

PORT OF IBERIA DISTRICT  
New Iberia, Louisiana

COMPARATIVE BALANCE SHEETS

(ALL FUND TYPES AND ACCOUNT GROUPS)

JUNE 30 AS INDICATED

	<u>1996</u>	<u>1995</u>
FUND EQUITY		
Contributed Capital (Net of Accumulated Amortization)	\$ 22,129,988	\$ 14,594,252
Retained Earnings Unreserved-(Exhibit II)	<u>3,416,163</u>	<u>2,719,913</u>
TOTAL FUND EQUITY	<u>\$ 25,546,151</u>	<u>\$ 17,314,165</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 28,599,228</u>	<u>\$ 17,985,865</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>ASSETS</u>	
	<u>1996</u>	<u>1995</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents		
Unrestricted	\$ 2,581,394	\$ 2,144,350
Restricted	-	-
Total Cash and cash equivalents	\$ 2,581,394	\$ 2,144,350
Receivables:		
Lease of property	41,112	8,175
Accrued Interest	11,821	9,463
Capital Outlay Funds Receivable (State of Louisiana)	2,238,961	-
Other Receivables	191,195	-
Marketable equity securities, carried at market	-	156,820
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 5,064,483</b>	<b>\$ 2,318,808</b>
<b>FIXED ASSETS</b>		
Buildings, equipment & land	\$ 25,930,650	\$ 17,710,349
Accumulated Depreciation	(2,402,795)	(2,046,922)
<b>TOTAL FIXED ASSETS</b>	<b>\$ 23,527,855</b>	<b>\$ 15,663,427</b>
<b>OTHER ASSETS</b>		
Bond Issue Cost	6,890	3,630
<b>TOTAL OTHER ASSETS</b>	<b>\$ 6,890</b>	<b>\$ 3,630</b>
<b>TOTAL ASSETS</b>	<b>\$ 28,599,228</b>	<b>\$ 17,985,865</b>
	<u>LIABILITIES AND FUND EQUITY</u>	
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 8,815	\$ 6,531
Payroll Taxes Payable	1,989	2,474
Retirement Payable	4,062	3,667
Construction Project Payable	2,553,666	-
Accrued Vacation Payable	12,958	11,808
Interest Payable	1,680	1,840
Deposits	1,200	165,380
Bonds Payable	20,000	20,000
Note Payable	250,000	250,000
Capital Lease-Xerox	1,653	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 2,856,023</b>	<b>\$ 461,700</b>
<b>LONG-TERM LIABILITIES</b>		
Bond Payable	190,000	210,000
Capital Lease-Xerox	7,054	-
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>\$ 197,054</b>	<b>\$ 210,000</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 3,053,077</b>	<b>\$ 671,700</b>

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

	<u>1996</u>	<u>1995</u>
OTHER REVENUE (EXPENSES)		
Amortization Expense	\$ (940)	\$ (435)
Interest Income	130,546	91,540
Interest Expense	(11,620)	(11,342)
Sale of Assets	<u>1,241</u>	<u>-</u>
TOTAL OTHER REVENUE (EXPENSES)	<u>\$ 119,227</u>	<u>\$ 79,763</u>
OTHER GAIN (LOSS)		
Realized Loss on Marketable Equity Securities	(6,221)	-
Unrealized Loss on Marketable Equity Securities	<u>-</u>	<u>(1,407)</u>
TOTAL OTHER GAIN (LOSS)	<u>\$ (6,221)</u>	<u>\$ (1,407)</u>
NET INCOME (LOSS)	\$ 338,141	\$ 121,043
DEPRECIATION ON FIXED ASSETS ACQUIRED BY CONTRIBUTED CAPITAL	<u>358,109</u>	<u>355,600</u>
INCREASE IN RETAINED EARNINGS	\$ 696,250	\$ 476,643
RETAINED EARNINGS AT BEGINNING OF YEAR	<u>2,719,913</u>	<u>2,243,270</u>
RETAINED EARNINGS AT END OF YEAR	<u>\$ 3,416,163</u>	<u>\$2,719,913</u>

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

There were no items that were commented on in a management letter last year.

