10. DEFERRED COMPENSATION PLAN

The Parish 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 Parish (without being restricted to the provisions of benefits under the plan), subject only to the claims of the Parish's general creditors. Participants' rights under the plan are equal to those of general creditors of the Parish 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, 1996.

The Parish 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 Parish intends to honor its moral obligation to the participants implicit in the program. Investments under the plan total $131,282, as reflected on Statement A.

11. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Parish provides certain continuing health care and life insurance benefits for its retired employees as authorized by resolution 95-345. Substantially, all of the Parish's employees become eligible for these benefits if they reach normal retirement age while working for the Parish. 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 Parish or jointly by the employee and the Parish, depending upon the retiree's individual situation. The Parish recognizes the cost of providing these benefits as an expenditure when paid. For 1996, the cost to the Parish for 107 retirees totaled $403,403.

12. ACCOUNTS, SALARIES AND OTHER PAYABLES

The payables of $2,533,330 at December 31, 1996, are as follows:

Class of Payable	General Fund	Special Revenue Funds	Proprietary Funds
Salaries	$335,459	$---	$---
Withholdings	351,720	---	---
Accounts	842,592	253,230	150,983
Others	52,993	120,870	425,483
Total	$1,582,764	$374,100	$576,466

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 upon 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 Parish has determined that the following component units are part of the reporting entity:

Component Unit	Fiscal Year End	Criteria Used
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 Parish 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.

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 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.

Considered in the determination of component units of the reporting entity were the Plaquemines Parish Sheriff, School Board, Indigent Defender Board, and the various 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.

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS AND SUPPORTING SCHEDULES

To the Plaquemines Parish Council:

We have audited the primary government financial statements of Plaquemines Parish Government (a political subdivision of the State of Louisiana) ("the Parish") as of and for the year ended December 31, 1996. These financial statements are the responsibility of the parish's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, the standards for financial audits contained in Government Auditing Standards (1994 revision) 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.

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, 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, 1996, 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.

However as discussed in Note 1, the primary government financial statements, because they do not include the financial data of component units of Plaquemines Parish Government do not purport to, and do not, present fairly the financial position of the Plaquemines Parish Government, as of December 31, 1996, 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 on our consideration of the Parish's internal control structure and a report on its compliance with laws and regulations, both dated May 16, 1997.

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 are presented for

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana

Primary Government Financial Statements
As of and for the Year Ended December 31, 1996
With Supplemental Information Schedules

C O N T E N T S (CONT)

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana

Primary Government Financial Statements
As of and for the Year Ended December 31, 1996
With Supplemental Information Schedules

C O N T E N T S

ARTHUR ANDERSEN LLP

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PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana

PRIMARY GOVERNMENT FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1996
WITH SUPPLEMENTAL INFORMATION SCHEDULES

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 JUL 02 1997

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

The following is a summary of the long-term obligation transactions for the year ended December 31, 1996:

	Compensated Absences	Capital Leases	Litigation and Claims	General Obligation Bonds	Certificate of Indebtedness	Total
Long-term obligations payable at Jan 1, 1996	$232,171	$160,474	$2,399,765	$25,620,000	$1,630,000	$30,042,410
Additions	---	97,278	3,928,215	---	---	4,025,493
Deductions	(232,171)	(96,239)	---	(1,185,000)	(515,000)	(2,028,410)
Long-term obligations payable at Dec 31, 1996	---	$161,513	$6,327,980	$24,435,000	$1,115,000	$32,039,493

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

Description	Amount Outstanding
General Obligation Bonds:	
$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 Public Improvement Bonds, Series 1988, Debt Service Fund.	$1,545,000
$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 Public Improvement Bonds, Series 1991, Debt Service Fund.	8,400,000
$15,330,000 - Public Improvement Bonds, Series 1992 Due in annual installments ranging from $115,000 to *$1,895,000 through August, 2006, with interest from 3.2* percent to 6.5 percent. Debt retirement payments are made from Public Improvement Bonds, Series 1992, Debt Service Fund.	14,490,000
Total General Obligation Bonds	24,435,000

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 Parish. Fiduciary funds include:

a. Agency Funds - account for assets that the Parish 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 fund types 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 whose annual operating budgets they are intended to finance. The 1996 ad valorem taxes that became due on November 26, 1996, are recorded as deferred revenue at December 31, 1996, and will be included as revenue in 1997. 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 third party collector.

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

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

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

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.

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.

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

Combined Statement of Cash Flows
For the Year Ended December 31, 1996

Cash flows from operating activities:	
Operating loss	($4,085,366)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:	
Depreciation	1,074,944
Change in assets and liabilities:	
(Increase) in receivables	(587,849)
Decrease in accounts payable	(57,332)
Increase in other liabilities	1,016,184
Net cash used by operating activities	(2,639,419)
Cash flows from noncapital financing activities:	
Ad valorem tax collections	2,019,019
Operating transfers in	1,214,514
Principal paid on note	(392,875)
Short-term loan from other funds	(389,592)
Net cash provided by non-capital financing activities	2,451,066
Cash flows from capital and related financing activities:	
Acquisition/construction of capital assets	(403,735)
Increase in intergovernmental receivables	720,869
Operating transfers out	(13,997)
Decrease in contracts and retainage payable	(25,087)
Principal paid on bonds	(175,000)
Net cash provided from capital and related financing activities	103,050
Cash flows from investing activity:	
Interest received on time deposits	203,790
Net increase in cash and cash equivalents	118,487
Cash and cash equivalents at beginning of year	4,168,587
Cash and cash equivalents at end of year	$4,287,074

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, 1996

OPERATING REVENUES	
Charges for services	$6,622,884
Other	236,667
Total Operating Revenues	6,859,551
OPERATING EXPENSES	
Personal services	1,215,927
Contractual services, supplies, materials, and other	8,654,046
Depreciation	1,074,944
Total Operating Expenses	10,944,917
OPERATING LOSS	(4,085,366)
NONOPERATING REVENUES (EXPENSES)	
Interest income	203,790
Ad valorem taxes	2,019,019
Other	(14,846)
Total Nonoperating Revenues (Expenses)	2,207,963
NET LOSS BEFORE OPERATING TRANSFERS	(1,877,403)
OPERATING TRANSFERS	
Operating transfers in	1,214,514
Operating transfers out	(13,997)
NET LOSS	(676,886)
ADD DEPRECIATION ON CONTRIBUTED CAPITAL FIXED ASSETS	494,728
NET DECREASE IN RETAINED EARNINGS	(182,158)
RETAINED EARNINGS AT BEGINNING OF YEAR	6,920,819
RETAINED EARNINGS AT END OF YEAR	$6,738,661

Statement C

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, 1996

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES (CONT'D)						
Economic development and assistance	$133,018	$127,396	$5,622	$ ---	$ ---	$ ---
Transportation	2,321,605	2,169,090	152,515	---	---	---
Total Expenditures	21,412,756	19,907,528	1,505,228	7,659,700	7,070,418	589,282
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	8,100,836	11,331,832	3,230,996	(2,011,850)	(1,100,812)	911,038
OTHER FINANCING SOURCES (Uses)						
Operating transfers in	---	---	---	2,378,386	2,094,221	(284,165)
Operating transfers out	(5,442,980)	(3,826,074)	1,616,906	(727,000)	(684,277)	42,723
Contributed capital-proprietary fund	---	(48,540)	(48,540)	---	---	---
Proceeds of sale of assets	200,000	189,352	(10,648)	---	---	---
Total Other Financing Sources (Uses)	(5,242,980)	(3,685,262)	1,557,718	1,651,386	1,409,944	(241,442)
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	2,857,856	7,646,570	4,788,714	(360,464)	309,132	669,596
FUND BALANCES AT BEGINNING OF YEAR	12,338,083	12,338,083	---	1,023,874	1,023,874	---
Residual equity transfer	163,925	262,177	98,252	(163,925)	(262,177)	(98,252)
FUND BALANCES AT END OF YEAR	$15,359,864	$20,246,830	$4,886,966	$499,485	$1,070,829	$571,344

(Concluded)
The accompanying notes are an integral part of this statement.

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 Parish). 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 Parish and for administration of all parish departments, offices and agencies. The parish council and the parish president serve four-year terms which expire on December 31, 1998.

Plaquemines Parish occupies 1,986 square miles with a population of approximately 26,000. The Parish maintains approximately 116 miles of roads, of which 57 miles are paved, 35 miles are asphalt, and 24 miles are shelled. The Parish Council office is located in the parish courthouse in Pointe a la Hache while the administration offices and the road maintenance facilities are located in Port Sulphur and Belle Chasse. The Parish has a total of approximately 521 employees.

Louisiana Revised Statute 33:1236 gives the Parish 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
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			SPECIAL REVENUE FUNDS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES						
Taxes:						
Ad valorem	$1,697,110	$1,723,766	$26,656	$3,480,533	$3,535,203	$54,670
Sales and use	5,465,507	5,776,931	311,424	---	---	---
Other taxes, penalties, interest, etc.	41,165	41,166	1	---	---	---
Licenses and permits	745,400	870,711	125,311	---	---	---
Intergovernmental revenues:				---	---	---
Federal grants	289,123	169,617	(119,506)	116,000	115,999	(1)
State funds:						
State grant	100,000	100,000	---	---	---	---
Parish transportation funds	---	---	---	290,000	303,875	13,875
State revenue sharing	35,000	35,037	37	71,859	71,859	---
Parish royalty fund	3,684,000	5,352,168	1,668,168	---	---	---
Other	653,690	663,530	9,840	160,000	161,578	1,578
Fees, charges, and commissions for services	288,080	282,078	(6,002)	1,180,950	1,301,026	120,076
Fines and forfeitures	---	---	---	205,500	295,458	89,958
Use of money and property	14,787,604	14,588,937	(198,667)	139,258	182,339	43,081
Other revenues	1,726,913	1,635,419	(91,494)	3,750	2,269	(1,481)
Total Revenues	29,513,592	31,239,360	1,725,768	5,647,850	5,969,606	321,756
EXPENDITURES						
General government:				---	---	---
Legislative	1,034,109	970,238	63,871			
Judicial	2,353,432	2,275,607	77,825	128,789	79,776	49,013
Executive	4,357,086	4,063,111	293,975	---	---	---
Elections	113,713	78,267	35,446	---	---	---
Finance and administrative	2,592,777	2,907,978	(315,201)	---	---	---
Other	1,772,635	1,611,714	160,921	---	---	---
Public safety	429,081	334,639	94,442	---	---	---
Public works	4,328,102	3,656,744	671,358	5,405,074	4,975,223	429,851
Health and welfare	1,115,579	988,575	127,004	1,664,143	1,546,068	118,075
Culture and recreation	861,619	724,169	137,450	461,694	469,351	(7,657)

(Continued)

