>\$5,277,324</u></u>	<u><u>\$15,912</u></u>	<u><u>\$8,526,128</u></u>

(Concluded)

The accompanying notes are an integral part of this statement.

Statement A

PROPRIETARY FUND TYPE - ENTERPRISE FUNDS	FIDUCIARY FUND TYPE - AGENCY FUNDS	ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)
		GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	
				\$879,025
\$879,025				\$879,025
6,041,794				6,041,794
				2,442,220
				9,089,129
				7,865,666
<u>22,967,989</u>	<u>NONE</u>	<u>\$108,661,553</u>	<u>NONE</u>	<u>151,026,557</u>
<u>\$33,023,580</u>	<u>\$1,289,818</u>	<u>\$108,661,553</u>	<u>\$30,042,410</u>	<u>\$206,857,626</u>

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PLAQUEMINES PARISH GOVERNMENT
Pointe-a-la-Hache, Louisiana
GOVERNMENTAL FUND TYPES

Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 1995

	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	TOTAL (MEMORANDUM ONLY)
REVENUES					
Taxes:					
Ad valorem	\$1,661,220	\$3,415,807			\$5,077,027
Sales	3,994,168				3,994,168
Other taxes, penalties, and interest	39,155				39,155
Licenses and permits	752,649				752,649
Intergovernmental revenues:					
Federal funds - federal grants	397,587	329,313			726,900
State funds:					
Parish transportation funds		294,339			294,339
State revenue sharing	34,130	69,999			104,129
Parish royalty fund	3,897,419		\$2,850,431		6,747,850
Other	767,418	159,067	44	\$66,405	992,934
Fees, charges, and commissions					
for services	315,696	1,178,476			1,494,172
Fines and forfeitures		269,399			269,399
Use of money and property	7,449,346	126,622		323,580	7,899,548
Other revenues	1,732,107	13,938			1,746,045
Total revenues	<u>21,040,895</u>	<u>5,856,960</u>	<u>2,850,475</u>	<u>389,985</u>	<u>30,138,315</u>
EXPENDITURES					
General government:					
Legislative	835,954				835,954
Judicial	2,203,403	81,710			2,285,113
Executive	1,838,910				1,838,910
Elections	97,253				97,253
Finance and administrative	2,453,719				2,453,719
Other general government	1,483,245				1,483,245
Public safety	305,279				305,279
Public works	2,765,042	4,678,720		1,508,503	8,952,265
Health and welfare	924,233	1,519,994			2,444,227
Culture and recreation	603,548	586,429			1,189,977
Economic development and assistance	38,148				38,148
Transportation	2,534,194				2,534,194
Debt service			3,427,830		3,427,830
Total expenditures	<u>16,082,928</u>	<u>6,866,853</u>	<u>3,427,830</u>	<u>1,508,503</u>	<u>27,886,114</u>

(Continued)

The accompanying notes are an integral part of this statement.

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PLAQUEMINES PARISH GOVERNMENT
 Pointe-a-la-Hache, Louisiana
 GOVERNMENTAL FUND TYPES
 Combined Statement of Revenues, Expenditures,
 and Changes in Fund Balances, 1995

	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	TOTAL (MEMORANDUM ONLY)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>\$4,957,967</u>	<u>(\$1,009,893)</u>	<u>(\$577,355)</u>	<u>(\$1,118,518)</u>	<u>\$2,252,201</u>
OTHER FINANCING SOURCES (Uses)					
Operating transfers in (note 22)		1,637,778	571,511	866,588	3,075,877
Operating transfers out (note 22)	(2,725,611)	(634,639)			(3,360,250)
Proceeds of sale of assets	341,475				341,475
Total other financing sources (uses)	<u>(2,384,136)</u>	<u>1,003,139</u>	<u>571,511</u>	<u>866,588</u>	<u>57,102</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	2,573,831	(6,754)	(5,844)	(251,930)	2,309,303
FUND BALANCES AT BEGINNING OF YEAR, AS RESTATED (note 2)	9,533,415	1,264,762	11,756	6,281,076	17,091,009
Residual equity transfer (note 20)	230,837	(234,134)			(3,297)
FUND BALANCES AT END OF YEAR	<u>\$12,338,083</u>	<u>\$1,023,874</u>	<u>\$5,912</u>	<u>\$6,029,146</u>	<u>\$19,397,015</u>

(Concluded)

The accompanying notes are an integral part of this statement.