This suggestion has been made after careful consideration and review and is intended to be used by management and the Board of Commissioners as you feel necessary.

We would like to take this opportunity to express our thanks for the confidence you have placed in our firm by allowing us to perform this audit. If you have any questions, or need any assistance in implementing the above procedure, please feel free to contact us.

Sincerely,

A handwritten signature in cursive script that reads "Dressel & Friend".

Dressel & Friend, CPA's

PORT OF IBERIA DISTRICT  
New Iberia, Louisiana

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1996

15. FINANCIAL ASSISTANCE - CONTINUED

During the year ended June 30, 1996, the Port of Iberia District received the following from the State of Louisiana to finance the projects indicated:

Acadiana Navigation Channel	\$6,234,029
Chart Site Development	1,200,000
Sewerage Project	229,851
Water Project	<u>196,355</u>
	<u>\$7,860,235</u>

PORT OF IBERIA DISTRICT  
New Iberia, Louisiana

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1996

3. - CONTINUED

crane, it was determined that the cranes could not handle the weight as specified in the lease. The Port is in the process of rebuilding the crane. At June 30, 1996 the expenditures to rebuild the crane totaled \$190,846. It is estimated that the total cost to rebuild the crane will be approximately \$255,000. The Port is treating these expenditures as a receivable from the contractor who originally installed the crane. To date the contractor has not indicated that the expenditures will be reimbursed.

4. FIXED ASSETS

A summary of fixed assets at June 30, 1996 follows:

	<u>Accumulated Cost</u>	<u>Depreciation</u>	<u>Book Value</u>
Land	\$ 5,812,350	\$ -	\$ 5,812,350
Buildings & Improvements	2,161,453	(638,218)	1,523,235
Furniture and fixtures	77,297	(59,437)	17,860
Bulkheading	2,867,385	(963,850)	1,903,535
Public Dock Expansion	1,526,511	(203,536)	1,322,975
Arco GHX-2 Site	4,054,901	(512,236)	3,542,665
Dynamic Offshore Expansion	255,191	(25,518)	229,673
Construction in progress-			
Acadiana Navigational Channel	7,361,006	-	7,361,006
Port Sewerage Project	380,199	-	380,199
Port Water Project	217,376	-	217,376
Chart Site Development	<u>1,216,981</u>	<u>-</u>	<u>1,216,981</u>
Total	<u>\$25,930,650</u>	<u>\$ (2,402,795)</u>	<u>\$23,527,855</u>

5. CHANGES IN LONG-TERM OBLIGATIONS

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

	<u>1996</u>	<u>1995</u>
Balance payable, Beginning of Year	\$ 250,000	\$ 250,000
Additions	<u>-</u>	<u>-</u>
Balance payable, End of Year	\$ 250,000	\$ 250,000
Portion classified as current	<u>250,000</u>	<u>250,000</u>
Long-term portion at End of Year	<u>\$ -</u>	<u>\$ -</u>

PORT OF IBERIA DISTRICT  
New Iberia, Louisiana

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1996

5. CHANGES IN LONG-TERM OBLIGATIONS - CONTINUED

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 July 11, 1995 the District obtained a copy machine under a capital lease from the Xerox Corporation for \$10,060. The lease payments are \$216.11 per month for 60 months, ending on August 11, 2000.

Balance Payable, end of Year	\$ 8,707
Current Portion	<u>1,653</u>
Long-Term Portion	<u>\$ 7,054</u>

6. PENSION PLAN

Employees of the district are members of the Parochial Employees Retirement System of Louisiana (System), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and 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. Employees of the district are members of Plan A.

