

PLAQUEMINES PARISH GOVERNMENT

Pointe a la Hache, Louisiana

Primary Government Financial Statements

As of and for the Year Ended December 31, 2003
with Supplementary Information Schedules

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 8-4-04

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana

Primary Government Financial Statements
As of and for the Year Ended December 31, 2003
With Supplemental Information Schedules

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Pointe a la Hache, Louisiana

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INDEPENDENT AUDITOR'S REPORT

To the Plaquemines Parish Council
Plaquemines Parish
Pointe a la Hache, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Plaquemines Parish Government, as of and for the year ended December 31, 2003, which collectively comprise the basic financial statements of the Parish's primary government as listed in the table of contents. These financial statements are the responsibility of Plaquemines Parish Government's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 government financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The financial statements referred to above include only the primary government of Plaquemines Parish Government, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the Parish's legal entity. The financial statements do not include financial data for the Parish's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the Parish's primary government. As a result, the primary government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of Plaquemines Parish Government, as of December 31, 2003, and the changes in its financial position and its cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the remaining aggregate fund information for the primary government of Plaquemines Parish Government as of December 31, 2003, and respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with Government Auditing Standards, we have also issued a report dated May 7, 2004 on our consideration of the Plaquemines Parish Government's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

As described in Note 1.S., the Parish has implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, as of December 31, 2003.

The management's discussion and analysis and budgetary comparison schedules on pages 5 through 14 and pages 60 through 61, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consist principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Plaquemines Parish Government's basic financial statements. The other supplementary information on pages 63 through 85 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Parish. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements of the Parish. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
May 7, 2004

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana
Management's Discussion and Analysis
Unaudited

The discussion and analysis of Plaquemines Parish Government's financial performance provides an overview of the Parish's financial activities for the year ended December 31, 2003. The intent of this discussion and analysis is to look at the Parish's financial performance as a whole. The Parish's financial performance is discussed and analyzed within the context of the accompanying basic financial statements and disclosures following this section.

Financial Highlights

- The Parish's assets exceeded its liabilities by \$135,020,300.
- Total Parish's net assets are comprised of the following:
 - Capital assets, net of related debt, of \$86,632,036 include property and equipment, net of accumulated depreciation and reduced for outstanding debt related to the purchase or construction of capital assets.
 - Restricted assets of \$1,433,843 have constraints imposed from outside the Parish by bond covenants.
 - Unrestricted assets of \$46,954,421 represent the portion available to maintain the Parish's obligations to citizens and creditors.
- The governmental funds total ending fund balance of \$46,174,407 showed an increase of \$5,251,515 over the ending balance for 2002.
 - The General Fund ending fund balance of \$43,568,773 showed an increase of \$5,710,192 over the ending balance for 2002.
 - The General Fund ending unreserved/undesignated fund balance of \$8,272,518 showed an increase of \$2,362,070 over the ending balance for 2002.
- The enterprise funds total ending net assets of \$39,977,929 showed a decrease of (\$1,715,889) over the ending balance for 2002.
 - The Port, Harbor and Terminal Fund total ending net assets of \$5,445,938 showed a decrease of (\$1,015,348) over the ending balance for 2002.
 - The Water and Sewer Fund total ending net assets of \$34,185,691 showed a decrease of (\$685,807) over the ending balance for 2002.

Overview of the Financial Statements

This annual report consists of a series of financial statements. These statements are organized so the reader can understand the Parish as a financial whole or as an entire operating entity. The statements also provide a detailed look at specific financial conditions.

The Parish's basic financial statements are comprised of the following three components:

- Government-wide financial statements
- Fund financial statements
- Notes to basic financial statements.

In addition to the basic financial statements, this report also contains other supplementary information.

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities (pages 16-17) report information about the overall financial status of the Parish as a whole and present a longer-term view of the Parish's finances. These statements include all assets and liabilities, current and long-term. The statements eliminate or reclassify activities between funds, and use the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Parish's net assets and changes in these assets. You can think of the Parish's net assets (the difference between assets and liabilities) as one way to measure the Parish's financial health, or financial position. Over time, increases or decreases in the Parish's net assets are one indicator of whether its financial health is improving or deteriorating. You will also need to consider other nonfinancial factors to assess the overall health of the Parish, such as changes in the property tax base and the condition of the roads, levees, drainage system, water and sewer systems, etc.

In the Statement of Net Assets and the Statement of Activities, we divide the Parish into two kinds of activities:

- **Governmental activities** - Most of the Parish's basic services are reported here and are funded primarily by taxes, oil and gas royalties, and intergovernmental revenues, including federal and state grants, and other shared revenue. Some of the most significant Parish services reported as governmental activities are the following:
 - General government
 - Public safety
 - Public works
 - Health and welfare
 - Culture and recreation
 - Economic development and assistance
 - Transportation
- **Business-type activities** - Activities that are intended to recover all or most of their costs through user fees and charges. The following Parish services are reported as business-type activities:
 - Water and sewer systems
 - Port, harbor and terminal operations
 - Boat harbor, shipyard and boat dock operations
 - Golf course operations

GASB Statement No. 34 requires the Parish to report and depreciate new infrastructure assets effective with the beginning of the current year. Infrastructure assets include roads, bridges, levees, etc. These infrastructure assets are likely to be the largest asset class of the Parish. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure is subject to an extended implementation period and is first effective for fiscal years ending in 2006. The Parish has implement the general provisions of GASB Statement No. 34 in the current year and is in the process of implementing the retroactive infrastructure provisions. The process for implementing the retroactive infrastructure will be complete by the fiscal year ending December 31, 2006.

Although the Parish has elected to extend the implementation period for infrastructure, the long-term debt related to the infrastructure is required to be reported with the beginning of the current year. Therefore, a significant reduction to net assets has been recorded for the debt, without the corresponding increase in net assets for the infrastructure.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Parish uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, the fund financial statements (pages 19-26) focus on the Parish's most significant funds rather than the Parish as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining schedules in the "Other Supplementary Information" section of this report. The Parish uses three kinds of funds with different account approaches as follows:

- **Governmental funds**—Most of the Parish's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Parish's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Parish's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation at the bottom of the fund financial statements. The Parish's major governmental funds are the following:
 - General Fund
 - Road Maintenance Fund
 - Public Health Fund
 - Solid Waste Fund
 - Capital Improvements Fund
- **Proprietary funds**—When the Parish provides services, which are intended to recover all or most of their costs through user fees and charges, they are generally reported in proprietary funds. The only type of proprietary fund used by the parish is the enterprise fund. Enterprise funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the Parish's enterprise funds are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows. The Parish's major enterprise funds are the following:
 - Water and Sewer Fund
 - Port, Harbor and Terminal Fund
- **Fiduciary Funds**—Fiduciary funds are used to account for resources held for the benefit of parties outside the Parish. Fiduciary funds are not reflected on the government-wide financial statements because the resources from those funds are not available to support the Parish's programs. The accounting method used for fiduciary funds is much like that used for the proprietary funds. The only type of fiduciary fund used by the parish is the agency fund

Notes to Basic Financial Statements

The accompanying notes to the financial statements (pages 28-58) provide information essential to a full understanding of the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Parish's budget presentations. Budgetary comparison schedules (pages 60-61) are included as "required supplementary information" for the General Fund and the major special revenue funds.

PLAQUEMINES PARISH GOVERNMENT
 Pointe a la Hache, Louisiana
 Management's Discussion and Analysis

As discussed, the Parish reports major funds in the basic financial statements. Combining and individual schedules for non-major and major funds are presented in the "Other Supplementary Information" section of this report.

Government-Wide Financial Analysis

The Parish implemented the new financial reporting model used in this report beginning with the current fiscal year ended December 31, 2003. Since this is the first year in which government-wide information is available, comparative data is presented when available. However, in future years, when prior year information is available, comparative data will be presented to assist in analysis.

The Parish's net assets at year-end are \$135,020,300. The following table provides a summary of the Parish's net assets:

Net Assets				
	Governmental Activities	Business-Type Activities	Total	Percentage of Total
Assets:				
Current assets	\$55,134,496	\$1,675,163	\$56,809,659	36%
Capital assets and other non current assets	61,397,946	39,029,090	100,427,036	64%
Total Assets	116,532,442	40,704,253	157,236,695	100%
Liabilities:				
Current liabilities	6,154,389	725,789	6,880,178	31%
Non-current liabilities	15,335,682	535	15,336,217	69%
Total Liabilities	21,490,071	726,324	22,216,395	100%
Net Assets:				
Investment in capital assets, net of debt	45,475,776	41,156,260	86,632,036	64%
Restricted	1,433,843	—	1,433,843	1%
Unrestricted	48,132,752	(1,178,331)	46,954,421	35%
Total Net Assets	\$95,042,371	\$39,977,929	\$135,020,300	100%

The Parish reported positive balances in net assets for both governmental and business-type activities. Net assets increased \$8,616,229 for governmental activities and decreased (\$1,715,889) for business-type activities. Despite the decrease in net assets for business-type activities the Parish's overall financial position improved during fiscal year 2003.

Approximately 64% of the Parish's total net assets are included in capital assets (e.g., land and improvements, buildings and building improvements, improvements other than buildings, machinery and equipment, vehicles, and infrastructure). Although the Parish's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. Approximately 48% of the governmental activities' net assets are invested in capital assets. The Parish uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. However, with business-type activities, the Parish has invested all of its net assets on capital. Capital assets in the business-type activities also provide utility services, but they also generate revenues.

PLAQUEMINES PARISH GOVERNMENT
 Pointe a la Hache, Louisiana
 Management's Discussion and Analysis

An additional portion of the Parish's net assets, approximately 1%, represents resources that are subject to restrictions on how they can be used. The remaining balance of unrestricted assets, approximately 35%, may be used to meet the Parish's ongoing obligations to citizens and creditors.

The business-type activities reported a deficit in unrestricted net assets of (\$1,178,331). This deficit arose primarily because revenues of the Water and Sewer Fund have not been sufficient to meet the costs. The Parish will need to address this deficit in future years' budgets.

The following table provides a summary of the Parish's changes in net assets:

Changes in Net Assets				
	Governmental Activities	Business-Type Activities	Total	Percentage of Total
Revenues:				
Program:				
Charges for services	\$3,295,639	\$6,418,122	\$9,713,761	17%
Operating grants	670,978	39,086	710,064	1%
Capital grants	760,021	669,867	1,429,888	3%
General:				
Property taxes	7,560,037	2,715,792	10,275,829	18%
Sales taxes	5,291,593	---	5,291,593	9%
Unrestricted grants	17,419,366	6,316	17,425,682	30%
Licenses and fees	528,556	---	528,556	1%
Parish oil and gas royalties	9,542,462	---	9,542,462	17%
Mineral, surface and other leases	884,592	---	884,592	2%
Investment income	432,622	47,048	479,670	1%
Settlements	529,469	---	529,469	1%
Other	81,067	56,585	137,652	0%
Total Revenues	46,996,402	9,952,816	56,949,218	100%
Program Expenses:				
General government	17,904,682	---	17,904,682	36%
Public safety	611,840	---	611,840	1%
Public works	11,657,551	---	11,657,551	24%
Health and welfare	4,248,839	---	4,248,839	8%
Culture and recreation	1,730,525	---	1,730,525	3%
Economic development and assistance	99,109	---	99,109	0%
Transportation	2,517,855	---	2,517,855	5%
Interest on long-term debt	595,205	---	595,205	1%
Water and Sewer	---	8,163,007	8,163,007	17%
Port, Harbor and Terminal	---	1,808,244	1,808,244	4%
Port Sulphur Golf Course	---	152,644	152,644	0%
Boat Harbors and Shipyards	---	559,377	559,377	1%
Total Program Expenses	39,365,606	10,683,272	50,048,878	100%
Excess (deficiency)	7,630,796	(730,456)	6,900,340	
Transfers	985,433	(985,433)	---	
Change In Net Assets	8,616,229	(1,715,889)	6,900,340	
Beginning Net Assets	86,426,142	41,693,818	128,119,960	
Ending Net Assets	\$95,042,371	\$39,977,929	\$135,020,300	

Governmental Activities

The Parish is heavily reliant on property taxes, sales taxes, intergovernmental revenue and oil and gas royalties to support governmental operations. Of the total governmental revenues, property taxes provided 16%, sales taxes provided 11%, intergovernmental revenue provided 36%, and oil and gas royalties provided 20%, and fees and other revenues provided 17%.

The statement of activities reflects the cost of program services and the charges for services, and sales, grants, and contributions offsetting those services. The net cost of services identifies the cost of those services supported by tax revenues and unrestricted intergovernmental revenues (the financial burden that was placed on the Parish's taxpayer by each of these functions). The total cost of services and the net cost of services for governmental activities are as follows:

Governmental Activities		
Function	Costs of Services	
	Total	Net
General government	\$17,904,682	\$16,644,946
Public safety	611,840	469,865
Public works	11,657,551	9,607,328
Health and welfare	4,248,839	3,196,905
Culture and recreation	1,730,525	1,669,305
Economic development and assistance	99,109	99,109
Transportation	2,517,855	2,356,305
Interest on long-term debt	595,205	595,205
Total	\$39,365,606	\$34,638,968

Program revenues cover only 12% of governmental operating expenses. This means that the government's taxpayers and the Parish's other general revenues fund 88% of the governmental activities. As a result, the general economy and the local businesses have a major impact on the Parish's governmental revenue streams.

Business-Type Activities

Of the total business-type revenues, user charges provided 64%, operating grants and contributions provided 1%, capital grants and contributions provided 7%, property taxes provided 27%, and other revenues provided 1%.

The statement of activities reflects the cost of program services and the charges for services, and sales, grants, and contributions offsetting those services. The net cost of services identifies the cost of those services supported by tax revenues and unrestricted intergovernmental revenues (the financial burden that was placed on the Parish's taxpayer by a majority of these functions). The total cost of services and the net cost of services for business-type activities are as follows:

Business-Type Activities		
Department	Costs of Services	
	Total	Net
Water and Sewer	\$8,163,007	\$3,385,947
Port, Harbor and Terminal	1,808,244	(33,275)
Port Sulphur Golf Course	152,644	96,371
Boat Harbors and Shipyards	559,377	107,154
Total	\$10,683,272	\$3,556,197

PLAQUEMINES PARISH GOVERNMENT
 Pointe a la Hache, Louisiana
 Management's Discussion and Analysis

Program revenues cover only 67% of business-type expenses. This means that the government's taxpayers and the Parish's other general revenues fund 33% of the business-type expenses. As a result, the general economy and the local businesses have a major impact on the Parish's revenue streams.

Financial Analysis of Parish Funds

Governmental Funds

The focus of the Parish's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Parish's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Parish's net resources available for spending at the end of the year.

As of December 31, 2003, the Parish's governmental funds reported a combined ending fund balance of \$46,174,407, an increase of \$5,251,515 in comparison with the 2002 ending fund balance. Approximately 20% of this total constitutes unreserved fund balance, which is available for spending at the Parish's discretion. The remainder of the fund balance is reserved or designated to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior year or for a variety of other restricted purposes.

The breakdown of governmental fund balance is as follows:

Governmental Fund Balance		
	2003	2002
Reserved	\$9,905,764	\$4,713,248
Designated	27,073,669	29,546,114
Unreserved/Undesignated	9,194,974	6,663,530
Total	\$46,174,407	\$40,922,892

The General Fund ending fund balance for 2003 of \$43,568,773 showed an increase of \$5,710,192 over the ending balance for 2002.

The General Fund ending unreserved/undesignated fund balance for 2003 of \$8,272,518 showed an increase of \$2,362,070 over the ending balance for 2002.

Enterprise Funds

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status.

The business-type activities of the Parish reported a total operating loss (excludes nonoperating revenues and expenditures, capital contributions and transfers) of \$5,440,770 during 2003, compared to an operating loss of \$4,374,999 for 2002, an increase of \$1,065,771 over the prior year.

PLAQUEMINES PARISH GOVERNMENT
 Pointe a la Hache, Louisiana
 Management's Discussion and Analysis

The business-type activities reported operating losses compared to the prior year as follows:

	Capital Assets					
	Water and Sewer		Port, Harbor and Terminal		Other Enterprise	
	2003	2002	2003	2002	2003	2002
Operating Revenues						
Charges for services	\$4,074,944	\$4,255,825	\$1,696,319	\$1,827,583	\$386,833	\$387,675
Other	51,665	104,668	150,556	145,200	121,663	119,591
Total Operating Revenues	4,126,609	4,360,493	1,846,875	1,972,783	508,496	507,266
Operating Expenses						
Personal services	312,767	331,020	874,716	892,505	342,542	297,936
Contractual services, supplies, materials and other	6,710,466	6,447,543	1,857,455	1,284,500	406,802	354,956
Depreciation	1,211,370	1,410,801	166,187	162,438	40,445	33,842
Total Operating Expenses	8,234,603	8,189,364	2,898,358	2,339,443	789,789	686,734
Operating Loss	(\$4,107,994)	(\$3,828,871)	(\$1,051,483)	(\$366,660)	(\$281,293)	(\$179,468)

The enterprise funds' operating revenue decreased by (\$358,562) from the prior year; totaling (\$6,481,980) in fiscal year 2003 and (\$6,840,542) in fiscal year 2002. These operating revenue decreases are attributable to decreases in revenue generating activity.