PLAQUEMINES PARISH GOVERNMENT
 Pointe-a-la-Hache, Louisiana
 GOVERNMENTAL FUND TYPE - GENERAL AND
 SPECIAL REVENUE FUNDS

Combined Statement of Revenues, Expenditures,
 and Changes in Fund Balances - Budget
 (GAAP Basis) and Actual
 For the Year Ended December 31, 1995

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes:			
Ad valorem	\$1,594,892	\$1,661,220	\$66,328
Sales	4,000,000	3,994,168	(5,832)
Other taxes, penalties, and interest	39,155	39,155	
Licenses and permits	770,750	752,649	(18,101)
Intergovernmental revenues:			
Federal funds - federal grants	477,990	397,587	(80,403)
State funds:			
Parish transportation funds			
State revenue sharing	34,130	34,130	
Parish royalty fund	3,540,817	3,897,419	356,602
Other	763,585	767,418	3,833
Fees, charges, and commissions for services	323,535	315,696	(7,839)
Fines and forfeitures			
Use of money and property	6,802,892	7,449,346	646,454
Other revenues	1,795,733	1,732,107	(63,626)
Total revenues	<u>20,143,479</u>	<u>21,040,895</u>	<u>897,416</u>
EXPENDITURES			
General government:			
Legislative	905,678	835,954	69,724
Judicial	2,360,945	2,203,403	157,542
Executive	2,164,507	1,838,910	325,597
Elections	117,830	97,253	20,577
Finance and administrative	2,886,029	2,453,719	432,310
Other	1,671,344	1,483,245	188,099
Public safety	372,845	305,279	67,566
Public works	3,186,738	2,765,042	421,696
Health and welfare	1,013,054	924,233	88,821
Culture and recreation	676,144	603,548	72,596

(Continued)

The accompanying notes are an integral part of this statement.

<u>SPECIAL REVENUE FUNDS</u>		
<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
\$3,270,945	\$3,415,807	\$144,862
160,000	329,313	169,313
300,000	294,339	(5,661)
69,999	69,999	
160,000	159,067	(933)
1,073,400	1,178,476	105,076
226,000	269,399	43,399
85,200	126,622	41,422
13,200	13,938	738
<u>5,358,744</u>	<u>5,856,960</u>	<u>498,216</u>
138,700	81,710	56,990
5,120,811	4,678,720	442,091
1,820,730	1,519,994	300,736
590,154	586,429	3,725

PLAQUEMINES PARISH GOVERNMENT
Pointe-a-la-Hache, Louisiana

Schedule of Compensation Paid Council
Members and Parish President
For the Year Ended December 31, 1995

Clyde A. Giordano, Parish President	\$52,000
Janice C. Acosta, Chairperson	28,100
Harold J. Becnel, Sr.	28,100
Willam A. Hardin, Vice Chairperson	29,100
Judy S. Hodnett	28,100
Hosea Ned	28,100
Samuel C. Pizzolato	28,100
Alice M. Ranatza	28,100
Bartol J. Taliancich	28,100
Edward P. Theriot	28,100
	<hr/>
Total	<u>\$305,900</u>

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PLAQUEMINES PARISH GOVERNMENT
Pointe-a-la-Hache, Louisiana