All permanent employees working at least 28 hours per week and who are paid wholly or in part from district's 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 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 per cent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to one per cent of

PORT OF IBERIA DISTRICT  
New Iberia, Louisiana

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1996

6. PENSION PLAN - CONTINUED

final-average salary, plus \$24 for each year of supplemental-plan-only service earned prior to January 1, 1980. 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 previously 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 by state statute.

Contributions to the System include one-fourth of one per cent of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge parishes. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. State statute requires covered employees to contribute a percentage of their salaries to the System. 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 following provides certain disclosures for the district and the retirement system that are required by GASB Codification Section P20.129:

Year Ended June 30, 1996

Port of Iberia District-Plan A		
Total current-year payroll		<u>\$ 97,000</u>
Total current-year covered payroll		<u>\$ 97,000</u>
Contributions:		
Required by statute:		
Employees	9.50 %	\$ 9,215
Employer	*	<u>7,396</u>
Total	<u>17.125%</u>	<u>\$ 16,611</u>
Contributions:		
Actual:		
Employees	9.50 %	\$ 9,215
Employer	*	<u>7,396</u>
Total	<u>17.125%</u>	<u>\$ 16,611</u>



PORT OF IBERIA DISTRICT  
New Iberia, Louisiana

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1996

6. PENSION PLAN - CONTINUED

Actuarially required:

Employees	9.50 %	\$ 9,215
Employer	<u>7.78</u>	<u>7,547</u>
Total	<u>17.28 %</u>	<u>\$ 16,762</u>

Per cent of employer's actuarially  
required contribution to all  
participating employers

.036%

Year Ended December 31, 1995

Retirement System	
Net Assets	\$ 647,645,108
Pension benefit obligation	<u>(762,893,530)</u>
Unfunded pension benefit obligation	<u>\$ (115,248,422)</u>

\*-7/95 to 12/95-8.00%, 1/96 to 6/96-7.25%

The pension benefit obligation is presented as of December 31, 1995, because the December 31, 1996, information is not available. The pension benefit obligation is a standardized measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rated benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits.

Historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's December 31, 1995, comprehensive annual financial report. The Port of Iberia District does not guarantee the benefits granted by the System.

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.

PORT OF IBERIA DISTRICT  
New Iberia, Louisiana

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1996

8. LEASE OF LAND AND FACILITIES TO OTHERS

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

1997	\$ 620,493
1998	576,823
1999	554,043
2000	554,043
2001	<u>517,470</u>
Total	<u>\$ 2,822,872</u>

9. LITIGATION

At June 30, 1996, 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, 1996, 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

PORT OF IBERIA DISTRICT  
New Iberia, Louisiana

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1996

10. CONTRIBUTED CAPITAL - CONTINUED

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
Louisiana Department of Transportation and Development	7,860,235
United States Department of Commerce	3,453,957
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	18,610
Chart Industries	<u>15,000</u>
TOTAL	\$ 26,246,545
Less funds used for channel maintenance	<u>1,716,517</u>
TOTAL CONTRIBUTED CAPITAL AT JUNE 30, 1996	\$ 24,530,028
Less accumulated amortization	<u>2,400,040</u>
NET CONTRIBUTED CAPITAL AT JUNE 30, 1996	<u>\$ 22,129,988</u>

PORT OF IBERIA DISTRICT  
New Iberia, Louisiana

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1996

2. CASH AND CASH EQUIVALENTS

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

	<u>1996</u>	<u>1995</u>
Petty Cash	\$ 200	\$ 200
Interest-Bearing Demand Deposits	814,493	444,906
Time Deposits	<u>1,766,701</u>	<u>1,699,244</u>
Total	<u>\$ 2,581,394</u>	<u>\$ 2,144,350</u>

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. At June 30, 1996, the district has \$2,582,431 in deposits (collected bank balances). Of these deposits, \$400,000 was secured from risk by federal deposit insurance and \$3,437,329 by pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 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.

