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**GREATER LAFOURCHE PORT COMMISSION
GALLIANO, LOUISIANA**

Financial Reports

December 31, 1967

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

Release Date 7/27/98

**GREATER LAFOURCHE PORT COMMISSION
GALLIANO, LOUISIANA**

Financial Reports

December 31, 1997

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GREATER LAFOURCHE PORT COMMISSION
GALLIANO, LOUISIANA

Financial Reports

December 31, 1997

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Greater Lafourche Port Commission
Galliano, Louisiana

We have audited the accompanying general purpose financial statements of the Greater Lafourche Port Commission, as of and for the year ended December 31, 1997, as listed in the table of contents. These financial statements are the responsibility of the Commission'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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Greater Lafourche Port Commission as of December 31, 1997 and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated May 6, 1998 on our consideration of the Greater Lafourche Port Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The schedule listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Greater Lafourche Port Commission. The information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

May 6, 1998



GREATER LAFOLLETTE PORT COMMISSION
BALLMAN, LOUISIANA

Combined Balance Sheet - Governmental Fund Types and Account Groups

December 31, 1997

	Governmental Fund Types				Account Groups			Totals	
	General	Special Revenue	Debt Service	Capital Projects	General	Long-Term	Total	Intergovernmental	Total
					Fund Assets	Debt			
ASSETS									
Cash in Bank	\$ 1,128,268	-	\$ 779,842	\$ -	-	\$ -	-	\$ 1,908,110	\$ 1,480,476
Demand and interest bearing deposits	345,000	-	-	-	-	-	-	345,000	528,748
Investments, at cost	4,126,865	2,248	-	-	-	-	-	4,129,113	2,091,384
Revolving Investments	-	-	-	-	-	-	-	-	-
Bond Construction Fund	-	-	-	-	-	-	-	-	3,128,268
Reversion receivable	-	-	-	-	-	-	-	-	-
Quantity receivable from other governmental units	-	-	-	413,187	-	-	-	413,187	1,081,084
Ad valorem taxes	750,000	-	-	-	-	-	-	750,000	684,895
Lease rentals	76,768	-	-	-	-	-	-	76,768	43,324
State revenue sharing	20,818	-	-	-	-	-	-	20,818	23,281
Miscellaneous	1,008	-	-	-	-	-	-	1,008	-
Due from other Funds	-	-	-	487,846	-	-	-	487,846	-
Prepaid lease expense	37,078	-	-	-	-	-	-	37,078	263
Prepaid insurance	30,525	-	-	-	-	-	-	30,525	42,890
Fund assets:									
Land	-	-	-	-	218,289	-	-	218,289	218,289
Buildings	-	-	-	-	1,978,778	-	-	1,978,778	687,765
Part facilities and improvements	-	-	-	-	63,943,034	-	-	63,943,034	17,984,387
Furniture and office equipment	-	-	-	-	128,848	-	-	128,848	103,620
Vehicles, boats, and field equipment	-	-	-	-	684,832	-	-	684,832	748,321
Construction in process	-	-	-	-	3,791,071	-	-	3,791,071	180,384
Amount available in Debt Service Fund	-	-	-	-	-	728,842	-	728,842	617,303
Amount to be provided for retirement of long-term obligations	-	-	-	-	-	-	3,854,184	3,854,184	4,420,817
Total Assets	\$ 8,428,798	\$ 2,248	\$ 779,842	\$ 991,845	\$ 2,028,852	\$ 1,884,028	\$ 4,884,028	\$ 38,088,717	\$ 32,076,884

