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**GREATER LAFOURCHE PORT COMMISSION
GALLIANO, LOUISIANA**

Financial Reports

December 31, 1995

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

Release Date 7-24-96

GREATER LAFOURCHE PORT COMMISSION
GALLIANO, LOUISIANA

Financial Reports

December 31, 1995

GREATER LAFOURCHE PORT COMMISSION
GALLIANO, LOUISIANA

Financial Reports

December 31, 1995

TABLE OF CONTENTS

	<u>Page</u>
<u>Introductory Section</u>	
Title Page-----	i
Table of Contents-----	ii
<u>Financial Section</u>	
Independent Auditor's Report-----	iii
General Purpose Financial Statements:	
Combined Balance Sheet - Governmental Fund Types and Account Groups---	1
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types-----	3
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General, Debt Service, and Capital Projects Funds-----	5
Notes to Financial Statements-----	7
Supplementary Schedule and Information:	
Schedule of Per Diem Paid Board Members-----	20
<u>Supplementary Financial Reports</u>	
Independent Auditor's Report on Schedule of Federal Financial Assistance-----	22
Independent Auditor's Report on Internal Control Structure Based on Audit of General Purpose Financial Statements Performed in Accordance with <u>Government Auditing Standards</u> -----	24
Independent Auditor's Report on Internal Control Structure Used in Administering Federal Financial Assistance Programs-----	26
Independent Auditor's Report on Compliance Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u> ----	29
Independent Auditor's Report on Compliance with the General Requirements Applicable to Federal Financial Assistance Programs-----	30
Independent Auditor's Report on Compliance With Specific Requirements Applicable to Major Federal Financial Assistance Programs-----	31

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CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION

CLAUDE E. BERGERON, CPA
THOMAS J. LANAUX, CPA

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Greater Lafourche Port Commission
Galliano, Louisiana

We have audited the accompanying general purpose financial statements of the Greater Lafourche Port Commission, as of and for the year ended December 31, 1995, as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States; and the provisions of the Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Greater Lafourche Port Commission as of December 31, 1995 and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated May 29, 1996 on our consideration of the Greater Lafourche Port Commission's internal control structure and a report dated May 29, 1996 on its compliance with laws and regulations.

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

May 29, 1996

Bergeron & Company

GREATER LAFOURCHE PORT COMMISSION
GALLIANO, LOUISIANA

Combined Balance Sheet - Governmental Fund Types and Account Groups

December 31, 1995

	Governmental Fund Types				Account Groups		Totals (Memorandum Only) 1995	1994
	General	Special Revenue	Debt Service	Capital Projects	General Fixed Assets	General Long-Term Debt		
ASSETS								
Cash in Banks:								
Demand and interest bearing deposits	\$ 1,023,381	\$ -	\$ 322,325	\$ -	\$ -	\$ -	\$ 1,345,706	\$ 1,152,962
Time deposits	309,447	2,036	-	-	-	-	311,483	1,941
Investments, at cost	1,588,850	-	-	-	-	-	1,588,850	510,831
Revenues receivable:								
Grants receivable from other governmental units	26,456	-	-	475,449	-	-	501,905	580,381
Ad valorem taxes	624,185	-	-	-	-	-	624,185	609,096
Lease rentals	32,369	-	-	-	-	-	32,369	35,200
State revenue sharing	47,117	-	-	-	-	-	47,117	48,197
Miscellaneous	-	-	-	-	-	-	-	31,463
Prepaid lease expense	528	-	-	-	-	-	528	420
Prepaid insurance	30,477	-	-	-	-	-	30,477	57,717
Fixed assets:								
Land	-	-	-	-	209,209	-	209,209	209,209
Buildings	-	-	-	-	557,765	-	557,765	557,765
Port facilities and improvements	-	-	-	-	14,290,558	-	14,290,558	14,247,556
Furniture and office equipment	-	-	-	-	102,212	-	102,212	91,669
Vehicles, boats, and field equipment	-	-	-	-	664,746	-	664,746	462,378
Construction in process	-	-	-	-	2,181,791	-	2,181,791	175,386
Amount available in Debt Service Fund	-	-	-	-	-	322,325	322,325	313,318
Amount to be provided for retirement of long-term obligations	-	-	-	-	-	1,609,019	1,609,019	1,748,948
Total Assets	\$ 3,682,810	\$ 2,036	\$ 322,325	\$ 475,449	\$ 18,006,281	\$ 1,931,344	\$ 24,420,245	\$ 20,834,437