Schedule of Federal Financial Assistance
For the Year Ended December 31, 1995

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME/ PROGRAM TITLE	CFDA NUMBER	ISSUES/ EXPENDITURES
UNITED STATES DEPARTMENT OF AGRICULTURE		
Passed through United Way of America - Emergency Food Assistance Program	10.568	\$8,123
Passed through Louisiana Department of Social Services: Food Stamps*	10.551	3,642,218
State Administrative Matching Grants for Food Stamp Program	10.561	30,442
Passed through Louisiana Department of Agriculture and Forestry - Food Distribution	10.550	7,935
<i>Total United States Department of Agriculture</i>		<u>3,688,718</u>
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Passed through Louisiana Department of Labor - Community Services Block Grant	93.569	78,792
Passed through Louisiana Department of Social Services - Low-Income Home Energy Assistance	93.568	44,387
Passed through Louisiana Department of Social Services - Office of Family Support - Job Opportunities and Basic Skills Training	93.561	1,959
<i>Total United States Department of Health and Human Services</i>		<u>125,138</u>
UNITED STATES DEPARTMENT OF THE INTERIOR		
Direct Programs:		
Payments in-Lieu-of Taxes (Public Law 95-469)	NONE	120,223
Payments in-Lieu-of Taxes (Public Law 94-565)	NONE	12,430
<i>Total Department of the Interior</i>		<u>132,653</u>
UNITED STATES DEPARTMENT OF THE TREASURY		
Direct Program - State and Local Government Fiscal Assistance - Revenue Sharing	21.300	68,399
UNITED STATES DEPARTMENT OF ENERGY		
Passed through Louisiana Department of Social Services - Weatherization Assistance for Low-Income Persons	81.042	16,726
FEDERAL EMERGENCY MANAGEMENT AGENCY		
Passed through Louisiana Department of Public Safety and Corrections - State Disaster Preparedness Grants	83.505	13,000

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PLAQUEMINES PARISH GOVERNMENT
Pointe-a-la-Hache, Louisiana
Schedule of Federal Financial Assistance, 1995

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME/ PROGRAM TITLE	<u>CFDA NUMBER</u>	<u>ISSUES/ EXPENDITURES</u>
UNITED STATES DEPARTMENT OF THE ARMY Passed through Louisiana Department of Transportation and Development - Salt Water Mitigation Project Local Cooperation Agreement (Public Law 99-88)*	NONE	<u>\$1,548,207</u>
UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT Passed through Louisiana Housing Finance Agency - HOME Investment Partnership Program	14.239	<u>189,910</u>
Total Issues/Expenditures		<u><u>\$5,782,751</u></u>

*Major federal programs

(Concluded)

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**REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

The following pages contain reports on internal control structure and compliance with laws and regulations required by *Government Auditing Standards*, issued by the Comptroller General of the United States. The report on internal control structure is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses. The report on compliance with laws and regulations is, likewise, based solely on the audit of the presented financial statements and presents, where applicable, compliance matters that would be material to the presented financial statements.



DANIEL G. KYLE, PH.D., CPA, CFE
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June 14, 1996

Independent Auditor's Report on Internal Control Structure Based
Solely on an Audit of the Primary Government Financial Statements

PLAQUEMINES PARISH GOVERNMENT
Pointe-a-la-Hache, Louisiana

We have audited the primary government financial statements of the Plaquemines Parish Government, the parish governing authority and primary government, as of and for the year ended December 31, 1995, and have issued our report thereon dated June 14, 1996. The scope of our audit was limited in that we were unable to satisfy ourselves about the fund balances and retained earnings at the beginning of the year. This resulted in a qualified opinion to the primary government financial statements.

Except as discussed in the first paragraph, we conducted our 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Management of Plaquemines Parish Government is responsible for establishing and maintaining an internal control structure. In fulfilling this 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 primary government financial statements. 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 policies and procedures may deteriorate*.

In planning and performing our audit of the primary government financial statements of Plaquemines Parish Government for the year ended December 31, 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk to determine our auditing procedures for the purpose of expressing our opinion on the primary government financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

EXHIBIT A

LEGISLATIVE AUDITOR

PLAQUEMINES PARISH GOVERNMENT

Pointe-a-la-Hache, Louisiana

Internal Control Report

June 14, 1996

Page 2

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the primary government financial statements.

Compensated Absences

As disclosed in the prior two audit reports, the Plaquemines Parish Government has not adequately monitored leave earned and used by employees. Good internal controls require the government to maintain adequate records for all activity and balances of leave for compensated absences and ensure that all leave used and accumulated is appropriate and allowable.

