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

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 1995**

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

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

Release Date 7-31-96

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

GOVERNING BOARD
(effective January 1, 1996)

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

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

VILLAGE OF MORGANZA
Mitch Frey (Sec/Treas)

POINTE COUPEE PORT, HARBOR AND TERMINAL DISTRICT
 NEW ROADS, LOUISIANA
 FOR THE YEAR ENDED DECEMBER 31, 1995

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George F. Delaune

CERTIFIED PUBLIC ACCOUNTANT

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OFFICERS ASSOCIATION

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

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

I have audited the accompanying general purpose financial statements of the **POINTE COUPEE PORT, HARBOR AND TERMINAL DISTRICT, PARISH OF POINTE COUPEE, LOUISIANA** (the "District"), a component unit of the Pointe Coupee Parish Police Jury, as of and for the year ended December 31, 1995, as listed in the Table of Contents. These general purpose financial statements are the responsibility of the Board of Commissioners. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

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

In my opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the District as of December 31, 1995, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

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

George F. Delaune, CPA

June 4, 1996

POINTE COUPEE PORT, HARBOR AND TERMINAL DISTRICT
NEW ROADS, LOUISIANA
BALANCE SHEET
DECEMBER 31, 1995, 1994 AND 1993

ASSETS	1995	1994	1993
Current Assets:			
Cash and investments	\$102,857	\$108,282	\$172,057
Receivables -			
Port charges and leases	8,911	4,559	36,093
Damages and refunds	11,246	922	219
Prepaid insurance	5,226	13,969	10,946
Total Current Assets	<u>128,240</u>	<u>127,732</u>	<u>219,315</u>
Property, Plant, and Equipment:			
Dock facilities	418,264	418,264	418,264
Roads and parking areas	18,617	18,617	12,520
Fencing	7,886	7,886	7,886
Sewer system and lines	3,310	3,310	3,310
Storage facilities	30,388	30,388	30,388
Machinery and equipment	28,179	28,179	28,179
Office equipment	10,408	12,440	12,440
Truck	800	800	800
Signs	958	958	958
	<u>518,810</u>	<u>520,842</u>	<u>514,745</u>
Less accumulated depreciation	<u>(359,707)</u>	<u>(319,930)</u>	<u>(278,321)</u>
Total Property, Plant, and Equipment, Net	<u>159,103</u>	<u>200,912</u>	<u>236,424</u>
TOTAL ASSETS	<u><u>\$287,343</u></u>	<u><u>\$328,644</u></u>	<u><u>\$455,739</u></u>

The accompanying notes are an integral part of this statement.

LIABILITIES AND FUND EQUITY	<u>1995</u>	<u>1994</u>	<u>1993</u>
Current Liabilities:			
Accounts payable	\$520	\$4,454	\$3,596
Management fee payable	24,075		
Payroll taxes payable		743	2,070
Garnishments			209
Advance rents collected	5,104	1,602	1,602
Total Current Liabilities	<u>29,699</u>	<u>6,799</u>	<u>7,477</u>
Long-Term Debt:			
Lease financing		1,327	1,480
Total Long-Term Debt		<u>1,327</u>	<u>1,480</u>
Total Liabilities	<u>29,699</u>	<u>8,126</u>	<u>8,957</u>
Fund Equity:			
Retained earnings - unrestricted	257,644	320,518	446,782
Total Fund Equity	<u>257,644</u>	<u>320,518</u>	<u>446,782</u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$287,343</u></u>	<u><u>\$328,644</u></u>	<u><u>\$455,739</u></u>

The accompanying notes are an integral part of this statement.