The enterprise funds' operating expenses increased by \$707,209 from the prior year; totaling \$11,922,750 in fiscal year 2003 and \$11,215,541 in fiscal year 2002. These operating expenses increase was substantially due to increases in contractual service agreements, increased maintenance costs and general inflation.

Budgetary Highlights

In accordance with the Parish Charter and state statute, the Parish Council adopts the annual operating and capital improvement budget for the Parish by the end of the prior year.

Over the course of the year, the Parish Council revises the Parish's budget numerous times. These budget amendments fall into three categories. The first category includes amendments and supplemental appropriations that were approved shortly after the beginning of the year and reflect the actual beginning balances (versus the amounts we estimated in October 2002). The second category includes changes that the Council made during the mid-year budget review process. The third category involves various amendments based on changing needs and additional information to prevent budget overruns and better meet the needs of the Parish.

Even with the budget adjustments, the General Fund experienced significant budget variances. The expenditure budget had a positive budget variance of \$3,050,997 (actual expenditures were below the final budget amounts). The most significant positive expenditure variance of \$1,526,103 occurred in the General Fund's general government function. The revenue budget had a positive budget variance of \$2,158,116 (actual revenues were above the final budget amounts). The most significant positive revenue variances occurred in the sales and use tax, oil and gas royalties, settlements and parish royalty funds from the state.

Capital Assets and Debt Administration

Capital Assets

The Parish's investment in capital assets for governmental and business-type activities as of December 31, 2003, was \$100,427,036 (net of accumulated depreciation). This investment in capital assets includes land and improvements, buildings and improvements, improvements other than buildings, machinery and equipment, vehicles, and infrastructure.

The total increase in this net investment was 9% for governmental activities and 1% for business-type activities. The overall increase was 5% for the Parish as a whole. See Note 7 for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year.

As discussed previously, the Parish has implemented the general provisions of GASB Statement No. 34 in the current year and is in the process of implementing the retroactive infrastructure provisions.

The following table provides a summary of capital asset activity:

	Capital Assets					
	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
Non-depreciable assets:						
Land	\$7,847,740	\$7,847,740	\$52,000	\$52,000	\$7,899,740	\$7,899,740
Construction in progress	10,732,800	7,769,785	8,895,948	25,126,892	19,628,748	32,896,677
Total non-depreciable assets	18,580,540	15,617,525	8,947,948	25,178,892	27,528,488	40,796,417
Depreciable assets:						
Buildings and improvements	59,962,755	59,917,426	17,127,478	17,127,478	77,090,233	77,044,904
Improvements other than buildings	398,131	27,217	43,329,256	25,632,633	43,727,387	25,659,850
Machinery & equipment	22,551,411	21,099,264	3,491,485	3,372,042	26,042,896	24,471,306
Infrastructure	23,126,529	20,703,415	—	—	23,126,529	20,703,415
Total depreciable assets	106,038,826	101,747,322	63,948,219	46,132,153	169,987,045	147,879,475
Less accumulated depreciation	(65,348,590)	(62,768,947)	(31,739,907)	(30,338,744)	(97,088,497)	(93,107,691)
Book value-depreciable assets	40,690,236	38,978,375	32,208,312	15,793,409	72,898,548	54,771,784
Percentage depreciated	62%	62%	50%	66%	57%	63%
Book value-all assets	\$59,270,776	\$54,595,900	\$41,156,260	\$40,972,301	\$100,427,036	\$95,568,201

Debt Administration

At year-end, the Parish had total general obligation bonded debt outstanding of \$13,795,000 for 2003 and \$15,840,000 for 2002. During the year, the Parish retired \$2,045,000 or 13% of the outstanding bonded debt.

In addition to bonded debt, the Parish's long-term obligations include capital leases, and litigation and claims. See Note 16 for additional information on the Parish's long-term obligations.

Economic Conditions Affecting the Parish

The primary revenue streams for the Parish are sales taxes, ad valorem taxes, oil and gas royalties, and parish royalty funds from the state. The Parish's revenues are subject to changes in the economy. Since sales are considered an "elastic" revenue stream, tax collections are higher in a flourishing economy and are lower in a depressed economy. Additionally, fluctuations in oil and gas price and production have a significant impact of the Parish's revenues.

The Parish has taken measures to minimize the impact from fluctuations in the oil and gas market through establishment of a fund balance designation for bond indebtedness. The fund accumulates the oil and gas revenue, over established price levels, to be set aside and used for payment of bonded debt in years where oil and gas revenue projections are low. The fund has a cap of \$10,000,000; the balance at the end of 2003 in the fund balance designation for bond indebtedness is \$9,960,645.

Contacting the Parish's Financial Management

This financial report is designed to provide a general overview of the Parish's finances, comply with finance-related laws and regulations, and demonstrate the Parish's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the Parish Finance Manager's office at 7163 Highway 39, Suite 108, Braithwaite, Louisiana 70040.

Government-Wide Financial Statements

Plaquemines Parish Government
Pointe a la Hache, Louisiana

Statement A

Statement of Net Assets
December 31, 2003

	Governmental Activities	Business- Type Activities	Total
Assets:			
Current Assets:			
Cash and cash equivalents	\$4,232,062	\$1,411,971	\$5,644,033
Investments	27,283,746	2,739,289	30,023,035
Receivables (net of allowances for uncollectibles)	15,234,526	3,606,529	18,841,055
Internal balances	6,084,842	(6,084,842)	---
Prepaid items	2,299,320	2,216	2,301,536
Total Current Assets	55,134,496	1,675,163	56,809,659
Noncurrent Assets:			
Internal balances	2,127,170	(2,127,170)	---
Net capital assets	59,270,776	41,156,260	100,427,036
Total Noncurrent Assets	61,397,946	39,029,090	100,427,036
Total Assets	\$116,532,442	\$40,704,253	\$157,236,695
Liabilities:			
Current Liabilities:			
Accounts, salaries and other payables	\$1,611,404	\$280,085	\$1,891,489
Contracts and retainage payable	1,267,582	---	1,267,582
Bonds payable	2,130,000	---	2,130,000
Capital leases payable	32,420	2,542	34,962
Accrued interest payable	228,856	---	228,856
Deferred revenues	4,000	---	4,000
Compensated absences payable	604,361	62,115	666,476
Deposits due others	20,605	---	20,605
Other liabilities	255,161	381,047	636,208
Total Current Liabilities	6,154,389	725,789	6,880,178
Noncurrent Liabilities:			
Claims and litigation payable	3,646,000	---	3,646,000
Capital leases payable	24,682	535	25,217
Bonds payable	11,665,000	---	11,665,000
Total Noncurrent Liabilities	15,335,682	535	15,336,217
Total Liabilities	21,490,071	726,324	22,216,395
Net Assets:			
Invested in capital assets, net of related debt	45,475,776	41,156,260	86,632,036
Restricted	1,433,843	---	1,433,843
Unrestricted	48,132,752	(1,178,331)	46,954,421
Total Net Assets	95,042,371	39,977,929	135,020,300
Total Liabilities and Net Assets	\$116,532,442	\$40,704,253	\$157,236,695

The accompanying notes are an integral part of this statement.

Fund Financial Statements

**Plaquemines Parish Government
Pointe a la Hache, Louisiana
Governmental Funds**

Statement C

**Balance Sheet
December 31, 2003**

	General	Road Maintenance	Public Health	Solid Waste	Other Governmental	Total Governmental
Assets:						
Cash and cash equivalents	\$3,080,889	\$11,894	\$11,222	\$152,408	\$975,849	\$4,232,062
Investments	25,475,324	762	—	4,714	1,802,946	27,283,746
Receivables (net of allowances for uncollectibles)	9,749,139	1,096,746	677,429	2,924,059	787,153	15,234,526
Due from other funds	6,386,484	—	1,120,170	—	114,284	7,620,938
Prepaid items	2,299,320	—	—	—	—	2,299,320
Interfund loan	2,127,170	—	—	—	—	2,127,170
Total Assets	\$49,118,326	\$1,109,202	\$1,808,821	\$3,081,181	\$3,680,232	\$58,797,762
Liabilities:						
Accounts, salaries and other payables	\$1,336,031	\$27,829	\$44,212	\$143,982	\$59,350	\$1,611,404
Contracts and retainage payable	1,264,844	—	—	—	2,738	1,267,582
Deferred revenues	2,410,595	986,607	657,761	2,615,422	657,761	7,328,146
Compensated absences payable	415,086	47,238	74,381	46,940	20,716	604,361
Deposits due others	20,485	—	120	—	—	20,605
Due to other funds	—	—	1,000,000	—	536,096	1,536,096
Other liabilities	102,512	30,655	20,413	81,168	20,413	255,161
Total Liabilities	5,549,553	1,092,329	1,796,887	2,887,512	1,297,074	12,623,355
Fund Balances:						
Reserved	9,001,071	16,873	11,934	193,669	682,217	9,905,764
Designated	26,295,184	—	—	—	778,485	27,073,669
Unreserved						
General Fund	8,272,518	—	—	—	—	8,272,518
Special Revenue Funds	—	—	—	—	922,456	922,456
Total Fund Balances	43,568,773	16,873	11,934	193,669	2,383,158	46,174,407
Total Liabilities and Fund Balances	\$49,118,326	\$1,109,202	\$1,808,821	\$3,081,181	\$3,680,232	\$58,797,762

The accompanying notes are an integral part of this statement.

Plaquemines Parish Government
Pointe a la Hache, Louisiana
Governmental Funds

Statement C

Balance Sheet
December 31, 2003

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Fund Balances of Governmental Funds		<u>\$46,174,407</u>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		59,270,776
Liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Accrued interest payable	(228,856)	
Claims and litigation	(3,646,000)	
Capital leases	(57,102)	
Bonds payable	<u>(13,795,000)</u>	
		(17,726,958)
Other assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		<u>7,324,146</u>
Net Assets of Governmental Activities		<u>\$95,042,371</u>

The accompanying notes are an integral part of this statement.

**Plaquemines Parish Government
Pointe a la Hache, Louisiana
Governmental Funds**

Statement D

**Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2003**

	General	Road Maintenance	Public Health	Solid Waste	Capital Improvements	Other Governmental	Total Governmental
Revenues							
Taxes:							
Ad valorem	\$2,402,869	\$985,124	\$656,749	\$2,611,361	\$---	\$656,749	\$7,312,852
Sales and use	5,291,593	---	---	---	---	---	5,291,593
Other taxes, penalties, interest, etc.	79,483	---	---	---	---	---	79,483
Licenses and permits	1,131,484	---	---	---	---	---	1,131,484
Intergovernmental revenues:							
Federal grants	273,979	2,368	1,579	6,278	464,807	5,951	754,962
State funds:							
Parish transportation funds	---	---	---	---	---	272,901	272,901
State revenue sharing	34,819	14,277	9,516	37,842	---	9,516	105,970
Parish royalty fund	13,392,977	---	---	---	---	2,671,358	16,064,335
Other	1,133,175	168,743	---	---	263,269	---	1,565,187
Fees, charges and commissions for services	563,812	1,055	1,153,642	718,836	---	315,641	2,752,986
Fines and forfeitures	---	---	---	---	---	216,749	216,749
Use of money and property	10,800,690	4,853	1,302	18,864	---	33,965	10,859,674
Other revenues	2,655,761	854	108,486	26,581	15,968	108,806	2,916,456
Total Revenues	37,760,642	1,177,274	1,931,274	3,419,762	744,044	4,291,636	49,324,632
Expenditures							
Current:							
General government	13,183,357	---	---	---	---	46,731	13,230,088
Public safety	528,504	---	---	---	---	---	528,504
Public works	4,603,317	3,039,986	---	3,745,961	5,701,382	861,026	17,951,672
Health and welfare	802,948	---	3,772,039	---	---	346,550	4,921,537
Culture and recreation	1,296,836	---	---	---	---	587,349	1,884,185
Economic development and assistance	100,516	---	---	---	---	---	100,516
Transportation	2,533,280	---	---	---	---	---	2,533,280
Debt service	---	---	---	---	---	2,671,358	2,671,358
Total Expenditures	23,048,758	3,039,986	3,772,039	3,745,961	5,701,382	4,513,014	43,821,140
Excess (Deficiency) of Revenues Over Expenditures	14,711,884	(1,862,712)	(1,840,765)	(326,199)	(4,957,338)	(221,378)	5,503,492
Other Financing Sources (Uses)							
Transfers in	194,603	1,773,297	1,698,769	467,258	4,957,338	484,748	9,576,013
Transfers out	(9,200,691)	---	---	---	---	(631,695)	(9,832,386)
Sale of capital assets	4,396	---	---	---	---	---	4,396
Net Other Financing Sources (Uses)	(9,001,692)	1,773,297	1,698,769	467,258	4,957,338	(146,947)	(251,977)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	5,710,192	(89,415)	(141,996)	141,059	---	(368,325)	5,251,515
Fund Balances at Beginning of Year	37,858,581	106,288	153,930	52,610	---	2,751,483	40,922,892
Fund Balances at End of Year	\$43,568,773	\$16,873	\$11,934	\$193,669	\$---	\$2,383,158	\$48,174,407

The accompanying notes are an integral part of this statement.

**Plaquemines Parish Government
Pointe a la Hache, Louisiana
Governmental Funds**

Statement D

**Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2003**

**Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities**

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances of Governmental Funds		<u>\$5,251,515</u>
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		4,674,876
Revenue in the Statement of Activities that do not provide current resources are not reported as revenues in the funds.		250,032
Some expense reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:		
Claims and litigation	(3,646,000)	
Retirement of tax collection	<u>(9,888)</u>	
		(3,655,888)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces liabilities in the Statement of Net Assets.		
Capital leases	19,541	
Bond principal	<u>2,045,000</u>	
		2,064,541
Interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding obligations on the Statement of Activities.		<u>31,153</u>
Change in Net Assets of Governmental Activities		<u>\$8,616,229</u>

The accompanying notes are an integral part of this statement.

**Plaquemines Parish Government
Pointe a la Hache, Louisiana
Proprietary Funds**

Statement E

**Statement of Net Assets
December 31, 2003**

	Water and Sewer	Port, Harbor and Terminal	Other Proprietary	Total
Assets:				
Current Assets:				
Cash and cash equivalents	\$11,862	\$1,392,840	\$7,269	\$1,411,971
Investments	—	2,738,815	474	2,739,289
Receivables (net of allowances for uncollectibles)	3,172,594	430,209	3,726	3,606,529
Due from other funds	198,220	—	—	198,220
Prepaid items	2,216	—	—	2,216
Total Current Assets	3,384,892	4,561,864	11,469	7,958,225
Noncurrent Assets:				
Net capital assets	36,320,962	4,278,314	556,984	41,156,260
Total Assets	\$39,705,854	\$8,840,178	\$568,453	\$49,114,485
Liabilities:				
Current Liabilities:				
Accounts payable	\$193,065	\$72,285	\$14,735	\$280,085
Capital leases payable	1,492	1,050	—	2,542
Compensated absences payable	5,783	40,665	15,667	62,115
Due to other funds	2,811,071	3,280,240	191,751	6,283,062
Other liabilities	381,047	—	—	381,047
Total Current Liabilities	3,392,458	3,394,240	222,153	7,008,851
Non-Current Liabilities:				
Capital leases payable	535	—	—	535
Interfund loan	2,127,170	—	—	2,127,170
Total Noncurrent Liabilities	2,127,705	—	—	2,127,705
Total Liabilities	5,520,163	3,394,240	222,153	9,136,556
Net Assets:				
Invested in capital assets, net of related debt	36,320,962	4,278,314	556,984	41,156,260
Unrestricted	(2,135,271)	1,167,624	(210,684)	(1,178,331)
Total Net Assets	34,185,691	5,445,938	346,300	39,977,929
Total Liabilities and Net Assets	\$39,705,854	\$8,840,178	\$568,453	\$49,114,485

The accompanying notes are an integral part of this statement.