The Plaquemines Parish Government has not established procedures to ensure that employees do not accumulate excess compensatory leave balances. In our review of compensatory absences records, 26 employees accumulated compensatory time balances in excess of 240 hours. Parish government personnel policies prohibit employees from accruing more than 240 hours of compensatory leave. In addition, the federal Fair Labor Standards Act Section 7(o) provides that employees cannot accrue more than 240 hours for compensatory time worked and must be paid for hours worked in excess of 240. As a result, the parish government may have a liability to these employees totaling \$51,603.

In addition, the Plaquemines Parish Government compensated employees for leave taken in excess of their leave balances available in either annual, short-term, or compensatory leave. During our review of the parish government's payroll system, we determined that the parish government had not established procedures to monitor employee leave usage. As a result, the parish government has allowed 243 employees to exceed individual accumulated balances of annual, short-term, or compensatory leave that had not been earned by the employee. Although these employees may have excess balances in one or more of the categories of leave (annual, short-term, or compensatory) to compensate for the excess usage, the failure to properly monitor leave could result in overpayments (donations) to parish employees.

The parish government should establish procedures to monitor compensatory leave to prevent excess leave from accruing to employees and ensure compliance with parish personnel policies and the Fair Labor Standards Act. Also, the parish government

LEGISLATIVE AUDITOR

PLAQUEMINES PARISH GOVERNMENT

Pointe-a-la-Hache, Louisiana

Internal Control Report

June 14, 1996

Page 3

should establish procedures to monitor all leave usage to ensure that employees do not use leave in excess of the amount earned.

In a letter of response dated June 7, 1996, Mr. Clyde Giordano, Parish President, stated that the Parish Administration has continually recorded the leave transactions for employees since installation of the current payroll software system in 1992. However, the accumulated leave balances are not currently available on the payroll database. The parish Personnel Department is in the process of verifying employee leave balances to reflect the proper accumulated balances. The excess leave compensation, as reported, is the total of compensatory, annual, and short-term leave balance excesses for the period January 1, 1989, through December 31, 1995. In many instances, there is excess usage in one type of leave but an unused balance in another type of leave resulting from the misclassification of leave on time sheets or computer entry forms. The verification of accumulated leave balances by the Personnel Department and the use of computer controlled reporting will improve the parish's ability to monitor employee leave balances.

Travel Expenditures

The Plaquemines Parish Government lacks a formal, clearly defined travel policy that applies to both employees and elected officials. As disclosed in the prior two audit reports, the parish also lacks a system to centrally monitor travel expenditures. Good internal controls require that policies be established and that transactions be adequately documented and monitored for compliance with existing policies.

In our test of 10 travel related expenditures, we found the following instances of noncompliance with parish ordinances:

- Two (20 percent) of the expense reports were submitted to the Finance Department more than 30 days following the close of the month in which the expenses were incurred. Parish ordinance requires employees to submit requests for travel expense reimbursement within 30 days following the close of the month in which the expenses were incurred.
- Three of the four travel expense reports requesting reimbursements for lodging expenses (75 percent) exceeded the established daily allowance.

The Plaquemines Parish Government should establish and adopt a clearly defined travel policy that applies to both employees and elected officials. The government should also establish a system to centrally monitor travel expenditures to ensure that

LEGISLATIVE AUDITOR

PLAQUEMINES PARISH GOVERNMENT

Pointe-a-la-Hache, Louisiana

Internal Control Report

June 14, 1996

Page 4

the transactions are adequately documented and paid only in accordance with established policies.

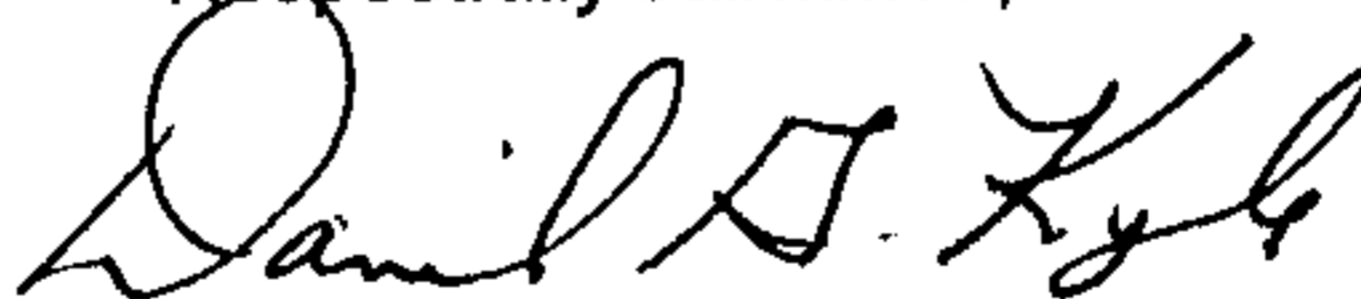
In a letter dated June 7, 1996, Mr. Clyde Giordano, Parish President, stated that the Parish Administration plans to establish a complete formal policy for travel reimbursement and will ensure that payments are made in accordance with the established policy.