**POINTE COUPEE PORT, HARBOR AND TERMINAL DISTRICT
NEW ROADS, LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR THE YEARS ENDED DECEMBER 31, 1995, 1994 AND 1993**

	<u>1995</u>	<u>1994</u>	<u>1993</u>
Revenues:			
Lease rentals and duties	\$32,252	\$34,172	\$34,716
Limestone loading charges	33,698	20,002	26,891
Cottonseed loading charges	2,286	7,536	11,670
Grain unloading charges		12,398	
Fertilizer unloading charges	18,530	6,556	
Crane rental	1,207	5,335	4,175
Stand-by time charges		2,625	
Dockage charges	2,895	1,300	5,362
Water charges	405	275	266
Interest earned on investments	1,815	2,759	5,181
Grant - City of New Roads			30,388
	<u>93,088</u>	<u>92,958</u>	<u>118,649</u>
Total Revenues			
Expenses:			
Director salary and expense	11,050	27,200	27,781
Salaries and wages	12,002	35,831	41,648
Payroll taxes	2,416	5,433	9,464
Group insurance	2,751	8,033	2,227
Travel expense	628	1,467	1,046
Meetings	315	623	1,542
Dues	450	725	50
Contract labor and expense	1,705	5,118	648
Management fees	42,390		
Audit fees	1,400	1,400	1,400
Legal fees		2,100	
Professional fees	339	1,920	450
Bookkeeping	2,210		
Repairs, maintenance and supplies	14,093	22,996	42,048
Diesel fuel	311	3,150	4,259
Utilities	4,549	6,079	6,570
Insurance	14,695	44,580	52,074
Office supplies, postage, and copier	710	3,799	3,616
Publishing	21	129	1,488
Telephone and pager service	1,895	2,202	3,270
Miscellaneous	1,340	1,348	181
Depreciation	40,692	41,609	39,351
Uncollectibles and billing adjustments		3,480	8,978
	<u>155,962</u>	<u>219,222</u>	<u>248,091</u>
Total Expenses			
Net (Loss)	(62,874)	(126,264)	(129,442)
Retained Earnings - January 1	<u>320,518</u>	<u>446,782</u>	<u>576,224</u>
RETAINED EARNINGS - DECEMBER 31	<u>\$257,644</u>	<u>\$320,518</u>	<u>\$446,782</u>

The accompanying notes are an integral part of this statement.

POINTE COUPEE PORT, HARBOR AND TERMINAL DISTRICT
NEW ROADS, LOUISIANA
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 1995, 1994 AND 1993

	1995	1994	1993
Cash Flows From Operating Activities:			
Net (loss)	(\$62,874)	(\$126,264)	(\$129,442)
Adjustments to reconcile net (loss) to net cash provided by operations -			
Depreciation	40,692	41,609	39,351
(Increase) decrease in -			
Accounts receivable	(14,676)	30,831	(4,209)
Prepaid insurance	8,743	(3,023)	7,218
Decrease (increase) in -			
Accounts payable	(3,934)	858	(11,610)
Management fee payable	24,075		
Payroll taxes payable	(743)	(1,327)	(390)
Garnishments		(209)	209
Advance rents collected	3,502		(2,489)
Net Cash (Used) by Operating Activities	(5,215)	(57,525)	(101,362)
Cash Flows From Investing Activities:			
Acquisition of property, plant, and equipment		(6,097)	(56,117)
Disposition of property, plant, and equipment	1,117		
Net Cash Provided (Used) by Investing Activities	1,117	(6,097)	(56,117)
Cash Flows From Financing Activities:			
Lease financing arrangements			2,032
Payments on lease financing	(1,327)	(153)	(552)
Net Cash Provided (Used) by Financing Activities	(1,327)	(153)	1,480
Net (Decrease) in Cash	(5,425)	(63,775)	(155,999)
Cash - January 1	108,282	172,057	328,056
CASH - DECEMBER 31	\$102,857	\$108,282	\$172,057

The accompanying notes are an integral part of this statement.