GRANDTIER LAFOURCHE PORT COMMISSION
GALLIANO, LOUISIANA

Combined Balance Sheet - Governmental Fund Types and Account Group, Continual

December 31, 1987

	Governmental Fund Types				Account Group		Totals (Miscellaneous Credit Fund)
	General	Special Revenues	Debt Service	Capital Projects	Monthly Fund Assets	General Long-Term Debt	
LIABILITIES AND FUND EQUITY							
Liabilities:							
Accounts payable	\$ 643,862	\$ -	\$ -	\$ 688,129	\$ -	\$ -	\$ 1,331,991
Due to other funds	487,848	-	-	-	-	-	487,848
Reserve payable on construction in progress	-	-	-	202,877	-	-	202,877
Contingent payable	-	-	-	-	-	-	-
Deferred revenues:							
Advances payment of taxes	205,765	-	-	-	-	-	205,765
Accrued compensated absences	-	-	-	-	-	54,028	54,028
General obligation bonds payable	-	-	-	-	-	4,659,088	4,659,088
Total liabilities	1,498,665	-	-	891,006	-	4,694,028	7,083,697
Fund equity:							
Investment in general fixed assets	-	-	-	-	20,228,892	-	20,228,892
Fund balances:							
Reserved for debt service	-	-	729,842	-	-	-	729,842
Reserved for capital projects	-	-	-	-	-	-	-
Unreserved/unassigned	4,663,275	2,348	-	-	-	-	4,665,623
Total fund equity	4,663,275	2,348	729,842	-	20,228,892	-	27,230,457
Total liabilities and fund equity	\$5,434,178	\$ 2,348	\$729,842	\$911,845	\$20,228,892	\$4,694,028	\$50,876,854

CREOLETTE LAFOUCHE-PORT COMMISSION
BOSSARD, LOUISIANA

Condensed Statement of Revenues, Expenditures and Changes in Fund Balance -
All Governmental Fund Types

Year Ended December 31, 1997

	General Fund	Special Revenue	Debt Service	Capital Projects	Totals	
					Revenues Only	Expenditures Only
Revenues:						
Taxes:						
All within limits	\$ 797,427	-	\$ -	-	\$ 797,427	\$ 873,888
Intergovernmental revenue:						
Revenue sharing (state grants)	35,271	-	-	-	35,271	35,271
Quotas	-	-	-	1,829,888	1,829,888	523,118
Self-generated fee revenues:						
Pool lease rentals	3,096,420	-	-	-	3,096,420	3,061,420
Pool lease rentals	187,738	-	-	-	187,738	187,734
Landing dock fees	11,368	-	-	-	11,368	11,368
Utility sales	271,258	164	19,214	-	290,636	28,783
Interest on loans deposits	35,379	-	-	-	35,379	353,783
Other revenues	-	-	-	-	-	50,581
Total revenues	4,948,803	164	19,214	1,829,888	6,697,709	4,623,969
Expenditures:						
Council						
General Expenditures:						
Salaries	\$ 666,424	-	-	-	666,424	531,722
Per diems	28,600	-	-	-	28,600	28,600
Advertising	14,982	-	-	-	14,982	52,853
Auto and boat - fuel and oil	35,730	-	-	-	35,730	37,418
Auto and boat - parts and repair	84,081	-	-	-	84,081	83,361
Auto and boat - radio repair	23,428	-	-	-	23,428	26,278
Boats and boat fees	617	-	802	-	1,419	3,384
Building maintenance	22,715	-	-	-	22,715	21,545
Books	25,187	-	-	-	25,187	21,287
Crabs, regulations, subcontract	180,000	-	-	-	180,000	-
Economic development	185,520	-	-	-	185,520	149,676
General joint maintenance	37,412	-	-	-	37,412	37,412
Industry police expenses	118,234	-	-	-	118,234	75,350
Intergovernmental	178,418	-	-	-	178,418	186,052
General insurance	402,828	-	-	-	402,828	344,126
License fees - Pool Permit	17,561	-	-	-	17,561	162,682
Legal and professional fees	28,888	-	-	-	28,888	27,928
Office expense and supplies	18,354	-	-	-	18,354	6,084
Warehouse supplies	-	-	-	-	-	-

GREATER LAFOURCHE POINT COMMISSION
BALLUNGO, LOUISIANA

Combined Statement of Revenues, Expenditures and Changes in Fund Balance -
All Governmental Fund Types, Continued

Year Ended December 31, 1997

	General Fund	Social Services	Data Services	Capital Projects	Total (Minor amounts only)
Employer's contribution to State Retirement System	71,258	-	-	-	71,258
Telephone	19,018	-	-	-	19,018
Fuel allowance	5,428	-	-	-	5,428
Trental	20,323	-	-	-	20,323
Utilities	50,528	-	-	-	50,528
Deductions from ad valorem taxes for retirement systems	21,000	-	-	-	21,000
Miscellaneous	2,248	-	-	-	2,248
Capital outlay: Equipment and vehicle purchases	80,360	-	-	4,974,810	5,055,170
Construction	50,304	-	-	284,760	335,064
Debt service: Principal retirement	-	-	492,500	-	492,500
Interest and bond charges	-	-	238,422	-	238,422
Total Expenditures	2,329,824	-	734,922	5,259,570	8,324,316
Excess (deficiency) of resources over expenditures	2,678,369	194	(894,949)	(3,688,110)	1,748,687
Other financing sources (uses): Operating transfer in	-	-	782,388	3,340,493	4,122,881
Operating transfer out	(4,537,881)	-	-	-	(4,537,881)
Proceeds of bonds sale	-	-	-	-	-
Total other financing sources (uses)	(4,537,881)	-	782,388	3,340,493	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	(1,859,512)	194	112,540	65,281	(1,740,687)
Fund balances at beginning of year	6,805,528	2,144	(917,203)	(68,281)	7,485,588
Fund balances at end of year	\$ 4,946,016	\$ 2,338	\$ 729,642	\$ -	\$ 5,714,686