A material weakness is a reportable condition in which the design or operation of one or more of the specific 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 primary government 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions previously described is a material weakness.

This report is intended for the information and use of the parish government and its management. By provisions of state law, this report is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,



Daniel G. Kyle, CPA, CFE
Legislative Auditor

ES:THC:dl

[PPG]



DANIEL G. KYLE, PH.D., CPA, CFE
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June 14, 1996

Independent Auditor's Report on Compliance With Laws and
Regulations Material to the Primary Government Financial Statements

PLAQUEMINES PARISH GOVERNMENT
Pointe-a-la-Hache, Louisiana

We have audited the primary government financial statements of the Plaquemines Parish Government, the parish governing authority and primary government, as of and for the year ended December 31, 1995, and have issued our report thereon dated June 14, 1996. The scope of our audit was limited in that we were unable to satisfy ourselves about the fund balances and retained earnings at the beginning of the year. This resulted in a qualified opinion to the primary government financial statements.

Except as discussed in the first paragraph, we conducted our 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 we 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 Plaquemines Parish Government is the responsibility of the Plaquemines Parish Government's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Plaquemines Parish Government's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the primary government financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed the instance of noncompliance related to the Drug-Free Workplace Act as disclosed in Exhibit D that, although not material to the financial statements, is required to be reported herein under *Government Auditing Standards*.

We considered this instance of noncompliance in forming our opinion on whether the Plaquemines Parish Government's 1995 primary government financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated June 14, 1996, on those primary government financial statements.

EXHIBIT B

LEGISLATIVE AUDITOR

PLAQUEMINES PARISH GOVERNMENT

Pointe-a-la-Hache, Louisiana

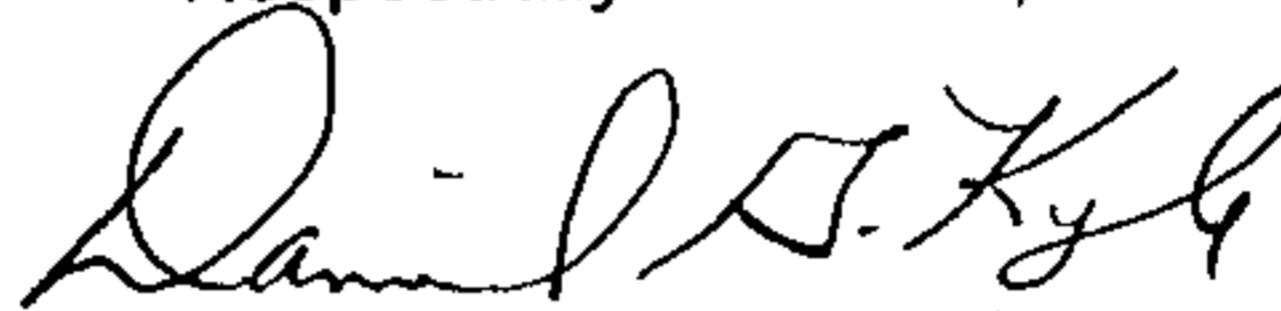
Compliance Report

June 14, 1996

Page 2

This report is intended for the information and use of the parish government and its management. By provisions of state law, this report is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Daniel G. Kyle". The signature is written in a cursive style with a large initial "D".