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, 1996

	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	TOTAL (MEMORANDUM ONLY)
REVENUES					
Taxes:					
Ad valorem	$1,723,766	$3,535,203	$ ---	$ ---	$5,258,969
Sales and use	5,776,931	---	---	---	5,776,931
Other taxes, penalties, interest, etc.	41,166	---	---	---	41,166
Licenses and permits	870,711	---	---	---	870,711
Intergovernmental revenues:					
Federal grants	169,617	115,999	---	---	285,616
State funds:					
State grant	100,000	---	---	---	100,000
Parish transportation funds	---	303,875	---	---	303,875
State revenue sharing	35,037	71,859	---	---	106,896
Parish royalty fund	5,352,168	---	2,845,222	---	8,197,390
Other	663,530	161,578	---	46,291	871,399
Fees, charges, and commissions for services	282,078	1,301,026	---	---	1,583,104
Fines and forfeitures	---	295,458	---	---	295,458
Use of money and property	14,588,937	182,339	---	294,930	15,066,236
Other revenues	1,635,419	2,269	---	---	1,637,688
Total Revenues	31,239,360	5,969,606	2,845,222	341,221	40,395,409
EXPENDITURES					
General government:					
Legislative	970,238	---	---	---	970,238
Judicial	2,275,607	79,776	---	---	2,355,383
Executive	4,063,111	---	---	---	4,063,111
Elections	78,267	---	---	---	78,267
Finance and administrative	2,907,978	---	---	---	2,907,978
Other	1,611,714	---	---	---	1,611,714
Public safety	334,639	---	---	---	334,639
Public works	3,656,744	4,975,223	---	1,176,124	9,808,091
Health and welfare	988,575	1,546,068	---	---	2,534,643
Culture and recreation	724,169	469,351	---	---	1,193,520
Economic development and assistance	127,396	---	---	---	127,396
Transportation	2,169,090	---	---	---	2,169,090
Debt service	---	---	3,425,616	---	3,425,616
Total Expenditures	19,907,528	7,070,418	3,425,616	1,176,124	31,579,686
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	11,331,832	(1,100,812)	(580,394)	(834,903)	8,815,723
OTHER FINANCING SOURCES (Uses)					
Operating transfers in (note 22)	---	2,094,221	578,946	636,667	3,309,834
Operating transfers out (note 22)	(3,826,074)	(684,277)	---	---	(4,510,351)
Contributed capital-proprietary fund	(48,540)	---	---	---	(48,540)
Proceeds of sale of assets	189,352	---	---	---	189,352
Total Other Financing Sources (Uses)	(3,685,262)	1,409,944	578,946	636,667	(1,059,705)
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	7,646,570	309,132	(1,448)	(198,236)	7,756,018
FUND BALANCES AT BEGINNING OF YEAR	12,338,083	1,023,874	5,912	6,029,146	19,397,015
Residual equity transfer (note 20)	262,177	(262,177)	---	---	---
FUND BALANCES AT END OF YEAR	$20,246,830	$1,070,829	$4,464	$5,830,910	$27,153,033

The accompanying notes are an integral part of this statement.

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

Statement A

Combined Balance Sheet, December 31, 1996

	GOVERNMENTAL FUND TYPE						ACCOUNT GROUPS		
	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	CAPITAL PROJECTS FUNDS	PROPRIETARY FUND TYPE ENTERPRISE FUNDS	FIDUCIARY FUND TYPE AGENCY FUNDS	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	TOTAL (MEMORANDUM ONLY)
LIABILITIES, EQUITY, AND OTHER CREDITS (CONT'D)									
Liabilities: (Cont'd)									
Capital leases payable (note 14)	$ ---	$ ---	$ ---	$ ---	$13,345	$ ---	$ ---	$161,513	$174,858
Other payables (note 18)	---	---	---	---	425,483	---	---	---	425,483
Bonds payable (notes 17 and 18)	---	---	---	---	1,505,000	---	---	25,550,000	27,055,000
Total Liabilities	5,946,284	4,592,019	35,000	449,314	10,781,358	1,345,284	---	32,039,493	55,188,752
Equity and Other Credits:									
Contributed capital (note 24)	---	---	---	---	16,210,532	---	---	---	16,210,532
Investment in general fixed assets (note 7)	---	---	---	---	---	---	108,755,324	---	108,755,324
Retained earnings:									
Reserved for capital projects (note 23)	---	---	---	---	1,554,508	---	---	---	1,554,508
Unreserved	---	---	---	---	5,184,153	---	---	---	5,184,153
Fund balances:									
Reserved (note 23)	2,335,188	192,362	4,464	65,051	---	---	---	---	2,597,065
Unreserved:									
Designated (note 23)	8,130,016	283,543	---	5,765,859	---	---	---	---	14,179,418
Undesignated	9,781,626	594,924	---	---	---	---	---	---	10,376,550
Total Equity And Other Credits	20,246,830	1,070,829	4,464	5,830,910	22,949,193	---	108,755,324	---	158,857,550
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	$26,193,114	$5,662,848	$39,464	$6,280,224	$33,730,551	$1,345,284	$108,755,324	$32,039,493	$214,046,302

(Concluded)
The accompanying notes are an integral part of this statement.

Statement A

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

Combined Balance Sheet, December 31, 1996

	GOVERNMENTAL FUND TYPE				PROPRIETARY FUND TYPE	FIDUCIARY FUND TYPE	ACCOUNT GROUPS		
	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	ENTERPRISE FUNDS	AGENCY FUNDS	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	TOTAL (MEMORANDUM ONLY)
ASSETS AND OTHER DEBITS									
Assets:									
Cash and cash equivalents (note 4)	$8,731,857	$1,653,129	$39,464	$5,617,484	$4,287,074	$1,214,002	$ ---	$ ---	$21,543,010
Investments (note 5)	2,000,578	---	---	---	---	131,282	---	---	2,131,860
Receivables (net of allowances for uncollectibles) (note 6)	6,335,147	4,009,719		387,251	4,262,065	---	---	---	14,994,182
Interfund receivables (note 21)	8,084,709	---	---	275,489	995,470	---	---	---	9,355,668
Prepaid items (note 1-H)	1,040,823	---	---	---	505,255	---	---	---	1,546,078
Land, buildings and equipment (net, where applicable, of accumulated depreciation) (note 7)	---	---	---	---	23,680,687	---	108,755,324	---	132,436,011
Other Debits:									
Amount available in debt service funds	---	---	---	---	---	---	---	4,464	4,464
Amount to be provided for the retirement of general long-term oligations (note 17)	---	---	---	---	---	---	---	32,035,029	32,035,029
TOTAL ASSETS AND OTHER DEBITS	$26,193,114	$5,662,848	$39,464	$6,280,224	$33,730,551	$1,345,284	$108,755,324	$32,039,493	$214,046,302
LIABILITIES, EQUITY, AND OTHER CREDITS									
Liabilities:									
Accounts, salaries and other payables (note 12)	$1,582,764	$374,100	$ ---	$ ---	$150,983	$ ---	$ ---	$ ---	$2,107,847
Contracts and retainage payable	4,079	---	---	173,825	149,767	---	---	---	327,671
Claims and assessments payable (note 26)	621,646	---	---	---	---	---	---	6,327,980	6,949,626
Interfund payables (note 21)	995,470	386,897	---	275,489	7,311,340	386,472	---	---	9,355,668
Deposits due others	6,065	---	---	---	---	889,302	---	---	895,367
Deferred revenues	2,370,245	3,612,160	---	---	---	---	---	---	5,982,405
Other liabilities	55,524	111,776	---	---	1,178,056	69,510	---	---	1,414,866
Matured bonds and interest payable	---	---	35,000	---	---	---	---	---	35,000
Compensated absences payable (note 13)	310,491	107,086	---	---	47,384	---	---	---	464,961

(Continued)

15. COMMITMENTS UNDER CONTRACT

In accordance with parish resolution 94-214 dated July 28, 1994, and ordinance 94-242 dated August 11, 1994, the Parish entered into a contract with Environmental Operators, Inc., for the receipt and disposal of solid waste. The contract commenced on October 1, 1994, and ended 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 prior to expiration of the then current term. If the agreement is terminated on or before December 31, 1999, the contract provides for an early termination fee equal to 50 percent of the then annual fee, which early termination fee shall not be less than $500,000. The contract provides for monthly fees adjustable for changes in the Consumer Price Index, the adjusted monthly fee is $70,250.

In accordance with parish resolution 92-230, dated September 24, 1992, and ordinance 92-212 dated November 12, 1992, and amended by ordinance 93-183 dated July 8, 1993, ordinance 93-234 dated September 23, 1993, and ordinance 94-59 dated February 24, 1994, the Parish 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 ended on December 31, 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 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. The contract, as amended, provides for monthly fees of $36,980 for debt service, monthly fees of $410,358 for base service, 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.

16. OTHER COMMITMENTS

On March 6, 1964, the Parish 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 contributions which 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:

Payment Date	Contribution
September 1998	$950,000
September 1999	1,315,000
September 2000	2,278,000
September 2001	1,549,000
Balance to complete	5,146,000
Total	$11,238,000

B. FUND ACCOUNTING

The Parish 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 Parish are classified into three categories: governmental, proprietary and fiduciary. In turn, 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 Parish'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 obligations. Governmental funds include:

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

   a. 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.

13. COMPENSATED ABSENCES

Full-time employees of the Parish were granted five days of short-term absence leave and, depending on length of service, 6 to 24 days of annual leave. Accumulated leave that was not taken or paid before year end is recorded as a current liability.

At December 31, 1996, employees of the Parish have accumulated and vested $40,374 of short term and compensatory overtime leave benefits, which is recorded as a current liability in the General Fund, Special Revenue Funds and Enterprise Funds in the amounts of $30,820, $3,442 and $6,112 respectively.

At December 31, 1996, employees of the Parish have accumulated and vested $424,587 of annual leave benefits, which is recorded as a current liability in the General Fund, Special Revenue Funds and Enterprise Funds in the amounts of $279,671, $103,644 and $41,272 respectively.

14. CAPITAL LEASES

The Parish records items under capital leases as assets and obligations in the accompanying *financial statements*. The Parish entered into numerous capital lease agreements for copier machines with varying lease terms and amounts.

The following is a schedule of future minimum lease payments together with the present value of the net minimum lease payments as of December 31, 1996.

	General Fund	Enterprise Funds
Fiscal year:		
1997	$65,733	$4,500
1998	56,418	4,500
1999	41,065	4,500
2000	19,162	1,500
Total minimum lease payments	182,378	15,000
Less amount representing interest	(20,865)	(1,655)
Present value of net minimum lease payments	$161,513	$13,345

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 Parish for the year ended December 31, 1996, was completed and made available for public inspection on October 26, 1995. The operating and capital improvement budgets were formally adopted by ordinance 95-401 and ordinance 95-402, dated November 20, 1995.

Formal budgetary integration is employed as a management control device for the General, Special Revenue and Enterprise Funds. Budget comparison is 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 Parish exercises budgetary control at the department/function level. Unexpended appropriations lapse at year end and must be reappropriated in the next year's budget to be expended.

The Parish's adopted budget is on the modified accrual basis of accounting. The Budget Comparison Statement included in the accompanying financial statements contains the original adopted budget and all subsequent amendments for the General and Special Revenue Funds.

Amendments to the operating budget must be adopted by ordinance of the parish council.

E. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts and other commitments for 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 CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Under state law, the Parish 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 Parish 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. INTERFUND RECEIVABLES/PAYABLES

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 Parish establishes prepaid expenditures for liability insurance, payments in advance, travel advances and postage. Payments made for such items that will benefit periods beyond December 31, 1996, 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 are 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 Parish has the following policy relating to annual leave, sick leave, short-term absences and compensatory overtime:

1. Annual Leave

   During 1996, depending upon length of service, full-time employees of the Parish earned from 6 to 24 days of annual leave, which is recorded as a current liability as of December 31, 1996.

