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Release Date 1-12-00

PORT OF IBERIA DISTRICT
New Iberia, Louisiana

For the Years Ended June 30, 1999 and 1998

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Dressel & Friend

CERTIFIED PUBLIC ACCOUNTANTS
449 EAST ST. PETER STREET
NEW IBERIA, LOUISIANA 70560-3752

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

TERREL P. DRESSEL, CPA
RALPH FRIEND, CPA

(318) 365-8211
FAX (318) 365-8214

Independent Auditor's Report

Board of Commissioners
Port of Iberia District
New Iberia, Louisiana

We have audited the accompanying general purpose financial statements of the Port of Iberia District, as of and for the years ended June 30, 1999 and 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of the Port of Iberia District management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. 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, except for the omission of the information discussed in the preceding paragraph, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Port of Iberia District, as of June 30, 1999 and 1998, and the results of its operations and the cash flows of its proprietary fund type for the years then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated December 3, 1999 on our consideration of the Port of Iberia District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Dressel & Friend

Dressel & Friend, CPA's

New Iberia, Louisiana

December 3, 1999

PORT OF IBERIA DISTRICT
New Iberia, Louisiana

COMPARATIVE BALANCE SHEETS
(ALL FUND TYPES AND ACCOUNT GROUPS)

JUNE 30 AS INDICATED

	<u>ASSETS</u>	
	<u>1999</u>	<u>1998</u>
CURRENT ASSETS		
Cash and cash equivalents		
Unrestricted	\$ 3,186,516	\$ 2,236,531
Restricted	0	0
Total Cash and cash equivalents	<u>\$ 3,186,516</u>	<u>\$ 2,236,531</u>
Receivables:		
Lease of property	61,430	153,418
Capital Outlay Funds Receivable	201,960	93,873
Travel Advances	375	378
TOTAL CURRENT ASSETS	<u>\$ 3,450,281</u>	<u>\$ 2,484,200</u>
INVESTEMENTS		
External investment pool	\$ 506,422	\$ 0
FIXED ASSETS		
Buildings, equipment & land	\$ 32,134,001	\$ 31,345,649
Accumulated Depreciation	4,534,060	3,737,062
TOTAL FIXED ASSETS	<u>\$ 27,599,941</u>	<u>\$ 27,608,587</u>
OTHER ASSETS		
Other Assets	258,221	258,221
Bond Issue Cost	4,172	5,111
TOTAL OTHER ASSETS	<u>\$ 262,393</u>	<u>\$ 263,332</u>
TOTAL ASSETS	<u>\$ 31,819,037</u>	<u>\$ 30,356,119</u>
<u>LIABILITIES AND FUND EQUITY</u>		
CURRENT LIABILITIES		
Accounts Payable	\$ 135,894	\$ 60,613
Prepaid Leases	222,814	0
Payroll Taxes Payable	2,353	2,418
Retirement Payable	5,017	4,442
Construction Project Payables	201,960	118,892
Accrued Vacation Payable	5,368	4,046
Accrued Wages Payable	0	3,090
Interest Payable	1,120	1,320
Bonds Payable	25,000	25,000
Note Payable	278,957	277,032
Capital Lease-Xerox	2,351	2,091
Retainage Payable	0	15,000
TOTAL CURRENT LIABILITIES	<u>\$ 880,834</u>	<u>\$ 513,944</u>

The accompanying notes and accountant's report are an integral part of these financial statement

PORT OF IBERIA DISTRICT
New Iberia, Louisiana

COMPARATIVE BALANCE SHEETS
(ALL FUND TYPES AND ACCOUNT GROUPS)

JUNE 30 AS INDICATED

	<u>1999</u>	<u>1998</u>
LONG TERM LIABILITIES		
Notes Payable	\$ 137,976	\$ 166,933
Bond Payable	115,000	140,000
Capital Lease-Xerox	754	3,104
TOTAL LONG-TERM LIABILITIES	<u>\$ 253,730</u>	<u>\$ 310,037</u>
TOTAL LIABILITIES	\$ 1,134,564	\$ 823,981
FUND EQUITY		
Contributed Capital (Net of Accumulated Amortization)	\$ 24,359,304	\$ 24,463,054
Retained Earnings Unreserved-(Exhibit II)	6,325,169	5,069,084
TOTAL FUND EQUITY	<u>\$ 30,684,473</u>	<u>\$ 29,532,138</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 31,819,037</u>	<u>\$ 30,356,119</u>

The accompanying notes and accountant's report are an integral
part of these financial statement