Daniel G. Kyle, CPA, CFE
Legislative Auditor

ES:THC:dl

[PPG]

EXHIBIT B

REPORTS REQUIRED BY

OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR A-128

The following pages contain reports on internal control and compliance with laws and regulations required by OMB Circular A-128. The report on internal accounting and administrative controls relates to matters that would be significant and/or material to federal financial assistance programs. The reports on compliance with laws and regulations are, likewise, related to tests of compliance with laws and regulations relating to federal financial assistance programs.



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June 14, 1996

Independent Auditor's Report on Internal Control Structure
Based Solely on an Audit of the Primary Government
Financial Statements and the Additional Procedures
Required by OMB Circular A-128

PLAQUEMINES PARISH GOVERNMENT
Pointe-a-la-Hache, Louisiana

We have audited the primary government financial statements of the Plaquemines Parish Government, the parish governing authority and primary government, for the year ended December 31, 1995, and have issued our report thereon dated June 14, 1996. The scope of our audit was limited in that we were unable to satisfy ourselves about the fund balances and retained earnings at the beginning of the year. This resulted in a qualified opinion to the primary government financial statements. We have also audited the compliance of Plaquemines Parish Government with requirements applicable to major federal financial assistance programs and have issued our report thereon dated June 14, 1996.

Except as discussed in the first paragraph, we conducted our audits in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the primary government financial statements are free of material misstatement and about whether the Plaquemines Parish Government complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audits for the year ended December 31, 1995, we considered the internal control structure of the Plaquemines Parish Government to determine our auditing procedures for the purpose of expressing our opinions on the primary government financial statements of the Plaquemines Parish Government, and on the compliance of the Plaquemines Parish Government with requirements applicable to major programs, and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the primary government financial statements in Exhibit A of this report.

Management of the Plaquemines Parish Government is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of

EXHIBIT C

LEGISLATIVE AUDITOR

PLAQUEMINES PARISH GOVERNMENT

Pointe-a-la-Hache, Louisiana
Federal Assistance Control Report
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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, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of the primary government financial statements, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance 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 policies and procedures may deteriorate.

For the purposes of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs into the following categories:

Accounting Controls

Treasury/financing	Budgeting and budget reporting
Fixed and movable property	Revenues/receipts
Purchases/disbursements	Payroll/personnel
Electronic Data Processing	External financial reporting

Grant Administration Controls

General requirements:	Specific requirements:
<i>PolITICAL activity</i>	Types of services
Davis Bacon Act	Eligibility
Civil Rights Act	Matching
Relocation assistance and real property acquisition	Security and inventory control of food stamps
Cash management	Special reporting requirements
Federal financial reports	
Allowable costs/cost principles	
Drug-free workplace	
Administrative requirements	

LEGISLATIVE AUDITOR

PLAQUEMINES PARISH GOVERNMENT

Pointe-a-la-Hache, Louisiana

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For all of the internal control structure categories listed previously, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended December 31, 1995, the Plaquemines Parish Government expended 90 percent of its total federal financial assistance under its major federal financial assistance programs.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the Plaquemines Parish Government's major federal financial assistance programs, which included the Food Stamp Program (CFDA 10.551) and Salt Water Mitigation Project Local Cooperation Agreement (P.L. 99-88). Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the Plaquemines Parish Government's ability to administer federal financial assistance programs in accordance with applicable laws and regulations. The matters relating to compensated absences and travel expenditures described in the Internal Control Report (Exhibit A), and noncompliance with the Drug-Free Workplace Act as described in the Federal Assistance Compliance Report - General Requirements (Exhibit D) are considered to be reportable conditions.

A material weakness is a reportable 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 noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might be reportable conditions, and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material