**Plaquemines Parish Government
Pointe a la Hache, Louisiana
Proprietary Funds**

Statement F

**Statement of Revenues, Expenses and Changes in Net Assets
For the Year Ended December 31, 2003**

	Water and Sewer	Port, Harbor and Terminal	Other Proprietary	Total
Operating Revenues				
Charges for services	\$4,074,944	\$1,696,319	\$386,833	\$6,158,096
Other	51,665	150,556	121,663	323,884
Total Operating Revenues	4,126,609	1,846,875	508,496	6,481,980
Operating Expenses				
Personal services	312,767	874,716	342,542	1,530,025
Contractual services, supplies, materials and other	6,710,466	1,857,455	406,802	8,974,723
Depreciation	1,211,370	166,187	40,445	1,418,002
Total Operating Expenses	8,234,603	2,898,358	789,789	11,922,750
Operating Loss	(4,107,994)	(1,051,483)	(281,293)	(5,440,770)
Non-Operating Revenues (Expenses)				
Interest revenue	5,104	38,463	1	43,568
Interest expense	---	(2,328)	---	(2,328)
Ad valorem taxes	2,754,879	---	---	2,754,879
Other	5,936	---	(3,414)	2,522
Net Non-Operating Revenues (Expenses)	2,765,919	36,135	(3,413)	2,798,641
Net Loss Before Contributions and Transfers	(1,342,075)	(1,015,348)	(284,706)	(2,642,129)
Capital Contributions	669,867	---	---	669,867
Transfers In	113,178	---	269,972	383,150
Transfers Out	(126,777)	---	---	(126,777)
Change In Net Assets	(685,807)	(1,015,348)	(14,734)	(1,715,889)
Net Assets-Beginning	34,871,498	6,461,286	361,034	41,693,818
Net Assets-Ending	\$34,185,691	\$5,445,938	\$346,300	\$39,977,929

The accompanying notes are an integral part of this statement.

**Plaquemines Parish Government
Pointe a la Hache, Louisiana
Proprietary Funds**

Statement G

**Statement of Cash Flows
For the Year Ended December 31, 2003**

Cash Flows From Operating Activities:

Cash received from customers
Cash operating grants received from other governments
Cash payments for goods and services
Cash payments to employees

Net Cash Used For Operating Activities

Cash Flows From Non-Capital Financing Activities:

Ad valorem tax collections
Other non-operating revenues
Operating transfers in
Proceeds from short-term loan from other funds

Net Cash Provided by Non-Capital Financing Activities

Cash Flows From Capital and Related Financing Activities:

Acquisition/construction of capital assets
Decrease in intergovernmental receivables
Operating transfers out
Decrease in contracts and retainage payable
Principal paid on bonds
Interest paid

Net Cash Used For Capital and Related Financing Activities

Cash Flows From Investing Activities:

Interest received on time deposits
Payments for investments

Net Cash Provided by Investing Activities

Net Increase (Decrease) in Cash and Cash Equivalents

Cash and Cash Equivalents at Beginning of Year

Cash and Cash Equivalents at End of Year

Reconciliation of Operating Loss to Net Cash Used For Operating Activities:

Operating loss
Adjustments to reconcile operating loss to net cash used for operating activities:
Depreciation
Change in assets and liabilities:
(Increase) decrease in receivables and other current assets
Increase in accounts payable
Increase (decrease) in other liabilities

Net Cash Used For Operating Activities

	Water and Sewer	Port, Harbor and Terminal	Other Proprietary	Total
	\$4,117,581	\$1,805,664	\$505,137	\$6,428,382
	---	150,556	---	150,556
	(6,619,140)	(1,798,765)	(401,656)	(8,819,561)
	(312,059)	(879,068)	(339,918)	(1,531,045)
	(2,813,618)	(721,613)	(236,437)	(3,771,668)
	2,754,879	---	---	2,754,879
	6,316	---	---	6,316
	113,178	---	269,972	383,150
	805,175	1,640,913	91,751	2,537,839
	3,679,548	1,640,913	361,723	5,682,184
	(780,205)	(33,170)	(122,514)	(935,889)
	5,247	---	---	5,247
	(126,777)	---	---	(126,777)
	(1,493)	---	---	(1,493)
	---	(250,000)	---	(250,000)
	---	(2,328)	---	(2,328)
	(903,228)	(285,498)	(122,514)	(1,311,240)
	5,104	38,463	1	43,568
	---	(30,093)	---	(30,093)
	5,104	8,370	1	13,475
	(32,194)	642,172	2,773	612,751
	44,056	750,668	4,496	799,220
	\$11,862	\$1,392,840	\$7,269	\$1,411,971
	(\$4,107,994)	(\$1,051,483)	(\$281,293)	(\$5,440,770)
	1,211,370	166,187	40,445	1,418,002
	(9,016)	109,345	(3,359)	96,970
	68,249	64,713	5,147	138,109
	23,773	(10,375)	2,623	16,021
	(\$2,813,618)	(\$721,613)	(\$236,437)	(\$3,771,668)

The accompanying notes are an integral part of this statement.

Plaquemines Parish Government
Pointe a la Hache, Louisiana
Agency Funds

Statement H

Statement of Assets and Liabilities
December 31, 2003

Assets:	
Cash and cash equivalents	\$1,263,456
Investments	621,095
Receivables (net of allowances for uncollectibles)	91
Total Assets	\$1,884,642
Liabilities:	
Deposits due others	1,100,721
Other liabilities	783,921
Total Liabilities	\$1,884,642

The accompanying notes are an integral part of this statement.

Notes To Basic Financial Statements

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana
Notes to Basic Financial Statements
December 31, 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. INTRODUCTION

The Plaquemines Parish Government (the Parish) is the governing authority for Plaquemines Parish and is a political subdivision of the State of Louisiana established in 1807. For administrative and reporting purposes, the Parish is known as the Plaquemines Parish Government. The Parish operates under the President-Council form of government as established by the Charter for Local Self-Government for the Parish of Plaquemines, implemented in 1987. The parish council consists of nine members who are elected to represent each of the nine districts. The parish president, elected by the voters of the Parish, is the chief executive officer of the Parish and is responsible for carrying out the policies adopted by the Parish and for administration of all parish departments, offices and agencies. The parish council and the parish president serve four-year terms, which expire on December 31, 2006.

Plaquemines Parish occupies 1,986 square miles with a population of approximately 27,000. The Parish maintains approximately 116 miles of roads, of which 57 miles are paved, 37 miles are asphalt, and 22 miles are shelled. The Parish has a total of approximately 640 employees. The Parish Council office is located in Pointe a la Hache.

Louisiana Revised Statute 33:1236 gives the Parish various powers in regulating and directing the affairs of the Parish and its inhabitants. The more notable of those are the powers to make regulations for its own government; to regulate the construction and maintenance of roads, bridges and drainage systems; to regulate the sale of alcoholic beverages; and to provide for the health and welfare of the poor, disadvantaged and unemployed in the Parish. Funding to accomplish these tasks is provided by ad valorem taxes, sales taxes, beer and alcoholic beverage permits, state revenue sharing, various state and federal grants, service charges and royalties from oil and gas.

The Parish's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989, that do not conflict with or contradict GASB pronouncements. Although the Parish has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the Parish has chosen not to do so. The more significant accounting policies established in GAAP and used by the Parish are discussed below.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. Certain of the significant changes in the Statement include the following:

- A Management Discussion and Analysis (MD&A) section providing analysis of the Parish's overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all the Parish's activities.
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to the financial statements).

PLAQUEMINES PARISH GOVERNMENT
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B. REPORTING ENTITY

As the governing authority of the Parish, for reporting purposes, the Plaquemines Parish Government is the reporting entity for Plaquemines Parish. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the parish government to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or to impose specific financial burdens on the parish government.
2. Organizations for which the parish government does not appoint a voting majority but are fiscally dependent upon the parish government.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Parish has determined that the following component units are part of the reporting entity:

Component Unit	Fiscal Year End	Criteria Used
Clerk of Court	June 30	2
Tax Assessor	December 31	2
District Attorney	December 31	2
Medical Center	December 31	1a, 1b
Economic Development Board	December 31	1a, 1b

The Parish has chosen to issue financial statements of the primary government only; therefore, none of the previously listed component units are included in the accompanying financial statements.

Organizations for which the Parish maintains accounting records are considered part of the primary government and include the Twenty-Fifth Judicial District Criminal Court Fund.

GASB Statement 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. These financial statements are not intended to and do not report on the reporting entity but, rather, are intended to reflect only the financial statements of the primary government.

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Considered in the determination of component units of the reporting entity were the Plaquemines Parish Sheriff, School Board, and Indigent Defender Board. It was determined that these governmental entities are not component units of the Plaquemines Parish Government reporting entity because they have separately elected governing bodies, are legally separate and are fiscally independent of the Plaquemines Parish Government.

C. BASIC FINANCIAL STATEMENT-- GOVERNMENT-WIDE STATEMENTS

The Parish's basic financial statements include both government-wide (reporting the Parish as a whole) and fund financial statements (reporting the Parish's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Parish's public safety, parks, recreation, libraries, public works and general administrative services are classified as governmental activities. The Parish's water and sewer, port, golf course and boat harbor services are classified as business-type activities.

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Parish's net assets are reported in three parts—invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The Parish first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Parish's functions and business-type activities (public safety, public works, etc.). The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, oil and gas royalties, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (public works, public safety, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property, sales and use taxes, certain intergovernmental revenues, oil and gas royalties, etc.).

This government-wide focus is more on the sustainability of the Parish as an entity and the change in the Parish's net assets resulting from the current year's activities.

D. BASIC FINANCIAL STATEMENTS--FUND FINANCIAL STATEMENTS

1. Fund Types

The financial transactions of the Parish are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

PLAQUEMINES PARISH GOVERNMENT
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The following fund types are used by the Parish:

a. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Parish:

- 1) General fund is the general operating fund of the Parish. It is used to account for all financial resources, except those required to be accounted for in another fund.
- 2) Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- 3) Debt service funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt.
- 4) Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds).

b. Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Parish:

- 1) Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

c. Fiduciary Funds:

- 1) Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Parish programs. The reporting focus is on net assets and changes in net assets and are reported using accounting principles similar to proprietary funds.

The Parish's fiduciary funds are presented in the fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

2. Major and Nonmajor Funds

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Parish may determine as a major fund any fund whose classification as a nonmajor fund may be misleading to the reader. The nonmajor funds are combined in a column in the fund financial statements.

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The funds classified as major are as follows:

- a. Major Funds:
 - 1) General Fund
 - 2) Special Revenue Funds:
 - (a) Road Maintenance Fund
 - (b) Public Health Fund
 - (c) Solid Waste Fund
 - 3) Proprietary Funds:
 - (a) Waterworks and Sewer Fund
 - (b) Port, Harbor and Terminal District Fund

3. Measurement Focus:

Measurement focus refers to the identification of which transactions are recognized in the accounts and recorded within the various financial statements. It relates to the inflow and outflow of resources.

a. Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the Parish are included on the statement of net assets.

b. Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reflects the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

Like the government-wide financial statements, the enterprise funds are accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in revenues, expenses, and net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows reflects how the Parish finances and meets the cash flow needs of its enterprise activities.

E. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual:

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

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2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations (charges for services, etc.). Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Parish's policy to use restricted resources first, then unrestricted resources as they are needed.

F. BUDGET PRACTICES

The proposed budget for the Parish for the year ended December 31, 2003, was completed and made available for public inspection on October 24, 2002. The capital improvement and operating budgets were formally adopted by ordinance 02-236 and ordinance 02-237, dated December 5, 2002.

The budgets for the General and Special Revenue Funds were prepared on the modified accrual basis of accounting, consistent with GAAP. The Capital Projects Funds' budgets were prepared on a project basis and, therefore, are not presented.

Formal budgetary integration is employed as a management control device for the General, Special Revenue, Capital Projects and Enterprise Funds. Budget comparison is used to control the operations of the Parish.

With the exception of a few departments, which are controlled at the department or division level, the Parish exercises budgetary control at the department/function level. Unexpended operating appropriations lapse at year-end and must be reappropriated in the next year's budget to be expended.

The budget comparison schedule included in the accompanying financial statements contains the original adopted budget and all subsequent amendments for the major governmental funds.

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

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G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Parish may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

H. INVESTMENTS

Investments are limited by R.S.33:2955 and the Parish's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. State law and the police jury's investment policy allow the Parish to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

I. PREPAID ITEMS

The Parish establishes prepaid expenditures for liability insurance, payments in advance, travel advances and postage. Payments made for such items that will benefit periods beyond December 31, 2003, are recorded as prepaid items.

J. RESTRICTED ASSETS

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset.

K. CAPITAL ASSETS

Capital assets purchased or acquired are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets, other than land and construction in progress, is provided on the straight-line basis over the following estimated useful lives:

Description	Years Depreciated	Reporting Threshold
Land	N/A	\$1
Land Improvements	20-30	\$25,000
Buildings	25-40	\$50,000
Buildings Improvements	7-30	\$50,000
Infrastructure	20-50	\$250,000
Machinery and Equipment	5-15	\$5,000

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GASB Statement No. 34 requires the Parish to report and depreciate new infrastructure assets effective with the beginning of the current year. Infrastructure assets include roads, bridges, levees, etc. These infrastructure assets are likely to be the largest asset class of the Parish. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure is subject to an extended implementation period and is first effective for fiscal years ending in 2006. The Parish has elected to implement the general provisions of GASB Statement No. 34 in the current year and is in the process of implementing the retroactive infrastructure provisions. The process for implementing the retroactive infrastructure will be complete by the fiscal year ending December 31, 2006.

L. COMPENSATED ABSENCES

The Parish has the following policy relating to annual leave and sick leave:

1. Annual Leave

Depending upon length of service, full-time employees of the Parish earned annual leave for each bi-weekly pay period worked for a total of 13 to 26 days per year. The annual leave may be accumulated, up to 30 days per employee at year-end, and is recorded as a current liability as of December 31, 2003.

2. Sick Leave

Full-time employees of the Parish earned and accumulated sick leave for each bi-weekly pay period worked equivalent to one-half the hours of a regular day with pay. Sick leave does not vest and employees are not compensated for unused sick leave upon termination.

The entire compensated absences liability is reported on the government-wide financial statements and fund financial statements.

M. ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from the enterprise funds are reported on the enterprise fund financial statements.

In general, governmental fund payables and accrued liabilities are recognized as fund liabilities when incurred. Loans and capital leases are recognized as a liability on the fund financial statements when due.

N. NET ASSETS

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation adopted by the Parish or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Parish's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

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O. FUND EQUITY

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

P. OPERATING REVENUES AND EXPENSES

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise funds. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the fund. Revenues and expenses not meeting these definitions are reported as nonoperating.

Q. INTERFUND TRANSACTIONS

Interfund activity is reported as either loans, services provided, reimbursements or transfers.

Interfund receivables/payables are used to account for amounts owed to a particular fund by another fund. This includes long-term and short-term obligations, such as expenditures that are the legal responsibility of one fund paid by another fund, with the understanding that the latter will be reimbursed by the former fund. Interfund receivables and payables are subject to elimination upon consolidation.

Services provided are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

R. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require 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, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

S. CHANGES IN ACCOUNTING PRINCIPLES

For the year ended December 31, 2003, the Parish has implemented GASB Statement No.34, *Basic Financial Statement – and Management’s Discussion and Analysis for State and Local Governments*. GASB Statement No. 34 creates new basic financial statements for reporting on the Parish’s financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting, and fund financial statements which present information for individual major funds rather than by fund type which has been the mode of presentation in the previously issued financial statements. The Parish also implemented GASB Statement No. 37, *Basic Financial Statements – And Management’s Discussion and Analysis – For State and Local Governments: Omnibus*, No.38, *Certain Financial Statements and Note Disclosures*, and Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

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The implementation of GASB Statement No. 34 caused the opening fund balance at December 31, 2002, to be restated in terms of "net assets".

Total restated fund balances for Governmental Funds at December 31, 2002 is as follows:

Governmental Funds	
Total Fund Balances	\$40,922,892
Adjustments	
Cost of Capital Assets (net of accumulated depreciation)	54,595,900
Bond Principal	(15,840,000)
Capital Leases	(76,643)
Accrued Interest Payable	(260,009)
Deferred Revenue	7,084,002
Total Adjustments	45,503,250
Total Net Assets	\$86,426,142

T. FUND DEFICITS

The following individual funds have deficits in unrestricted net assets at December 31, 2003:

Fund	Deficit Amount
Business-Type Funds:	
Water and Sewer	(\$2,135,271)
Golf Course	(\$48,864)
Boat Harbors and Shipyards	(\$161,820)

The fund deficits will be addressed through transfers from the General Fund or additional revenue sources in each fund.