PORT OF IBERIA DISTRICT
New Iberia, Louisiana

COMPARATIVE STATEMENTS OF REVENUES, EXPENSES & CHANGES IN RETAINED EARNINGS	FOR THE YEARS ENDED JUNE 30 AS INDICATED	
	1999	1998
OPERATING REVENUES		
Leases	\$ 1,203,999	\$ 846,923
Contract Tonnage	552,169	143,659
Tonnage & Docking Fees	78,745	69,901
Boat Stall Rentals	7,800	8,760
Bulkhead Fees	6,627	6,627
Water Franchise Fee	10,002	6,757
Expense Reimbursements	110	151
Sewerage District #1 Maintenance	13,967	0
Miscellaneous Income	8,257	2,887
TOTAL OPERATING REVENUES	\$ 1,881,676	\$ 1,085,665
OPERATING EXPENSES		
Accounting & Auditing	\$ 9,356	\$ 8,407
Advertising	23,344	27,176
Auto Allowances	12,698	11,048
Business Promotion	2,773	1,139
Depreciation	796,998	690,593
Dock Subcontractors	339,585	127,647
Dues & Subscriptions	7,674	5,987
Employee Benefits	1,322	2,859
Employee Retirement	8,967	7,699
Environmental Expense	0	3,500
Insurance	66,488	57,756
Legal Fees	29,904	30,212
Miscellaneous	334	1,030
Office Expense	16,536	19,219
Outside Services	170	18,554
Port Improvements & Development	27,532	41,652
Repairs & Maintenance	24,165	36,619
Salaries-Directors	66,875	55,000
Salaries-Other	48,825	44,751
Security	20,000	20,000
Taxes-Payroll	1,765	1,778
Travel	28,757	34,991
Telephone	7,668	7,946
Utilities	11,871	13,073
TOTAL OPERATING EXPENSES	\$ 1,553,607	\$ 1,268,636
OPERATING INCOME	\$ 328,069	\$ (182,971)

The accompanying notes and accountant's report are an integral part of these financial statements

PORT OF IBERIA DISTRICT
New Iberia, Louisiana

COMPARATIVE STATEMENTS OF REVENUES, EXPENSES & CHANGES IN RETAINED EARNINGS	FOR THE YEARS ENDED JUNE 30 AS INDICATED	
	1999	1998
OTHER REVENUE (EXPENSE)		
Amortization Expense	\$ (940)	\$ (940)
Interest Income	153,422	150,803
Interest Expense	(21,464)	(24,856)
TOTAL OTHER REVENUE (EXPENSES)	<u>\$ 131,018</u>	<u>\$ 125,007</u>
NET INCOME	\$ 459,087	\$ (57,964)
DEPRECIATION ON FIXED ASSETS ACQUIRED BY CONTRIBUTED CAPITAL	<u>\$ 796,998</u>	<u>\$ 690,593</u>
INCREASE IN RETAINED EARNINGS	\$ 1,256,085	\$ 632,629
RETAINED EARNINGS AT BEGINNING OF YEAR	<u>5,069,084</u>	<u>4,436,455</u>
RETAINED EARNINGS AT END OF YEAR	<u><u>\$ 6,325,169</u></u>	<u><u>\$ 5,069,084</u></u>

The accompanying notes and accountant's report are an integral
part of these financial statements

PORT OF IBERIA DISTRICT
New Iberia, Louisiana

COMPARATIVE STATEMENTS OF CASH FLOWS	FOR THE YEAR ENDED JUNE 30 AS INDICATED	
	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating Income	\$ 328,069	\$ (182,971)
Adjustments to reconcile operating income to net cash used by operating activities:		
Depreciation expense	796,998	690,593
Change in assets & liabilities:		
(Increase) Decrease in receivables	91,991	(86,209)
Increase (Decrease) in accounts payable	75,281	14,946
Increase in prepaid leases	222,814	0
Increase (Decrease) in payroll taxes payable	(65)	1,576
Increase (Decrease) in other payables	(1,193)	8,287
Total Adjustments	\$ 1,185,826	\$ 629,193
Net Cash provided by operating activities	\$ 1,513,895	\$ 446,222
CASH FLOWS FROM CAPITAL RELATED FINANCING ACTIVITIES:		
Grants	\$ 585,160	\$ 1,169,061
Capital asset acquisitions	(720,284)	(3,042,043)
Bond Issue Cost	0	(100)
Interest Paid	(21,664)	(25,056)
Principal paid on capital lease-Xerox	(2,090)	(1,859)
Principal Paid on Bond	(25,000)	(25,000)
Principal Paid on Bourgeois Property Note	(27,032)	(25,235)
Net cash used by capital related financing activities	\$ (210,910)	\$ (1,950,232)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on Investments	\$ 153,422	\$ 159,417
Net cash provided by investing activities	\$ 153,422	\$ 159,417
NET INCREASE (DECREASE) IN CASH	\$ 1,456,407	\$ (1,344,593)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,236,531	3,581,124
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 3,692,938	\$ 2,236,531

The accompanying notes and accountant's report are an integral
part of these financial statements

PORT OF IBERIA DISTRICT
New Iberia, Louisiana

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1999

INTRODUCTION

The Port of Iberia District is a political subdivision of the State of Louisiana created under the provisions of Louisiana Revised Statute 34:241. The district is governed by a board of commissioners consisting of seven members who serve without compensation. Two of the members are appointed by the City of New Iberia, one member each by the Towns of Jeanerette and Loreauville, and three members are appointed by the Iberia Parish Council. The board is responsible for the regulation of commerce and traffic within the district.