GREATER LAFOURCHE PORT COMMISSION
CALLAHAN, LOUISIANA

Combined Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - General, Debt Service,
and Capital Projects Funds

Year Ended December 31, 1987

	General Fund		Debt Service Fund		Capital Projects Fund		Miscellaneous Revenues (Adminis- trative)	Miscellaneous Revenues (Adminis- trative)
	Budget	Actual	Budget	Actual	Budget	Actual		
Revenues								
Taxes:								
Ad valorem taxes	\$ 500,000	\$ 507,437	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues:								
State sharing taxes	72,000	78,277	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
Federal	3,000,000	3,000,476	-	-	-	-	-	-
State	100,000	100,774	-	-	-	-	-	-
Local	30,000	30,774	-	-	-	-	-	-
Lottery	150,000	150,000	-	-	-	-	-	-
Other	50,000	50,111	-	49,214	-	49,214	-	-
Total revenues	4,272,000	4,277,081	-	49,214	-	49,214	-	-
Expenditures								
Current:								
General Government:								
Salaries	500,000	500,000	-	-	-	-	-	-
Payrolls	30,000	30,000	-	-	-	-	-	-
Advertising	11,000	10,000	-	-	-	-	-	-
Auto and fuel	30,000	30,000	-	-	-	-	-	-
Auto and fuel - park and sports	50,000	50,000	-	-	-	-	-	-
Auto and fuel - maintenance	50,000	50,476	-	-	-	-	-	-
Auto and fuel - other	2,000	1,921	-	-	-	-	-	-
Building maintenance	20,000	20,773	-	607	-	607	-	-
Data, Supplies, etc.	20,000	20,111	-	-	-	-	-	-
Economic Development	200,000	192,000	-	-	-	-	-	-
General non-maintenance	200,000	195,500	-	-	-	-	-	-
Gas for public	40,000	37,471	-	-	-	-	-	-
Replication insurance	64,000	63,000	-	-	-	-	-	-
Special income	271,000	195,476	-	-	-	-	-	-
Travel expense - Port Projects	300,000	400,000	-	-	-	-	-	-
Travel expense - other	100,000	111,000	-	-	-	-	-	-
Water, fuel and supplies	30,000	30,000	-	-	-	-	-	-
Miscellaneous supplies	30,000	30,188	-	-	-	-	-	-
Total expenditures	2,000,000	2,000,000	-	607	-	607	-	-
Debt Service:								
Interest	500,000	500,000	-	-	-	-	-	-
Principal	11,000	11,000	-	-	-	-	-	-
Auto and fuel	30,000	30,000	-	-	-	-	-	-
Auto and fuel - maintenance	50,000	50,000	-	-	-	-	-	-
Auto and fuel - other	2,000	1,921	-	-	-	-	-	-
Building maintenance	20,000	20,773	-	607	-	607	-	-
Data, Supplies, etc.	20,000	20,111	-	-	-	-	-	-
Economic Development	200,000	192,000	-	-	-	-	-	-
General non-maintenance	200,000	195,500	-	-	-	-	-	-
Gas for public	40,000	37,471	-	-	-	-	-	-
Replication insurance	64,000	63,000	-	-	-	-	-	-
Special income	271,000	195,476	-	-	-	-	-	-
Travel expense - Port Projects	300,000	400,000	-	-	-	-	-	-
Travel expense - other	100,000	111,000	-	-	-	-	-	-
Water, fuel and supplies	30,000	30,000	-	-	-	-	-	-
Miscellaneous supplies	30,000	30,188	-	-	-	-	-	-
Total expenditures	2,000,000	2,000,000	-	607	-	607	-	-
Capital Projects:								
Interest	500,000	500,000	-	-	-	-	-	-
Principal	11,000	11,000	-	-	-	-	-	-
Auto and fuel	30,000	30,000	-	-	-	-	-	-
Auto and fuel - maintenance	50,000	50,000	-	-	-	-	-	-
Auto and fuel - other	2,000	1,921	-	-	-	-	-	-
Building maintenance	20,000	20,773	-	607	-	607	-	-
Data, Supplies, etc.	20,000	20,111	-	-	-	-	-	-
Economic Development	200,000	192,000	-	-	-	-	-	-
General non-maintenance	200,000	195,500	-	-	-	-	-	-
Gas for public	40,000	37,471	-	-	-	-	-	-
Replication insurance	64,000	63,000	-	-	-	-	-	-
Special income	271,000	195,476	-	-	-	-	-	-
Travel expense - Port Projects	300,000	400,000	-	-	-	-	-	-
Travel expense - other	100,000	111,000	-	-	-	-	-	-
Water, fuel and supplies	30,000	30,000	-	-	-	-	-	-
Miscellaneous supplies	30,000	30,188	-	-	-	-	-	-
Total expenditures	2,000,000	2,000,000	-	607	-	607	-	-
Change in fund balances								
Beginning	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Ending	3,272,000	3,277,081	1,000,000	1,000,607	1,000,000	1,000,607	1,000,000	1,000,607