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2. LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes for the year ended December 31, 2003:

Parish-Wide Taxes	Authorized Millage	Levied Millage	Expiration Date
Parish (alimony tax)	4.61	4.61	12/31/09
Road Maintenance	1.89	1.89	12/31/09
Water	2.52	2.52	12/31/09
Library	1.26	1.26	12/31/09
Pollution Control	2.52	2.52	12/31/09
Public Health	1.26	1.26	12/31/09
Waste Disposal	3.75	3.75	12/31/09
Incineration	1.26	1.26	12/31/09
Total	19.07	19.07	

The following are the principal taxpayers for the Parish:

Taxpayer	Type of Business	Assessed Value	Percentage
ChevronTexaco/Chevron Chemical/Chevron USA	Oil/Gas & Chemical	\$61,208,020	11.31%
ConocoPhillips Petroleum Co.	Oil/Gas	61,010,660	11.27%
Kirby Inland Marine, LP	Watercraft	29,954,120	5.53%
TECO Bulk Terminal, LLC	Coal	20,577,070	3.80%
AEP Memco, LLC	Public Utility	16,667,390	3.08%
Energy Partners, LTD	Oil/Gas	16,116,890	2.98%
Amerada Hess Corp.	Oil/Gas	15,945,880	2.95%
Ocean Energy Inc.	Oil/Gas	11,711,700	2.16%
Colonial Pipeline Co.	Public Utility	11,026,270	2.04%
Ingram Barge Company	Watercraft	9,430,040	1.74%
Total		\$253,648,040	46.86%

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3. CASH AND CASH EQUIVALENTS

At December 31, 2003, the Parish has cash equivalents (book balances) totaling \$6,907,489 as follows:

Demand Deposit and Money Market Accounts	\$5,860,340
Restricted Cash	1,047,149
Total	\$6,907,489

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 pledged securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must, at all times, equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Restricted cash includes balances for bond indebtedness and escrow accounts.

At December 31, 2003, the Parish has \$8,138,025 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance and \$9,232,590 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 1).

4. INVESTMENTS

At December 31, 2003, the Parish has investments (book balances) totaling \$6,907,489 as follows:

Unrestricted	\$27,647,100
Restricted	2,997,030
Total	\$30,644,130

Investments held by Plaquemines Parish Government consist of \$30,541,417 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126, the investment in LAMP by Plaquemines Parish Government is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a nonprofit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises or instrumentalities, as well as repurchase agreements collateralized by those securities.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA-R.S. 33:2955(A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in A Investment grade (A-1/P-1) commercial paper of domestic United States corporations. Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

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The dollar weighted average portfolio maturity at LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

The Parish employees may participate in a deferred compensation plan (Note 9). At December 31, 2003, the plan administrator held life insurance contracts and annuities for plan participants valued at \$102,713. These assets are valued at cash surrender value for the life insurance contracts and at fair market value for the annuities.

5. RECEIVABLES

At December 31, 2003, the Parish has net receivables totaling \$18,841,146 as follows:

Class of Receivable	Governmental Funds		Business-Type Funds	Fiduciary Fund	Total
	General	Special Revenue	Enterprise	Agency	
Taxes:					
Ad Valorem	\$2,495,434	\$5,099,118	\$2,728,219	\$ ---	\$10,322,771
Sales	869,685				869,685
Other	59,180	48,710	26,058		133,948
Intergovernmental:					
Federal	549,022		9,349		558,371
State	4,361,429	22,815			4,384,244
Local	821,543	74,112			895,655
Accounts		221,222	994,975		1,216,197
Payroll	10,973				10,973
Other	2,523,990	176,305	10,385	91	2,710,771
Gross Receivables	11,691,256	5,642,282	3,768,986	91	21,102,615
Less-Allowances for Uncollectibles	(1,942,117)	(156,895)	(162,457)	---	(2,261,469)
Net Receivables	\$9,749,139	\$5,485,387	\$3,606,529	\$91	\$18,841,146

6. PENSION PLAN

Plan Description:

Substantially all employees of the Parish are members of the Parochial Employees' Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Parish are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 65 with at least 7 years of creditable service, at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one percent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980, plus 3 percent of final-average salary for each year of service credited after the revision date. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619 or by calling (225) 928-1361.

Funding Policy:

Under Plan A, members are required by state statute to contribute 9.25 percent of their annual covered salary, and the Parish is required to contribute at an actuarially determined rate. The current rate is 7.75 percent of annual covered payroll. Contributions to the System include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Parish are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by an actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Parish contributions to the System under Plan A for the years ending December 31, 2003, 2002, and 2001, were \$1,098,851, \$1,086,856 and \$987,822 respectively, equal to the required contributions for each year.

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7. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2003, is as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
Governmental Activities:				
Capital assets not being depreciated				
Land	\$7,847,740	\$--	\$--	\$7,847,740
Construction in progress	7,769,785	5,802,372	(2,839,357)	10,732,800
Total capital assets not being depreciated	15,617,525	5,802,372	(2,839,357)	18,580,540
Capital assets being depreciated				
Buildings and improvements	59,917,426	45,329	--	59,962,755
Improvements other than buildings	27,217	370,914	--	398,131
Machinery and equipment	21,099,264	1,639,162	(187,015)	22,551,411
Infrastructure	20,703,415	2,423,114	--	23,126,529
Total capital assets being depreciated	101,747,322	4,478,519	(187,015)	106,038,826
Less accumulated depreciation				
Buildings and improvements	(33,447,172)	(1,199,251)	--	(34,646,423)
Improvements other than buildings	(11,676)	(9,811)	--	(21,487)
Machinery and equipment	(12,290,191)	(1,289,080)	168,314	(13,410,957)
Infrastructure	(17,019,908)	(249,815)	--	(17,269,723)
Total accumulated depreciation	(62,768,947)	(2,747,957)	168,314	(65,348,590)
Total capital assets being depreciated, net	38,978,375	1,730,562	(18,701)	40,690,236
Governmental Activities, Net	\$54,595,900	\$7,532,934	(\$2,858,058)	\$59,270,776
Business-Type Activities				
Capital assets not being depreciated				
Land	\$52,000	\$--	\$--	\$52,000
Construction in progress	25,126,892	1,465,679	(17,696,623)	8,895,948
Total capital assets not being depreciated	25,178,892	1,465,679	(17,696,623)	8,947,948
Capital assets being depreciated				
Buildings and improvements	17,127,478	--	--	17,127,478
Improvements other than buildings	25,632,633	17,696,623	--	43,329,256
Machinery and equipment	3,372,042	198,743	(79,300)	3,491,485
Total capital assets being depreciated	46,132,153	17,895,366	(79,300)	63,948,219
Less accumulated depreciation				
Buildings and improvements	(8,223,758)	(396,763)	--	(8,620,521)
Improvements other than buildings	(19,309,737)	(894,482)	--	(20,204,219)
Machinery and equipment	(2,805,249)	(140,306)	30,388	(2,915,167)
Total accumulated depreciation	(30,338,744)	(1,431,551)	30,388	(31,739,907)
Total capital assets being depreciated, net	15,793,409	16,463,815	(48,912)	32,208,312
Business-Type Activities, Net	\$40,972,301	\$17,929,494	(\$17,745,535)	\$41,156,260

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Depreciation expense was charged as follows:

Function	Governmental Funds	Business-Type Funds	Total
General Government	\$1,318,632	\$---	\$1,318,632
Public Safety	100,402	---	100,402
Public Works	599,461	---	599,461
Health and Welfare	46,871	---	46,871
Culture and Recreation	27,145	---	27,145
Transportation	24,755	---	24,755
Water and Sewer	---	1,211,370	1,211,370
Port, Harbor and Terminal	---	166,187	166,187
Golf Course	---	25,888	25,888
Boat Harbors and Shipyards	---	14,557	14,557
Total	\$2,117,266	\$1,418,002	\$3,535,268

8. OTHER POST-EMPLOYMENT BENEFITS

In accordance with parish ordinances adopted in 1987 and subject to the availability of budgeted funds, eligible retired parish employees are entitled to receive supplemental retirement pay from the Parish. Eligible employees are defined as those who have worked 40 hours per week for a minimum of 10 years and have reached normal retirement age of 60 while employed and receive less than \$300 per month in Parochial Employees' Retirement System of Louisiana retirement benefits. Eligible retirees receive supplemental benefits at the rate of \$15 per month for each year of service not to exceed 20 years or a maximum amount of \$200 per month. Total amount paid to 4 retirees in 2003 was approximately \$7,365.

9. DEFERRED COMPENSATION PLAN

The Parish offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. A third party, the State Mutual Life Assurance Company of America, administers the plan. The plan, which is available to all employees, permits employees to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

The deferred compensation liability and asset are equal to the total cash balances for each participant's account as of December 31, 2003. The Parish has no liability for losses under the plan, but does have the duty of due care that would be required of an ordinary prudent investor. The Parish intends to honor its moral obligation to the participants implicit in the program. Investments under the plan total \$102,713.

10. POST-EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Parish provides certain continuing health care and life insurance benefits for its retired employees as authorized by resolution 02-320. Substantially all of the Parish's employees become eligible for these benefits when they reach normal retirement age while working for the Parish. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid in full by the Parish or jointly by the employee and the Parish, depending upon the retiree's individual situation. The Parish recognizes the cost of providing these benefits as an expenditure when paid. For 2003, the cost to the Parish for 239 retirees totaled \$547,744.

PLAQUEMINES PARISH GOVERNMENT
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11. ACCOUNTS, SALARIES AND OTHER PAYABLES

The payables of \$1,891,489 at December 31, 2003, are as follows:

Class of Payable	Governmental Funds			Business-Type Funds	Total
	General	Special Revenue	Capital Projects	Proprietary	
Withholdings	\$656,771	\$--	\$--	\$--	\$656,771
Accounts	633,429	263,391	8,007	280,085	1,184,912
Others	45,831	3,975	--	--	49,806
Total	\$1,336,031	\$267,366	\$8,007	\$280,085	\$1,891,489

12. COMPENSATED ABSENCES

At December 31, 2003, employees of the Parish have accumulated and vested \$666,476 of annual leave benefits, which is recorded as a current liability in the General Fund, Special Revenue Funds and Enterprise Funds in the amounts of \$415,086, \$189,275 and \$62,115, respectively.

13. CAPITAL LEASES

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

The following is a schedule of future minimum lease payments together with the present value of the net minimum lease payments as of December 31, 2003:

Description	Governmental Funds	Business-Type Funds	Total
Fiscal year:			
2004	\$36,898	\$2,721	\$39,619
2005	22,177	547	22,724
2006	4,298	--	4,298
Total minimum lease payments	63,373	3,268	66,641
Less amount representing interest	(6,271)	(191)	(6,462)
Present value of net minimum lease payments	\$57,102	\$3,077	\$60,179

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14. COMMITMENTS UNDER CONTRACT

In accordance with parish resolution 97-473 dated December 9, 1997, and amended by resolution 99-290 dated August 26, 1999, the Parish entered into a contract with ST Environmental Services, Inc., for the full service contract management, operation, maintenance and repair of its water and sewerage facilities and systems. The contract, which commenced on January 1, 1998, was automatically renewed on December 31, 2002, for a term of five additional years, ending on December 31, 2007. Thereafter, the contract is automatically renewed for the term of five years, unless canceled in writing by either party no less than 270 days prior to expiration of the then current term. The contract provides for quarterly maintenance and repair expenditures and monthly fees adjustable annually for changes in the consumer price index. The quarterly maintenance and repair expenditure is \$143,141, and the monthly fee is \$394,123.

In accordance with parish resolution 01-286 dated September 13, 2001, entered into a renewal contract with Environmental Operators, LLC for the transportation and disposal of solid waste from parish compactor stations. The contract commenced in September, 2001, and expires in September, 2006. The contract provides for a waste disposal fees of \$38.29 per ton, collection from Belle Chasse and the Eastbank, and \$40.42 per ton, collection from Port Sulphur and Boothville. Fees will be adjustable annually for changes in the consumer price index.

In accordance with parish resolution 01-285 dated September 13, 2001, entered into a renewal contract with Riverside Recycling and Disposal for the acceptance and disposal of trash from the parish Solid Waste Department. The contract commenced in September, 2001, and expires in September, 2006. The contract provides for trash disposal fees of \$23.45 per ton for trash delivered to Riverside Recycling. Fee will be adjustable annually for changes in the consumer price index.

15. OTHER COMMITMENTS

On March 6, 1964, the Parish and the Department of the Army, United States Corps of Engineers entered into an Act of Assurance and Acts of Supplemental Assurance on May 2, 1973, September 10, 1987, and December 21, 1992, for the construction of the New Orleans to Venice, Louisiana Hurricane Protection Project. The Parish's contributions, which may be met through cash or work-in-kind credit, are due at the beginning of the Corps of Engineers' fiscal year, which begins in September, for that year's projected expenditures. At year-end, the Parish establishes a fund balance reserve for the payment due the following September. Projected contributions for which fund balance reserves have not been established are as follows:

Payment Date	Contribution
September 2005	\$1,071,000
September 2006	857,000
September 2007	857,000
Balance to complete	5,406,000
Total	\$8,191,000

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16. LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended December 31, 2003:

Description	Capital Leases	Litigation and Claims	General Obligation Bonds	Total
Governmental Activities:				
Long-term obligations payable at beginning of year	\$76,643	\$5,568,968	\$15,840,000	\$21,485,611
Additions	13,166	1,825,000	---	1,838,166
Deductions	(32,707)	(3,747,968)	(2,045,000)	(5,825,675)
Long-term obligations payable at end of year	\$57,102	\$3,646,000	\$13,795,000	\$17,498,102
Business-Type Activities:				
Long-term obligations payable at beginning of year	\$6,103	\$---	\$---	\$6,103
Additions	---	---	---	---
Deductions	(3,026)	---	---	(3,026)
Long-term obligations payable at end of year	\$3,077	\$---	\$---	\$3,077

The following is a summary of the current (due in one year or less) and long-term (due in more than one year) portions of long-term obligations as of December 31, 2003.

Description	Capital Leases	Litigation and Claims	General Obligation Bonds	Total
Governmental Activities:				
Current Portion	\$32,420	\$---	\$2,130,000	\$2,162,420
Long-Term Portion	24,682	3,646,000	11,665,000	15,335,682
Total	\$57,102	\$3,646,000	\$13,795,000	\$17,498,102
Business-Type Activities:				
Current Portion	\$2,542	\$---	\$---	\$2,542
Long-Term Portion	535	---	---	535
Total	\$3,077	\$---	\$---	\$3,077

For the governmental activities, capital leases are generally liquidated by the fund incurring the obligation and litigation and claims are settled by the General Fund.

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All parish bonds outstanding at December 31, 2003, for \$13,795,000, are general obligation bonds with maturities from 2004 to 2011 and interest rates from 3.7% to 4.3%. Bond principal and interest payable in the next fiscal year are \$2,130,000 and \$549,278, respectively.

General obligation bonds are comprised of the following individual issues:

General Obligation Bonds	Amount
\$6,645,000 - Public Improvement Bonds, Series 1999 Due in annual installments ranging from \$65,000 to \$775,000 through August, 2011, with interest from 3.45 percent to 4.3 percent. Debt retirement payments are made from Public Improvement Bonds, Series 1999, Debt Service Fund.	\$5,380,000
\$11,300,000 - Public Improvement Bonds, Series 2001 Due in annual installments ranging from \$1,415,000 to \$1,840,000 through August, 2008, with interest from 3.5 percent to 6.0 percent. Debt retirement payments are made from Public Improvement Bonds, Series 2001, Debt Service Fund.	8,415,000
Total General Obligation Bonds	\$13,795,000

The general obligation bonds are secured by and payable from 10 percent of the royalties received by the State of Louisiana from mineral leases on state-owned land located within Plaquemines Parish, from Parish levee district revenues, and from a pledge of the full faith and credit of the Parish.

During 2003, bond principal and interest payments on bonded debt totaled \$2,045,000 and \$624,047, respectively. The annual requirements to amortize all bonded debt outstanding at December 31, 2003, are as follows:

Fiscal Year	Principal	Interest	Total
2004	\$2,130,000	\$549,278	\$2,679,278
2005	2,215,000	469,277	2,684,277
2006	2,315,000	383,888	2,698,888
2007	2,415,000	292,650	2,707,650
2008	2,515,000	196,050	2,711,050
2009-2011	2,205,000	191,775	2,396,775
Total	\$13,795,000	\$2,082,918	\$15,877,918

In accordance with Louisiana Revised Statute 39:562, the Parish is legally restricted from incurring general obligation bonded debt for any one of the purposes provided by Louisiana Revised Statute 39:562 in excess of 10 percent of the assessed value of taxable property in the Parish. At December 31, 2003, the statutory limit for each purpose is \$54,130,896.

PLAQUEMINES PARISH GOVERNMENT
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Advance Refundings

On April 1, 1992, the Parish refunded and defeased, in substance, \$13,360,000 of the Public Improvement Bonds Series 1988 (outstanding \$17,785,000) maturing August 1, 1999, to August 1, 2008, with the proceeds from Public Improvement Bonds Series 1992.

