

**POINTE CAULIER PORT, HARBOR AND TERMINAL DISTRICT
NEW ORLEANS, LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR THE YEARS ENDED DECEMBER 31, 1997, 1996 AND 1995**

	1997	1996	1995
Revenues:			
Lease rentals and duties	\$11,218	\$20,110	\$22,157
Lease area loading charges	41,387	28,430	33,699
Contracted loading charges	6,333		2,184
Freighters unloading charges	7,238	8,091	18,150
Debitage charges	9,784	4,723	4,107
Ware charges	799	444	426
Interest earned on investments	1,821	1,264	1,415
Total Revenues	98,379	72,054	93,088
Expenses:			
Contract salary and expense			31,290
Salaries and wages			32,000
Payroll taxes		1,807	2,414
Group insurance			2,134
Travel expense		120	428
Meetings		348	315
Dues	400		450
Contract labor and expense		402	1,725
Management fees	71,843	34,009	42,190
Audit fees	1,400	1,400	1,400
Legal fees		1,000	
Professional fees		100	100
Bookkeeping	800	875	3,191
Repairs, maintenance and supplies		1,212	14,289
Dental fees			111
Utilities	2,499	1,920	4,349
Insurance	6,856	6,641	14,685
Office supplies, postage, and copier	62	371	712
Printing			21
Telephone and pager service	762	926	1,895
Miscellaneous			1,340
Depreciation	34,682	38,798	40,697
Uncollectibles and billing adjustments	1,234	176	
Total Expenses	121,279	136,274	191,962
Net Loss	(22,900)	(64,220)	(98,874)
Retained Earnings - January 1	218,404	282,624	381,498
RETAINED EARNINGS - DECEMBER 31	\$195,504	\$218,404	\$282,624

The accompanying notes are an integral part of this statement.

	<u>1997</u>	<u>1996</u>	<u>1995</u>
LIABILITIES AND FUND EQUITY			
Current Liabilities			
Accounts payable	\$21	\$1,642	\$12
Management fee payable	26,980	35,717	24,275
Advance rent collected	1,621	1,632	1,124
	<u>28,622</u>	<u>38,991</u>	<u>25,511</u>
Total Current Liabilities	<u>28,622</u>	<u>38,991</u>	<u>25,511</u>
Total Liabilities	<u>28,622</u>	<u>38,991</u>	<u>25,511</u>
Fund Equity			
Retained earnings - current total	195,364	218,428	237,449
	<u>195,364</u>	<u>218,428</u>	<u>237,449</u>
Total Fund Equity	<u>195,364</u>	<u>218,428</u>	<u>237,449</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$223,986</u>	<u>\$257,419</u>	<u>\$272,960</u>

The accompanying notes are an integral part of this statement.

POINTS-COULPER FORT, HARBOR, AND TERMINAL DISTRICT
NEW ORLEANS, LOUISIANA
BALANCE SHEET
DECEMBER 31, 1995, 1994 AND 1993

	1997	1996	1995
ASSETS			
Current Assets			
Cash and investments	104,175	879,699	1102,887
Receivables -			
Ports charges and fees	25,978	40,241	6,895
Damage and refunds	11,246	11,246	11,246
Prepaid insurance	5,731	4,975	5,731
Total Current Assets	<u>147,130</u>	<u>936,161</u>	<u>1126,759</u>
Property, Plant, and Equipment			
Dock facilities	418,284	418,284	418,284
Roads and parking areas	18,617	18,617	18,617
Fencing	7,886	7,886	7,886
Security systems and fees	3,210	3,508	3,514
Storage facilities	30,988	30,988	30,988
Machinery and equipment	28,179	28,179	28,179
Office equipment	18,408	18,408	18,408
Trucks	888	888	888
Signs	888	888	888
Less accumulated depreciation	<u>(58,042)</u>	<u>(58,813)</u>	<u>(58,813)</u>
Total Property, Plant, and Equipment, Net	<u>501,827</u>	<u>479,799</u>	<u>479,799</u>
TOTAL ASSETS	<u>\$248,957</u>	<u>\$1,415,960</u>	<u>\$1,606,558</u>

The accompanying notes are an integral part of this statement.