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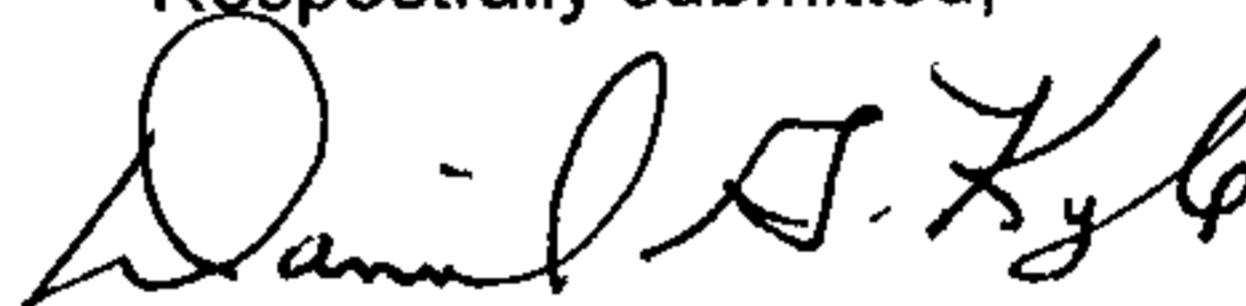
PLAQUEMINES PARISH GOVERNMENT

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weaknesses as defined previously. However, we believe that none of the reportable conditions described previously is a material weakness.

This report is intended for the information and use of management of the parish government. By provisions of state law, this report is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Daniel G. Kyle". The signature is written in a cursive style with a large initial "D".

Daniel G. Kyle, CPA, CFE
Legislative Auditor

ES:THC:dl

[PPG]



DANIEL G. KYLE, PH.D., CPA, CFE
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June 14, 1996

Independent Auditor's Report on Compliance With the General
Requirements Relating to Federal Financial Assistance Programs

PLAQUEMINES PARISH GOVERNMENT
Pointe-a-la-Hache, Louisiana

We have audited the primary government financial statements of the Plaquemines Parish Government, the parish governing authority and primary government, for the year ended December 31, 1995, and have issued our report thereon dated June 14, 1996. The scope of our audit was limited in that we were unable to satisfy ourselves about the fund balances and retained earnings at the beginning of the year. This resulted in a qualified opinion to the primary government financial statements.

We have applied procedures to test the Plaquemines Parish Government's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance for the year ended December 31, 1995: political activity, Davis-Bacon, civil rights, cash management, relocation assistance and real property acquisition, federal financial reports, allowable costs/cost principles, drug-free workplace, and administrative requirements.

Our procedures were limited to the applicable procedures described in the Office of Management and *Budget's Compliance Supplement for Single Audits of State and Local Governments*. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Plaquemines Parish Government's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that Plaquemines Parish Government had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed the following immaterial instance of noncompliance with those requirements.

Drug-Free Workplace Act

For the second consecutive year, the Plaquemines Parish Government's policy regarding a drug-free workplace does not completely and adequately address all of the requirements established by the Drug-Free Workplace Act - Public Law 100-690 Title V, Subtitle D, 41 USC 701 (et seq.). The parish's drug policy does not establish

EXHIBIT D

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procedures for each employee engaged in the performance of a grant to notify the parish in writing within five days of any criminal drug conviction for a violation occurring at the workplace as required by Public Law 100-690.

In addition, the parish's policy does not include a requirement that the federal grantor agency be notified within ten days after receiving the notice of an employee's conviction, which is also required by Public Law 100-690. As a result, the parish government is not in full compliance with the Drug-Free Workplace Act.

The parish government should amend its Drug-Free Workplace Act policy to require employees to notify the parish government in writing within five calendar days after conviction for any criminal drug violation occurring in the workplace. Also, the parish government should develop policies and procedures to notify the grantors within 10 days after receiving such notification from an employee.

In a letter dated June 7, 1996, Mr. Clyde Giordano, Parish President, stated that Drug-Free Workplace Act policies will be adopted as part of the Civil Service rules and regulations.

This report is intended for the information and use of management of the parish government. By provisions of state law, this report is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,



Daniel G. Kyle, CPA, CFE
Legislative Auditor

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[PPG]



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June 14, 1996

Independent Auditor's Report on Compliance With the Specific
Requirements Relating to Major Federal Financial Assistance Programs

PLAQUEMINES PARISH GOVERNMENT
Pointe-a-la-Hache, Louisiana

We have audited the primary government financial statements of the Plaquemines Parish Government, the parish governing authority and primary government, for the year ended December 31, 1995, and have issued our report thereon dated June 14, 1996. The scope of our audit was limited in that we were unable to satisfy ourselves about the fund balances and retained earnings at the beginning of the year. This resulted in a qualified opinion to the primary government financial statements.