GALLATHER LAPOURCHÉ POST COMMISSION
GALLIARIS, LOUISIANA

Condensed Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General, Debt Service,
and Capital Projects Funds, Continued

Year Ended December 31, 2007

	General Fund		Debt Service Fund		Capital Projects Fund	
	Budget	Actual	Budget	Actual	Budget	Actual
Employer's contribution to State Retirement System	\$1,000	\$1,700	-	\$1,700	-	-
Treasury	22,000	14,418	-	14,418	-	-
Fuel allowance	2,000	4,478	-	4,478	-	-
Tax	20,000	26,728	-	26,728	-	-
Mileage	20,000	31,200	-	31,200	-	-
Concessions from all external users for customer's complimentary (FC) advertising	20,000	1,000	-	1,000	-	-
Capital money (Expenditures and vendor purchases)	102,000	93,094	-	93,094	-	-
Construction	60,000	61,514	-	61,514	-	-
Debt service	-	-	492,000	492,000	-	-
Interest	-	-	288,450	288,450	-	-
Total expenditures	2,000,000	2,200,000	(200,000)	(200,000)	8,000,000	8,200,000
Excess (deficiency) of revenues over expenditures	2,870,000	2,870,000	(702,000)	(694,000)	18,000	(8,110)
Other financing sources (uses)	-	-	-	-	10,000	10,000
Operating transfers to	-	-	-	-	1,000,000	1,100,000
Operating transfers to	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	1,010,000	1,110,000
Excess (deficiency) of revenues and other sources over expenditures and other uses	2,870,000	2,870,000	(702,000)	(694,000)	11,000	(8,110)
Fund balances at beginning of year	2,000,000	2,000,000	1,000,000	977,500	-	87,500
Fund balances (uses) at end of year	2,000,000	2,000,000	2,900,000	2,900,000	11,000	87,500

GREATER LAFOURCHE PORT COMMISSION
GALLIANO, LOUISIANA

Notes to Financial Statements

5) Summary of Significant Accounting Policies

The accounting and reporting policies of the Commission conform to generally accepted accounting principles as applicable to governments.

The following is a summary of certain significant accounting policies.

- a) Reporting Entity. The Greater Lafourche Port Commission (Commission) was created under Louisiana Revised Statute 24:1051 with a nine member board elected for a term of six (6) years. The Commission has been empowered to regulate the commerce and traffic within the port area; to promote commerce within the area through the construction, acquisition and maintenance of wharves, docks, sheds, landings and waterways; to provide police protection and services for its facilities; and to lease its facilities to all types of commercial transportation, storage, and shipping industries.

This report includes all funds and account groups which are controlled by the Commission. The Commission is financially independent and is responsible for its debts and is entitled to surpluses. No separate agency receives a financial benefit nor imposes a financial burden on the Commission.

- b) Fund Types and Account Groups. The accounts of the Commission are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts which comprise its assets, liabilities, fund equity, revenues and expenditures. Revenues are accounted for in these individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. Fund types and account groups presented in the financial statements are described as follows:

General Fund: This fund is used to account for resources devoted to financing the general operations and services of the Commission. Ad valorem taxes, self-generated fees and other sources of revenues used to finance the fundamental operations of the Commission are included in this fund. The fund is charged with all costs of operating the Commission for which a separate fund has not been established.