George F. Delaune

CERTIFIED PUBLIC ACCOUNTANT
Firm is limited to Governmental Accounting, Auditing and Financial Reporting

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REPORTING BOARD

INDEPENDENT AUDITOR'S REPORT

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, 1997, as listed on 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, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and with provisions of Louisiana Revised Statute 24:915 and the provisions of the Louisiana *Governmental Audits Guide*, published jointly by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. Those standards and the Guide require that I 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 includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall 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 above present fairly, in all material respects, the financial position of the District as of December 31, 1997, 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 my report dated January 23, 1998, on my consideration of the District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

George F. Delaune, CPA

January 15, 1998

POINTE COUPEE PORT, HARBOR AND TERMINAL DISTRICT
NEW ROADS, LOUISIANA
FOR THE YEAR ENDED DECEMBER 31, 1997

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POINTE COUPEE PORT, HARBOUR AND TERMINAL DISTRICT
1826 PORT ROAD
LETTSWORTH, LA 70753
(504) 882-3387

GOVERNING BOARD
(effective January 1, 2007)

POINTE COUPEE PARISH POLICE JURY APPOINTEES
James Bellanger
Ted Glasser
James Wells

CITY OF NEW BRASS APPOINTEES
Tommy Leonard (Vice President)
Roland Roberts

VILLAGE OF MORGANZA
Mitch Frey (Vice/Treas)

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**POINTS COUPEE FORT, HARBOR AND TERMINAL DISTRICT
NEW ORLEANS, LOUISIANA**

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 1987**

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

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

Release Code MAJ 0 4 1988

POINTE COUPEE PORT, HARBOR AND TERMINAL DISTRICT
NEW ORLEANS, LOUISIANA
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 1997, 1996 AND 1995

	1997	1996	1995
Cash Flows From Operating Activities:			
Net Cash	(\$23,240)	(\$19,240)	(\$42,674)
Adjustments to reconcile net cash to net cash provided by operations:			
Depreciation	36,562	38,998	40,697
(Decrease) increase in:			
Accounts receivable	20,240	(51,400)	(24,675)
Prepaid insurance	(158)	231	8,743
Decrease (increase) in:			
Accounts payable	(1,590)	1,122	(3,944)
Management fee payable	(3,757)	6,643	24,075
Payroll taxes payable			(243)
Advance rents collected		(3,960)	3,902
Net Cash Provided (Used) by Operating Activities	18,421	(27,199)	(8,215)
Cash Flows From Investing Activities:			
Disposition of property, plant, and equipment			3,117
Net Cash Provided by Investing Activities			3,117
Cash Flows From Financing Activities:			
Payments on lease financing			(3,117)
Net Cash (Used) by Financing Activities			(3,117)
Net Increase (Decrease) in Cash	18,421	(27,199)	(8,415)
Cash - January 1	25,698	122,887	128,182
CASH - DECEMBER 31	44,119	95,688	119,767

The accompanying notes are an integral part of this statement.

that would be material in relation to the 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 over financial reporting and its operations that I consider to be material weaknesses.

This report is intended for the information of management, the Police Jury of the Parish of Pointe Coupee, New Roads, Louisiana (copyright 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. Sullivan, CPA

January 13, 1998

George F. Deloane

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LOUISIANA POLICE &
SHERIFFS ASSOCIATION

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

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, 1997, and have issued my report thereon dated January 13, 1998. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the District's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting structure would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts

POINTE COUPEE PORT, HARBOR AND TERMINAL DISTRICT
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1997

NOTE 10 - COMPENSATION PAID TO BOARD MEMBERS

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

Hanson Lopez, President	\$0
James Belfrage	0
Mitch Frey	0
Tad Glaser	0
Yancy Leonard	0
Roland Roberts	0
James Wells	0
Total Compensation	\$0

NOTE 11 - FEDERAL FINANCIAL ASSISTANCE

There are no active awards for the year ended December 31, 1997.

NOTE 12 - MANAGEMENT AGREEMENT

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

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

The District will receive the first \$20,000 of all revenues, TRS will receive the next \$80,000, 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 1997, TRS was due \$71,562.86 in management fees.