The net proceeds of the Public Improvement Bonds Series 1992 were used to purchase U.S. Treasury securities. These sources were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments for the Public Improvement Bonds Series 1988, maturing August 1, 1999 to August 1, 2008. As a result, the Public Improvement, Series 1988 Bonds maturing August 1, 1999 to August 1, 2008, are considered to be defeased, and the liability for the bonds have been removed from the long-term obligation account group. As of December 31, 2002, the amount of defeased debt outstanding but removed from the long-term obligation account group for Public Improvement Bonds Series 1988 was \$10,475,000.

On May 1, 1999, the Parish refunded and defeased, in substance, \$6,260,000 of the Public Improvement Bonds Series 1991 (outstanding \$7,600,000) maturing August 1, 2002 to August 1, 2011, with the proceeds from Public Improvement Bonds Series 1999.

The net proceeds of the Public Improvement Bonds Series 1999 were used to purchase U.S. Treasury securities. These sources were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments for the Public Improvement Bonds Series 1991, maturing August 1, 2002 to August 1, 2011. As a result, the Public Improvement, Series 1991 Bonds maturing August 1, 2002 to August 1, 2011, are considered to be defeased, and the liability for the bonds have been removed from the long-term obligation account group. As of December 31, 2002, the amount of defeased debt outstanding but removed from the long-term obligation account group for Public Improvement Bonds Series 1991 was \$6,260,000.

On June 14, 2001, the Parish refunded and defeased, in substance, \$10,895,000 of the Public Improvement Bonds Series 1992 (outstanding \$12,075,000) maturing August 1, 2002 to August 1, 2008, with the proceeds from Public Improvement Bonds Series 2001.

The net proceeds of the Public Improvement Bonds Series 2001, in the amount of \$11,180,165, were used to purchase U.S. Treasury securities. These sources were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments for the Public Improvement Bonds Series 1992, maturing August 1, 2002 to August 1, 2008. As a result, the Public Improvement, Series 1992 Bonds maturing August 1, 2002 to August 1, 2008, are considered to be defeased, and the liability for the bonds have been removed from the long-term obligation account group. As of December 31, 2002, the amount of defeased debt outstanding but removed from the long-term obligation account group for Public Improvement Bonds Series 1992 was \$10,895,000.

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17. CHANGES IN AGENCY FUNDS

A summary of changes in agency funds assets and liabilities for the year ended December 31, 2003, is as follows:

Description	Beginning Balance	Additions	Reductions	Ending Balance
Assets:				
Cash	\$1,355,775	\$15,327,406	(\$15,419,725)	\$1,263,456
Investments	614,571	19,590	(13,066)	621,095
Interfund Receivable	10	91	(10)	91
Total Assets	\$1,970,356	\$15,347,087	(\$15,432,801)	\$1,884,642
Liabilities:				
Interfund Payables	\$359,225	\$4,982,023	(\$5,341,248)	\$0
Deposits Due Others	815,990	9,923,229	(9,638,498)	1,100,721
Other Liabilities	795,141	441,835	(453,055)	783,921
Total Liabilities	\$1,970,356	\$15,347,087	(\$15,432,801)	\$1,884,642

18. CRIMINAL COURT FUND

Louisiana Revised Statute 15:571.11 requires that one-half of any balance remaining in the Criminal Court Fund at year-end be transferred to the Parish General Fund. The following details the amount due at December 31, 2003:

Balance due at January 1, 2003	\$194,544
Amount due for 2003	194,603
Total	389,147
Remitted during 2003	(194,544)
Balance due at December 31, 2003	\$194,603

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19. INTERFUND RECEIVABLES/PAYABLES

Interfund receivables/payables at December 31, 2003, are as follows:

Payable Fund	Receivable Fund				Total
	Governmental Funds			Business-Type Funds	
	General	Public Health	Non-Major	Water & Sewer	
Governmental Major Funds:					
Public Health	\$1,000,000	\$—	\$—	\$—	\$1,000,000
Governmental Non-Major Funds:					
Criminal Court	194,603	—	—	—	194,603
Court Reporter	1,170	—	—	—	1,170
DWI Court Administered	66	—	—	—	66
Capital Projects-Series 1999	142,037	—	—	198,220	340,257
Total	337,876	—	—	198,220	536,096
Total Governmental Funds	1,337,876	—	—	198,220	1,536,096
Business-Type Major Funds:					
Water and Sewer	4,927,171	—	11,070	—	4,938,241
Port, Harbor and Terminal	2,056,856	1,120,170	103,214	—	3,280,240
Total	6,984,027	1,120,170	114,284	—	8,218,481
Business-Type Non-Major Funds:					
Port Sulphur Golf Course	45,000	—	—	—	45,000
Boat Harbors & Shipyards	146,751	—	—	—	146,751
Total	191,751	—	—	—	191,751
Total Business-Type Funds	7,175,778	1,120,170	114,284	—	8,410,232
Total	\$8,513,654	\$1,120,170	\$114,284	\$198,220	\$9,946,328

Of the \$4,927,171 due from the Water and Sewer fund to the General Fund, \$2,127,170 is classified as noncurrent.

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20. INTERFUND TRANSFERS

The following is a summary of interfund transfers during 2003:

Transfers Out	Transfers In								Total
	Governmental Funds						Business-Type Funds		
	General	Road Maintenance	Public Health	Solid Waste	Capital Improvements	Non-Major	Water & Sewer	Non-Major	
Governmental Major Funds									
General	\$---	\$1,623,297	\$1,698,769	\$467,258	\$4,957,338	\$70,879	\$113,178	\$269,972	\$9,200,691
Governmental Non-Major Funds									
Transportation	--	150,000	--	--	--	--	--	--	150,000
Criminal Court	194,603	--	--	--	--	--	--	--	194,603
Capital Projects-Series 1999	--	--	--	--	--	287,092	--	--	287,092
Total	194,603	150,000	--	--	--	287,092	--	--	631,695
Total Governmental Funds	194,603	1,773,297	1,698,769	467,258	4,957,338	357,971	113,178	269,972	9,832,386
Business-Type Major Funds									
Water and Sewer	--	--	--	--	--	126,777	--	--	126,777
Total Business-Type Funds	--	--	--	--	--	126,777	--	--	126,777
Total	\$194,603	\$1,773,297	\$1,698,769	\$467,258	\$4,957,338	\$484,748	\$113,178	\$269,972	\$9,959,163

PLAQUEMINES PARISH GOVERNMENT
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21. RESERVED AND DESIGNATED RETAINED EARNINGS/FUND BALANCES

The following is a detail of the composition of fund balance reserves and designations and retained earnings reserves:

Description	Governmental Funds			Business-Type Funds	Total
	General	Special Revenue	Capital Projects	Enterprise	
Fund Balances:					
Reserved:					
Encumbrances	\$477,911	\$222,586	\$---	\$---	\$700,497
Prepaid items	2,298,964	---	---	---	2,298,964
Corp of Engineers	2,510,400	---	---	---	2,510,400
Capital projects	3,713,796	---	682,107	---	4,395,903
Total	\$9,001,071	\$222,586	\$682,107	\$---	\$9,905,764
Designated:					
Emergencies	\$2,400,000	\$---	\$---	\$---	\$2,400,000
Self-insurance	2,450,000	---	---	---	2,450,000
Infrastructure	695,588	---	---	---	695,588
Bond indebtedness	9,960,645	---	---	---	9,960,645
Sewer projects	161,355	---	---	---	161,355
Courthouse	201,000	---	---	---	201,000
Capital projects	10,426,596	26,749	751,736	---	11,205,081
Total	\$26,295,184	\$26,749	\$751,736	\$---	\$27,073,669
Retained Earnings:					
Reserved:					
Capital projects	\$---	\$---	\$---	\$507,077	\$507,077
Land purchase	---	---	---	704,781	704,781
Total	\$---	\$---	\$---	\$1,211,858	\$1,211,858

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A. RESERVED FOR ENCUMBRANCES

The reserve for encumbrances in the amount of \$700,497 represents that portion of the applicable appropriation that is committed under purchase order or contract, but which does not constitute expenditures or liabilities.

B. RESERVED FOR PREPAID ITEMS

The reserve for prepaid items in the amount of \$2,298,964 represents payments to vendors for expenditures that will apply to periods after December 31, 2003. Included in this total is payment of \$1,715,000, made in September, 2003, to the Corp of Engineers for the Parish's estimated contribution to the New Orleans to Venice Hurricane Protection Project to fund construction during the Corp of Engineer's 2004 fiscal year, which began in September, 2003.

C. RESERVED FOR CORP OF ENGINEERS

The reserve for Corp of Engineers in the amount of \$2,510,400 represents the estimated funding requirements for the Parish's contribution to levee projects. Included in this total is \$1,285,000 of estimated funding requirements for the Parish's contribution to the New Orleans to Venice Hurricane Protection Project. This contribution is due in September, 2004, to fund construction during the Corp of Engineer's 2005 fiscal year, which begins in September 2004.

Also, included in the total is \$1,225,400 of estimated funding requirements for the Parish's contribution to the Braithwaite Park Levee Enlargement Project. These contributions are due in 2004 and 2005 to fund construction.

D. RESERVED FOR LAND PURCHASE

In accordance with parish ordinance 02-45, dated March 14, 2002, the Parish has designated funds in the amount of \$704,781 for the Plaquemines Port, Harbor and Terminal District land acquisition.

E. DESIGNATED FOR EMERGENCIES

In accordance with parish resolutions, the Parish has designated funds in the amount of \$2,400,000 for emergency purposes.

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December 31, 2003

F. DESIGNATED FOR SELF-INSURANCE

The Parish is self-insured for liability claims relative to commercial liability (employer's and general) up to \$1,000,000, and auto liability up to \$2,000,000, which is supplemented by an excess bumbershoot liability policy of \$10,000,000. Coverage is maintained through an insurer rated at least A by A.M. Best Rating. The Parish is self-insured for worker's compensation up to \$400,000 supplemented by an excess policy with coverage up to \$5,000,000 on Part A and \$1,000,000 on Part B. Fifty thousand dollars has been set aside for payment in the event of accidental death of a volunteer firefighter. This money is only payable after the accidental death payment has been made under a policy owned by the State Fire Marshall's Office. The Parish maintains all marine coverages through companies rated at least A- by A.M. Best. The Parish maintains vessel pollution coverage up to \$55,000,000 through a combination of primary, bumbershoot and excess coverages. Coverage on fixed pontoon landings is subject to a \$10,000 deductible and covered up to scheduled values. Vessel hull and machinery coverages are subject to varying deductibles and are limited to the vessel's scheduled values. Protection and indemnity for vessels and crew is self-insured by the Parish up to \$1,000,000 and then by bumbershoot and excess policies up to a total of \$51,000,000.

G. DESIGNATED FOR INFRASTRUCTURE

In accordance with parish ordinance 97-143, dated August 28, 1997, the Parish has designated funds in the amount of \$695,588 for the construction, repair, maintenance, upgrading and development of infrastructure.

H. DESIGNATED FOR BOND INDEBTEDNESS

In accordance with parish resolution 96-220, dated August 8, 1996 and resolution 00-154, dated April 27, 2000, the Parish has designated funds in the amount of \$9,960,645 for payment of bonded indebtedness.

I. DESIGNATED FOR SEWER PROJECTS

In accordance with parish resolution 01-251, ordinance 01-147, and ordinance 01-148, dated August 9, 2001, the Parish has designated funds in the amount of \$161,355 for parish-wide sewer projects and payment of sewer bond indebtedness.

J. DESIGNATED FOR COURT HOUSE REWARD

In accordance with parish ordinance 02-27, dated February 28, 2002, ordinance 03-14, dated February 13, 2003 and ordinance 03-292, dated December 11, 2003, the Parish has funds designated in the amount of \$201,000 for a reward for information leading to the arrest and capture of the person/persons responsible for the courthouse fire.

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana
Notes to Basic Financial Statements
December 31, 2003

K. DESIGNATED/RESERVED FOR CAPITAL PROJECTS

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

Fund/Project	Designation	Reserve
GENERAL FUND		
Athletic Field Repairs-Port Sulphur	\$4,700	\$---
Athletic Field Repairs-Phoenix	10,209	---
Building-Parish Courthouse Temporary	91,395	---
Building-Parking Lots	4,796	---
Communication System-Disaster Upgrade	267,828	395,890
Computer System Replacement	300,000	---
District Attorney-New Office	130,000	---
Drainage-Belle Chasse Pump Replacement	16,607	---
Drainage-Braithwaite	4,587	---
Drainage-East First-Third Streets/Avenues H-M	250,000	---
Drainage-Epsilon Canal	3,060	---
Drainage-Nairn	35,500	---
Drainage-Planter's Canal	5,873	---
Drainage-Star Place	18,800	---
Drainage-Study	499,910	---
Drainage-West First Street	3,967	---
Dredging-Venice Jump Basin	35,000	---
East Bank Water Systems Improvements	44,121	---
Ferry Acquisition	---	1,298,634
Ferry Ramps/Bridges Repair Pointe a la Hache	53,728	---
Ferry Ramps/Bridges Replacement Belle Chasse	269,495	---
Highway 23 Beautification	14,600	---
Hurricane Protection Levee-Braithwaite Park	43,299	---
Hurricane Protection Levee-Buras Boat Harbor Armor	1,293,824	---
Hurricane Protection Levee-Myrtle Grove	126,542	---
Hurricane Protection Levee-LaReussite	842,500	---
Hurricane Protection Levee-NO to Venice	131,745	---
New Roof-Port Sulphur Civic Center	150,000	---
Overlay-East Crest Drive	4,890	74,837
Overlay-East Third Street Belle Chasse	100,000	---
Overlay-Pointe a la Hache Boat Harbor Road	80,000	---
Parish Welcome Center	100,000	---
Park Improvements-Davant	1,627	---
Park Improvements-Fort Jackson	12,520	---

PLAQUEMINES PARISH GOVERNMENT
 Pointe a la Hache, Louisiana
 Notes to Basic Financial Statements
 December 31, 2003

Fund/Project	Designation	Reserve
GENERAL FUND (Continued)		
Park Renovation/Preservation-Fort Jackson	50,000	---
Rehabilitation-Avenue A / Schlieff to Belle Chasse Hwy	100,000	---
Renovations-Belle Chasse Annex	17,930	---
Renovations-Belle Chasse Civic Center	23,387	---
Renovations-District 1 (Old Maintenance Building)	15,000	---
Renovations-Empire Civic Center	45,000	---
Renovations-Engineering/Land/Permits Building	275,000	---
Renovations-Freeport Building	22,184	---
Repairs-DuVic Bridge	9,562	---
Repairs-DuVic Pump Station	423,375	---
Repairs-Empire Floodgate	66,554	---
Repairs-Empire Slips	30,000	---
Repairs-Noble Manor/Kenneth/Eve/Kimble Drive	220,000	---
Road Maintenance-Parish Wide	38,563	---
Road Repair-Epsilon Street	100,000	---
Road Repair/Striping-Highway 15	44,925	511,973
Road Repair-Tidewater Road	866,707	---
Road Repair-Venice Lanes	97,235	61,281
Sewer Line-Lift Station 8 to Belle Chasse Sewer Plant	---	930,191
Sewer Plant Rehabilitation-Belle Chasse/Boothville	---	440,990
Utility Relocation-Happy Jack to North Port Sulphur	2,991,960	---
Walking Track-Belle Chasse	22,000	---
Walking Track-Port Sulphur Senior Center	11,500	---
Water Plant Disinfection Systems	4,591	---
Total General Fund	\$10,426,596	\$3,713,796
SPECIAL REVENUE FUNDS		
Library Fund		
Renovations-Library	\$10,994	\$---
Transportation Fund		
Road Maintenance-Parish Wide	15,755	---
Total Special Revenue Funds	\$26,749	\$---
CAPITAL PROJECTS FUNDS		
1999 General Obligation Bonds		
Water & Sewer Improvements	\$735,242	\$682,107
1993 Certificates of Indebtedness		
Sewer Repairs E through L Street	16,494	---
Total Capital Projects Funds	\$751,736	\$682,107

PLAQUEMINES PARISH GOVERNMENT
 Pointe a la Hache, Louisiana
 Notes to Basic Financial Statements
 December 31, 2003

Fund/Project	Reserve
ENTERPRISE FUNDS	
Water and Sewer Fund	
Annual Maintenance-Water and Wastewater	\$175,707
Sewer Line-Lift Station 8 to Belle Chasse Sewer Plant	210,000
Sewer Line-Pointe a la Hache to Bohemia	(5,167)
Sewer Repairs-Lining Parishwide	18,454
Waterline-Lake Hermitage	17,652
Waterline Replacement-Beshel's to Bohemia	90,431
Total Enterprise Funds	\$507,077

22. ENTERPRISE FUNDS (Segment Information)

In accordance with GASB Codification Section 2500, the segment information for the Parish's enterprise funds as of and for the year ended December 31, 2003, is as follows:

Description	Major Funds		Non-Major Funds		Total
	Water and Sewer	Port Harbor	Golf Course	Boat Harbors	
Operating revenues	\$4,126,609	\$1,846,875	\$56,273	\$452,223	\$6,481,980
Operating expenses:					
Depreciation	1,211,370	166,187	25,888	14,557	1,418,002
Other	7,023,233	2,732,171	147,262	602,082	10,504,748
Operating loss	(4,107,994)	(1,051,483)	(116,877)	(164,416)	(5,440,770)
Non-operating revenues (expenses):					
Interest revenue	5,104	38,463	—	1	43,568
Interest expense	—	(2,328)	—	—	(2,328)
Ad valorem taxes	2,754,879	—	—	—	2,754,879
Other	5,936	—	(2,052)	(1,362)	2,522
Transfers in (out)	(13,599)	—	108,891	161,081	256,373
Change in net assets	(685,807)	(1,015,348)	(10,038)	(4,696)	(1,715,889)
Net working capital	(7,566)	1,167,624	(48,864)	(161,820)	949,374
Total assets	39,705,854	8,840,178	256,989	311,464	49,114,485
Invested in capital assets, net of related debt	36,320,962	4,278,314	252,396	304,588	41,156,260
Total net assets	34,185,691	5,445,938	203,532	142,768	39,977,929

23. LITIGATION AND CLAIMS

The Parish's legal representatives have reviewed all litigation and claims in order to evaluate the likelihood of an unfavorable outcome to the Parish and to arrive at an estimate of the amount of potential loss to the Parish. At December 31, 2003, as a result of this review, in the opinion of the Parish's legal representatives, an unfavorable outcome is probable in cases involving exposure assessed at an aggregate amount of approximately \$3,646,000; additionally an unfavorable outcome is possible in cases involving exposure assessed at an aggregate amount of approximately \$50,000. Each general liability claim up to \$1,000,000 and auto liability claim up to \$2,000,000 is covered by the self-insurance program, as described in Note 21. Each claim exceeding the self-insurance program limits is covered by an umbrella liability policy up to \$10,000,000. The Parish is responsible for replenishing its designation of self-insurance to cover additional claims. A long-term liability in the amount of \$3,646,000 has been established for claims, which, in the opinion of the Parish's legal counsel, will probably result in an unfavorable outcome. The obligations are recorded in the General Fund as a current liability when the amount is determinable and funds are appropriated. No provisions have been made in the financial statements for loss contingencies that in the opinion of the Parish's legal representatives, an unfavorable outcome is less than probable.