2. Sick Leave

   Depending upon length of service, full-time employees of the Parish receive 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 Parish earn 5 days of 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 from 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.

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 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 appropriable 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 Parish collects a one-percent sales tax that may be used to operate the Parish and provide public services and facilities. In addition, the Parish 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 collection expenses are paid by the Parish and two thirds 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 is also not comparable to a consolidation, and interfund eliminations have not been made in the aggregation of this data.

2. USE OF ESTIMATES

In preparing the primary government financial statements, the Parish is required to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

3. LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes for the year ended December 31, 1996:

	Authorized Millage	Levied Millage	Expiration Date
Parishwide taxes:			
Parish (alimony tax)	4.52	4.43	12/31/2009
Road Maintenance	1.86	1.82	12/31/2009
Water	2.47	2.42	12/31/2009
Library	1.24	1.21	12/31/2009
Pollution Control	2.47	2.42	12/31/2009
Public Health	1.24	1.21	12/31/2009
Garbage and Waste Disposal	3.69	3.61	12/31/2009
Solid Waste and Wastewater Disposal	1.24	1.21	12/31/2009
Total	18.73	18.33	

The following are the principal taxpayers for the Parish:

Taxpayer	Type of Business	Assessed Value	Percentage
Chevron	Oil/Gas	$40,928,175	9.94%
BP Oil	Oil/Gas	33,788,950	8.21%
Flores & Ruck	Oil/Gas	14,927,670	3.62%
Electro Coal	Coal	14,535,430	3.53%
Freeport McMoran	Sulphur	9,828,200	2.38%
Hollywood Marine	Watercraft	8,726,020	2.12%
TEPI-Texaco	Oil/Gas	7,122,230	1.73%
Tennessee Gas	Oil/Gas	6,738,375	1.63%
IMT	Coal	6,542,985	1.58%
Ingram Barge Company	Watercraft	6,529,830	1.58%
Harvest State Coop	Machinery/Equipment	6,234,465	1.51%
Total		$155,902,330	37.83%

4. CASH AND CASH EQUIVALENTS

At December 31, 1996, the Parish has cash equivalents (book balances) totaling $21,543,010 as follows:

Demand deposits	$(4,404,294)
Money market accounts	20,588,729
Restricted Cash	5,358,575
Total	$21,543,010

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. Restricted cash includes balances for bond indebtedness and escrow accounts.

At December 31, 1996, the Parish had $23,922,656 in deposits (collected bank balances). These deposits are secured from risk by $100,000 of federal deposit insurance and $47,538,209 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 1).

5. INVESTMENTS

At December 31, 1996, the Parish holds United States treasury bills totaling $2,000,578 with a market value of $2,076,223. These investments are stated on the balance sheet at cost. The United States treasury bills are in the name of the Parish and are held by a custodial bank selected by the Parish. Because the United States treasury bills are held by the counterparty who purchased the security in the name of the Parish, they are classified in Category 3 in applying the credit risk of GASB Codification Section 150.164. These bonds mature subsequent to year-end for their par value of $2,112,000.

In addition to the aforementioned investments, the Parish employees may participate in a deferred compensation plan (Note 10). At December 31, 1996, the plan administrator held life insurance contracts and annuities for plan participants valued at $131,282. These assets are valued at cash surrender value for the life insurance contracts and fair market value for the annuities.

6. RECEIVABLES

At December 31, 1996, the Parish has net receivables totaling $14,994,182 as follows:

Class of Receivable	General Fund	Special Revenue Funds	Capital Projects Funds	Enterprise Funds
Taxes:				
Ad valorem	$1,823,067	$3,728,445	$---	$1,991,795
Sales	534,137	---	---	---
Other	44,477	70,060	---	37,422
Intergovernmental:				
Federal	116,381	---	---	395,506
State	132,179	---	391,053	619,032
Local	309,145	---	---	---
Accounts	---	64,222	---	1,204,216
Other	4,760,154	221,561	846	78,651
Gross Receivables	7,719,540	4,084,288	391,899	4,326,622
Less-allowance for doubtful accounts	(1,384,393)	(74,569)	(4,648)	(64,557)
Net Receivables	$6,335,147	$4,009,719	$387,251	$4,262,065

7. FIXED ASSETS

The changes in the general fixed asset account group follow:

	Balance January 1, 1996	Additions	Deductions	Balance December 31, 1996
Land	$7,836,461	$---	$---	$7,836,461
Buildings	63,981,374	16,171	---	63,997,545
Improvements other than buildings	21,173,591	---	---	21,173,591
Machinery and equipment	15,670,127	2,664,284	(2,586,684)	15,747,727
Construction in progress	---	---	---	---
Total	$108,661,553	$2,680,455	$(2,586,684)	$108,755,324

A summary of Proprietary Fund plant and equipment follows:

	Water and Sewer Fund	Port Harbor Fund	Golf Course Fund	Boat Harbors Fund	Total
Buildings	$11,477,440	$5,287,055	$362,983	$---	$17,127,478
Improvements other than buildings	19,403,227	---	---	---	19,403,227
Machinery and equipment	550,152	872,253	97,206	328,526	1,848,137
Construction in progress	7,371,713	---	---	---	7,371,713
Sub-Total	38,802,532	6,159,308	460,189	328,526	45,750,555
Less accumulated depreciation	(20,730,238)	(878,459)	(180,011)	(283,160)	(22,069,868)
Total	$18,072,294	$5,282,849	$280,178	$45,366	$23,680,687

8. RETIREMENT SYSTEM

Plan Description:
Substantially all employees of the Parish 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 Parish 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, 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-average salary 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.

Funding Policy:
Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary, and the Parish is required to contribute at an actuarially determined rate. The current rate is 7.25 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 Parish 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. The Parish contributions to the System under Plan A for the years ending December 31, 1996, 1995, and 1994, were $656,276, $726,989 and $761,755, respectively, equal to the required contributions for each year.

9. SUPPLEMENTAL RETIREMENT PAY

In accordance with parish ordinances 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. Total amount paid to 20 retirees in 1996 was approximately $39,744.

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended December 31, 1996

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. Revenues of 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 operation of a parish-wide system for the collection and disposal of solid waste. Revenues of this fund are derived principally from ad valorem taxes and sanitation fees.

LIBRARY FUND

The Library Fund accounts for the costs of operating parish libraries, which are located in Buras, Port Sulphur and Belle Chasse. Revenues of this fund are derived principally from ad valorem taxes and library fines and fees.

DWI COURT ADMINISTERED FUND

The DWI Court Administered Fund accounts for fines collected by the sheriff's office and remitted to the Parish 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 Parish for payment of court reporter costs.

TRANSPORTATION FUND

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

purposes of additional analysis and are not a required part of the primary government financial statements of the Parish. This information has been subjected to the auditing procedures applied in our audit of the primary government financial statements and, in our opinion, is fairly stated in all material respects in relation to the primary government financial statements presented as a whole.

Arthur Andersen LLP

New Orleans, Louisiana
May 16, 1997

INDEPENDENT AUDITORS' REPORT ON THE SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

To the Plaquemines Parish Council:

We have audited the primary government financial statements of Plaquemines Parish Government (a political subdivision of the State of Louisiana) (the "Parish") as of and for the year ended December 31, 1996, and have issued our report thereon dated May 16, 1997. These financial statements and the Schedule referred to below are the responsibility of the Parish's management. Our responsibility is to express an opinion on these financial statements and the Schedule referred to below based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, the standards for financial audits contained in Government Auditing Standards (1994 revision) 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 primary government 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.

Our audit was made for the purpose of forming an opinion on the primary government financial statements of the Parish taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the primary government financial statements. The information in that Schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the primary government financial statements taken as a whole.

Arthur Andersen LLP

New Orleans, Louisiana,
May 16, 1997

Description	Amount Outstanding
Certificates of Indebtedness:	
$500,000 - Certificate of Indebtedness, 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 Certificate of Indebtedness Bonds, Series 1993, Debt Service Fund.	215,000
$1,710,000 - Certificate of Indebtedness, 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 Certificate of Indebtedness Bonds, Series 1994, Debt Service Fund.	900,000
Total Certificates of Indebtedness	1,115,000
Total	$25,550,000

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.

During 1996, interest payments on bonded debt total $1,721,761. At December 31, 1996, the Parish has accumulated $4,464 in debt service funds for future debt requirements. The annual requirements to amortize all bonded debt outstanding at December 31, 1996, including interest of $12,142,975 are as follows:

Fiscal Year	Bonded Debt
1997	$3,417,600
1998	3,414,440
1999	2,821,397
2000	2,823,083
2001	2,822,955
2002-2011	22,393,500
Total	$37,692,975

In accordance with Louisiana Revised Statute 39:562, the Parish 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, 1996, the statutory limit for each purpose is $41,152,796.

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana

Schedule of Federal Financial Assistance
For the Year Ended December 31, 1996

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	$6,757
Passed through Louisiana Department of Social Services:		
Food Stamps	10.551	3,451,552
State Administrative Matching Grants for Food Stamp Program	10.561	28,939
Passed through Louisiana Department of Agriculture and Forestry - Food Distribution	10.550	5,611
Total United States Department of Agriculture		3,492,859
United States Department of Health and Human Services		
Passed through Louisiana Department of Labor - Community Services Block Grant	93.569	63,106
Passed through Louisiana Department of Social Services - Low-Income Home Energy Assistance	93.568	38,152
Passed through Louisiana Department of Social Services - Job Opportunities and Basic Skills Training	93.561	1,623
Total United States Department of Health and Human Services		102,881
United States Department of the Interior		
Direct Programs:		
Payments in-Lieu-of Taxes (Public Law 95-469)	NONE	325,496
Payments in-Lieu-of Taxes (Public Law 97-258)	NONE	13,692
Total United States Department of the Interior		339,188
United States Department of Energy		
Passed through Louisiana Department of Social Services - Weatherization Assistance for Low-Income Persons	81.042	12,564
Federal Emergency Management Agency		
Passed through Louisiana Department of Public Safety and Corrections - State Disaster Preparedness Grants	83.505	34,129
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	183,043
United States Department of Housing and Urban Development		
Passed through Louisiana Housing Finance Agency - Home Investment Partners Program	14.239	2,970
Passed through Louisiana Division of Administration - Community Development Block Grants/Economic Development Initiative (Public Law 93-383)	14.246	362,157
Total United States Department of Housing and Urban Development		365,127
Total Issues/Expenditures		$4,529,791

25. ENTERPRISE FUNDS (Segment Information)

In accordance with GASB Codification Section 2500, the segment information for the Parish's enterprise funds as of and for the year ended December 31, 1996 is as follows:

	Water and Sewer Fund	Port Harbor Fund	Golf Course Fund	Boat Harbors Fund	Total
Operating revenues	$4,101,116	$2,388,528	$28,917	$340,890	$6,859,551
Operating expenses:					
Depreciation	373,184	179,698	9,557	12,495	1,074,944
Other	7,364,795	2,203,795	117,265	484,117	8,869,973
Operating income (loss)	(3,336,874)	5,135	(97,905)	(155,722)	(4,085,366)
Nonoperating revenues (expenses)					
Interest	---	202,457	---	1,333	203,790
Ad valorem taxes	2,019,019	---	---	---	2,019,019
Other	(3,681)	(5,917)	(708)	(4,540)	(14,846)
Transfers in(out)	965,360	(13,997)	91,332	157,822	1,200,517
Net income (loss)	(856,176)	187,678	(7,281)	(1,107)	(676,886)
Net working capital	(2,007,471)	3,096,859	(17,871)	(44,283)	1,027,334
Total assets	23,072,982	10,331,826	280,178	45,565	33,730,551
Capital contributions	13,482,736	2,464,406	262,307	1,083	16,210,532
Total fund equity	15,639,340	7,046,463	262,307	1,083	22,949,193

26. LITIGATION AND CLAIMS

The Parish's legal representatives have reviewed all litigation and claims in order 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 Parish. At December 31, 1996, as a result of this review, in the opinion of the Parish's legal representatives, there is a probability of an unfavorable outcome of $6,949,626. 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 Parish is responsible for replenishing its designation of self-insurance to cover additional claims. A current liability in the amount of $621,646 and a long-term obligation in the amount of $6,327,980 have been established for claims which, in the opinion of the Parish's legal counsel, will probably result in an unfavorable outcome. The long-term obligations are transferred to the General Fund as a current liability when the amount is determinable and funds are appropriated. No provisions for the Parish's possible loss contingencies have been made in the financial statements.