Operations of the district are administered through an executive director who also serves as the port director. The operations of the district are financed primarily through lease payments and capital outlay grants from state and federal agencies. The district's offices and operations are located in an area that is 5 miles south of the City of New Iberia and encompasses more than 1,500 acres of land, both public and private, and is the base of operations for more than 60 companies. There are 7 miles of access roadways, 3 miles of railroad frontage, steel bulkheading, sewerage system, underground electrical service, eleven and one-half miles of water frontage, a seven and one-half mile water channel that provides access to the Intercostal Waterway, and a 15,000 square foot public dock warehouse.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation. The accompanying financial statements of the Port of Iberia District have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The District applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Basis of Accounting. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Enterprise Fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of this fund are included on the balance sheet. The Enterprise Fund uses the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized at the time liabilities are incurred. Annual leases are billed in advance and recognized as income when billed.

PORT OF IBERIA DISTRICT
New Iberia, Louisiana

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

Reporting Entity. For financial reporting purposes, in conformance with Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification), the district includes all funds, account groups, activities, et cetera, that are controlled by the district as an independent political subdivision. As an independent political subdivision, the district is solely responsible for its operations, which include the hiring or retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Accordingly, the district is a separate governmental reporting entity.

Fund Accounting. The district is organized and operated on a fund basis whereby a separate self-balancing set of accounts (Enterprise Fund) is maintained that comprises its assets, liabilities, fund equity, revenues, and expenses. The operations are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that costs (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges.

Budgetary Accounting. Annually, the district adopts a cash basis budget for the operations of the Enterprise Fund. A comparison of revenues and expenses to budget is not included in the accompanying financial statements since it is not required by generally accepted accounting principles.

Cash and Cash Equivalents and Investments. Cash includes amounts on hand and interest-bearing demand deposits. Cash equivalents include amounts in time deposits. Under state law, the district 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 district may invest in United States bonds, treasury notes or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at the lower of cost or market at the balance sheet date.

Fixed Assets. Fixed assets are recorded on the basis of original cost. Depreciation of all exhaustible fixed assets used by the proprietary fund type operations are charged as expense against operations.

PORT OF IBERIA DISTRICT
New Iberia, Louisiana

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

Depreciation on fixed assets has been computed on the basis of estimated lives under the straight-line method. Estimated lives are as follows:

Furniture and Fixtures	5-10 Years
Steel Bulkheading	30 Years
Buildings & Improvements	10-40 Years

Expenditures for maintenance and repairs are charged directly to the appropriate operating account at the time the expense is incurred. Expenditures determined to represent additions and betterments are capitalized.

The cost of assets sold or retired and the related amounts of accumulated depreciation are eliminated from the accounts in the year of sale or retirement. Any resulting gain or loss is reflected in the Statement of Revenue, Expenses and Changes in Retained Earnings.

Compensated Absences. The district's formal policy on vacation and sick leave provides that permanent employees of the district accrue from 12 to 21 days of vacation and sick leave per year depending on the length of service. A maximum of 45 days of vacation leave and 180 days of sick leave may be accumulated. The policy provides for the payment of accumulated vacation leave not to exceed 45 working days upon retirement or voluntary separation of employment. The policy does not provide for the payment of accumulated sick leave.

Fund Equity. Grants, entitlements, or shared revenue received that are restricted for the acquisition or construction of capital assets are recorded as contributed capital. Contributed capital is amortized based on 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.

Capitalization of Interest Cost. Interest cost on assets intended for lease that are constructed as discrete projects shall be capitalized when the following conditions are present: expenditures for the asset have been made, activities that are necessary to get the asset ready for its intended use are in progress and interest cost is being incurred.

PORT OF IBERIA DISTRICT
New Iberia, Louisiana

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1999

2. CASH AND CASH EQUIVALENTS

At June 30, the District has cash and cash equivalents (book balances) as follows:

	<u>1999</u>	<u>1998</u>
Petty Cash	\$ 200	\$ 200
Interest-Bearing Demand Deposits	981,676	616,051
Time Deposits	<u>2,204,640</u>	<u>1,620,280</u>
Total Deposits	\$ 3,186,516	\$ 2,236,531
Investment in Louisiana Asset Management Pool	<u>506,422</u>	<u>-</u>
Total Cash & Cash Equivalents	<u>\$ 3,692,938</u>	<u>\$ 2,236,531</u>

The deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 1999, the district has \$3,147,861 in deposits (collected bank balances). Of these deposits, \$300,000 was secured from risk by federal deposit insurance and \$4,485,814 by pledged securities held by the custodial banks in the name of the fiscal agent bank (GASB Category 3).

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

The Louisiana Asset Management Pool (LAMP) is a local government investment pool initiated by the Louisiana Treasurer's Office. LAMP invests its assets only in securities and other obligations that are permissible under Louisiana State law for local government. These funds are available to the Port on demand.