We have also audited the compliance of Plaquemines Parish Government with the requirements governing types of services allowed or unallowed, eligibility, matching, security of food stamps, and special reporting requirements that are applicable to each of its major federal financial assistance programs, which included the Food Stamp Program (CFDA 10.551) and the Salt Water Mitigation Project Local Cooperation Agreement (P.L. 99-88), for the year ended December 31, 1995. Management of the Plaquemines Parish Government is responsible for the parish government's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our procedures.

Except as discussed in the first paragraph, we conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the parish government's compliance with those requirements. We believe that our procedures provide a reasonable basis for our opinion.

In our opinion, the Plaquemines Parish Government complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; matching; security of food stamps; and special reporting requirements that are applicable to its major federal financial assistance programs for the year ended December 31, 1995.

EXHIBIT E

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PLAQUEMINES PARISH GOVERNMENT

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Major Federal Program - Specific

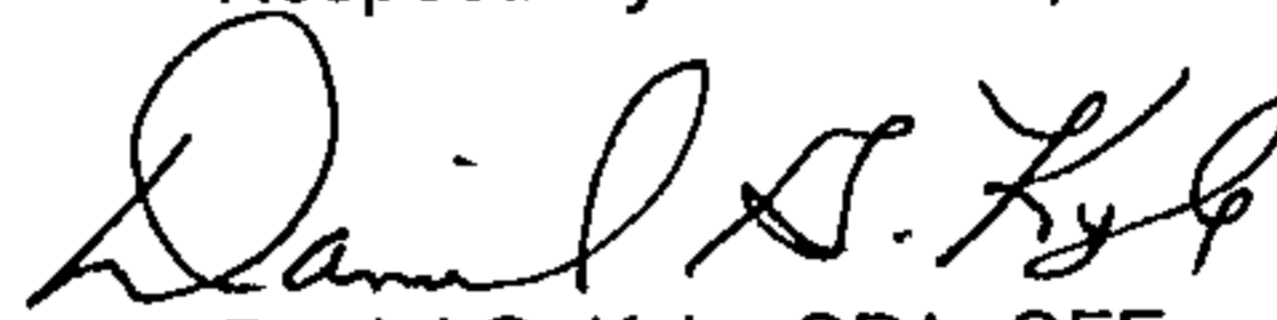
Requirements Compliance Report

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This report is intended for the information and use of management of the parish government. By provisions of state law, this report is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,



Daniel G. Kyle, CPA, CFE
Legislative Auditor

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[PPG]

EXHIBIT E



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DANIEL G. KYLE, PH.D., CPA, CFE
LEGISLATIVE AUDITOR

June 14, 1996

Independent Auditor's Report on Compliance With the Requirements
Applicable to Nonmajor Federal Financial Assistance Transactions

PLAQUEMINES PARISH GOVERNMENT
Pointe-a-la-Hache, Louisiana

We have audited the primary government financial statements of the Plaquemines Parish Government, the parish governing authority and primary government, for the year ended December 31, 1995, and have issued our report thereon dated June 14, 1996. The scope of our audit was limited in that we were unable to satisfy ourselves about the fund balances and retained earnings at the beginning of the year. This resulted in a qualified opinion to the primary government financial statements.

In connection with our audit of the primary government financial statements of Plaquemines Parish Government and with our consideration of the Plaquemines Parish Government's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, *Audits of State and Local Governments*, we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended December 31, 1995. As required by Circular A-128, we have performed procedures to test compliance with the requirements governing types of services allowed or unallowed; matching; and special reporting requirements that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Plaquemines Parish Government's compliance with the requirements previously listed. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that Plaquemines Parish Government had not complied, in all material respects, with those requirements.

LEGISLATIVE AUDITOR

PLAQUEMINES PARISH GOVERNMENT
Pointe-a-la-Hache, Louisiana
Nonmajor Federal Financial Assistance
Transactions Compliance Report
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This report is intended for the information and use of management of the parish government. By provisions of state law, this report is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,



Daniel G. Kyle, CPA, CFE
Legislative Auditor

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EXHIBIT F