Our 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 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. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

However, we noted other matters involving the internal control structure and its operation that we have reported to the management of the Parish in a separate letter dated May 16, 1997.

This report is intended for the information of the Council, Parish management, the Louisiana State Department of Social Services (the designated cognizant agency) and federal grantor agencies. However, this report is a matter of public record and its distribution is not limited.

Arthur Andersen LLP

New Orleans, Louisiana,
May 16, 1997

Exhibit A

ARTHUR ANDERSEN LLP

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
OF THE PARISH AS AN ENTITY

To the Plaquemines Parish Council:

We have audited the primary government financial statements of Plaquemines Parish Government (a political subdivision of the State of Louisiana) (the "Parish") as of and for the year ended December 31, 1996, and have issued our report thereon dated May 16, 1997.

We conducted our audit in accordance with generally accepted auditing standards and the standards for financial audits contained in Government Auditing Standards (1994 Revision), 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 primary government financial statements are free of material misstatement.

Compliance with laws, regulations, contracts and grants applicable to the Parish is the responsibility of Parish management. As part of obtaining reasonable assurance about whether the primary government financial statements are free of material misstatement, we performed tests of the Parish'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 of compliance disclosed an instance of noncompliance, related to 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 1996 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 May 16, 1997 on those primary government financial statements.

However, we noted other matters involving the internal control structure and its operation that we have reported to the management of the Parish in a separate letter dated May 16, 1997.

This report is intended for the information of the Council, Parish management, the Louisiana State Department of Social Services (the designated cognizant agency) and federal grantor agencies. However, this report is a matter of public record and its distribution is not limited.

Arthur Andersen LLP

New Orleans, Louisiana,
May 16, 1997

INDEPENDENT AUDITORS' REPORT ON THE PARISH'S INTERNAL CONTROL STRUCTURE OVER ITS FEDERAL FINANCIAL ASSISTANCE PROGRAMS

To the Plaquemines Parish Council:

We have audited the primary government financial statements of Plaquemines Parish Government (a political subdivision of the State of Louisiana) (the "Parish") as of and for the year ended December 31, 1996, and have issued our report thereon dated May 16, 1997.

We conducted our audit in accordance with generally accepted auditing standards, the standards for financial audits contained in Government Auditing Standards (1994 Revision), issued by the Comptroller General of the United States, and the provisions of 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 whether the Parish complied with laws and regulations, noncompliance with which would be material to a federal financial assistance program.

In planning and performing our audit of the primary government financial statements of the Parish for the year ended December 31, 1996, we considered the Parish's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on the Parish's primary government financial statements and on compliance of the Parish 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 Parish's primary government financial statements in a separate report dated May 16, 1997.

The management of the Parish 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 (1) assets are safeguarded against loss from unauthorized use or disposition, (2) transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of the primary government financial statements in accordance with generally accepted accounting principles, and (3) 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 purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

Accounting Control Categories

- Financial Reporting Cycle (includes controls established to ensure compliance with laws and regulations that have a material impact on the primary government financial statements)
- Treasury Cycle
- Revenue Cycle
- Payroll Expenditure Cycle
- Vendor Expenditure Cycle
- Conversion (Fixed Assets/Inventory) Cycle
- Federal Grants Cycle

Administrative Control Categories

General Requirements
- Political activity
- Davis-Bacon Act
- Civil rights
- Cash management
- Relocation assistance and real property acquisition
- Federal financial reports
- Allowable costs/cost principles
- Drug-Free Workplace Act
- Administrative requirements

Specific Requirements
- Types of services allowed or unallowed
- Eligibility
- Matching, level of support and/or earmarking
- Reporting
- Special requirements (if applicable to specific programs)
- Claims for advances and reimbursements
- Amounts claimed or used for matching

For all of the internal control structure categories listed above, 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, 1996, the Parish expended 84% of its total federal financial assistance under the following major federal financial assistance programs:

Food Stamp Program
Community Development Block Grant

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 Parish's major federal financial assistance programs which are identified in the accompanying Schedule of Federal Financial Assistance. 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.

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 constitute 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 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. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of the Parish in a separate letter dated May 16, 1997.

This report is intended for the information of the Council, Parish management, the Louisiana State Department of Social Services (the designated cognizant agency) and federal grantor agencies. However, this report is a matter of public record and its distribution is not limited.

Arthur Andersen LLP

New Orleans, Louisiana,
May 16, 1997

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE TO THE PARISH'S FEDERAL FINANCIAL ASSISTANCE PROGRAMS

To the Plaquemines Parish Council:

We have audited the primary government financial statements of Plaquemines Parish Government (a political subdivision of the State of Louisiana) (the "Parish"), as of and for the year ended December 31, 1996, and have issued our report thereon dated May 16, 1997.

We have applied procedures to test the Parish's compliance with the following requirements applicable to each of its federal financial assistance programs which are identified in the accompanying Schedule of Federal Financial Assistance, for the year ended December 31, 1996.

- Political activity
- Davis-Bacon Act
- Civil rights
- Cash management
- Relocation assistance and real property acquisition
- Federal financial reports
- Drug-Free Workplace Act
- Allowable costs/cost principles
- 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 (September 1990 Revision). Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Parish'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 the Parish 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.

The Parish's policy regarding a drug-free work place does not meet the requirements established by the Drug-Free Work Place Act, Public Law 100-690 Title V, Subtitle D, 41 USC 701 (et.seq.). The Parish's policy does not require the employees to notify the Parish in writing of any criminal drug statute conviction for a violation occurring in the work place no later than five calendar days after such conviction. 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. In addition, a formal ongoing drug-free awareness program has not been established.

The Parish should amend its Drug-free work place policy to conform to the Drug-Free Work Place Act.

This report is intended for the information of the Council, Parish management, the Louisiana State Department of Social Services (the designated cognizant agent), and federal grantor agencies. However, this report is a matter of public record and its distribution is not limited.

Arthur Andersen LLP

New Orleans, Louisiana
May 16, 1997

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 Chairman 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 federal financial assistance is presented.

INDEPENDENT AUDITORS' REPORT ON THE PARISH'S COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO NONMAJOR
FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS

To the Plaquemines Parish Council:

We have audited the primary government financial statements of Plaquemines Parish Government (a political subdivision of the State of Louisiana) (the "Parish"), as of and for the year ended December 31, 1996, and have issued our report thereon dated May 16, 1997.

In connection with our audit of the 1996 primary government financial statements of the Parish, and with our consideration of the Parish's internal 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, 1996. As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing (1) types of services allowed or disallowed and (2) eligibility 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 Parish's compliance with these requirements. 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 the Parish had not complied, in all material respects, with those requirements.

This report is intended for the information of the Council, Parish management, the Louisiana State Department of Social Services (the designated cognizant agent), and federal grantor agencies. However, this report is a matter of public record and its distribution is not limited.

Arthur Andersen LLP

New Orleans, Louisiana
May 16, 1997

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana

Schedule of Compensation Paid Council Members and Parish President
For the Year Ended December 31, 1996

Parish President	
Clyde A. Giordano	$52,000
Council Members	
District 1 Hosez Ned	28,100
District 2 Edward P. Theriot	28,100
District 3 Judy S. Hodnett	28,100
District 4 Alice M. Ranatza	28,100
District 5 Harold J. Becnel, Sr., Vice Chairperson	28,100
District 6 William A. Hardin	28,100
District 7 Bartol J. Taliancich	28,100
District 8 Janice C. Acosta, Chairperson	29,100
District 9 Samuel C. Pizzolato	28,100
	$305,900

INDEPENDENT AUDITORS' REPORT ON
COMPLIANCE WITH THE PARISH TRANSPORTATION ACT

To the Plaquemines Parish Council:

We have audited, in accordance with generally accepted auditing standards, the primary government financial statements of Plaquemines Parish Government (a political subdivision of the State of Louisiana) (the "Parish"), as of and for the year ended December 31, 1996, and have issued our report thereon dated May 16, 1997.

In connection with our audit, nothing came to our attention that caused us to believe that the Parish was not in compliance with the terms, covenants, provisions, or conditions of the Parish Transportation Act (Act 508 of 1980), Louisiana Revised Statutes 48:753-754, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance.

This report is intended solely for the information and use of the Council, management of the Parish and the Office of Legislative Auditor, State of Louisiana and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which is a matter of public record.

Arthur Andersen LLP

New Orleans, Louisiana,
May 16, 1997

ARTHUR ANDERSEN LLP

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PLAQUEMINES PARISH GOVERNMENT

MEMORANDUM ON ACCOUNTING PROCEDURES AND INTERNAL ACCOUNTING CONTROLS

DECEMBER 31, 1996

ARTHUR ANDERSEN

Arthur Andersen LLP

Suite 4500
201 St Charles Avenue
New Orleans LA 70170-4500
504 581 5151

May 16, 1997

To the Plaquemines Parish Council:

Under generally accepted auditing standards, auditors are encouraged to report various matters concerning an entity's internal control structure noted during an audit, and are required to report certain of those matters. Matters that are required to be reported are "significant deficiencies in the design or the operation of the internal control structure that, in the auditor's judgment, could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements."

As part of our audit of the general purpose financial statements of Plaquemines Parish Government and the combining and individual fund financial statements of the Parish for the year ended December 31, 1996, we considered the Parish's internal control structure, but only to the extent we felt necessary for the purpose of providing a basis for reliance thereon in determining the nature, timing and extent of the audit tests applied in connection with our audit of the Parish's 1996 financial statements.

Our consideration of the internal control structure did not entail a detailed study and evaluation of any of its elements and was not made for the purpose of making detailed recommendations or evaluating the adequacy of the Parish's internal control structure to prevent or detect errors and irregularities that may occur and not be detected. Further, projection of any evaluation of the internal control structure to future periods is subject to the risk it may become inadequate because of changes in conditions or deterioration in its operating effectiveness.