POINTE COUPEE PORT, HARBOR AND TERMINAL DISTRICT
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1995

NOTE 1 - INTRODUCTION

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

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

- (a) Four commissioners are appointed by the governing authority of the Parish of Pointe Coupee;
- (b) Two commissioners are appointed by the governing authority of the City of New Roads; and
- (c) One commissioner is appointed by the governing authority of the Village of Morganza.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Reporting Entity

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

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

POINTE COUPEE PORT, HARBOR AND TERMINAL DISTRICT
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1995

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

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

Fund Accounting

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

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

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

Enterprise Fund -- account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided the periodic determination of revenues earned, expenses incurred,

POINTE COUPEE PORT, HARBOR AND TERMINAL DISTRICT
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1995

and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All proprietary funds are accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, and all assets and liabilities associated with the operation of these funds are included on the balance sheet. The proprietary funds use the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time liabilities are incurred.

Encumbrances

The District does not follow the encumbrance method of accounting.

Cash and Cash Equivalents and Investments

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

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

Bad Debts

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

Inventories

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

POINTE COUPEE PORT, HARBOR AND TERMINAL DISTRICT
 NEW ROADS, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 1995

Fixed Assets

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

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

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

Compensated Absences

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

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

Any unused vacation or unused sick days will be credited toward retirement. At December 31, 1995, the amount of unused vacation and sick leave was considered immaterial.

Fund Equity

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

POINTE COUPEE PORT, HARBOR AND TERMINAL DISTRICT
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1995

NOTE 3 - CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

At December 31, 1995, the status of deposited funds and collateralized balances are as follows:

	<u>Demand</u>	<u>Time</u>	<u>Total</u>
Financial Statement Balances	<u>\$40,384</u>	<u>\$63,524</u>	<u>\$103,908</u>
Bank Balances	\$39,333	\$63,524	\$102,857
Secured by federal deposit insurance	39,333	63,524	102,857
Market value of collateralized securities		20,413	20,413
Balance Unsecured and Uncollateralized	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
	<u>Maturity</u>	<u>Par</u>	<u>Market</u>
Collateralized Securities - U.S. Treasury Note @ 6.875%	4-30-1997	<u>\$20,000</u>	<u>\$20,413</u>

Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. These deposits are secured from risk by federal deposit insurance and 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 No. 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 District that the fiscal agent has failed to pay deposited funds upon demand.

POINTE COUPEE PORT, HARBOR AND TERMINAL DISTRICT
 NEW ROADS, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 1995

NOTE 4 - CHANGES IN FIXED ASSETS

A summary of changes in fixed assets follows:

	Balance 01-01-95	Additions	Deletions	Balance 12-31-95
Dock facilities	\$418,264			\$418,264
Roads and parking areas	18,617			18,617
Fencing	7,886			7,886
Sewer system and lines	3,310			3,310
Storage facilities	30,388			30,388
Machinery and equipment	28,179			28,179
Office equipment	12,440		(2,032)	10,408
Truck	800			800
Signs	958			958
	<u>\$520,842</u>	<u>\$0</u>	<u>\$(2,032)</u>	<u>\$518,810</u>
Accumulated depreciation	<u>\$319,930</u>	<u>\$40,692</u>	<u>\$(915)</u>	<u>\$359,707</u>

NOTE 5 - PENSION PLAN

All employees of the District are members of the Federal Social Security System. There are no other pension plans in effect.

NOTE 6 - LOCAL SERVICE AGREEMENT

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

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

- a. To acquire certain real property at a site within the Parish of Pointe Coupee, which property would include a location suitable for the construction of a port facility;

POINTE COUPEE PORT, HARBOR AND TERMINAL DISTRICT
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1995

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

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

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

NOTE 7 - CONTINGENCY - ACQUISITION OF REAL ESTATE FROM PARISH

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

NOTE 8 - DESCRIPTION OF LEASING ARRANGEMENTS

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

Louis Dreyfus Corporation

On December 12, 1975, Old River Terminal Co-op entered into a lease with the Police Jury of the Parish of Pointe Coupee. The lease is for a term of 20 years, commencing January 1, 1976, and

POINTE COUPEE PORT, HARBOR AND TERMINAL DISTRICT
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1995

terminating on December 31, 1995, subject to renewal. On July 27, 1987, Louis Dreyfus Corporation acquired this lease by assignment.