3. At June 30, 1996 the District had other receivables as follows:

Receivable from a Contractor	\$ 190,846
Travel Advance-Receivable	<u>349</u>
	<u>\$ 191,195</u>

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 the site that when originally built was designed to meet the requirements as stated in the lease. Before the tenant used the

PORT OF IBERIA DISTRICT  
New Iberia, Louisiana

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1996

13. BOND PAYABLE - CONTINUED

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>
1997	20,000	4.20
1998	25,000	4.40
1999	25,000	4.60
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>\$ 210,000</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.

14. INTEREST

For the period ending June 30, 1994, the Port of Iberia District incurred \$6,863 of interest cost of which, \$4,863 has been capitalized.

15. FINANCIAL ASSISTANCE

For the year ended June 30, 1995, the Port of Iberia District received \$265,971 from the State of Louisiana for financing of the Acadiana Navigational Channel Project. At June 30, 1995, all funds received were expended.

During the year ended June 30, 1995, the Port of Iberia District received \$3,931 from FEMA. This is additional funds received for damages caused by Hurricane Andrew.

# Dressel & Friend

CERTIFIED PUBLIC ACCOUNTANTS

449 E. ST. PETER STREET

NEW IBERIA, LOUISIANA 70560-3752

318/365-8211

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TERREL P. DRESSEL, CPA  
RALPH FRIEND, CPA

MEMBERS  
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CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

December 9, 1996

Board of Commissioners  
Port of Iberia District  
New Iberia, Louisiana

In connection with our audit of the financial statements of the Port of Iberia District, for the year ended June 30, 1996, we present the following comment and recommendation which we feel will improve the Port's accounting system and system of internal control and insure that the Port complies with all relevant laws and regulations.

- (1) During the course of our audit we discovered a travel advance to one of the commissioners that had not been reimbursed. We are recommending that in the future all travel advances be recorded as a receivable when the advance is made and not charged directly to travel expense. Therefore, it will stay as an open item until it is accounted for either by being reimbursed or with receipts for travel expenses.

We would also like to mention that cash deposits with financial institutions are required by law to be secured by federal deposit insurance or the pledge of securities owned by the financial institution. Even though it was in compliance at June 30, 1996, the collateral on the account at Iberia Savings Bank was barely in excess of the cash balance. If this account increase in the future you will need to contact the bank and make sure they have proper collateral.

# Dressel & Friend

TERREL P. DRESSEL, CPA  
RALPH FRIEND, CPA

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

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

Board of Commissioners  
Port of Iberia District  
New Iberia, Louisiana

We have audited the general purpose financial statements of the Port of Iberia District, for the years ended June 30, 1996 and 1995, and have issued our report thereon dated December 3, 1996.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; "Audits of State and Local Governments" and the provisions of the Louisiana Governmental Audit Guide and the Louisiana Revised Statute 24:513. 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.

The management of the Port of Iberia District 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 general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

AA

In planning and performing our audit of the general purpose financial statements of the Port of Iberia District, for the year ended June 30, 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 general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

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 and irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. 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 Port of Iberia District, in a separate letter dated December 3, 1996.

This report is intended for the information of the management, Board of Commissioners and State of Louisiana Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Dressel & Friend, CPA's

*Dressel & Friend*

New Iberia, Louisiana

December 3, 1996



# Dressel & Friend

TERREL P. DRESSEL, CPA  
RALPH FRIEND, CPA

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
BASED ON AN AUDIT OF GENERAL PURPOSE  
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 year ended June 30, 1996 and 1995 and have issued our report thereon dated December 3, 1996.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; "Audits of State and Local Governments" and the provisions of the Louisiana governmental audit guide and the Louisiana Revised Statute 24:513. 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.

Compliance with laws, regulations, contracts, and grants applicable to the Port of Iberia District, is the responsibility of the Port of Iberia District's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose 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 disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of the management, Board of Commissioners and State of Louisiana Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Dressed & Friend, CPA's

*Dressed & Friend*

New Iberia, Louisiana

December 3, 1996

BB

Page 2 of 2

There were no items that were commented on in a management letter last year.