While the purpose of our consideration of the internal control structure was not to provide assurances thereon, certain matters come to our attention that we are required to report to you. These matters, which were considered by us during our audit and do not modify the opinion expressed in our auditors' report dated May 16, 1997, along with our recommendations, are described in the accompanying memorandum.

The accompanying memorandum on internal control structure is intended solely for the use of the Parish, the Louisiana State Department of Social Services (the designated cognizant agency) and grantor agencies. To the extent that the cognizant agency and grantor agencies intend to rely upon this letter and the accompanying memorandum, such reliance should take into account the limited basis on which our recommendations were developed, as described above, and the limitations inherent in the internal control structure. In addition, the cognizant agency and grantor agencies should understand that the criteria used by us in considering the internal control structure could differ significantly from the criteria which the cognizant agency and grantor agencies may be using for their purpose.

We wish to express our appreciation for the courtesies and cooperation extended to our representatives during the course of their work. We would be pleased to discuss these recommendations in greater detail or otherwise assist in their implementation.

Very truly yours,

Arthur Andersen LLP

Drug-Free Workplace Act

In our review of prior year auditor findings, we noted that the Parish's policy regarding a drug-free work place did not meet the requirements established by the Drug-Free Work Place Act, Public Law 100-690 Title V, Subtitle D, 41 USC 701 et seq. Management's response dated June 7, 1996 noted that "Drug-Free Workplace Act policies and procedures will be adopted as part of Civil Service rules and regulations." Based on our audit performed in connection with the Single Audit Act of 1984, the existing Civil Service Commission Section 10 "Drug Testing Program," as adopted by the Parish, clearly does not comply with the Federal requirements of the Drug-Free Work Place Act. In order to comply with this Act, we recommend that the Parish utilize the requirements for the Drug-Free Workplace Act, Public Law 100-690 Title V, Subtitle D, 41 USC 701 et seq., which has been a precondition of receiving a grant from a Federal Agency since March 18, 1989. Noncompliance with the Act could result in sanctions imposed by the Federal Government relating to Federal Grant monies.

Management Response

The Parish Administration concurs with this recommendation and will propose to the Civil Service Commission that Drug-Free Workplace Act policies and procedures be adopted as part of the Civil Service rules and regulations.

Fuel and Maintenance

The East Bank and Belle Chasse facilities have 5,000 gallon diesel pumps which are used to fill Parish tractors. In our tour of these facilities, we noted that there are no locks on these pumps and no record is kept of which vehicles are consuming Parish fuel at these pumps. Although there is a gate around the pumps, it is only locked at night and there is no monitoring of the pumps during the day. Due to the inherent risk of theft, we propose that locks be placed on the pumps and keys distributed to designated employees only, such as the tractor drivers, superintendents and foremen.

Parish-owned tractors and related machinery require periodic maintenance. Maintenance logs do not exist for any repairs performed on this equipment. If maintenance logs are maintained for each piece of equipment owned by the Parish and costs are properly monitored, management could determine whether the cost of continuously repairing machines outweigh the benefit derived from the purchase of new equipment.

Management Response

The Parish Administration concurs with this recommendation and will implement the suggested policies and procedures.

Sales Tax

The Professional Services Group (PSG) purchases various pieces of machinery and equipment for the Parish. They pay sales tax on these capital expenditures and are reimbursed by the Parish for the full amount of the payments. The Parish is not required to pay sales tax on these purchases. Furthermore, PSG received tax-exempt status in November 1996, specifically for Plaquemines Parish purchases. However, no refunds on the overpayment of sales tax have been made to the Parish by PSG. We recommend that the Parish pursue the refund of these sales taxes.

Management Response

The Parish Administration concurs with this recommendation and will seek a sales tax refund.

Travel and Entertainment Expenditures

During our testing of travel-related expenditures, we noted the following instances of non-compliance with the Parish ordinance relating to travel and entertainment expenditures: 1) claims for reimbursement were not always on the required form, nor were they always submitted within the 30 day requirement from month end, 2) meal expenses exceeding the limits set forth in the ordinance, and 3) an expense reimbursement for alcoholic beverages, which is prohibited in the ordinance regulations. We recommend that the Parish develop a formal, clearly defined policy and communicate it to employees and elected officials. Expenditure requisitions and compliance with the policy should be closely reviewed for propriety prior to disbursements being made.

Management Response

The Parish Administration concurs with this recommendation and will establish a complete formal policy for travel reimbursement to ensure that travel is for legitimate Parish business, that transactions are adequately documented, and that payments are made in accordance with the established policy.

Accounts Receivable

During our review of accounts receivable balances, we noted 1) the majority of receivables are very old and the prospect of realization is uncertain, 2) the aging of receivables is not monitored on a consistent basis, 3) no formal written policies and procedures exist for the collection of outstanding receivables, and 4) several receivable balances have remained on the books for years without a proper reserve allocated in the event of uncollectibility. In addition, credit balances existing in accounts receivable had not been addressed.

We recommend that the Parish review all accounts receivable balances on a timely basis and determine which accounts are deemed uncollectible and should be written off. Also, the preparation of an aging of all accounts receivable would assist the Parish in identifying those accounts that have become delinquent. Moreover, a formal written policy with regard to collection procedures and bad debt reserve methodology should be developed to ensure account collectibility, the adequacy of the allowances and consistency of reporting. Finally, credit balances should be reviewed and cleared on a timely basis to maintain an accurate accounts receivable balance.

Management Response

The Parish Administration concurs with this recommendation and will establish formal written policies and procedures for the review, collection and write off of accounts receivable.

Accounting for Capital Leases

Capital leases require the lessee to record the asset on its books. During our testing, we noted that when capital leases are initiated, the Parish, historically, has not recorded the associated fixed asset. When a capital lease is initiated, the fixed asset should be recorded with a corresponding amount included in the Investment in General Fixed Assets in the Equity and Other Credits portion of the Balance Sheet. Additionally, we noted a transaction whereby capital lease equipment utilized as a "trade-in" for new leased equipment and previously recorded on the Parish's books was not removed from the system, yet, the new equipment was added. Consequently, assets were double counted on the fixed asset system. We recommend that the Parish employ policies and procedures to ensure that all capital lease assets are recorded as a fixed assets at the time the lease is negotiated and all "trade-in" equipment is properly removed.

Management Response

The Parish Administration concurs with this recommendation and will establish formal written policies and procedures to ensure proper recordation of capital leases.

Accounting Policies and Procedures

During our testing, we noted that no formal written accounting policies and procedures existed for the Parish, with the exception of purchasing and expenditure procedures. For example, the Parish has no written procedures to ensure that emergency purchase or change orders exceeding a mandated threshold amount ($50,000) are published in the local journal. We recommend that the Parish develop updated policy and procedures manuals which address day to day activities and month-end closing procedures. Such manuals would serve as an additional internal control by providing a reference for employees and standardizing accounting practices followed. The manuals should include job description for all employees, daily procedures, month-end procedures and timetables for the performance of all duties. The procedures should be developed to provide adequate segregation of duties and maximum efficiency. The manuals should also incorporate a system of supervision and review with clearly defined responsibilities and duties for accounting personnel. The procedures necessary to reconcile all accounts and to handle reconciling items should be described, and all reconciliations should be reviewed by the appropriate level of management. The manuals would assist management in ensuring accuracy of accounting for Plaquemines Parish Government.

Management Response

The Parish Administration concurs with this recommendation and will establish formal written accounting policies and procedures.

Expenditure Cycle

In our testing of the expenditure cycle, we noted several instances where standard procedures were not followed. The Materials Received Report was often incorrectly dated or not dated at all. After the invoices were paid, the voucher package was not consistently canceled correctly (i.e. stamped "PAID"). These procedures are important in determining proper authorization and cut-off and ensuring that invoice payments are not duplicated. We recommend that voucher packages for all purchases be thoroughly reviewed in accordance with the policies and procedures set forth in the above-mentioned manual.

Management Response

The Parish Administration concurs with this recommendation and will revise the current policies and procedures to include additional review of final invoice packages.

Cash

Sales tax cash accounts are currently being kept manually. We recommend that the Parish record these amounts on the general ledger system.

Management Response

The Parish Administration concurs with this recommendation and will record the sales tax agency fund accounts and transactions on the Parish's general ledger.

Year 2000 and other EDP issues

Year 2000

The primary issue surrounding the year 2000 pertains to computer systems that store dates in the format of Month-Day-Year ("MM-DD-YY") with only two characters allocated for the century identifier. For example, November 13, 2000 would be stored in the format 11-13-00. Computer hardware and software applications which use dates in this fashion will potentially interpret the date as November 13, 1900. All computer hardware and software is potentially at risk of producing unpredictable results or complete failure. It is important to note that resources are expected to become scarce and more expensive as the year approaches.

The current versions of the PDS (payroll), FASBE (financial package) and Cameo (sales tax, port authority, permits) software and the VMS operating system are not Year 2000 compliant. It has not yet been determined if the boat slips and seafood buyers applications or the personal computers are Year 2000 compliant.

Management has begun to analyze the Year 2000 risk, and should continue this effort by conducting a formal analysis to determine if hardware (computers, security systems, telecommunication systems, etc.) and other software (application software, system software, etc.) are at risk. Vendors should be contacted in writing to determine whether their products are Year 2000 compliant, and if they are not compliant, vendors should be requested to provide their plans for becoming compliant.

Since the Year 2000 represents an immovable deadline, the Parish should consider its impact in the budgeting process. Additional resources will be required to manage and perform the process of replacing non-compliant systems in order to ensure the deadline will be met.

Organization and Management of EDP Activities

A documented information systems plan could provide the Parish with additional guidance and control over the EDP function. An information systems plan should identify technology projects necessary to adequately support the Parish. The information systems plan should include both the long-range and short-range technology goals, annual operating budgets, hardware/software acquisition plans, and capacity management of hardware. The plan should be reviewed and updated at least annually. A formal training plan should be incorporated into the plan, the objective of which is to maintain the knowledge and skills of EDP personnel.

The Parish should consider establishing a permanent EDP steering committee composed of management representatives. EDP steering committees are typically responsible for ensuring efficient use of EDP resources and providing support and direction for various projects. The goal of this committee should be to evaluate and prioritize requests for new systems or enhancements in accordance with the overall objectives. A committee was formed several years ago but has not met since 1995.

The Data Processing Manager has the ability to update production application programs and data. This creates an inadequate segregation of duties and can lead to inappropriate, unauthorized, or inadequately tested changes to production programs and data. However, this is somewhat unavoidable due to the small size of the EDP department. To mitigate this risk, the following procedures should be considered:

1. Software change control procedures should require change authorization and testing by EDP personnel and end users. Currently, development occurs in a test environment and testing is generally performed by EDP personnel prior to migrating the code to the production environment. It is recommended that end users also test and approve all program changes prior to migrating the code.

2. EDP personnel are not required to take regular vacation. Required vacation ensures that once a year, at a minimum, someone other than the regular employee will be required to perform a job function. This provides an opportunity for an individual other than the regular employee to notice possible irregularities.

Formal procedures that require notification of the EDP Department of all employee hirings, terminations and transfers should be strictly enforced so that system security can be updated in a timely manner.