3. INVESTMENTS

At fiscal year-end, the Port's investment balances were as follows:

Investments not subject to categorization:

Louisiana Asset Management Pool	<u>\$ 506,422</u>
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PORT OF IBERIA DISTRICT
New Iberia, Louisiana

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1999

4. FIXED ASSETS

A summary of fixed assets at June 30, 1999 follows:

	<u>Accumulated Cost</u>	<u>Depreciation</u>	<u>Book Value</u>
Land	\$ 7,218,920	\$ -	\$ 7,218,920
Construction in Progress	2,776	-	2,776
Buildings & Improvements	2,161,453	847,556	1,313,897
Furniture and fixtures	94,810	77,099	17,711
Bulkheading	2,867,385	1,250,590	1,616,795
Public Dock Expansion	1,526,511	356,188	1,170,323
Arco GHX-2 Site	4,054,901	896,413	3,158,488
Dynamic Offshore Expansion	255,191	51,036	204,155
Acadiana Navigational Channel	7,361,696	736,170	6,625,526
Chart Site Development	1,216,981	121,698	1,095,283
Port Sewerage Project	1,240,318	55,125	1,185,193
Port Water Project	251,978	16,798	235,180
Public Dock Bulkheading	2,458,145	81,939	2,376,206
Red Fox Loadout Project	761,513	41,249	720,264
Chart Coastal Lean-To Building	620,648	1,293	619,355
Port Signage Project	40,775	906	39,869
Total	<u>\$32,134,001</u>	<u>\$ 4,534,060</u>	<u>\$27,599,941</u>

5. CHANGES IN LONG-TERM OBLIGATIONS

A summary of long-term obligation transactions at June 30, follows:

	<u>1999</u>	<u>1998</u>
Balance payable, Beginning of Year	\$ 443,965	\$ 469,200
Additions	-	-
Payments	<u>27,032</u>	<u>25,235</u>
Balance payable, End of Year	\$ 416,933	\$ 443,965
Portion classified as current	<u>278,957</u>	<u>277,032</u>
Long-term portion at End of Year	<u>\$ 137,976</u>	<u>\$ 166,933</u>

PORT OF IBERIA DISTRICT
New Iberia, LouisianaNOTES TO FINANCIAL STATEMENTS

JUNE 30, 1999

5. CHANGES IN LONG-TERM OBLIGATIONS - CONTINUED

	<u>1999</u>	<u>1998</u>
Recap of long term obligations		
Louisiana State Bond Commission	\$250,000	\$250,000
Obligation for land on Pesson Road	<u>166,933</u>	<u>193,965</u>
	<u>\$416,933</u>	<u>\$443,965</u>

The \$250,000 loan is to be reimbursed to the Louisiana State Bond Commission over a 5-year period at \$50,000 annually without any interest expense. The installments due March 1990, 1991, 1992, 1993 and 1994 were deferred by the state. During the 1993 regular session of the Louisiana Legislature, HCR267 was adopted to grant \$250,000 to the Port of Iberia. In lieu of payment to the Port of Iberia, the State Bond Commission was to cancel the \$250,000 Note Payable to the State of Louisiana, as per written correspondence from Governor Edwin W. Edwards and an act of the 1993 Louisiana Legislature. The Attorney General's Office has indicated that the way this was handled was unconstitutional. This problem has not been resolved as of the date of these financial statements.

On January 3, 1997 the District purchased 50 acres of land on Pesson Road for \$244,200. The purchase was financed by the seller at an interest rate of 7% per annum; payable in 14 equal and consecutive semi-annual installments of \$20,072 each, the first installment due on July 3, 1997, the second payment due on January 3, 1998, and continuing on the same dates each year until the year 2004. The purchase price was \$244,200. A payment of \$25,000 was made, leaving a balance of \$219,200 to be financed.

Balance Payable, end of Year	\$166,933
Current Portion	<u>28,957</u>
Long-Term Portion	<u>\$137,976</u>

On July 11, 1995 the District obtained a copy machine under a capital lease from the Xerox Corporation for \$10,060. The lease payments are \$216 per month for 60 months, ending on August 11, 2000.

Balance Payable, end of Year	\$ 3,105
Current Portion	<u>2,351</u>
Long-Term Portion	<u>\$ 754</u>

PORT OF IBERIA DISTRICT
New Iberia, Louisiana

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1999

6. PENSION PLAN

All employees of the Port of Iberia District are members of the following statewide retirement system: Parochial Employees Retirement System of Louisiana (System). These systems are cost-sharing, multiple-employer defined benefit pension plans administered by a separate board of trustees. Pertinent information relative to each plan follows:

Plan Description. The system is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the District are members of Plan A.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds 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. 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 of Louisiana, P.O. Box 14619, Baton Rouge, Louisiana 70898, or by calling (504) 928-1361.