GREATER LAFOURCHE PORT COMMISSION
GALLIANO, LOUISIANA

Notes to Financial Statements, Continued

Special Revenue Fund (Bayou Clean-Up Reversal Fund): The Bayou Clean-Up Reversal fund is used to account for monies donated by area business people to aid in the "Bayou Clean-Up Project." The money is used for rewards to any person providing information leading to the arrest and conviction of any person who unloads contraband into Bayou Lafourche.

Debt Service Fund: The Debt Service Fund is used to account for the accumulation of resources for and the payment of revenue bonds.

Revenue bonds are financed by ad valorem taxes and general revenues transferred from the General Fund.

Capital Projects Fund: The capital projects fund is used to account for financial resources to be used for waterways and beach stabilization, relocation of roads and waterlines, drainage and construction of major capital facilities in the port area. Financing is provided by means of State Capital Outlay Funds, Federal Emergency Management Agency supplements, grants from the U. S. Economic Development Administration, and the construction budget of the general fund and grants.

General Fixed Assets Account Group: This is not a fund but an account group that is used to account for general fixed assets of the Commission.

General Long-Term Debt Account Group: This is not a fund but an account group that is used to account for the outstanding principal balances of revenue bonds and other long-term obligations expected to be financed from governmental funds.

- c) Fixed Assets and Long-Term Liabilities. Fixed assets used in governmental fund operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public domain or infrastructures are capitalized along with other general fixed assets. Expenditures incurred in connection with port maintenance and maintaining navigable waterways are expensed. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost. Donated assets are valued at fair market value at time of donation. The costs of normal maintenance, dredging and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

GREATER LAFOURCHE PORT COMMISSION
GALLIANO, LOUISIANA

Notes to Financial Statements, Continued

- d) Basis of Accounting. Governmental fund types use a modified accrual basis of accounting. Revenues are recognized when available and measurable. Revenues that are accrued include ad valorem taxes, revenue sharing taxes, grants, port lease rentals and interest. Office rentals, loading dock fees, water sales and collection of delinquent taxes and fees are recorded as revenues when received.

Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for debt service which is recognized when paid.

- e) Budgetary Accounting. Annually, the Commission adopts a budget for the general, debt service, and capital projects funds. The budgetary practices include public notice of the proposed budgets, public inspection of the proposed budgets and public hearings on the budgets. Budgets are prepared based on the modified accrual basis of accounting which recognizes revenues and expenditures as explained in note 1(d) above. Budgetary control is exercised at the fund level.

State law provides that when actual revenues within certain funds are failing to meet estimated annual budgeted revenues, and/or actual expenditures within certain funds are exceeding estimated budgeted expenditures by five percent or more, a budget amendment shall be adopted by the board in an open meeting.

Budgeted amounts included in the accompanying financial statements include original adopted budget amounts and all subsequent amendments. Amendments to the budget must be approved by the Board of Commissioners. Budget amounts which are not expended lapse at year end.

Encumbrance accounting is not utilized by the Commission.

- f) Cash and Investments:

Cash includes amounts in demand deposit accounts, money market accounts and certificates of deposit.

Investments consist of units owned in the Louisiana Asset Management Pool which are accounted for as debt securities and carried at amortized cost.

GREATER LAFOURCHE PORT COMMISSION
GALLIANO, LOUISIANA

Notes to Financial Statements, Continued

- g) Receivables. All receivables are recorded at their gross value and, when appropriate, are reduced by the estimated portion that is expected to be uncollectible.
- h) Transfers Between Funds. Transfers between funds which are not expected to be repaid are accounted for as other financing sources (uses). In those cases where repayment is expected, the activities are accounted for through the various "due from" and "due to" accounts.
- i) Interest Receivable. Interest receivable on time deposits is recorded as revenue in the year the interest is earned.
- j) Ad Valorem Taxes and Revenue Sharing. Ad valorem taxes and the related state revenue sharing (which is based on population and horseheads in the parish) are recorded in the year the taxes are assessed except for taxes paid under protest which are recorded in the year available. Delinquent taxes considered to be uncollectible are not recorded as revenue, consequently, no allowance for uncollectible taxes is considered necessary.