The Parish should consider further centralization of the EDP function. Currently, the EDP department supports the platforms and applications for PDS, FASBE, Cameo, Lotus 123, Word Perfect, Boat Slips, EMS and Seafood Buyers. However, there are additional platforms (e.g. Novell network) and applications not currently supported by the department. This centralization would provide more control over the EDP function and further facilitate knowledge sharing.

Hardware and software standards should be developed and enforced. Standardizing hardware and software will reduce maintenance and support costs. To enforce these standards, all technology purchases should be approved by the EDP department.

The Parish should evaluate the risk of loss and the corresponding need for bonding of EDP employees. Fidelity coverage usually takes the form of bankers blanket bonds, excess fidelity insurance, and commercial blanket bonds. Coverage includes loss from dishonest or fraudulent acts by employees.

Logical Access Controls

A system utility, PASUTL, is utilized to directly manipulate data in the payroll and financial systems. This utility bypasses normal application controls. Currently, the Data Processing Manager and two users have access to and use this utility. Initially, there was no audit trail when the utility was used. Currently, a control file is generated when the utility is used to provide an audit trail, however it may be deleted by the Data Processing Manager. It is recommended that use of this tool be further restricted and minimized.

A written security policy has been prepared but has not been updated or distributed since it was issued in 1993. For security to be successfully implemented and maintained, the framework and intent of security must be clearly established and communicated. A written policy should serve to heighten security awareness throughout the organization. The policy should include provisions that a comprehensive review of system access be periodically performed to ensure data is current and sufficiently restricted.

Logons to the mainframe are currently disabled after 5 invalid attempts. The Parish should consider a more secure setting, for example, after 3 unsuccessful attempts.

PDS application security is deficient in that the system does not allow password changes. The Data Processing Manager assigns passwords to users. The passwords are changed annually and reassigned. FASBE application security allows users to change their passwords, but the system does not force periodic (e.g. every 90 days) changes.

Physical and Environmental Controls

The design of the current computer room creates increased exposure to theft and vandalism due to the points of entry to the room. Two windows in the room facing the rear of the building have window air conditioning units thereby increasing the exposure to theft. Three doors allow entry to the room, two of which are not locked during the day. The room is located on the first floor which increases the exposure to flooding. There is no smoke detector or manual fire alarm in the computer room. Uncertainty exists as to whether computer equipment has adequate protection from electrical surges (e.g. surge protection). There should be prohibitions against eating, drinking and smoking in the computer room.

Backup tapes are currently stored offsite at the Edna LaFrance Building in the office manager's file cabinet. The Parish should consider a more secure off-site storage location that is not subject to the same natural disasters that may affect the main site. Backup tapes should be periodically tested (i.e. restored) to ensure the completeness of the backup and data integrity.

A disaster recovery plan has been prepared, but specific responsibilities have not been outlined in the plan. Training and testing should be performed to ensure the plan is adequate.

EDP insurance coverage (e.g. software reconstruction, business interruption, extra expense of continuing operations following damage, etc.) should be reviewed for adequacy.

Management Response

The Parish Administration will continue to analyze the Year 2000 risk and non-compliant systems will be addressed. The EDP steering committee will be reestablished with clearly defined objectives which will include centralizing EDP functions, standardizing hardware and software purchases and reviewing the disaster recovery plan and insurance coverage.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO THE PARISH'S MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS

To the Plaquemines Parish Council:

We have audited the primary government financial statements of Plaquemines Parish Government (a political subdivision of the State of Louisiana) (the "Parish"), as of and for the year ended December 31, 1996, and have issued our report thereon dated May 16, 1997.

We have also audited the Parish's compliance with the requirements governing (1) types of services allowed or disallowed, (2) eligibility, (3) matching, level of effort, and/or earmarking, (4) reporting, (5) special tests and provisions, (6) claims for advances and reimbursements, and (7) amounts claimed or used for matching that are applicable to its major federal financial assistance program, which is identified in the accompanying Schedule of Federal Financial Assistance, for the year ended December 31, 1996. The management of the Parish is responsible for the Parish's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with these requirements in accordance with generally accepted auditing standards, the standards for financial audits contained in Government Auditing Standards (1994 Revision), 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 material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Parish's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the Parish complied, in all material respects, with the requirements governing (1) types of services allowed or disallowed, (2) eligibility, (3) matching, level of effort, and/or earmarking, (4) reporting, (5) special tests and provisions, (6) claims for advances and reimbursements, and (7) amounts claimed or used for matching that are applicable to its major federal financial assistance program for the year ended December 31, 1996.

This report is intended for the information of the Council, Parish management, the Louisiana State Department of Social Services (the designated cognizant agency) and federal grantor agencies. However, this report is a matter of public record and its distribution is not limited.

Arthur Andersen LLP

New Orleans, Louisiana
May 16, 1997

SCHOOL AND ROAD FUND

The School and Road Fund accounts for federal-shared revenue from mineral royalties of the Delta-Breton National Wildlife Refuge.

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 provide 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 operations of a parish-wide 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 Parish for payment of witness fees, as authorized by LSA-R.S. 15:255.

Advance Refunding

On April 1, 1992, the Parish refunded and defeased in substance $13,360,000 of the Public Improvement Bonds Series 1988 (outstanding 4/12/92, $17,765,000) maturing August 1, 1999 to August 1, 2008, with (interest from 7.85% to 8.4%) with the proceeds from Public Improvement Bonds Series 1992 with (interest from 3.2% to 6.5%).

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 have been removed from the long-term obligation account group.

18. CHANGES IN LONG-TERM DEBT - PROPRIETARY FUNDS

The following is a summary of the long-term obligation transactions for the year ended December 31, 1996:

	Compensated Absences	Capital Leases	Other Payables	Certificates of Indebtedness	Total
Long-term obligations payable at January 1, 1996	$42,791	$---	$818,358	$1,505,000	$2,366,149
Additions	---	16,663	---	---	16,663
Deductions	(42,791)	(3,318)	(392,875)	(185,000)	(623,984)
Long-term obligations payable at December 31, 1996	---	$13,345	$425,483	$1,320,000	$1,758,828

Description	Amount Outstanding
Bonded Debt-Certificates of Indebtedness:	
$2,000,000 - Certificates of Indebtedness, 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 Port, Harbor and Terminal District Fund.	$1,505,000

The Port, Harbor and Terminal District Fund's $2,000,000 Certificates of Indebtedness principal payment due March, 1997, in the amount of $185,000 is recorded as a current liability; the remaining principal of $1,320,000 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.

During 1996, interest payments on bonded debt total $74,826. The annual requirements to amortize all bonded debt outstanding at December 31, 1996, including interest of $276,483 are as follows:

Fiscal Year	Bonded Debt
1997	$252,799
1998	249,960
1999	256,218
2000	256,395
2001	255,610
2002-2003	510,493
Total	$1,781,483

19. CHANGES IN AGENCY FUNDS

A summary of changes in assets and liabilities follows:

	Balance January 1, 1996	Additions	Reductions	Balance December 31, 1996
Assets:				
Cash	$1,154,025	$16,968,374	$(16,908,397)	$1,214,002
Investments	135,793	16,965	(21,476)	131,282
Total Assets	$1,289,818	$16,985,339	$(16,929,873)	$1,345,284
Liabilities:				
Interfund payables	$358,185	$6,119,822	$(6,091,535)	$386,472
Deposits due others	829,704	10,480,244	(10,420,646)	889,302
Other liabilities	101,929	385,273	(417,692)	69,510
Total Liabilities	$1,289,818	$16,985,339	$(16,929,873)	$1,345,284

20. CRIMINAL COURT FUND

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, 1996:

Balance due at January 1, 1996	$234,134
Amount due for 1996	262,177
Total	496,311
Remitted during 1996	(234,134)
Balance due at December 31, 1996	$262,177

21. INTERFUND RECEIVABLES/PAYABLES

Interfund receivables/payables at December 31, 1996, are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Road Maintenance	$33,081
General Fund	Public Health	30,282
General Fund	Solid Waste	35,706
General Fund	Library	9,801
General Fund	Criminal Court	262,177
General Fund	DWI Court Administered	24
General Fund	Water and Sewer	5,591,533
General Fund	Port, Harbor and Terminal	1,682,912
General Fund	Boat Harbors	20,679
General Fund	Judicial Court Reporter	14,394
General Fund	Sales Tax	386,472
General Fund	911 Services	632
General Fund	Witness Fee	800
General Fund	Golf Course	16,216
Capital Projects Fund-1988	Capital Projects-1991	38,172
Capital Projects Fund-1991	Capital Projects-1988	237,317
Water and Sewer	General Fund	965,360
Port, Harbor and Terminal	General Fund	30,110
Total		$9,355,668

22. INTERFUND TRANSFERS

The following is a summary of interfund transfers during 1996:

Transfers In	Transfers Out	Amount
Road Maintenance	General Fund	$1,095,990
Public Health	General Fund	572,087
Solid Waste	General Fund	31,144
Certificates of Indebtedness Series 1993 (Debt Service)	General Fund	112,370
Certificates of Indebtedness Series 1994 (Debt Service)	General Fund	163,302
Golf Course	General Fund	91,332
Boat Harbors	General Fund	157,822
Capital Improvements	General Fund	636,667
Water and Sewer	General Fund	965,360
Road Maintenance	School and Road	175,000
Road Maintenance	Transportation	220,000
Certificates of Indebtedness Series 1994 (Debt Service)	Road Maintenance	69,986
Certificates of Indebtedness Series 1994 (Debt Service)	Public Health	93,315
Certificates of Indebtedness Series 1994 (Debt Service)	Solid Waste	107,313
Certificates of Indebtedness Series 1994 (Debt Service)	Library	18,663
Certificates of Indebtedress Series 1994 (Debt Service)	Port Harbor and Terminal	13,997
Total		$4,524,348

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
Reserved:					
Encumbrances	$221,365	$192,362	$---	$---	$413,727
Prepaid items	1,040,823	---	---	---	1,040,823
Capital projects	---	---	---	65,051	65,051
Debt service	---	---	4,484	---	4,484
Corp of Engineers	145,000	---	---	---	145,000
Corp of Engineers due 1997	928,000	---	---	---	928,000
Total	$2,335,188	$192,362	$4,484	$65,051	$2,597,085
Designated:					
Emergencies	$1,000,000	$---	$---	$---	$1,000,000
Self insurance	1,000,000	---	---	---	1,000,000
Bond indebtedness	3,853,566	---	---	---	3,853,566
Capital projects	2,276,450	283,543	---	5,765,859	8,325,852
Total	$8,130,016	$283,543	$---	$5,765,859	$14,179,418
Retained earnings - reserved for capital projects - enterprise funds					$1,554,508

Reserved for Encumbrances

The reserve for encumbrances in the amount of $413,727 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 $1,040,823 represents payments to vendors for expenditures that will apply to periods after December 31, 1996. Included in this total is payment of $611,941, made in September, 1996, 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 1997 fiscal year, which began in September, 1996.

Reserved for Corp of Engineers

The reserve for Corp of Engineers in the amount of $145,000 represents the funding requirements for the Parish's contribution to the New Orleans to Venice Hurricane Protection Project. This contribution is to fund construction during the Corp of Engineer's 1997 fiscal year, which began in September, 1996.