PORT OF IBERIA DISTRICT
New Iberia, Louisiana

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1999

6. PENSION PLAN - CONTINUED

Funding Policy. Under Plan A, members are required by state statute to contribute 9.50 percent of their annual covered salary and the Port of Iberia District is required to contribute at an actuarially determined rate. The current rate is 7.75 percent of annual covered payroll. Contributions to the System also 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 Port of Iberia District are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Port of Iberia District contributions to the System under Plan A for the years ending June 30, 1999, 1998, and 1997, were \$8,967, \$7,699, and \$6,062, respectively, equal to the required contributions for each year.

7. LEASE OF LAND BY DISTRICT

The district is presently leasing approximately 140 acres of land from the City of New Iberia for a period of 99 years at a cost of \$1 per year. The effective dates of the lease are from July 28, 1948, to July 27, 2047.

8. LEASE OF LAND AND FACILITIES TO OTHERS

Minimum future rentals on noncancelable operating leases for the next five years are as follows:

2000	\$ 1,212,573
2001	1,227,641
2002	1,179,437
2003	1,000,222
2004	<u>982,883</u>
Total	<u>\$ 5,602,756</u>

PORT OF IBERIA DISTRICT
New Iberia, Louisiana

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1999

9. LITIGATION

At June 30, 1999, the district is not a defendant in any lawsuits, the loss of which would have a material impact on the financial statements.

10. CONTRIBUTED CAPITAL

A summary of contributed capital at June 30, 1999 follows

State of Louisiana:

Act 18 of the 1980 Extraordinary Session of the Louisiana Legislature	\$ 5,100,000
Act 864 of the 1981 Regular Session of the Louisiana Legislature	1,850,000
Act 677 of the 1984 Regular Session of the Louisiana Legislature	575,000
Act 1044 of the 1986 Regular Session of the Louisiana Legislature	250,000
Act 769 of the 1988 Regular Session of the Louisiana Legislature	250,000
Act 853 of the 1991 Regular Session of the Louisiana Legislature	173,172
Act 1013 of the 1991 Regular Session of the Louisiana Legislature	2,157,061
Act 45 of the 1994 Regular Session of the Louisiana Legislature	265,971
Louisiana Department of Transportation and Development - Office of Public Works - Secretary's Emergency Fund	900,000
Louisiana Transportation Trust Fund	1,552,176

PORT OF IBERIA DISTRICT
New Iberia, Louisiana

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1999

10. CONTRIBUTED CAPITAL - CONTINUED

Louisiana Department of Transportation and Development	10,039,998
United States Department of Commerce	3,453,957
United States Department of Economic Development Administration	1,320,000
Iberia Parish Council	324,591
Sterling Sugars, Incorporated	1,370,772
Louisiana and Delta Railroad Company	10,000
Allen Tank Company	10,000
Bayou Management Services	110,000
Lawco	24,667
Chart Industries	15,000
Red Fox	161,513
Excalibar	72,600
Louisiana Department of Economic Development	598,047
Chart Coastal-Fabrication	<u>22,601</u>
TOTAL	\$ 30,607,126
Less funds used for channel maintenance	<u>1,716,517</u>
TOTAL CONTRIBUTED CAPITAL AT JUNE 30, 1999	\$ 28,890,609
Less accumulated amortization	<u>4,531,305</u>
NET CONTRIBUTED CAPITAL AT JUNE 30, 1999	<u>\$ 24,359,304</u>

PORT OF IBERIA DISTRICT
New Iberia, Louisiana

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1999

11. BOARD OF COMMISSIONERS COMPENSATION

The Board of Commissioners of the Port of Iberia serve without compensation.

12. BOND PAYABLE

Long-term portion of Bonds Payable at June 30:

	<u>1999</u>	<u>1998</u>
Balance Payable	\$140,000	\$165,000
Current Portion	<u>25,000</u>	<u>25,000</u>
Long-term Portion	<u>\$115,000</u>	<u>\$140,000</u>

The Board of Commissioners adopted a resolution authorizing the incurrence of debt and issuance of \$250,000 of Certificate of Indebtedness, Series 1993, of the Port of Iberia District, State of Louisiana, for the purpose of constructing capital improvements to encourage the location of an industrial enterprise.

The certificate of indebtedness are comprised of the following individual issues maturing on November 1 of each year, in the amounts and bearing interest at the rates designated below:

<u>Year Ended</u> <u>June 30</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2000	25,000	4.75
2001	25,000	4.90
2002	30,000	5.00
2003	30,000	5.00
2004	<u>30,000</u>	5.00
TOTAL	<u>\$ 140,000</u>	

Bond issue cost in the amount of \$8,556 was incurred in association with the issuance of the certificate of indebtedness. The bond issue cost is accounted for as a deferred charge and amortized over the life of the issuance, which is ten years.

PORT OF IBERIA DISTRICT
New Iberia, Louisiana

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1999

13. FINANCIAL ASSISTANCE

During the year ended June 30, 1998, the Port of Iberia District received the following from the State of Louisiana to finance the project indicated.