24. FOOD DISTRIBUTION PROGRAM

The Parish operates the Food Distribution Program under an agreement with the Louisiana Department of Agriculture. Under this program, the Parish is responsible for the issuance of donated food commodities for use in feeding persons in needy households. The value of the donated food commodities received and issued for the year totaled \$4,634 and is not recorded in the accompanying financial statements.

25. SUBSEQUENT EVENTS

On April 28, 2004, the Parish issued \$10,000,000 of revenue bonds, Series 2004. The bonds are payable solely from the Parish's one percent sales and use tax. The bonds were issued for the purpose of acquiring, constructing and improving sewers, and sewerage treatment and disposal facilities within Plaquemines Parish. The bonds are payable over the next 10 years with interest rates ranging from 2.35% to 3.2% and principal payments ranging from \$830,000 to \$1,185,000.

26. EMERGENCY 911 SERVICE

During 2003, the Parish collected service charges of \$267,830 for emergency 911 operations and expended \$346,550 for operations of the system. The Parish's wireless emergency 911 system is operational and phase I compliant.

Required Supplementary Information

**Plaquemines Parish Government
Pointe a la Hache, Louisiana
Governmental Funds**

Schedule 1

**Budgetary Comparison Schedule
For the Year Ended December 31, 2003**

	General			Road Maintenance		
	Budget		Actual	Budget		Actual
	Original	Final		Original	Final	
Revenues						
Taxes:						
Ad valorem	\$2,300,000	\$2,340,000	\$2,402,869	\$940,000	\$959,000	\$985,124
Sales and use	4,800,000	4,800,000	5,291,593	---	---	---
Other taxes, penalties, interest, etc.	72,000	79,480	79,483	---	---	---
Licenses and permits	977,000	1,074,000	1,131,484	---	---	---
Intergovernmental revenues:						
Federal grants	247,200	451,500	273,979	4,400	2,360	2,368
State funds:						
Parish transportation funds	---	---	---	---	---	---
State revenue sharing	30,000	34,820	34,819	12,400	14,270	14,277
Parish royalty fund	6,327,000	12,903,440	13,392,977	---	---	---
Other	1,028,800	1,036,750	1,133,175	168,700	168,700	168,743
Fees, charges and commissions for services	325,500	481,850	563,812	---	500	1,055
Fines and forfeitures	---	---	---	---	---	---
Use of money and property	8,740,536	9,944,916	10,800,690	8,000	4,000	4,853
Other revenues	2,424,000	2,455,770	2,655,761	---	1,000	854
Total Revenues	27,272,036	35,802,526	37,760,642	1,133,500	1,149,830	1,177,274
Expenditures						
Current:						
General government	11,108,460	14,709,460	13,183,357	---	---	---
Public safety	679,570	815,820	528,504	---	---	---
Public works	4,782,260	5,176,780	4,603,317	3,042,790	3,414,330	3,039,986
Health and welfare	876,990	937,750	802,948	---	---	---
Culture and recreation	1,404,585	1,520,825	1,296,836	---	---	---
Economic development and assistance	108,180	108,580	100,516	---	---	---
Transportation	2,769,020	2,830,540	2,533,280	---	---	---
Debt service	---	---	---	---	---	---
Total Expenditures	21,729,065	26,099,755	23,048,758	3,042,790	3,414,330	3,039,986
Excess (Deficiency) of Revenues Over Expenditures	5,542,971	9,502,771	14,711,884	(1,909,290)	(2,264,500)	(1,862,712)
Other Financing Sources (Uses)						
Transfers in	196,210	159,910	194,603	1,803,000	2,158,210	1,773,297
Transfers out	(4,897,840)	(24,459,870)	(9,200,691)	---	---	---
Capital leases	3,300	3,300	---	---	---	---
Sale of capital assets	---	5,000	4,396	---	---	---
Net Other Financing Sources (Uses)	(4,698,330)	(24,291,660)	(9,001,692)	1,803,000	2,158,210	1,773,297
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	844,641	(14,788,889)	5,710,192	(106,290)	(106,290)	(89,415)
Fund Balances at Beginning of Year	16,484,647	37,858,581	37,858,581	---	106,288	106,288
Fund Balances at End of Year	\$17,329,288	\$23,069,692	\$43,568,773	(\$106,290)	(\$2)	\$16,873

**Plaquemines Parish Government
Pointe a la Hache, Louisiana
Governmental Funds**

Schedule 1

**Budgetary Comparison Schedule
For the Year Ended December 31, 2003**

	Public Health			Solid Waste		
	Budget		Actual	Budget		Actual
	Original	Final		Original	Final	
Revenues						
Taxes:						
Ad valorem	\$627,000	\$639,500	\$656,749	\$2,493,000	\$2,544,300	\$2,611,361
Sales and use	---	---	---	---	---	---
Other taxes, penalties, interest, etc.	---	---	---	---	---	---
Licenses and permits	---	---	---	---	---	---
Intergovernmental revenues:						
Federal grants	2,900	1,570	1,579	11,700	6,270	6,278
State funds:						
Parish transportation funds	---	---	---	---	---	---
State revenue sharing	8,300	9,500	9,516	33,000	37,850	37,842
Parish royalty fund	---	---	---	---	---	---
Other	---	---	---	---	---	---
Fees, charges and commissions for services	889,520	1,006,230	1,153,642	684,000	694,000	718,836
Fines and forfeitures	---	---	---	---	---	---
Use of money and property	2,200	1,000	1,302	33,000	21,000	18,864
Other revenues	---	112,950	108,486	2,000	6,000	26,581
Total Revenues	1,529,920	1,770,750	1,831,274	3,256,700	3,309,420	3,419,762
Expenditures						
Current:						
General government	---	---	---	---	---	---
Public safety	---	---	---	---	---	---
Public works	---	---	---	3,800,740	4,196,390	3,745,961
Health and welfare	3,461,400	3,900,540	3,772,039	---	---	---
Culture and recreation	---	---	---	---	---	---
Economic development and assistance	---	---	---	---	---	---
Transportation	---	---	---	---	---	---
Debt service	---	---	---	---	---	---
Total Expenditures	3,461,400	3,900,540	3,772,039	3,800,740	4,196,390	3,745,961
Excess (Deficiency) of Revenues Over Expenditures	(1,931,480)	(2,129,790)	(1,840,765)	(544,040)	(886,970)	(326,199)
Other Financing Sources (Uses)						
Transfers in	1,777,550	1,975,860	1,698,769	491,430	834,360	467,258
Transfers out	---	---	---	---	---	---
Capital leases	---	---	---	---	---	---
Sale of capital assets	---	---	---	---	---	---
Net Other Financing Sources (Uses)	1,777,550	1,975,860	1,698,769	491,430	834,360	467,258
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(153,930)	(153,930)	(141,996)	(52,610)	(52,610)	141,059
Fund Balances at Beginning of Year	---	153,930	153,930	---	52,610	52,610
Fund Balances at End of Year	(\$153,930)	\$---	\$11,934	(\$52,610)	\$---	\$193,669

Other Supplementary Information

**Plaquemines Parish Government
Pointe a la Hache, Louisiana
All Fund Types**

Schedule 2

**Combined Balance Sheet
December 31, 2003**

	Governmental Funds			Proprietary Fund	Fiduciary Fund	Total
	General	Special Revenue	Capital Projects	Enterprise	Agency	Memorandum Only
Assets:						
Current Assets:						
Cash and cash equivalents	\$3,080,889	\$459,620	\$691,553	\$1,411,971	\$1,263,456	\$6,907,489
Investments	25,475,324	726,200	1,082,222	2,739,289	621,085	30,644,130
Receivables (net of allowances for uncollectibles)	9,749,139	5,485,387	—	3,606,529	91	18,841,146
Due from other funds	6,386,484	1,223,384	11,070	198,220	—	7,819,158
Prepaid items	2,289,320	—	—	2,216	—	2,301,536
Total Current Assets	46,991,156	7,894,591	1,784,845	7,958,225	1,884,642	66,513,459
Noncurrent Assets:						
Interfund loan	2,127,170	—	—	—	—	2,127,170
Land, buildings and equipment (net, where applicable, of accumulated depreciation)	—	—	—	41,156,260	—	41,156,260
Total Noncurrent Assets	2,127,170	—	—	41,156,260	—	43,283,430
Total Assets	\$49,118,326	\$7,894,591	\$1,784,845	\$49,114,485	\$1,884,642	\$109,796,889
Liabilities:						
Current Liabilities:						
Accounts, salaries and other payables	\$1,336,031	\$267,366	\$8,007	\$280,085	\$—	\$1,891,489
Contracts and retainage payable	1,264,844	—	2,738	—	—	1,267,582
Capital leases payable	—	—	—	2,542	—	2,542
Deferred revenues	2,410,595	4,917,551	—	—	—	7,328,146
Compensated absences payable	415,086	189,275	—	62,115	—	666,476
Deposits due others	20,485	120	—	—	1,100,721	1,121,326
Due to other funds	—	1,195,839	340,257	6,283,062	—	7,819,158
Other liabilities	102,512	152,649	—	381,047	783,921	1,420,129
Total Current Liabilities	5,549,553	6,722,800	351,002	7,008,851	1,884,642	21,516,848
Noncurrent Liabilities:						
Capital leases payable	—	—	—	535	—	535
Interfund loan	—	—	—	2,127,170	—	2,127,170
Total Noncurrent Liabilities	—	—	—	2,127,705	—	2,127,705
Total Liabilities	5,549,553	6,722,800	351,002	9,136,556	1,884,642	23,644,553
Fund Balances:						
Contributed capital	—	—	—	34,311,733	—	34,311,733
Retained earnings:						
Reserved	—	—	—	1,211,858	—	1,211,858
Unreserved	—	—	—	4,454,338	—	4,454,338
Fund balances:						
Reserved	9,001,071	222,586	682,107	—	—	9,905,764
Unreserved:						
Designated	26,295,184	26,749	751,736	—	—	27,073,669
Undesignated	8,272,518	922,456	—	—	—	9,194,974
Total Fund Balances	43,568,773	1,171,791	1,433,843	39,977,929	—	86,152,336
Total Liabilities and Fund Balances	\$49,118,326	\$7,894,591	\$1,784,845	\$49,114,485	\$1,884,642	\$109,796,889

**Plaquemines Parish Government
Pointe a la Hache, Louisiana
Governmental Funds**

Schedule 3

**Combined Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year December 31, 2003**

	General	Special Revenue	Debt Service	Capital Projects	Total Memorandum Only
Revenues					
Taxes:					
Ad valorem	\$2,402,869	\$4,909,983	\$ --	\$ --	\$7,312,852
Sales and use	5,291,593	--	--	--	5,291,593
Other taxes, penalties, interest, etc.	79,483	--	--	--	79,483
Licenses and permits	1,131,484	--	--	--	1,131,484
Intergovernmental revenues:					
Federal grants	273,979	11,804	--	469,179	754,962
State funds:					
Parish transportation funds	--	272,901	--	--	272,901
State revenue sharing	34,819	71,151	--	--	105,970
Parish royalty fund	13,392,977	--	2,671,358	--	16,064,335
Other	1,133,175	168,743	--	263,269	1,565,187
Fees, charges and commissions for services	563,812	2,189,174	--	--	2,752,986
Fines and forfeitures	--	216,749	--	--	216,749
Use of money and property	10,800,690	39,543	--	19,441	10,859,674
Other revenues	2,655,761	244,727	--	15,968	2,916,456
Total Revenues	37,760,642	8,124,775	2,671,358	767,857	49,324,632
Expenditures					
General government:					
Legislative	1,042,613	--	--	--	1,042,613
Judicial	2,850,782	46,731	--	--	2,897,513
Executive	4,605,931	--	--	--	4,605,931
Elections	114,098	--	--	--	114,098
Finance and administrative	2,426,413	--	--	--	2,426,413
Other	2,143,520	--	--	--	2,143,520
Public safety	528,504	--	--	--	528,504
Public works	4,603,317	6,975,743	--	6,372,612	17,951,672
Health and welfare	802,948	4,118,589	--	--	4,921,537
Culture and recreation	1,296,836	587,349	--	--	1,884,185
Economic development and assistance	100,516	--	--	--	100,516
Transportation	2,533,280	--	--	--	2,533,280
Debt service	--	--	2,671,358	--	2,671,358
Total Expenditures	23,048,758	11,728,412	2,671,358	6,372,612	43,821,140
Excess (Deficiency) of Revenues Over Expenditures	14,711,884	(3,603,637)	--	(5,604,755)	5,503,492
Other Financing Sources (Uses)					
Transfers in	194,603	3,939,324	--	5,442,086	9,576,013
Transfers out	(9,200,691)	(344,603)	--	(287,092)	(9,832,386)
Sale of capital assets	4,396	--	--	--	4,396
Net Other Financing Sources (Uses)	(9,001,692)	3,594,721	--	5,154,994	(251,977)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	5,710,192	(8,916)	--	(449,761)	5,251,515
Fund Balances at Beginning of Year	37,858,581	1,180,707	--	1,883,604	40,922,892
Fund Balances at End of Year	\$43,568,773	\$1,171,791	\$ --	\$1,433,843	\$46,174,407

**Plaquemines Parish Government
Pointe a la Hache, Louisiana
Proprietary Fund Type-Enterprise Funds**

Schedule 4

**Combined Schedule of Revenues, Expenses and Changes in Retained Earnings
For the Year Ended December 31, 2003**

Operating Revenues	
Charges for services	\$6,158,096
Other	323,884
Total Operating Revenues	6,481,980
Operating Expenses	
Personal services	1,530,025
Contractual services, supplies, materials and other	8,974,723
Depreciation	1,418,002
Total Operating Expenses	11,922,750
Operating Loss	(5,440,770)
Non-Operating Revenues (Expenses)	
Interest revenue	43,568
Interest expense	(2,328)
Ad valorem taxes	2,754,879
Other	4,680
Net Non-Operating Revenues (Expenses)	2,800,799
Net Loss Before Operating Transfers	(2,639,971)
Operating Transfers	
Transfers in	383,150
Transfers out	(126,777)
Net Loss	(2,383,598)
Add Depreciation on Contributed Capital Fixed Assets	904,653
Net Decrease in Retained Earnings	(1,478,945)
Retained Earnings at Beginning of Year	7,145,141
Retained Earnings at End of Year	\$5,666,196

**Plaquemines Parish Government
Pointe a la Hache, Louisiana
Proprietary Fund Type-Enterprise Funds**

Schedule 5

**Combined Schedule of Cash Flows
For the Year Ended December 31, 2003**

Cash Flows From Operating Activities:	
Cash received from customers	\$6,428,382
Cash operating grants received from other governments	150,556
Cash payments for goods and services	(8,819,561)
Cash payments to employees	(1,531,045)
Net Cash Used For Operating Activities	(3,771,668)
Cash Flows From Non-Capital Financing Activities:	
Ad valorem tax collections	2,754,879
Other non-operating revenues	6,316
Operating transfers in	383,150
Proceeds from short-term loan from other funds	2,537,839
Net Cash Provided by Non-Capital Financing Activities	5,682,184
Cash Flows From Capital and Related Financing Activities:	
Acquisition/construction of capital assets	(935,889)
Decrease in intergovernmental receivables	5,247
Operating transfers out	(126,777)
Decrease in contracts and retainage payable	(1,493)
Principal paid on bonds	(250,000)
Interest paid	(2,328)
Net Cash Used For Capital and Related Financing Activities	(1,311,240)
Cash Flows From Investing Activities:	
Interest received on time deposits	43,568
Payments for investments	(30,093)
Net Cash Provided by Investing Activities	13,475
Net Increase in Cash and Cash Equivalents	612,751
Cash and Cash Equivalents at Beginning of Year	799,220
Cash and Cash Equivalents at End of Year	\$1,411,971
Reconciliation of Operating Loss to Net Cash Used For Operating Activities:	
Operating loss	(\$5,440,770)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation	1,418,002
Change in assets and liabilities:	
Decrease in receivables and other current assets	96,970
Increase in accounts payable	138,109
Increase in other liabilities	16,021
Net Cash Used For Operating Activities	(\$3,771,668)

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended December 31, 2003

SPECIAL REVENUE FUNDS

ROAD MAINTENANCE FUND

The Road Maintenance Fund accounts for the expenditures in connection with the maintenance and upkeep of the Parish's road system. Revenues of this fund are derived principally from ad valorem taxes and a state mowing and litter collection agreement as well as transfers from the General Fund.