Reserved for Corp of Engineers Due 1997

The reserve for Corp of Engineers in the amount of $928,000 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, 1997, to fund construction during the Corp of Engineer's 1998 fiscal year, which begins in September, 1997.

Designated for Emergencies

The Parish has designated funds in the amount of $1,000,000 for emergency purposes.

Designated for Self Insurance

The Parish 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 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 coverage 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 due to the geographical make-up of the Parish and hence, are self insured against flood, fire and extended coverage.

Designated for Bond Indebtedness

The Parish has designated funds in the amount of $3,853,566 for payment of bonded indebtedness.

Designated/Reserved for Capital Projects

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

Fund/Project	Designations	Reserves
GENERAL FUND		
Renovations-Braithwaite Auditorium	$38,828	$---
Waterline Replacement-Phoenix to Davant	112,622	---
Hardsurface-Bergeron Road	65,000	---
Hardsurface-Port Sulphur River Road	650,000	---
Hardsurface-Belle Chasse River Road	310,000	---
Hardsurface-August Lane	30,000	---
Hardsurface-Jarac Lane	30,000	---
Hardsurface-West Paula Drive	25,000	---
Hardsurface-Griffin Lane	25,000	---
Hardsurface-Buccaron	30,000	---
Hardsurface-Morgan Lane	20,000	---
Hardsurface-First Street PS	10,000	---
Hardsurface-Second Street PS	10,000	---
Overlay-Hwy 11 Empire to Buras	450,000	---
Overlay-Boothville River Road	300,000	---
Overlay-Buras School Lane	25,000	---
Sewer Project-Harlem	65,000	---
Waterline Booster Pump	50,000	---
Recreational Park-Diamond	30,000	---
Total General Fund	$2,276,450	$---
SPECIAL REVENUE FUNDS		
School and Road		
Road Maintenance Parish-Wide	$77,116	$---
Highway Striping	10,926	---
Hard Surface-Bergeron Road	25,000	---
Ferry Landing Repairs	109,850	---
Resurface-Barriere Road	57,352	---
Total	280,244	---
Transportation Fund		
Road Maintenance Parish-Wide	1,299	---
911 Services Fund		
GIS Mapping Program	2,000	---
Total Special Revenue Funds	$283,543	$---
CAPITAL IMPROVEMENTS FUNDS		
1991 General Obligation Bonds		
Freshwater Diversion Projects	$5,676,227	$65,051
1993 Certificate of Indebtedness		
Sewer Repairs E through L Street	89,632	---
Total Capital Improvements Funds	$5,765,859	$65,051

Fund/Project	Reserves
ENTERPRISE FUNDS	
Water and Sewer Fund	
Sewer Repair-Tidewater	$85,000
Sewer Line Repairs	500,000
Pump-Belle Chasse 2.5	400,000
Sewer Line-Davant to Pointe a la Hache	69,508
Total	1,054,508
Port, Harbor and Terminal District Fund	
Airport	500,000
Total Enterprise Funds	$1,554,508

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, 1996.

	Water and Sewer Fund	Port Harbor Fund	Golf Course Fund	Boat Harbor Fund	Total
Contributed capital at December 31, 1995	$13,247,942	$2,529,881	$269,347	$ ---	$16,047,170
Additions	654,755	---	2,202	1,134	658,091
Amortization of contributed capital with current year depreciation	(419,961)	(65,475)	(9,242)	(51)	(494,729)
Contributed capital at December 31, 1996	$13,482,736	$2,464,406	$262,307	$1,083	$16,210,532

INDEPENDENT AUDITORS' REPORT ON
INTERNAL CONTROLS OF THE PARISH AS AN ENTITY

To the Plaquemines Parish Council:

We have audited the primary government financial statements of Plaquemines Parish Government (a political subdivision of the State of Louisiana) (the "Parish"), as of and for the year ended December 31, 1996, and have issued our report thereon dated May 16, 1997.

We conducted our audit in accordance with generally accepted auditing standards and the standards for financial audits contained in Government Auditing Standards (1994 Revision), 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.

The management of the Parish 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 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 our audit of the primary government financial statements of the Parish for the year ended December 31, 1996, 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 in order 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.

27. FOOD STAMP PROGRAM

The Food Stamp Program is operated by the Parish under an agreement with the Louisiana Department of Social Services. Under this program, the Parish 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 financial statements. Activity for the year follows:

Balance at January 1, 1996	$960,879
Received	3,545,000
Issued	(3,451,552)
Balance at December 31, 1996	$1,054,327

28. FOOD DISTRIBUTION PROGRAM

The Food Distribution Program is operated by the Parish under an agreement with the Louisiana Department of Agriculture. Under this program, the Parish 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 $3,797 and is not recorded in the accompanying financial statements.

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana
AGENCY FUNDS

Combining Balance Sheet, December 31, 1996

	SALES TAX FUND	DEFERRED COMPENSATION FUND	TOTAL
ASSETS			
Cash and cash equivalents	$1,214,002	$ ---	$1,214,002
Investments	---	131,282	131,282
TOTAL ASSETS	$1,214,002	$131,282	$1,345,284
LIABILITIES			
Interfund payables	$386,472	$ ---	$386,472
Deposits due others	758,020	131,282	889,302
Other liabilities	69,510	---	69,510
TOTAL LIABILITIES	$1,214,002	$131,282	$1,345,284

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

Schedule 1

Combining Balance Sheet, December 31, 1996

	ROAD MAINTENANCE	PUBLIC HEALTH	SOLID WASTE	LIBRARY	DWI COURT ADMIN.	JUDICIAL COURT REPORTER	TRANSPORTATION	PUBLIC SCHOOL AND ROAD	CRIMINAL COURT	911	WITNESS FEES	TOTAL
ASSETS												
Cash and cash equivalents	$219,628	$114,856	$97,829	$70,227	$15,891	$13,434	$54,918	$420,337	$439,979	$206,030	$ ---	$1,653,129
Receivables (net of allowance for uncollectibles)	833,397	499,678	2,058,557	500,977	800	960	596	4,025	84,375	12,266	14,088	4,009,719
TOTAL ASSETS	$1,053,025	$614,534	$2,156,386	$571,204	$16,691	$14,394	$55,514	$424,362	$524,354	$218,296	$14,088	$5,662,848
LIABILITIES AND FUND EQUITY												
Liabilities:												
Accounts, salaries and other payables	$80,906	$31,577	$102,405	$5,279	$20	$ ---	$713	$146,037	$ ---	$3,338	$3,825	$374,100
Interfund payables	33,081	30,282	35,706	9,801	24	14,394	---	---	262,177	632	800	386,897
Deferred revenues	725,619	482,421	1,921,699	482,421	---	---	---	---	---	---	---	3,612,160
Other liabilities	22,454	14,928	59,466	14,928	---	---	---	---	---	---	---	111,776
Compensated absences	31,089	23,885	36,980	14,426	---	---	---	---	---	706	---	107,086
Total Liabilities	893,149	583,093	2,156,256	526,855	44	14,394	713	146,037	262,177	4,676	4,625	4,592,019
Fund Equity:												
Fund balances:												
Reserved:												
Encumbrances	159,876	31,441	130	915	---	---	---	---	---	---	---	192,362
Unreserved:												
Designated for capital projects	---	---	---	---	---	---	1,299	280,244	---	2,000	---	283,543
Undesignated	---	---	---	43,434	16,647	---	53,502	(1,919)	262,177	211,620	9,463	594,924
Total Fund Equity	159,876	31,441	130	44,349	16,647	---	54,801	278,325	262,177	213,620	9,463	1,070,829
TOTAL LIABILITIES AND FUND EQUITY	$1,053,025	$614,534	$2,156,386	$571,204	$16,691	$14,394	$55,514	$424,362	$524,354	$218,296	$14,088	$5,662,848

ENTERPRISE FUNDS

WATERWORKS AND SEWER FUND

The Waterworks and Sewer Fund accounts for the operations of the water and sewer systems of the Parish. Water and sewer plants are located at various locations throughout the parish.

PORT HARBOR AND TERMINAL DISTRICT FUND

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

GOLF COURSE FUND

The Golf Course Fund accounts for the operations of the Parish's golf course located in Port Sulphur.

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. Shipyards are located at Empire and Pointe a la Hache. Oyster docks are located in Empire, Buras and Pointe a la Hache.

FIDUCIARY FUNDS

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 Parish 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 Parish'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 parish 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
ENTERPRISE FUNDS

Schedule [illegible]

Combining Schedule of Cash Flows
For the Year Ended December 31, 1996

	WATER AND SEWER	PORT, HARBOR AND TERMINAL	GOLF COURSE	BOAT HARBORS	TOTALS
Cash flows from operating activities:					
Operating income (loss)	($3,836,874)	$5,135	($97,905)	($155,722)	($4,085,366)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	873,194	179,698	9,557	12,495	1,074,944
Change in assets and liabilities:					
(Increase)/decrease in receivables and other current assets	(603,513)	15,863	---	(199)	(587,849)
Increase/(decrease) in accounts payable	28,499	(79,306)	(5,277)	(1,248)	(57,332)
Increase/(decrease) in other liabilities	980,127	35,503	9,827	(19,273)	1,016,184
Net cash provided (used) by operating activities	(2,548,567)	156,893	(83,798)	(163,947)	(2,639,419)
Cash flows from noncapital financing activities:					
Ad valorem tax collections	2,019,019	---	---	---	2,019,019
Operating transfers in	965,360	---	91,332	157,822	1,214,514
Principal paid on note	(392,875)	---	---	---	(392,875)
Short-term loan from other funds	(467,124)	61,404	---	16,128	(389,592)
Net cash provided by non-capital financing activities	2,124,380	61,404	91,332	173,950	2,451,066
Cash flows from capital and related financing activities:					
Acquisition/construction of capital assets	(263,149)	(119,312)	(7,534)	(13,740)	(403,735)
(Increase)/decrease in intergovernmental receivables	689,048	31,821	---	---	720,869
Operating transfers out	---	(13,997)	---	---	(13,997)
Decrease in contracts and retainage payable	(22,878)	(2,209)	---	---	(25,087)
Principal paid on bonds	---	(175,000)	---	---	(175,000)
Net cash provided (used) from (for) capital and related financing activities	403,021	(278,697)	(7,534)	(13,740)	103,050
Cash flows from investing activity:					
Interest received or time deposits	---	202,457	---	1,333	203,790
Net increase (decrease) in cash and cash equivalents	(21,166)	142,057	---	(2,404)	118,487
Cash and cash equivalents at beginning of year	21,316	4,144,867	---	2,404	4,168,587
Cash and cash equivalents at end of year	$150	$4,286,924	$ ---	$ ---	$4,287,074