POINTE COUPEE POST, HARBOR AND TERMINAL DISTRICT
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1997

commencing September 1, 1990, and terminating on August 30, 1991, and renewed for an additional 3 years.

The lease covers Lots 14, 15 and 16-A which contain 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:

<u>Year</u>	<u>Annual Rental</u>
1991	None
1992	\$1,092.68
1993	1,092.68
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	3,435.60

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, 1997**

The lease covers a 17 acre tract or parcel of land on which the storage facilities and office buildings have been erected. Also, included in the lease is the unice docking facilities which were erected by the Lessee.

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

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

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

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

Onatchia Fertilizer Company, Inc.

Onatchia 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 30' wide tract containing 3.073 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 Lessee 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.

Terral Barge Line, Inc.

On October 28, 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,

POINTE COUPEE PORT, HARBOR AND TERMINAL DISTRICT
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1987

- a. 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 City 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 rate which represents the purchaser's actual cost; and
- c. Should it be necessary for the City 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 City 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 executed 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 Dryfias Corporation

On December 12, 1973, Old River Terminal Co-op entered into a lease with the Police Jury of the Parish of Pointe Coupee. The lease is for a term of 20 years, commencing January 1, 1976, and terminating on December 31, 1995, subject to renewal. On July 27, 1987, Louis Dryfias Corporation acquired this lease by assignment.

**POINTE COUPEE PORT, HARBOR AND TERMINAL DISTRICT
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1997**

NOTE 4 - CHANGES IN FIXED ASSETS

A summary of changes in fixed assets follows:

	Balance 01-01-97	Additions	Deletions	Balance 12-31-97
Dock facilities	\$438,264			\$418,264
Roads and parking areas	18,617			28,627
Fencing	7,888			7,888
Sewer systems and lines	3,310			3,310
Storage facilities	32,268			32,268
Machinery and equipment	28,279			28,179
Office equipment	15,408			15,408
Truck	800		800	
Signs	958			958
	<u>\$518,834</u>	<u>90</u>	<u>1800</u>	<u>\$518,211</u>
Accumulated depreciation	<u>1188,395</u>	<u>136,582</u>	<u>1800</u>	<u>\$434,487</u>

NOTE 5 - PENSION PLAN

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

NOTE 6 - LOCAL SERVICE AGREEMENT

On September 18, 1993, 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 covenants 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;
- b. To make available to the District that portion of the property so acquired, at no cost to said District, for a period of five (5) years from the date of acquisition of said property, well

POINTE COUPEE PORT, HARBOR AND TERMINAL DISTRICT
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1997

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

Fixed Equity

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

NOTE 3 - CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

As December 31, 1997, the status of deposited funds and collateralized balances are as follows:

	Demand	Time	Total
Financial Statement Balances	<u>\$10,662</u>	<u>\$83,457</u>	<u>\$94,119</u>
Bank Balances	\$10,737	\$83,457	\$94,194
Secured by federal deposit insurance	10,737	83,457	94,194
Market value of collateralized securities			
Balance Unsecured and Uncollateralized	<u>\$0</u>	<u>\$0</u>	<u>\$0</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.

POINTE-COUPÉE PORT, HARBOR AND TERMINAL DISTRICT
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1997

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 as the time liabilities are incurred.

Accrual Basis

The District does not follow the accrual basis 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 Debt

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

Inventories

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

Fixed Assets

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

POINTE COUPEE PORT, HARBOR AND TERMINAL DISTRICT
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1997

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 on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary funds include:

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

Basis of Accounting

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

POINTE COUPEE PORT, HARBOR AND TERMINAL DISTRICT
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1997

NOTE 1 - INTRODUCTION

The Pointe Coupee Port, Harbor and Terminal District (the "District") was created by Act No. 25 of the 1967 Regular Session of the Louisiana Legislature, Louisiana Revised Statutes 46:2451 et seq., as a political subdivision of the state with full corporate powers. The territorial limits and territorial jurisdiction of said District shall be the territory comprising and lying within the limits and boundaries of the Parish of Pointe Coupee, Louisiana.

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Reporting Entity

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

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