PUBLIC HEALTH FUND

The Public Health Fund accounts for the expenditures in connection with the health and welfare of parish residents. Revenues of this fund are derived principally through ad valorem taxes and fees collected from Ambulance Services and Animal Control as well as transfers from the General Fund.

SOLID WASTE FUND

The Solid Waste Fund accounts for the operation of a parish-wide system for the collection and disposal of solid waste. Revenues of this fund are derived principally from ad valorem taxes and sanitation fees as well as transfers from the General Fund.

LIBRARY FUND

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

DWI COURT ADMINISTERED FUND

The DWI Court Administered Fund accounts for fines collected by the sheriff's office and remitted to the Parish for the administration of a substance abuse center.

JUDICIAL COURT REPORTER FUND

The Judicial Court Reporter Fund accounts for judicial fees collected by the Clerk of Court and remitted to the Parish for payment of court reporter costs.

TRANSPORTATION FUND

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

CRIMINAL COURT FUND

The Criminal Court Fund for the Twenty-Fifth Judicial District was established under Section 571.11 of Title 15 of the Louisiana Revised Statutes of 1950, which provide that fines and forfeitures imposed by district courts and district attorney conviction fees in criminal cases, be transferred to the parish treasurer and deposited into a special account to be used for the expenses of the Criminal Court of the Parish. Expenditures are made from the fund on motion of the district attorney and approval of the district judges.

911 FUND

The 911 Fund accounts for the operations of a parish-wide 911 emergency system. Financing for this fund is derived primarily from fees collected from parish residents.

WITNESS FEE FUND

The Witness Fee Fund accounts for fees collected by the sheriff's office and remitted to the Parish for payment of witness fees, as authorized by LSA-R.S. 15:255.

**Plaquemines Parish Government
Pointe a la Hache, Louisiana
Special Revenue Funds**

Schedule 6

**Combining Balance Sheet
December 31, 2003**

	Road Maintenance	Public Health	Solid Waste	Library	DWI Court Admin.	Judicial Court Reporter	Transportation	Criminal Court	911	Witness Fees	Total
Assets:											
Cash and cash equivalents	\$11,694	\$11,222	\$152,408	\$5,720	\$42,343	\$--	\$40,577	\$149,363	\$31,583	\$14,710	\$459,620
Investments	762	--	4,714	468,564	--	--	41,358	212,120	682	--	726,200
Receivables (net of allowances for uncollectibles)	1,096,746	677,429	2,924,059	675,179	400	1,170	22,815	36,001	45,713	5,875	5,485,387
Due from other funds	--	1,120,170	--	--	--	--	--	--	103,214	--	1,223,384
Total Assets	\$1,109,202	\$1,808,821	\$3,081,181	\$1,147,463	\$42,743	\$1,170	\$104,750	\$397,484	\$181,192	\$20,585	\$7,894,591
Liabilities:											
Accounts, salaries and other payables	\$27,829	\$44,212	\$143,982	\$8,972	\$--	\$--	\$14,250	\$8,278	\$19,843	\$--	\$267,366
Deferred revenues	986,807	657,761	2,615,422	657,761	--	--	--	--	--	--	4,917,551
Compensated absences payable	47,238	74,381	46,940	20,716	--	--	--	--	--	--	189,275
Deposits due others	--	120	--	--	--	--	--	--	--	--	120
Due to other funds	--	1,000,000	--	--	66	1,170	--	194,603	--	--	1,195,839
Other liabilities	30,655	20,413	81,168	20,413	--	--	--	--	--	--	152,649
Total Liabilities	1,092,329	1,796,887	2,887,512	707,862	66	1,170	14,250	202,881	19,843	--	6,722,800
Fund Balances:											
Reserved:											
Encumbrances	16,873	11,934	193,669	110	--	--	--	--	--	--	222,586
Unreserved:											
Designated for capital projects	--	--	--	10,994	--	--	15,755	--	--	--	26,749
Undesignated	--	--	--	428,497	42,677	--	74,745	194,603	161,349	20,585	922,456
Total Fund Balances	16,873	11,934	193,669	439,601	42,677	--	90,500	194,603	161,349	20,585	1,171,791
Total Liabilities and Fund Balances	\$1,109,202	\$1,808,821	\$3,081,181	\$1,147,463	\$42,743	\$1,170	\$104,750	\$397,484	\$181,192	\$20,585	\$7,894,591

**Plaquemines Parish Government
Pointe a la Hache, Louisiana
Special Revenue Funds**

Schedule 7

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2003**

	Road Maintenance	Public Health	Solid Waste	Library	DWI Court Admin.	Judicial Court Reporter	Transportation	Criminal Court	911	Witness Fees	Total
Revenues											
Taxes:											
Ad valorem	\$985,124	\$656,749	\$2,611,361	\$656,749	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$4,909,983
Intergovernmental revenues:											
Federal grants	2,368	1,579	6,278	1,579	--	--	--	--	--	--	11,804
State funds:											
Parish transportation funds	--	--	--	--	--	--	272,901	--	--	--	272,901
State revenue sharing	14,277	9,516	37,842	9,516	--	--	--	--	--	--	71,151
Other	168,743	--	--	--	--	--	--	--	--	--	168,743
Fees, charges and commissions for services	1,055	1,153,642	718,836	--	--	15,315	--	--	267,826	32,500	2,189,174
Fines and forfeitures	--	--	--	5,662	1,950	--	--	209,137	--	--	216,749
Use of money and property	4,853	1,302	18,864	9,539	380	44	1,041	3,139	381	--	39,543
Other revenues	854	108,486	28,581	4,841	--	--	--	--	103,965	--	244,727
Total Revenues	1,177,274	1,931,274	3,419,762	687,886	2,330	15,359	273,942	212,276	372,172	32,500	8,124,775
Expenditures											
General government:											
Judicial	--	--	--	--	516	15,359	--	17,614	--	13,242	46,731
Public works	3,039,986	--	3,745,961	--	--	--	189,796	--	--	--	6,975,743
Health and welfare	--	3,772,039	--	--	--	--	--	--	346,550	--	4,118,589
Culture and recreation	--	--	--	587,349	--	--	--	--	--	--	587,349
Total Expenditures	3,039,986	3,772,039	3,745,961	587,349	516	15,359	189,796	17,614	346,550	13,242	11,728,412
Excess (Deficiency) of Revenues Over Expenditures	(1,862,712)	(1,840,765)	(326,199)	100,537	1,814	--	84,146	194,662	25,622	19,258	(3,603,637)
Other Financing Sources (Uses)											
Transfers in	1,773,297	1,698,769	467,258	--	--	--	--	--	--	--	3,939,324
Transfers out	--	--	--	--	--	--	(150,000)	(194,603)	--	--	(344,603)
Net Other Financing Sources (Uses)	1,773,297	1,698,769	467,258	--	--	--	(150,000)	(194,603)	--	--	3,594,721
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(89,415)	(141,996)	141,059	100,537	1,814	--	(65,854)	59	25,622	19,258	(8,916)
Fund Balances at Beginning of Year	106,288	153,930	52,610	339,084	40,863	--	156,354	194,544	135,727	1,327	1,180,707
Fund Balances at End of Year	\$16,873	\$11,934	\$193,669	\$439,601	\$42,677	\$ --	\$90,500	\$194,603	\$161,349	\$20,585	\$1,171,791

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended December 31, 2003

DEBT SERVICE FUNDS

PUBLIC IMPROVEMENT BONDS, SERIES 1999 FUND

The Public Improvement Bonds, Series 1999 Fund accumulates monies for the Series 1999 Public Improvement Bonds dated May 1, 1999. Funding is provided by royalties from the State of Louisiana from mineral leases on state-owned land located within Plaquemines Parish.

PUBLIC IMPROVEMENT BONDS, SERIES 2001 FUND

The Public Improvement Bonds, Series 2001 Fund accumulates monies for the Series 2001 Public Improvement Bonds dated June 14, 2001. Funding is provided by royalties from the State of Louisiana from mineral leases on state-owned land located within Plaquemines Parish.

**Plaquemines Parish Government
 Pointe a la Hache, Louisiana
 Debt Service Funds**

Schedule 8

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
 For the Year Ended December 31, 2003**

	Public Improvement Bonds		Total
	Series 1999	Series 2001	
Revenues			
Intergovernmental revenue:			
State funds:			
Parish royalty fund	\$820,083	\$1,851,275	\$2,671,358
Total Revenues	820,083	1,851,275	2,671,358
Expenditures			
Debt service:			
Principal retirement	575,000	1,470,000	2,045,000
Interest	244,023	380,025	624,048
Other expenditures	1,060	1,250	2,310
Total Expenditures	820,083	1,851,275	2,671,358
Excess of Revenues Over Expenditures	--	--	--
Fund Balances at Beginning of Year	--	--	--
Fund Balances at End of Year	\$ --	\$ --	\$ --

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended December 31, 2003

CAPITAL PROJECTS FUNDS

1999 GENERAL OBLIGATION BOND CONSTRUCTION FUND (WATER AND SEWER)

The 1999 General Obligation Bond Construction Fund, Water and Sewer is used for parishwide water and sewer improvements. Financing is being provided from the unexpended proceeds of the \$10,000,000 in general obligation bonds on December 11, 1991.

LCDBG PORT SULPHUR SEWER PLANT UPGRADE PROJECT

The LCDBG Port Sulphur Sewer Plant Upgrade Fund is used to account for the upgrade of the sewer plant in Port Sulphur. Financing is being provided through the Louisiana Community Development Block Grant federal award and through transfers from the Water and Sewer Fund.

LCDBG POINTE A LA HACHE TO BOHEMIA SEWER PROJECT

The LCDBG Pointe a la Hache to Bohemia Sewer Fund is used to account for the rehabilitation of sewer lines from Pointe a la Hache to Bohemia. Financing is being provided through the Louisiana Community Development Block Grant federal award and through transfers from the Water and Sewer Fund.

LCDBG EAST BANK WATER SYSTEM IMPROVEMENT FUND

The LCDBG East Bank Water System Improvement Fund is used to account for the improvements to waterlines on the East Bank of Plaquemines Parish. Financing is being provided through the Louisiana Community Development Block Grant federal award and through transfers from the General Fund.

SERIES 1993 CERTIFICATES OF INDEBTEDNESS

The Series 1993 Certificates of Indebtedness Fund is used for repairing sewer lines from the sewer lift station on "E" Street Through "L" Street, Belle Chasse. Financing is provided from the sale of the \$500,000 certificate of indebtedness on February 9, 1993.

CAPITAL IMPROVEMENTS FUND

The Capital Improvements Fund is used to account for the purchase or construction of various major capital facilities or equipment, which are being financed from the General Fund.

**Plaquemines Parish Government
Pointe a la Hache, Louisiana
Capital Projects Funds**

Schedule 9

**Combining Balance Sheet
December 31, 2003**

	GO Bonds Series 1999 Waterworks	Certificates of Indebtedness Series 1993	Total
Assets:			
Cash and cash equivalents	\$675,059	\$16,494	\$691,553
Investments	1,082,222	—	1,082,222
Due from other funds	11,070	—	11,070
Total Assets	\$1,768,351	\$16,494	\$1,784,845
Liabilities:			
Accounts, salaries and other payables	\$8,007	\$ —	\$8,007
Contracts and retainage payable	2,738	—	2,738
Due to other funds	340,257	—	340,257
Total Liabilities	351,002	—	351,002
Fund Balances:			
Reserved:			
Capital improvements	682,107	—	682,107
Unreserved:			
Designated for capital projects	735,242	16,494	751,736
Total Fund Balances	1,417,349	16,494	1,433,843
Total Liabilities and Fund Balances	\$1,768,351	\$16,494	\$1,784,845

**Plaquemines Parish Government
Pointe a la Hache, Louisiana
Capital Projects Funds**

Schedule 10

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2003**

	GO Bonds Series 1999 Waterworks	LCDBG Projects			Certificates of Indebtedness Series 1993	Capital Improvements	Total
		Port Sulphur Sewer Plant Upgrade	PALH to Bohemia Sewerline	East Bank Water System Improvements			
Revenues							
Intergovernmental revenue:							
Federal grants	\$ --	\$4,372	\$ --	\$ --	\$ --	\$464,807	\$469,179
State funds:							
Other	--	--	--	--	--	263,269	263,269
Use of money and property	19,295	--	--	--	146	--	19,441
Other revenues	--	--	--	--	--	15,968	15,968
Total Revenues	19,295	4,372	--	--	146	744,044	767,857
Expenditures							
Public works	182,110	368,890	49,351	70,879	--	5,701,382	6,372,612
Excess (Deficiency) of Revenues Over Expenditures	(162,815)	(364,518)	(49,351)	(70,879)	146	(4,957,338)	(5,604,755)
Other Financing Sources (Uses)							
Transfers in	--	364,518	49,351	70,879	--	4,957,338	5,442,086
Transfers out	(287,092)	--	--	--	--	--	(287,092)
Net Other Financing Sources (Uses)	(287,092)	364,518	49,351	70,879	--	4,957,338	5,154,994
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(449,907)	--	--	--	146	--	(449,761)
Fund Balances at Beginning of Year	1,867,256	--	--	--	16,348	--	1,883,604
Fund Balances at End of Year	\$1,417,349	\$ --	\$ --	\$ --	\$16,494	\$ --	\$1,433,843

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended December 31, 2003

ENTERPRISE FUNDS

WATER AND SEWER FUND

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

PORT HARBOR AND TERMINAL DISTRICT FUND

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

GOLF COURSE FUND

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

BOAT HARBORS AND SHIPYARDS FUND

The Boat Harbors Fund accounts for the maintenance and upkeep of the Parish's boat harbors, boatways, shipyards and oyster docks. Boat Harbors are located at Buras, Venice, Pointe a la Hache, Empire and Port Eads. Shipyards are located at Empire and Pointe a la Hache. Oyster docks are located in Empire, Buras and Pointe a la Hache.