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

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

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

- a) The basic price for grain handling is \$0.01 per bushel for any and all grain shipped through the facility regardless of the amount.
- b) The basic guaranteed annual rental shall be the greater of \$25,000 per year or two-thirds of the average volume of grain shipped through the facilities between the years 1988 and 1995 multiplied by \$0.01 per bushel.

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

Ouachita Fertilizer Company, Inc.

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

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

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

POINTE COUPEE PORT, HARBOR AND TERMINAL DISTRICT
 NEW ROADS, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 1995

Terral Barge Line, Inc.

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

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

Tri-Parish Gin, Inc.

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

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

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

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

NOTE 9 - LITIGATION AND CLAIMS

There is no pending litigation against the District.

POINTE COUPEE PORT, HARBOR AND TERMINAL DISTRICT
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1995

NOTE 10 - COMPENSATION PAID TO BOARD MEMBERS

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

Charlie Bonnette, President	\$0
Mitch Frey	0
Ted Glaser	0
John Grezaffi	0
Hanson Lopez	0
Roland Roberts	0
James Wells	0
	0
Total Compensation	\$0

NOTE 11 - FEDERAL FINANCIAL ASSISTANCE

There are no active awards for the year ended December 31, 1995.

NOTE 12 - MANAGEMENT AGREEMENT

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

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

The District will receive the first \$20,000 of all revenues, TRS will receive the next \$60,000, and the excess over \$80,000 will be shared 25% by the District and 75% by TRS. For the balance of 1995 only, the District received the first \$20,000 of all revenues, and the excess over \$20,000 will be shared 25% by the District and 75% by TRS. For 1995, TRS was due \$42,390.19 in management fees.

George F. Delaune

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

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

I have audited the general purpose financial statements of the **POINTE COUPEE PORT, HARBOR AND TERMINAL DISTRICT, PARISH OF POINTE COUPEE, LOUISIANA** (the "District"), a component unit of the Pointe Coupee Parish Police Jury, for the year ended December 31, 1995, and have issued my report thereon dated June 4, 1996.

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

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

In planning and performing my audit of the general purpose financial statements of the District for the year ended December 31, 1995, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant

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

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

This condition was considered in determining the nature, timing, and extent of the audit tests to be applied in my audit of the 1995 financial statements, and this report does not affect my report on the financial statements dated June 4, 1996.

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

George F. Delaune, CPA

June 4, 1996

George F. Delaune

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

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

I have audited the general purpose financial statements of the **POINTE COUPEE PORT, HARBOR AND TERMINAL DISTRICT, PARISH OF POINTE COUPEE, LOUISIANA** (the "District"), a component unit of the Pointe Coupee Parish Police Jury, for the year ended December 31, 1995, and have issued my report thereon dated June 4, 1996.

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

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

The results of my tests disclosed the noncompliance condition reported on page 22 that is required to be reported under *Government Auditing Standards*.

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

George F. Delaune, CPA

June 4, 1996

Appointment of Board Members

Condition

As discussed in Note 1 - Introduction, the commission is composed of seven members, who are appointed by various political subdivisions. During 1995 and previous years, the Parish of Pointe Coupee had appointed one of its police jurors and the City of New Roads had appointed one of its council members.

Criteria

The Commission on Ethics for Public Employees issued Ethics Board Docket No. 95-031 on March 24, 1995, in which it concluded that if a board in question is a board into which another board has appointing authority, then it *would appear* to be a violation of Section 1113 of the Ethics Code for a member of the appointing board to be appointed by his own board unless there is a more specific statute creating the board which requires that the appointing board member serve as a member.

Effect

A decision was issued by the Commission on Ethics for Public Employees which reaffirmed Docket No. 95-031 and its application to the District. Consequently, the District has been in violation of Section 1113 of the Ethics Code.

Resolution

The Pointe Coupee Parish Police Jury and City of New Roads appointed new members effective January 1, 1996.