Ad valorem taxes are assessed on a calendar year basis, become due November 15th of each year and become delinquent on December 31st. The taxes are generally collected in December of the current year and in January and February of the ensuing year. The Commission's authorized and levied ad valorem tax millage rate for 1997 was 7.25.

State revenue sharing monies are generally received by the Commission on the 15th day of December in the year of determination and on the 15th day of April and June of the subsequent year in equal installments.

- k) Compensated Absences. The Commission employees accumulate unlimited amounts of annual and sick leave at varying rates as established by state regulations. Upon resignation or retirement, unused annual leave of up to 300 hours is paid to employees at the employee's current rate of pay. Upon retirement, annual leave in excess of 300 hours and unused sick leave is credited as earned service in computing retirement benefits.

At December 31, 1997, \$54,026 has been recorded in the General Long-Term Debt Account Group which represents that portion of estimated compensated absence for annual leave of the General Fund which will be taken or reimbursed after the balance sheet date.

GREATER LAFOURCHE PORT COMMISSION
GALLIANO, LOUISIANA

Notes to Financial Statements, Continued

- i) Estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- ii) Total Columns on Financial Statements - Overview. Total columns on the financial statements - overview - are captioned Memorandum Only to indicate that they are prepared only to facilitate financial analysis. Data in these columns do not present financial condition or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

2) Pension Plan

All full-time employees of the Greater Lafourche Port Commission must participate in the Louisiana State Employees Retirement System (LASERS), a cost sharing multiple-employer public employee retirement system.

Plan Description: The LASERS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and disability benefits. Five years of service credit is required to become vested for survivor benefits. Benefits are established and amended by state statute. The LASERS issues a publicly available financial report that includes financial statements and required supplementary information for the LASERS. That report may be obtained by writing to the Louisiana State Employees' Retirement System, Post Office Box 44213 Baton Rouge, Louisiana 70804-4213, or by calling (504) 922-0800.

Funding Policy: Plan members are required to contribute a percentage of their annual covered salary and the Commission is required to contribute at an actuarially determined rate. Member contributions and employer contributions for the LASERS are established by state law and rates are established by the Public Retirement System's Actuarial Committee. The Commission's employer contribution for the LASERS is funded through annual appropriations.

GREATER LAFOURCHE PORT COMMISSION
GALLIANO, LOUISIANA

Notes to Financial Statements, Continued

Contributions required and made to the LASERS were as follows:

Fiscal year ended June 30,	1997	1996	1995
Member contribution	7.5%	7.5%	7.5%
Employer contribution	12.4%	12.4%	11.9%
Member contribution	\$38,004	\$34,063	\$30,527
Employer contribution	\$64,346	\$55,413	\$51,825

9) Cash

Under state law, the Commission may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. As reflected on Statement A, the Commission has cash and certificates of deposit totaling \$2,185,591 at December 31, 1997.

State law also requires that deposits be fully collateralized at all times. Acceptable collateralization includes the \$100,000 FDIC insurance and the market value of securities purchased and pledged. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the Commission or with an unaffiliated bank or trust company for the account of the Commission.

The following is a summary of cash and cash equivalents and the securities pledged to them:

Cash and cash equivalents - carrying amount	<u>\$ 2,185,480</u>
Bank balance of deposits	<u>\$ 2,292,357</u>
Portion insured by FDIC	269,811
Pledged securities under Louisiana law	<u>3,176,447</u>
Total FDIC insurance and pledged securities	<u>\$ 3,446,258</u>

GREATER LAFOURCHE PORT COMMISSION
GALLIANO, LOUISIANA

Notes to Financial Statements, Continued

Securities pledged as collateral on deposits of the Commission are held by the depository institution in the name of the depository institution.

4) Investments

At December 31, 1997, the Commission owns units of the Louisiana Asset Management Pool (LAMP) valued at \$4,126,665 by the LAMP at amortized cost, which approximates market value. Units of the LAMP represent an undivided fractional interest in each of the securities held by the LAMP. Securities held by the LAMP include only debt securities issued, guaranteed or otherwise backed by the U. S. Treasury, the government of the United States, or an agency, enterprise or instrumentality thereof, and repurchase agreements collateralized by such securities.

Deposits and withdrawals of LAMP funds are always at par, accordingly, these investments are accounted for similar to debt securities and cost will always approximate market value.