This suggestion has been made after careful consideration and review and is intended to be used by management and the Board of Commissioners as you feel necessary.

We would like to take this opportunity to express our thanks for the confidence you have placed in our firm by allowing us to perform this audit. If you have any questions, or need any assistance in implementing the above procedure, please feel free to contact us.

Sincerely,

A handwritten signature in cursive script that reads "Dressel & Friend".

Dressel & Friend, CPA's

PORT OF IBERIA DISTRICT  
New Iberia, Louisiana

COMPARATIVE STATEMENTS OF REVENUES, EXPENSES  
& CHANGES IN RETAINED EARNINGS FOR THE YEARS ENDED  
JUNE 30 AS INDICATED

	<u>1996</u>	<u>1995</u>
<b>OPERATING REVENUES</b>		
Leases	\$ 897,794	\$ 607,273
Contract Tonnage	68,906	243,315
Tonnage & Docking Fees	37,716	66,154
Boat Stall Rentals	10,033	5,200
Bulkhead Fees	6,627	6,627
Expense Reimbursements	<u>780</u>	<u>17,520</u>
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 1,021,856</b>	<b>\$ 946,089</b>
<b>OPERATING EXPENSES</b>		
Accounting Fees	\$ 383	\$ 570
Advertising	17,330	12,076
Auditing Fees	5,500	5,500
Auto Allowances	9,250	9,146
Bad Debts	-	7,081
Casual Labor	3,107	2,191
Depreciation	358,109	355,600
Dock Subcontractors	27,789	180,560
Dues & Subscriptions	5,490	8,044
Employee Benefits	1,149	567
Employee Retirement	7,396	6,858
Environmental Expense	26,735	21,458
Insurance	63,020	58,196
Legal Fees	15,928	17,287
Miscellaneous	560	247
Office Expense	20,856	27,344
Port Improvements & Development	15,597	9,279
Repairs & Maintenance	61,983	44,178
Salaries-Directors	73,000	65,826
Salaries-Other	24,000	18,574
Taxes-Payroll	349	288
Travel	34,915	26,720
Telephone	10,178	9,180
Utilities	<u>14,097</u>	<u>16,632</u>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ <u>796,721</u></b>	<b>\$ <u>903,402</u></b>
<b>OPERATING INCOME (LOSS)</b>	<b>\$ <u>225,135</u></b>	<b>\$ <u>42,687</u></b>

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, 1996

11. BOARD OF COMMISSIONERS COMPENSATION

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

12. MARKETABLE EQUITY SECURITIES

Current marketable equity securities are carried at their lower of cost or market value at the balance sheet date.

	<u>1996</u>	<u>1995</u>
Cost	\$ -	\$182,537
Market	\$ -	\$156,820

At June 30, 1996 and 1995, current marketable equity securities are carried at their market value.

On May 21, The District closed the securities account and received a check for \$160,871 from the Investors Trust Mutual Funds. For the year June 30, 1996, the gross realized loss on current marketable equity securities is \$6,221.

13. BOND PAYABLE

Long-term portion of Bonds Payable at June 30:

	<u>1996</u>	<u>1995</u>
Balance Payable	\$210,000	\$230,000
Current Portion	<u>20,000</u>	<u>20,000</u>
Long-term Portion	<u>\$190,000</u>	<u>\$210,000</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.

PORT OF IBERIA DISTRICT  
New Iberia, Louisiana

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1996

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, 1996

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 Intercoastal 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.

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.