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana
ENTERPRISE FUNDS

Combining Balance Sheet, December 31, 1996

	WATER AND SEWER	PORT, HARBOR AND TERMINAL	GOLF COURSE	BOAT HARBORS	TOTAL
ASSETS					
Current Assets:					
Cash and cash equivalents	$150	$4,286,924	$ ---	$ ---	$4,287,074
Receivables (net of allowance for doubtful accounts)	3,529,923	731,943	---	199	4,262,065
Interfund receivables	965,360	30,110	---	---	995,470
Prepaid items	505,255	---	---	---	505,255
Total Current Assets	5,000,688	5,048,977	---	199	10,049,864
Property, Plant and Equipment:					
Buildings	11,477,440	5,287,055	362,983	---	17,127,478
Improvements other than buildings	19,403,227	---	---	---	19,403,227
Machinery and equipment	550,152	872,253	97,206	328,526	1,848,137
Construction in progress	7,371,713	---	---	---	7,371,713
Less accumulated depreciation	(20,730,238)	(876,459)	(180,011)	(283,160)	(22,069,868)
Net Property, Plant and Equipment	18,072,294	5,282,849	280,178	45,366	23,680,687
TOTAL ASSETS	$23,072,982	$10,331,826	$280,178	$45,565	$33,730,551
LIABILITIES AND FUND EQUITY					
Liabilities:					
Current liabilites:					
Accounts payable	$112,651	$25,999	$1,101	$11,232	$150,983
Contracts payable	69,302	---	---	---	69,302
Retainage payable	80,465	---	---	---	80,465
Bonds payable	---	185,000	---	---	185,000
Interfund payables	5,591,533	1,682,912	16,216	20,679	7,311,340
Other liabilities	1,154,208	23,848	---	---	1,178,056
Compensated absences payable	---	34,259	554	12,571	47,384
Total current liabilities	7,008,159	1,952,018	17,871	44,482	9,022,530
Long-term liablilites:					
Capital lease payable	---	13,345	---	---	13,345
Other payable	425,483	---	---	---	425,483
Bonds payable	---	1,320,000	---	---	1,320,000
Total long-term liabilites	425,483	1,333,345	---	---	1,758,828
Total Liabilities	7,433,642	3,285,363	17,871	44,482	10,781,358
Fund Equity:					
Contributed capital	13,482,736	2,464,406	262,307	1,083	16,210,532
Retained earnings:					
Reserved for capital projects	1,054,508	500,000	---	---	1,554,508
Unreserved	1,102,096	4,082,057	---	---	5,184,153
Total Fund Equity	15,639,340	7,046,463	262,307	1,083	22,949,193
TOTAL LIABILITIES AND FUND EQUITY	$23,072,982	$10,331,826	$280,178	$45,565	$33,730,551

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

Schedule 2

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 1996

	ROAD MAINTENANCE	PUBLIC HEALTH	SOLID WASTE	LIBRARY	DWI COURT ADMIN.	JUDICIAL COURT REPORTER	TRANSPOR-TATION	PUBLIC SCHOOL AND ROAD	CRIMINAL COURT	911	WITNESS FEES	TOTAL
REVENUES												
Taxes:												
Ad valorem	$709,311	$472,874	$1,880,144	$472,874	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$3,535,203
Intergovernmental revenues:												
Federal grants	---	---	---	---	---		---	115,999	---	---	---	115,999
State funds:												
Parish transportation funds	---	---	---	---	---	---	303,875	---	---	---	---	303,875
State revenue sharing	14,418	9,612	38,217	9,612	---	---	---	---	---	---	---	71,859
Other	161,578	---	---	---	---	---	---	---	---	---	---	161,578
Fees, charges and commissions for services	811	483,648	627,085	---	---	14,110	---	---	---	128,184	47,188	1,301,026
Fines and forfeitures	---	---	---	3,883	2,700	---	---	---	288,875	---	---	295,458
Use of money and property	14,792	11,564	69,530	19,887	259	284	3,513	28,347	23,482	10,681	---	182,339
Other	217	2,052	---	---	---	---	---	---	---	---	---	2,269
Total Revenues	901,127	979,750	2,614,976	506,256	2,959	14,394	307,388	144,346	312,357	138,865	47,188	5,969,605
EXPENDITURES												
General government:												
Judicial	---	---	---	---	277	14,394	---	---	23,880	---	41,225	79,776
Public works	2,162,535	---	2,588,138	---	---	---	74,054	150,496	---	---	---	4,975,223
Health and welfare	---	1,434,387	---	---	---	---	---	---	---	111,681	---	1,546,068
Culture and recreation	---	---	---	469,351	---	---	---	---	---	---	---	469,351
Total Expenditures	2,162,535	1,434,387	2,588,138	469,351	277	14,394	74,054	150,496	23,880	111,681	41,225	7,070,418
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(1,261,408)	(454,637)	26,838	36,905	2,682	---	233,334	(6,150)	288,477	27,184	5,963	(1,100,812)

(Continued)

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, 1996

	SERIES 1988 GENERAL OBLIGATION BONDS	SERIES 1991 GENERAL OBLIGATION BONDS	SERIES 1993 CERTIFICATES OF INDEBTEDNESS	CAPITAL IMPROVEMENTS	TOTAL
REVENUES					
Intergovernmental revenues:					
State funds:					
Other	$ ---	$46,291	$ ---	$ ---	$46,291
Use of money and property	---	289,516	5,414	---	294,930
Total Revenues	---	335,807	5,414	---	341,221
EXPENDITURES					
Public works	---	539,457	---	636,667	1,176,124
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	---	(203,650)	5,414	(636,667)	(834,903)
OTHER FINANCING SOURCES					
Operating transfers in	---	---	---	636,667	636,667
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	---	(203,650)	5,414	---	(198,236)
FUND BALANCES AT BEGINNING OF YEAR	---	5,944,928	84,218	---	6,029,146
FUND BALANCES AT END OF YEAR	$ ---	$5,741,278	$89,632	$ ---	$5,830,910

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana
CAPITAL PROJECTS FUND

Combining Balance Sheet, December 31, 1996

	SERIES 1988 GENERAL OBLIGATION BONDS	SERIES 1991 GENERAL OBLIGATION BONDS	SERIES 1993 CERIFICATES OF INDEBTEDNESS	CAPITAL IMPROVEMENTS	TOTAL
ASSETS					
Cash and cash equivalents	$31,901	$5,496,796	$88,787	$ ---	$5,617,484
Receivables (net of allowance for doubtful accounts)	249,906	136,500	845	---	387,251
Interfund receivables	38,172	237,317	---	---	275,489
TOTAL ASSETS	$319,979	$5,870,613	$89,632	$ ---	$6,280,224
LIABILITIES AND FUND EQUITY					
Liabilities:					
Retainage payable	$82,662	$91,163	$ ---	$ ---	$173,825
Interfund payables	237,317	38,172	---	---	275,489
Total Liabilities	319,979	129,335	---	---	449,314
Fund Equity:					
Fund balances:					
Reserved:					
Capital projects	---	65,051	---	---	65,051
Unreserved:					
Designated for capital projects	---	5,676,227	89,632	---	5,765,859
Total Fund Equity	---	5,741,278	89,632	---	5,830,910
TOTAL LIABILITIES AND FUND EQUITY	$319,979	$5,870,613	$89,632	$ ---	$6,280,224

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 or construction of various major capital facilities or equipment which are being financed from the General Fund.

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

Combining Balance Sheet, December 31, 1996

	PUBLIC IMPROVEMENT BONDS			CERTIFICATES OF INDEBTEDNESS		
	SERIES 1988	SERIES 1991	SERIES 1992	SERIES 1993A	SERIES 1994	TOTAL
ASSETS						
Cash and cash equivalents	$35,000	$ ---	$4,464	$ ---	$ ---	$39,464
LIABILITIES AND FUND EQUITY						
Liabilities:						
Matured bonds and interest payable	$35,000	$ ---	$ ---	$ ---	$ ---	$35,000
Fund Equity:						
Fund balances:						
Reserved:						
Debt service	---	---	4,464	---	---	4,464
TOTAL LIABILITIES AND FUND EQUITY	$35,000	$ ---	$4,464	$ ---	$ ---	$39,464

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.

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, 1996

	ROAD MAINTENANCE	PUBLIC HEALTH	SOLID WASTE	LIBRARY	DWI COURT ADMIN.	JUDICIAL COURT REPORTER	TRANSPOR-TATION	PUBLIC SCHOOL AND ROAD	CRIMINAL COURT	911	WITNESS FEES	TOTAL
OTHER FINANCING SOURCES (USES)												
Operating transfers in	$1,490,990	$572,087	$31,144	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$ ---	$2,094,221
Operating transfers out	(69,986)	(93,315)	(107,313)	(18,663)	---	---	(220,000)	(175,000)	---	---	---	(684,277)
Total Other Financing Sources (Uses)	1,421,004	478,772	(76,169)	(18,663)	---	---	(220,000)	(175,000)	---	---	---	1,409,944
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	159,596	24,135	(49,331)	18,242	2,682	---	13,334	(181,150)	288,477	27,184	5,963	309,132
FUND BALANCES AT BEGINNING OF YEAR	280	7,306	49,461	26,107	13,965	---	41,467	459,475	235,877	186,436	3,500	1,023,874
Residual equity transfer	---	---	---	---	---	---	---	---	(262,177)	---	---	(262,177)
FUND BALANCES AT END OF YEAR	$159,876	$31,441	$130	$44,349	$16,647	$ ---	$54,801	$278,325	$262,177	$213,620	$9,463	$1,070,829

(Concluded)

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, 1996

	WATER AND SEWER	PORT, HARBOR AND TERMINAL	GOLF COURSE	BOAT HARBORS	TOTAL
OPERATING REVENUES					
Charges for services	$4,073,778	$2,179,299	$28,917	$340,890	$6,622,884
Other	27,338	209,329	---	---	236,667
Total Operating Revenues	4,101,116	2,388,628	28,917	340,890	6,859,551
OPERATING EXPENSES					
Personal services	---	929,742	70,519	215,666	1,215,927
Contractual services, supplies, materials, and other	7,064,796	1,274,053	46,746	268,451	8,654,046
Depreciation	873,194	179,698	9,557	12,495	1,074,944
Total Operating Expenses	7,937,990	2,383,493	126,822	496,612	10,944,917
OPERATING INCOME (LOSS)	(3,836,874)	5,135	(97,905)	(155,722)	(4,085,366)
NONOPERATING REVENUES (EXPENSES)					
Interest income	---	202,457	---	1,333	203,790
Ad valorem taxes	2,019,019	---	---	---	2,019,019
Other	(3,681)	(5,917)	(708)	(4,540)	(14,846)
Total Nonoperating Revenues (Expenses)	2,015,338	196,540	(708)	(3,207)	2,207,963
NET INCOME (LOSS) BEFORE OPERATING TRANSFERS	(1,821,536)	201,675	(98,613)	(158,929)	(1,877,403)
OPERATING TRANSFERS					
Operating transfers in	965,360	---	91,332	157,822	1,214,514
Operating transfers out	---	(13,997)	---	---	(13,997)
NET INCOME (LOSS)	(856,176)	187,678	(7,281)	(1,107)	(676,886)
ADD DEPRECIATION ON CONTRIBUTED CAPITAL FIXED ASSETS	419,960	65,475	9,242	51	494,728
NET INCREASE (DECREASE) IN RETAINED EARNINGS	(436,216)	253,153	1,961	(1,056)	(182,158)
RETAINED EARNINGS AT BEGINNING OF YEAR	2,592,820	4,328,904	(1,961)	1,056	6,920,819
RETAINED EARNINGS AT END OF YEAR	$2,156,604	$4,582,057	$ ---	$ ---	$6,738,661