5) Changes in General Fixed Assets

A summary of changes in general fixed assets are as follows:

	Balance 12/31/96	Additions	Deletions and Transfers	Balance 12/31/97
Land	\$ 219,209	\$ -	\$ -	\$ 219,209
Buildings	557,755	1,020,953	-	1,578,710
Port facilities and improvements	17,964,567	-	1,020,953	16,943,614
Furniture and office equipment	102,620	16,996	20,470	100,846
Vehicles, boats, and field equipment	745,331	80,992	131,191	695,832
Construction in process	180,364	3,611,227	-	3,791,591
TOTALS	<u>\$ 19,788,896</u>	<u>\$ 4,731,970</u>	<u>\$ 1,172,614</u>	<u>\$ 23,328,852</u>

**GREATER LAFOURCHE PORT COMMISSION
GALLIANO, LOUISIANA**

Notes to Financial Statements, Continued

6) **Long-Term Debt**

The following is a summary of bonds payable:

Description of Bonds Payable	Payable 12/31/99	Issued	Retired	Payable 12/31/07	Year End 12/31/07 Interest Expense
Revenue Bonds:					
Series 1999	\$ 1,735,000	\$ -	\$ (160,000)	\$ 1,575,000	\$ 69,258
Series 1998	3,280,000	-	(248,000)	3,032,000	212,328
Total	\$ 5,015,000	\$ -	\$ (408,000)	\$ 4,607,000	\$ 281,586

Bonds payable at December 31, 1997 are represented by the following issues:

Revenue Refunding Bonds

\$2,140,000 Revenue Refunding Bonds
(Port Fourchon Development) Series 1993;
due in annual principal installments of
\$170,000 to \$260,000 through
September 1, 2004; interest payable semi-
annually at 5% until September 1, 1999,
and 5.1% thereafter until maturity. \$ 1,575,000

Port Facility Revenue Bonds

\$3,300,000 Port Facility Revenue Bonds
(Port Fourchon Development) Series 1996,
due in annual principal installments of
\$200,000 to \$400,000 through
September 1, 2008; interest payable semi-
annually at 5.85% to 6.65% until maturity. 3,055,000

Total bonds payable \$ 4,630,000

**GREATER LAFOURCHE PORT COMMISSION
GALLIANO, LOUISIANA**

Notes to Financial Statements, Continued

The bonds are secured by revenues of the Commission, including ad valorem taxes.

Debt service requirements for bonds payable in future years are as follows:

Year Ending December 31,	Principal	Interest	Total
1999	\$ 430,000	\$ 276,202	\$ 706,202
1999	465,000	292,092	717,092
2000	500,000	325,528	725,528
2001	535,000	196,545	731,545
2002	575,000	166,366	740,366
2003	620,000	131,610	751,610
2004	670,000	66,108	736,108
2005	405,000	55,528	460,528
2006	430,000	28,595	458,595
Totals	<u>\$ 4,630,000</u>	<u>\$ 1,428,673</u>	<u>\$ 6,058,673</u>

7) Leases

The Commission leases the land on which Port Fourchon Industrial Park is built from four landowners under operating leases expiring in various years through 2003. The leases are structured to have a minimum amount of base rent with additional amounts payable as contingent rentals based on sublease rentals received by the Commission.

Minimum rental payments of approximately \$56,000 were included in lease expenses of \$403,920 for the year ended December 31, 1997.

GREATER LAFOURCHE PORT COMMISSION
GALLIANO, LOUISIANA

Notes to Financial Statements, Continued

Minimum future rental payments under non-cancelable operating leases having remaining terms in excess of one year as of December 31, 1997 for each of the next five years are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
1998	\$ 58,963
1999	61,642
2000	16,200
2001	16,838
2002	17,078
Thereafter	<u>36,190</u>
Total minimum future rental payments	<u>\$ 206,911</u>

Total minimum future rental payments have not been reduced by sublease rentals to be received in the future under non-cancelable subleases.

4) Port Lease Rentals

The Commission leases sites situated on Port Fourchon to businesses operating primarily in the oil and gas and seafood industries. The number of leases as of December 31, 1997, is forty-eight. In general, lease contracts state that in each year of the primary term or any extended option term, rental payments to the Port shall escalate at rates varying from 2% to 6% of the rental paid in the preceding year, unless other arrangements are negotiated.

Based on existing leases at December 31, 1997, minimum lease rentals on non-cancelable leases to be received over the next five years are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
1998	\$ 4,163,060
1999	3,993,958
2000	3,999,439
2001	2,708,388
2002	<u>3,174,715</u>
Total	<u>\$ 18,049,560</u>

GREATER LAFOURCHE PORT COMMISSION
GALLIANO, LOUISIANA

Notes to Financial Statements, Continued

9) Fund Equities

Reservations of fund balance are established to indicate portions of the fund balance which are not appropriate for expenditures or which are legally segregated for a specific future use. Reservations of fund balances are summarized below.