PORT OF IBERIA DISTRICT  
New Iberia, Louisiana

FOR THE YEARS ENDED  
JUNE 30 AS INDICATED

COMPARATIVE STATEMENT OF CASH FLOWS

	<u>1996</u>	<u>1995</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Operating Income (Loss)	\$ 225,135	\$ 42,687
Adjustments to reconcile operating income (loss) to net cash used by operating activities:		
Depreciation expense	358,109	355,600
Change in assets & liabilities:		
(Increase) Decrease in receivables	(2,463,093)	5,083
Increase (Decrease) in accounts payable	2,555,950	(16,873)
Increase (Decrease) in payroll tax payable	(485)	449
Increase (Decrease) in other payables	1,545	(21,516)
Increase (Decrease) in deposits	<u>(164,180)</u>	<u>165,380</u>
Total Adjustments	<u>\$ 287,846</u>	<u>\$ 488,123</u>
Net Cash provided by operating activities	\$ 512,981	\$ 530,810
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Other Receipts	\$ -	\$ -
<b>CASH FLOWS FROM CAPITAL RELATED FINANCING ACTIVITIES:</b>		
Grants	\$ 7,893,845	\$ 265,971
Proceeds from sale of assets	1,241	-
Capital asset acquisitions	(8,222,537)	(276,228)
Bond Issue Cost	(4,200)	-
Interest Paid	(11,780)	(11,501)
Capital lease-Xerox	10,060	-
Principal paid on capital lease-Xerox	(1,353)	-
Principal Paid on Bond	<u>(20,000)</u>	<u>(20,000)</u>
Net cash used by capital related financing activities	\$ (354,724)	\$ (41,758)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest on Investments	128,188	86,285
Sale (Purchase) of Investment	<u>150,599</u>	<u>(11,485)</u>
Net cash provided by investing activities	\$ 278,787	\$ 74,800
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>\$ 437,044</b>	<b>\$ 563,852</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b><u>2,144,350</u></b>	<b><u>1,580,498</u></b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b><u>\$ 2,581,394</u></b>	<b><u>\$ 2,144,350</u></b>

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



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PORT OF IBERIA DISTRICT  
New Iberia, Louisiana

For the Years Ended June 30, 1996 and 1995

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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 DEC 24 1996

# Dressel & Friend

CERTIFIED PUBLIC ACCOUNTANTS

449 E. ST. PETER STREET

NEW IBERIA, LOUISIANA 70560-3752

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TERREL P. DRESSEL, CPA  
RALPH FRIEND, CPA

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SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

December 9, 1996

Board of Commissioners  
Port of Iberia District  
New Iberia, Louisiana

In connection with our audit of the financial statements of the Port of Iberia District, for the year ended June 30, 1996, we present the following comment and recommendation which we feel will improve the Port's accounting system and system of internal control and insure that the Port complies with all relevant laws and regulations.

- (1) During the course of our audit we discovered a travel advance to one of the commissioners that had not been reimbursed. We are recommending that in the future all travel advances be recorded as a receivable when the advance is made and not charged directly to travel expense. Therefore, it will stay as an open item until it is accounted for either by being reimbursed or with receipts for travel expenses.

We would also like to mention that cash deposits with financial institutions are required by law to be secured by federal deposit insurance or the pledge of securities owned by the financial institution. Even though it was in compliance at June 30, 1996, the collateral on the account at Iberia Savings Bank was barely in excess of the cash balance. If this account increase in the future you will need to contact the bank and make sure they have proper collateral.

PORT OF IBERIA DISTRICT  
New Iberia, Louisiana

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1996

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 9 to 18 days of vacation and sick leave per year depending on the length of service. A maximum of 45 days of vacation leave and 360 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.

# Dressel & Friend

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## 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, 1996 and 1995, 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; Government Auditing Standards, issued by the Comptroller General of the United States; "Audits of State and Local Governments" and the provisions of the Louisiana governmental audit guide and the Louisiana Revised Statute 24:513. 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 Port of Iberia District, as of June 30, 1996 and 1995, 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 a report dated December 3, 1996 on our consideration of the Port of Iberia District's internal control structure and a report dated December 3, 1996 on its compliance with laws and regulations.

Dressel & Friend, CPA's

*Dressel & Friend*  
New Iberia, Louisiana  
December 3, 1996