Red Fox Loadout Project	\$ 600,000
Sewerage Project	<u>115,521</u>
	<u>\$ 715,521</u>

During the year ended June 30, 1999, the Port of Iberia District received the following from the State of Louisiana to finance the project indicated.

Chart Coastal Lean-To Building	<u>\$ 598,047</u>
--------------------------------	-------------------

The Port of Iberia District received and expended funds received from the United States Department of Economic Development during the years ended June 30 as indicated below:

	<u>1999</u>	<u>1998</u>
Extension and Improvement of Public Dock Bulkheading	\$ -	\$ 132,500

14 - OTHER ASSETS

The Port of Iberia leased one of its sites to a tenant and part of the lease contract was that a crane would be provided. There was a crane on site that when originally installed was designed to meet the requirements as stated in the lease. Before the tenant used the crane, it was determined that the crane could not handle the weight as specified in the lease. The Port has rebuilt the crane to meet the specifications that were stated in the lease. As of June 30, 1999 and June 30, 1998 the expenditures to rebuild the crane totaled \$258,221. The Port is holding the contractor who originally installed the crane responsible for these costs. As of June 30, 1999, this matter is in litigation and the outcome is uncertain.

Dressel & Friend

TERREL P. DRESSEL, CPA
RALPH FRIEND, CPA

CERTIFIED PUBLIC ACCOUNTANTS
449 EAST ST. PETER STREET
NEW IBERIA, LOUISIANA 70560-3752

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

(318) 365-8211
FAX (318) 365-8214

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

Board of Commissioners
Port of Iberia District
New Iberia, Louisiana

We have audited the general purpose financial statements of the Port of Iberia District, as of and for the years ended June 30, 1999 and 1998, and have issued our report thereon dated December 3, 1999. 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 Port of Iberia District's general purpose 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 Port of Iberia District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose 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 general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. 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 management, Board of Commissioners, the State of Louisiana Legislative Auditor, and federal awarding agencies. However, this report is a matter of public record and its distribution is not limited.



Dressel & Friend, CPA's

New Iberia, Louisiana
December 3, 1999

Dressel & Friend

CERTIFIED PUBLIC ACCOUNTANTS

449 E. ST. PETER STREET

NEW IBERIA, LOUISIANA 70560-3752

337/365-8211

Fax Number 337/365-8214

TERREL P. DRESSEL, CPA

RALPH FRIEND, CPA

*MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS*

Board of Commissioners
Port of Iberia District
New Iberia, Louisiana

We have audited the general purpose financial statements of The Port of Iberia District as of June 30, 1999 and for the year then ended, and have issued our opinion thereon dated December 3, 1999. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. In connection with our examination, we read the State of Louisiana, Legislative Auditor Systems Survey and Compliance Questionnaire for the year ended June 30, 1999, a copy of which is attached hereon.

While making our examination, we read the responses to the questions in the attached questionnaire and found no evidence that would indicate that the Port of Iberia District had not answered the questions correctly. However, it should be noted that our examination was not directed primarily towards verifying the answers to the questions in the questionnaire.

Dressel & Friend

DRESSEL & FRIEND
Certified Public Accountants

December 3, 1999

SYSTEMS SURVEY AND COMPLIANCE QUESTIONNAIRE

OCTOBER 18, 1999 Date

Dressel & Friend CPA's
449 E. St. Peter's Street
New Iberia, LA 70560
Attn: Mr. Ralph Friend (Auditors)

In connection with your audit of our financial statements as of June 30, 1999 and for 07/01/98 thru 06/30/99 (period of audit) for the purpose of expressing an opinion as to the fair presentation of our financial statements in accordance with generally accepted accounting principles, to assess our system of internal control structure as a part of your audit, and to review our compliance with applicable laws and regulations, we confirm, to the best of our knowledge and belief, the following representations. These representations are based on the information available to us as of 6/30/99 (date).

PART I AGENCY PROFILE

1. Name and address of the organization.
Port of Iberia District
P.O. Box 9986
New Iberia, La 70562

2. List the population of the municipality or parish based upon the last official United States Census or most recent official census (municipalities and police juries only). Include the source of the information.
Iberia Parish Population - 71,546
Mr. Layton Miller, Evangeline Economic Planning District

3. List names, addresses, and telephone numbers of entity officials. (Include elected/appointed members of the governing board, chief executive and fiscal officer, and legal counsel).

See attached list

4. Period of time covered by this questionnaire:
07/01/98 thru 06/30/99
5. The entity has been organized under the following provisions of the Louisiana Revised Statute (s) (LSA-RS) and, if applicable, local resolutions/ordinances.
The Port of Iberia District was created as a political subdivision of the State of Louisiana under the provisions of act #128 of 1938, as amended by Act #446 of 1966 and Act #483 of 1974.
6. Briefly describe the public services provided:
Maritime and water related services and infrastructures.
7. Expiration date of current elected/appointed officials' terms.
See attached list

LEGAL COMPLIANCE

PART II PUBLIC BID LAW

8. The provisions of the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office have been complied with.
Yes No

PART III CODE OF ETHICS LAW FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

9. It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.
Yes No
10. It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.
Yes No

PART IV. LAWS AFFECTING BUDGETING

11. We have complied with the state budgeting requirements of the Local Government Budget Law (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:43.