Reserved for Debt Service

This reserve represents the amount held in the Debt Service Fund that is reserved for future payments of principal and interest on bonds.

Reserved for Capital Projects

This reserve represents the amount held in the General Fund and Capital Projects Fund that is reserved for construction projects.

10) Contracts-in-Progress

At December 31, 1997, the Commission had the following construction contracts in progress:

<u>Project Description</u>	<u>Estimated Total Cost</u>	<u>Cost Incurred to Date</u>	<u>Estimated % funded by other entities</u>
Deep Draft Berthing facility	\$ 1,815,971	\$ 65,998	3%
Bulkhead-E-Slip expansion	2,458,433	2,435,708	-
Dredging-E-Slip expansion	1,050,807	991,794	-
Highway embankment stabilization	3,388,918	1,496,600	100%
Port fourchon operations facility	921,575	356,190	-
Handicapped accessible fishing wharf	53,133	44,055	80%
	<u>\$ 9,688,637</u>	<u>\$ 5,349,545</u>	

GREATER LAFOURCHE PORT COMMISSION
GALLIANO, LOUISIANA

Notes to Financial Statements, Continued

11) Risk Management

The Commission is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. To manage these risks, the Commission has obtained coverage from commercial insurance companies. During 1997, there were no claims in excess of insurance coverage.

GREATER LAFOURCHE PORT COMMISSION
GALLIANO, LOUISIANA

Schedule of Per Diems Paid Board Members

Year Ended December 31, 1997

<u>Board Member</u>	
Dudley A. Bernard	\$ 3,300
Robert M. Champagne	3,600
Harrison J. Cheranis, Jr.	3,400
Vinton J. Crosby	2,150
Tommy J. Doucet	3,300
Larry J. Griffin	3,600
John J. Melancon, Sr.	2,850
Rodney J. Terribonne	3,600
Donald J. Vizer	<u>2,800</u>
	<u>\$ 29,600</u>

SUPPLEMENTARY FINANCIAL REPORTS

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

Board of Commissioners
Greater Lafourche Port Commission
Galliano, Louisiana

We have audited the financial statements of the Greater Lafourche Port Commission as of and for the year ended December 31, 1997, and have issued our report thereon dated May 6, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Greater Lafourche Port Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the Greater Lafourche Port Commission, the State of Louisiana and the Legislative Auditor for the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

May 8, 1998

Bergeson + Fanning

GREATER LAFOURCHE PORT COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 1997

We have audited the financial statements of the Greater Lafourche Port Commission as of and for the year ended December 31, 1997, and have issued our report thereon dated May 5, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 1997 resulted in an unqualified opinion. We did not issue a separate management letter as a result of this engagement.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control		
Material Weakness	___ Yes	<u>XX</u> No
Reportable Conditions	___ Yes	<u>XX</u> No
Compliance		
Compliance Material to Financial Statements	___ Yes	<u>XX</u> No

b. Federal Awards - (Not applicable)

Internal Control		
Material Weaknesses	___ Yes	___ No
Reportable Conditions	___ Yes	___ No
Type of Opinion On Compliance For Major Programs	Unqualified ___ Disclaimer ___	Qualified ___ Adverse ___

Are their findings required to be reported in accordance with Circular A-133, Section .510(a)?

___ Yes ___ No

c. Identification of Major Programs:

CFDA Number(s)

Name of Federal Program or Cluster

Not applicable

Dollar threshold used to distinguish between Type A and Type B Programs:

\$ Not applicable

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133?

Yes No

Not Applicable

Section II Financial Statement Findings

There were none.

Section III Federal Award Findings and Questioned Costs

Not Applicable.

GREATER LAFOURCHIE PORT COMMISSION
SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended December 31, 1997

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

There were none.

SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

Not applicable.

SECTION III MANAGEMENT LETTER

No management letter was issued.

GREATER LAFOURCHE PORT COMMISSION
MANAGEMENT'S CORRECTIVE ACTION PLAN
For the Year Ended December 31, 1997

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENT

No findings were reported which require a response from management.

SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

Not applicable.

SECTION III MANAGEMENT LETTER

No management letter was issued.