**Plaquemines Parish Government
Pointe a la Hache, Louisiana
Enterprise Funds**

Schedule 11

**Combining Balance Sheet
December 31, 2003**

	Water and Sewer	Port, Harbor and Terminal	Golf Course	Boat Harbors & Shipyards	Total
Assets:					
Current Assets:					
Cash and cash equivalents	\$11,862	\$1,392,840	\$4,593	\$2,676	\$1,411,971
Investments	—	2,738,815	—	474	2,739,289
Receivables (net of allowances for uncollectibles)	3,172,594	430,209	—	3,726	3,606,529
Due from other funds	198,220	—	—	—	198,220
Prepaid items	2,216	—	—	—	2,216
Total Current Assets	3,384,892	4,561,864	4,593	6,876	7,958,225
Noncurrent Assets:					
Land	52,000	—	—	—	52,000
Buildings	11,477,440	5,287,055	362,983	—	17,127,478
Improvements other than buildings	43,077,452	—	—	251,804	43,329,256
Machinery and equipment	1,959,399	949,686	165,651	416,749	3,491,485
Construction in progress	8,895,948	—	—	—	8,895,948
Less accumulated depreciation	(29,141,277)	(1,958,427)	(276,238)	(363,965)	(31,739,907)
Total Noncurrent Assets	36,320,962	4,278,314	252,396	304,588	41,156,260
Total Assets	\$39,705,854	\$8,840,178	\$256,989	\$311,464	\$49,114,485
Liabilities:					
Current Liabilities:					
Accounts payable	\$193,065	\$72,285	\$5,174	\$9,561	\$280,085
Capital leases payable	1,492	1,050	—	—	2,542
Compensated absences payable	5,783	40,665	3,283	12,384	62,115
Due to other funds	2,811,071	3,280,240	45,000	146,751	6,283,062
Other liabilities	381,047	—	—	—	381,047
Total Current Liabilities	3,392,458	3,394,240	53,457	168,696	7,008,851
Noncurrent Liabilities:					
Capital leases payable	535	—	—	—	535
Interfund loan	2,127,170	—	—	—	2,127,170
Total Noncurrent Liabilities	2,127,705	—	—	—	2,127,705
Total Liabilities	5,520,163	3,394,240	53,457	168,696	9,136,556
Fund Equity:					
Contributed capital	31,959,352	2,006,081	203,532	142,768	34,311,733
Retained earnings:					
Reserved:					
Capital projects	507,077	—	—	—	507,077
Land purchase	—	704,781	—	—	704,781
Unreserved	1,719,262	2,735,076	—	—	4,454,338
Total Fund Equity	34,185,691	5,445,938	203,532	142,768	39,977,929
Total Liabilities and Fund Equity	\$39,705,854	\$8,840,178	\$256,989	\$311,464	\$49,114,485

**Plaquemines Parish Government
Pointe a la Hache, Louisiana
Enterprise Funds**

Schedule 12

**Combining Schedule of Revenues, Expenses and Changes in Retained Earnings
For the Year Ended December 31, 2003**

	Water and Sewer	Port, Harbor and Terminal	Golf Course	Boat Harbors & Shipyards	Total
Operating Revenues					
Charges for services	\$4,074,944	\$1,696,319	\$56,273	\$330,560	\$6,158,096
Other	51,665	150,556	---	121,663	323,884
Total Operating Revenues	4,126,609	1,846,875	56,273	452,223	6,481,980
Operating Expenses					
Personal services	312,767	874,716	90,215	252,327	1,530,025
Contractual services, supplies, materials and other	6,710,466	1,857,455	57,047	349,755	8,974,723
Depreciation	1,211,370	166,187	25,888	14,557	1,418,002
Total Operating Expenses	8,234,603	2,898,358	173,150	616,639	11,922,750
Operating Loss	(4,107,994)	(1,051,483)	(116,877)	(164,416)	(5,440,770)
Non-Operating Revenues (Expenses)					
Interest revenue	5,104	38,463	---	1	43,568
Interest expense	---	(2,328)	---	---	(2,328)
Ad valorem taxes	2,754,879	---	---	---	2,754,879
Other	5,936	---	(1,256)	---	4,680
Net Non-Operating Revenues (Expenses)	2,765,919	36,135	(1,256)	1	2,800,799
Net Loss Before Operating Transfers	(1,342,075)	(1,015,348)	(118,133)	(164,415)	(2,639,971)
Operating Transfers					
Transfers in	113,178	---	108,891	161,081	383,150
Transfers out	(126,777)	---	---	---	(126,777)
Net Loss	(1,355,674)	(1,015,348)	(9,242)	(3,334)	(2,383,598)
Add Depreciation on Contributed Capital Fixed Assets	826,602	65,475	9,242	3,334	904,653
Net Decrease in Retained Earnings	(529,072)	(949,873)	---	---	(1,478,945)
Retained Earnings at Beginning of Year	2,755,411	4,389,730	---	---	7,145,141
Retained Earnings at End of Year	\$2,226,339	\$3,439,857	\$---	\$---	\$5,666,196

**Plaquemines Parish Government
Pointe a la Hache, Louisiana
Enterprise Funds**

Schedule 13

**Combining Schedule of Cash Flows
For the Year Ended December 31, 2003**

	Water and Sewer	Port, Harbor and Terminal	Golf Course	Boat Harbors & Shipyards	Total
Cash Flows From Operating Activities:					
Cash received from customers	\$4,117,581	\$1,805,664	\$56,273	\$448,864	\$6,428,382
Cash operating grants received from other governments	---	150,556	---	---	150,556
Cash payments for goods and services	(6,619,140)	(1,798,765)	(55,396)	(346,260)	(8,819,561)
Cash payments to employees	(312,059)	(879,068)	(89,374)	(250,544)	(1,531,045)
Net Cash Used For Operating Activities	(2,813,618)	(721,613)	(88,497)	(147,940)	(3,771,668)
Cash Flows From Non-Capital Financing Activities:					
Ad valorem tax collections	2,754,879	---	---	---	2,754,879
Other non-operating revenues	6,316	---	---	---	6,316
Operating transfers in	113,178	---	108,891	161,081	383,150
Proceeds from short-term loan from other funds	805,175	1,640,913	---	91,751	2,537,839
Net Cash Provided by Non-Capital Financing Activities	3,679,548	1,640,913	108,891	252,832	5,682,184
Cash Flows From Capital and Related Financing Activities:					
Acquisition/construction of capital assets	(780,205)	(33,170)	(20,764)	(101,750)	(935,889)
Decrease in intergovernmental receivables	5,247	---	---	---	5,247
Operating transfers out	(126,777)	---	---	---	(126,777)
Decrease in contracts and retainage payable	(1,493)	---	---	---	(1,493)
Principal paid on bonds	---	(250,000)	---	---	(250,000)
Interest paid	---	(2,328)	---	---	(2,328)
Net Cash Used For Capital and Related Financing Activities	(903,228)	(285,498)	(20,764)	(101,750)	(1,311,240)
Cash Flows From Investing Activities:					
Interest received on time deposits	5,104	38,463	---	1	43,568
Payments for investments	---	(30,093)	---	---	(30,093)
Net Cash Provided by Investing Activities	5,104	8,370	---	1	13,475
Net Increase (Decrease) in Cash and Cash Equivalents	(32,194)	642,172	(370)	3,143	612,751
Cash and Cash Equivalents at Beginning of Year	44,056	750,668	4,963	(467)	799,220
Cash and Cash Equivalents at End of Year	\$11,862	\$1,392,840	\$4,593	\$2,676	\$1,411,971
Reconciliation of Operating Loss to Net Cash Used For Operating Activities:					
Operating loss	(\$4,107,994)	(\$1,051,483)	(\$116,877)	(\$164,416)	(\$5,440,770)
Adjustments to reconcile operating loss to net cash used for operating activities:					
Depreciation	1,211,370	166,187	25,888	14,557	1,418,002
Change in assets and liabilities:					
(Increase) decrease in receivables and other current assets	(9,016)	109,345	---	(3,359)	96,970
Increase in accounts payable	68,249	64,713	1,651	3,496	138,109
Increase (decrease) in other liabilities	23,773	(10,375)	841	1,782	16,021
Net Cash Used For Operating Activities	(2,813,618)	(721,613)	(88,497)	(147,940)	(3,771,668)

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULE
As of December 31, 2003

AGENCY FUNDS

SALES TAX FUND

The Sales Tax Fund accounts for the collection and distribution of the Plaquemines Parish's 3 percent sales and use tax. Two percent of these funds is dedicated to the Plaquemines Parish School Board. The Parish is the collecting agent for the tax and remits to the School Board its pro rata share of the tax less two-thirds of the collection expenses. The Parish's sales tax ordinance provides that the proceeds can be used for general governmental expenses and for providing public services and facilities in the parish.

DEFERRED COMPENSATION FUND

The Deferred Compensation Fund accounts for the contributions and withdrawals by parish employees who participate in the deferred compensation plan created and organized in accordance with Internal Revenue Code Section 457. The plan is administered by a third party--the State Mutual Life Assurance Company of America. The plan, which is available to all employees, permits employees to defer the income tax on a portion of their salaries until future years.

**Plaquemines Parish Government
Pointe a la Hache, Louisiana
Agency Funds**

Schedule 14

**Combining Balance Sheet
December 31, 2003**

	Sales Tax	Deferred Compensation	Total
Assets:			
Cash and cash equivalents	\$1,263,456	\$---	\$1,263,456
Investments	518,382	102,713	621,095
Receivables (net of allowances for uncollectibles)	91	---	91
Total Assets	\$1,781,929	\$102,713	\$1,884,642
Liabilities:			
Deposits due others	998,008	102,713	1,100,721
Other liabilities	783,921	---	783,921
Total Liabilities	\$1,781,929	\$102,713	\$1,884,642

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
For the Year Ended December 31, 2003

COMPENSATION PAID TO COUNCIL MEMBERS AND PARISH PRESIDENT

The Schedule of Compensation Paid Council Members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the council members is included in the legislative expenditures of the General Fund. In accordance with Article IV, Section 4.07 of the Plaquemines Parish Charter for Local Self-Government, as amended, the members of the council receive \$28,100 per year, payable monthly, except for the Chairman who receives \$29,100.

Compensation paid the parish president is included in executive expenditures of the General Fund. In accordance with the Plaquemines Parish Government's Charter for Local Self-Government, Section 3.09, the president's salary is \$72,000 per year, payable monthly.

FEDERALLY ASSISTED PROGRAMS

In accordance with the Single Audit Act Amendments of 1996 and Office of Management and Budget Circular A-133, a schedule of expenditures of federal awards is presented.

**Plaquemines Parish Government
Pointe a la Hache, Louisiana**

Schedule 15

**Schedule of Compensation Paid to Council Members and Parish President
For the Year Ended December 31, 2003**

Position/Name	Annual Salary
Parish President	
Benny Rousselle	\$72,000
Council Members	
District 1 John L. Barthelemy, Jr.	28,100
District 2 Rick P. Fremin	28,100
District 3 Jerry K. Hodnett, Chairperson	29,100
District 4 Michael A. Mudge	28,100
District 5 Steven T. Vaughn	28,100
District 6 Amos A. Cormier, Jr.	28,100
District 7 John J. Friedman, Jr.	28,100
District 8 Lynda G. Banta, Vice Chairperson	28,100
District 9 Joseph A. Clark	28,100
	253,900
Total	\$325,900

**Plaquemines Parish Government
Pointe a la Hache, Louisiana**

Schedule 16

**Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2003**

Federal Grantor/ Pass-Through Grantor or Cluster Title	Federal CFDA Number	Pass-Through Entity ID Number	Federal Expenditures
United States Department of Agriculture Passed through Second Harvesters Food Bank of Greater New Orleans - Food Distribution	10.550	NONE	\$4,634
United States Department of Health and Human Services Passed through Louisiana Department of Labor - Community Services Block Grant	93.569	2000P0075	65,719
Passed through Louisiana Department of Social Services - Low-Income Home Energy Assistance	93.568	565785	54,361
Passed through Louisiana Commissioner on Law Enforcement Office - Family Violence Prevention and Services/Grants for Battered Women's Shelters: Grants to State Domestic Violence Coalitions	93.591	M01-7-003	33,157
Passed through Louisiana Housing Finance Agency - Temporary Assistance for Needy Families	93.558	UT-3R-022803-ADM	1,512
Total United States Department of Health and Human Services			154,749
United States Department of Housing and Urban Development Direct Program: Passed through Division of Administration/Office of Community Development - Community Development Block Grants/Small Cities Program	14.219	552224	4,372
United States Department of the Interior Direct Programs: Payments in-Lieu-of Taxes (Public Law 95-469) Payments in-Lieu-of Taxes (Public Law 97-258)	NONE 15.226	NONE NONE	23,897 23,247
Total United States Department of the Interior			47,144
United States Department of Energy Passed through Louisiana Department of Social Services - Weatherization Assistance for Low-Income Persons	81.042	557464	6,975
United States Department of Transportation Passed through Louisiana Department of Transportation and Development - Highway Planning and Construction (Federal-Aid Highway Program) (Belle Chasse Sidewalk Rehabilitation)	20.205	062-02-0099	44,194
Passed through Louisiana Department of Transportation and Development - Highway Planning and Construction (Federal-Aid Highway Program) (Belle Chasse Ferry Acquisition)	20.205	HP-3802 (504)	403,988
Total United States Department of Transportation			448,182
United States Federal Emergency Management Agency Passed through United Way of America - Emergency Food and Shelter National Board Program	83.523	20.3664.00	6,808
Passed through Louisiana Department of Public Safety and Corrections - State Disaster Preparedness Grants	83.552	EMPG FY 03	43,358
Passed through Louisiana Office of Emergency Preparedness - Hazard Mitigation Grant Program	97.039	1437-075-0001	37,500
Passed through Louisiana Office of Emergency Preparedness - Citizens Corps Council	83.564	NONE	1,879
Passed through Louisiana Office of Emergency Preparedness - Community Emergency Response Team (CERT)	83.654	NONE	7,737
Total United States Federal Emergency Management Agency			97,282
United States Department of the Justice Passed through Louisiana Commission of Law Enforcement - Juvenile Accountability Incentive Block Grants	16.523	PVQ00019712	15,073
United States Department of Commerce Passed through Louisiana Department of Natural Resources - Coastal Impact Award (Coastal Restoration-Baptiste Colette)	11.419	NA-17OZ2156	16,625
Total Issues/Expenditures			\$795,036

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2003

GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Plaquemines Parish Government (the Parish). The Parish reporting entity is defined in Note 1 to the financial statements for the year ended December 31, 2003. All federal financial assistance received directly from federal agencies is included on the schedule as well as federal financial assistance passed through other government agencies. The Louisiana Department of Transportation and Development – Highway Planning and Constructions, passed through the United States Department of Transportation was considered the only major federal program of the Parish.

BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Parish Government and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the primary government financial statements.

RELATIONSHIP TO FINANCIAL STATEMENTS

Amounts reported in the Schedule of Expenditures of Federal Awards agree with the amounts reported in the related federal financial reports.

**Reports and Schedules Required by
Government Auditing Standards and
OMB Circular A-133**

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

To the Plaquemines Parish Council
Plaquemines Parish
Pointe a la Hache, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Plaquemines Parish Government (the "Parish"), as of and for the year ended December 31, 2003, which collectively comprise the Parish's basic financial statements and have issued our report thereon dated May 7, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Parish'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 Parish's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions 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.

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This report is intended solely for the information and use of the audit committee, management, others within the organization, Parish Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under the provisions of Louisiana Revised Statutes 24:513 and 44:6, this report is a matter of public record and its distribution is not limited.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
May 7, 2004

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Plaquemines Parish Council
Plaquemines Parish
Pointe a la Hache, Louisiana

Compliance

We have audited the compliance of Plaquemines Parish Government (the "Parish"), with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended December 31, 2003. The Parish's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Parish's management. Our responsibility is to express an opinion on the Parish's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Parish's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Parish's compliance with those requirements.

In our opinion, the Parish complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2003.

Internal Control Over Compliance

The management of the Parish is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Parish's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program 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 compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, others within the organization, Parish Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under the provisions of Louisiana Revised Statutes 24:513 and 44:6, this report is a matter of public record and its distribution is not limited.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
May 7, 2004

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2003

Part I. Summary of Auditor's Results:

1. A unqualified opinion was issued on the basic financial statements.
2. No reportable conditions in internal control were disclosed by the audit of the basic financial statements.
3. No instances of noncompliance were disclosed by the audit of the basic financial statements.
4. No reportable conditions in internal control over the major program were disclosed by the audit of the basic financial statements.
5. An unqualified opinion was issued on compliance for the major program.
6. The audit disclosed no audit findings required to be reported under Section 510(a) of Circular A-133.
7. The major program was:

United States Department of Transportation – Highway Planning and Construction (Belle Chasse Ferry Acquisition); passed through the Louisiana Department of Transportation and Development (CFDA No 20.205).
8. The dollar threshold used to distinguish between Type A and Type B programs, as described in Section 520(b) of Circular A-133 was \$300,000.
9. The auditee did qualify as a low-risk auditee under Section 530 of Circular A-133.

Part II. Findings which are required to be reported in accordance with generally accepted Governmental Auditing Standards:

- A. Compliance Findings -
There were no findings to be reported under this section.
- B. Internal Control Findings-
There were no findings to be reported under this section.

Part III. Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133:

There were no findings to be reported under this section.

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2003

- A. Compliance Findings -
There were no findings previously reported under this section.
- B. Internal Control Findings-
There were no findings previously reported under this section.
- C. OMB A-133 Findings-
There were no findings previously reported under this section.