A. Local Budget Act

- 1. We have adopted a budget for the General Fund and all special revenue funds (LSA-RS 39:1301).
- 2. The chief executive officer, or equivalent, has prepared a proposed budget that included a budget message, a proposed budget for the General Fund and each special revenue fund, and a budget adoption instrument that specified the chief executive's authority to make budgetary amendments without approval of the governing authority. Furthermore, the proposed expenditures did not exceed estimated funds to be available during the period (LSA-RS 39:1304).
- 3. The proposed budget was submitted to the governing authority and made available for public inspection at least 15 days prior to the beginning of the budget year (LSA-RS 39:1305).
- 4. To the extent that proposed expenditures were greater than \$250,000, we have made the budget available for public inspection and have advertised its availability in our official journal. The advertisement included the date, time, and place of the public hearing on the budget. A budget summary was published in the official journal at least 10 days prior to the public hearing. Notice has also been published certifying that all actions required by the Local Government Budget Act have been completed (LSA-RS 39:1306).
- 5. The proposed budget was made available for public inspection at the location required by LSA-RS 39:1307.
- 6. All action necessary to adopt and finalize the budget was completed prior to year end. The adopted budget contained the same information as that required for the proposed budget [LSA-RS 39:1304(c) .
- 7. After adoption, a certified copy of the budget has been retained by the chief executive officer or equivalent officer (LSA-RS 39:1308).
- 8. The chief executive officer or equivalent notified in writing the governing authority during the year when actual receipts plus projected revenue collections for the year failed to meet budgeted revenues by five per cent or more, or when actual expenditures plus projected expenditures to year end exceeded budgeted expenditures by five per cent or more (LSA-RS 39:1310).
- 9. The governing authority has amended its budget when notified, as provided by LSA-RS 39:1310 (LSA-RS 39:1309).

Yes No

B. State Budget Requirements

- 1. The state agency has complied with the budgetary requirements of LSA-RS 39:43.

Yes No

PART V. ACCOUNTING, AUDITING, AND FINANCIAL REPORTING LAWS

12. We have maintained our accounting records in such a manner as to provide evidence of legal compliance and the preparation of annual financial statements to comply with LSA-RS 24:514, 24:515, and/or 33:463.

Yes No

Louisiana Governmental Audit Guide

13. All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes No

14. We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes No

15. We have had our financial statements audited in accordance with LSA-RS 24:513.

Yes No

PART VI ASSET MANAGEMENT LAWS

16. We have maintained records of our general fixed assets and movable property, as required by LSA-RS 24:515 and/or 39:321-332, as applicable.

Yes No

PART VII FISCAL AGENCY AND CASH MANAGEMENT LAWS

17. We have complied with the fiscal agency and cash management requirements of LSA-RS 39:1211-45 and 49:301-327, as applicable.

Yes No

PART VIII DEBT RESTRICTION LAWS

18. It is true we have not incurred any indebtedness in excess of 90 days without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 47:1803-4.

Yes No

19. We have complied with the debt limitation requirements of state law (LSA-RS 39:562).

Yes No

20. We have complied with the reporting requirements relating to the Fiscal Review Committee of the State Bond Commission (LSA-RS 39:1351).

Yes No

PART IX REVENUE AND EXPENDITURE RESTRICTION LAWS

21. We have restricted the collections and expenditures of revenues to those amounts authorized by Louisiana statutes, tax propositions, and budget ordinances.

Yes No

Louisiana Governmental Audit Guide

22. It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.
Yes [] No []
23. It is true that no property or things of value have been loaned, pledged, or granted to anyone in violation of Article VII, Section 14 of the 1974 Louisiana Constitution.
Yes [] No []

PART X. QUESTIONS FOR SPECIFIC GOVERNMENTAL UNITS

Police Juries

24. We have adopted a system of road administration that provides as follows:
- A. Approval of the governing authority of all expenditures, LSA-RS 48:754(A).
 - B. Development of a capital improvement program on a selective basis, LSA-RS 48:754(A)&(B).
 - C. Centralized purchasing of equipment and supplies, LSA-RS 48:754(A).
 - D. Centralized accounting, LSA-RS 48:754(A).
 - E. A construction program based on engineering plans and inspections, LSA-RS 48:754(A)&(B).
 - F. Selective maintenance program, LSA-RS 48:754(A)&(B).
 - G. Annual certification of compliance to the Legislative Auditor, LSA-RS 48:757(C).
- Yes [] No []

School Boards

25. We have complied with the general statutory, constitutional, and regulatory provisions of the Louisiana Department of Education, LSA-RS 17:51-401.
Yes [] No []
26. We have complied with the regulatory circulars issued by the Louisiana Department of Education that govern the Minimum Foundation Program.
Yes [] No []

Tax Collectors

27. We have complied with the general statutory requirements of LSA-RS 47, Chapter 4.
Yes [] No []

Sheriffs

28. We have complied with the state supplemental pay regulations of LSA-RS 33:2218.8.
Yes [] No []
29. We have complied with LSA-RS 33:1432 relating to the feeding and keeping of prisoners.
Yes [] No []

District Attorneys

Louisiana Governmental Audit Guide

30. We have complied with the regulations of the Louisiana Department of Social Services that relate to the Title IV-D Program.

Yes [] No []

Assessors

31. We have complied with the regulatory requirements found in Title 47 of the Louisiana Revised Statutes.

Yes [] No []

32. We have complied with the regulations of the Louisiana Tax Commission relating to the reassessment of property.

Yes [] No []

Clerks of Court

33. We have complied with LSA-RS 13:751-960.

Yes [] No []

Libraries

34. We have complied with the regulations of the Louisiana State Library.

Yes [] No []

Municipalities

35. Minutes are taken at all meetings of the governing authority. LSA-RS 42:7.1 (Act 665 of 1976).

Yes [] No []

36. Minutes, ordinances, resolutions, budgets, and other official proceedings of the municipalities are published in the official journal. LSA-RS 43:143-144 and A.G. 82-383.

Yes [] No []

37. All official action taken by the municipality is conducted at public meetings. LSA-RS 42:4.1-12 (Act 665 of 1976).

Yes [] No []

Airports

38. We have submitted our applications for funding airport construction or development to the Department of Transportation and Development as required by LSA-RS 2:802.

Yes [] No []

39. We have adopted a system of administration that provides for approval by the department for any expenditures of funds appropriated from the Transportation Trust Fund, and no funds have been expended without department approval (LSA-RS 2:810).

Yes [] No []

40. All project funds have been expended on the project and for no other purpose (LSA-RS 2:810).

Yes [] No []

41. We have certified to the Legislative Auditor, on an annual basis, that we have expended project funds in accordance with the standards established by law (LSA-RS 2:811).

Yes [] No []

Ports

Louisiana Governmental Audit Guide

42. We have submitted our applications for funding port construction or development to the Department of Transportation and Development as required by LSA-RS 34:3432.

Yes No

43. We have adopted a system of administration that provides for approval by the department for any expenditures of funds made out of state and local matching funds, and no funds have been expended without department approval (LSA-RS 34:3460).

Yes No

44. All project funds have been expended on the project and for no other purpose (LSA-RS 34:3460).

Yes No

45. We have established a system of administration that provides for the development of a capital improvement program on a selective basis, centralized purchasing of equipment and supplies, centralized accounting, and the selective maintenance and construction of port facilities based upon engineering plans and inspections (LSA-RS 34:3460).

Yes No

46. We have certified to the Legislative Auditor, on an annual basis, that we have expended project funds in accordance with the standards established by law (LSA-RS 34:3461).

Yes No

Sewerage Districts

47. We have complied with the statutory requirements of LSA-RS 33:3881-4159.

Yes No

Waterworks Districts

48. We have complied with the statutory requirements of LSA-RS 33:3811-3836.

Yes No

Utility Districts

49. We have complied with the statutory requirements of LSA-RS 33:4161-4533.

Yes No

Drainage and Irrigation Districts

50. We have complied with the statutory requirements of LSA-RS 38:1601-1707 (Drainage Districts); LSA-RS 38:1751-1904 (Gravity Drainage Districts); LSA-RS 38:1991-2048 (Levee and Drainage Districts); or LSA-RS 38:2101-2123 (Irrigation Districts), as appropriate.

Yes No

Fire Protection Districts

51. We have complied with the statutory requirements of LSA-RS 40:1491-1505.

Yes No

Other Special Districts

52. We have complied with those specific statutory requirements of state law applicable to our district.

Yes No

Quasi-Public Corporations

53. We have complied with the award or grant restrictions relating to our receipt of public funds.

Yes No

Louisiana Governmental Audit Guide

The previous responses have been made to the best of our belief and knowledge.

Atth Secretary 10/26/99 Date
Atth Treasurer 10/26/99 Date
Michael Resweber President Oct. 26, 1999 Date

PORT OF IBERIA DISTRICT
COMMISSIONERS AND EXPIRATION DATE OF THEIR TERMS

<u>COMMISSIONER</u>	<u>TERM EXPIRES</u>
MICHAEL RESWEBER, PRESIDENT	SEPTEMBER 19, 2002
DANA JUDICE, VICE PRESIDENT	SEPTEMBER 19, 2002
ARTHUR TED KAHN, SECRETARY -TREASURER	SEPTEMBER 19, 2002
MITCH CARTE	SEPTEMBER 19, 2002
FRANK C. MINVIELLE	SEPTEMBER 19, 2002
MARK T. DORE'	SEPTEMBER 19, 2002
MICHAEL D. LOPRESTO	SEPTEMBER 19, 2002