GREATER LAFOURCHE PORT COMMISSION
GALLIANO, LOUISIANA

Combined Balance Sheet - Governmental fund Types and Account Groups, Continued

December 31, 1995

	Governmental Fund Types				Account Groups			Totals	
	General	Special Revenue	Debt Service	Capital Projects	General		Long-Term Debt	(Memorandum Only)	
					Fixed Assets	General		1995	1994
LIABILITIES AND FUND EQUITY									
Liabilities:									
Accounts payable	\$ 298,793	\$ -	\$ -	\$ 437,812	\$ -	\$ -	\$ -	\$ 736,605	\$ 126,204
Retainage payable on construction in progress	-	-	-	94,476	-	-	-	94,476	305,137
Commission payable	19,573	-	-	-	-	-	-	19,573	19,267
Deferred revenue:									
Advance payment of leases	172,762	-	-	-	-	-	-	172,762	255,773
Accrued compensated absences	-	-	-	-	-	51,344	-	51,344	47,266
General obligation bonds payable	-	-	-	-	-	1,880,000	-	1,880,000	2,015,000
Total liabilities	491,128	-	-	532,288	-	1,931,344	-	2,954,760	2,768,647
Fund equity:									
Investment in general fixed assets	-	-	-	-	18,006,281	-	-	18,006,281	15,743,963
Fund balances:									
Reserved for debt service	-	-	322,325	-	-	-	-	322,325	313,318
Reserved for capital projects	-	-	-	(56,839)	-	-	-	(56,839)	278,569
Unreserved-undesignated	3,191,682	2,036	-	-	-	-	-	3,193,718	1,729,940
Total fund equity	3,191,682	2,036	322,325	(56,839)	18,006,281	-	-	21,465,485	18,065,790
Total liabilities and fund equity	\$ 3,682,810	\$ 2,036	\$ 322,325	\$ 475,449	\$ 18,006,281	\$ 1,931,344	\$ -	\$ 24,420,245	\$ 20,834,437

GREATER LAFOURCHE PORT COMMISSION
GALLIANO, LOUISIANA

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

Year Ended December 31, 1995

	General Fund	Special Revenue	Debt Service	Capital Projects	Totals	
					1995	(Memorandum Only) 1994
Revenues:						
Taxes:						
Ad valorem taxes	\$ 639,077	\$ -	\$ -	\$ -	\$ 639,077	\$ 613,268
Intergovernmental revenue:						
Revenue sharing taxes	70,675	-	-	-	70,675	72,295
Grants	121,852	-	-	1,751,407	1,873,259	2,208,827
Self-generated fee revenues:						
Port lease rentals	2,483,135	-	-	-	2,483,135	2,260,076
Loading dock fees	168,942	-	-	-	168,942	373,759
Utility sales	21,233	-	-	-	21,233	120,979
Interest on time deposits	109,868	95	9,007	-	118,970	53,763
Other revenues	47,547	-	-	-	47,547	28,162
Total revenues	3,662,329	95	9,007	1,751,407	5,422,838	5,731,129
Expenditures:						
Current:						
General Government:						
Salaries	519,909	-	-	-	519,909	494,990
Per diems	28,800	-	-	-	28,800	29,650
Advertising	14,659	-	-	-	14,659	18,798
Auto and boat - fuel and oil	26,637	-	-	-	26,637	25,459
Auto and boat - parts and repair	53,014	-	-	-	53,014	49,326
Auto and boat - radio repair	24,270	-	-	-	24,270	27,517
Bank and trust fees	483	-	-	-	483	2,232
Building maintenance	20,159	-	-	-	20,159	13,118
Dues, registrations, subscriptions	20,139	-	-	-	20,139	22,803
General port maintenance	167,327	-	-	-	167,327	230,693
Harbor police expenses	15,918	-	-	-	15,918	16,742
Hospitalization insurance	106,449	-	-	-	106,449	77,516
General insurance	177,924	-	-	-	177,924	154,713
Lease expense - Port Fourchon	212,744	-	-	-	212,744	184,205
Legal and professional fees	66,000	-	-	-	66,000	33,750
Office expense and supplies	14,875	-	-	-	14,875	11,822
Warehouse supplies	7,202	-	-	-	7,202	3,665
Project feasibility studies	-	-	-	-	-	36,510
Employer's contribution to State Retirement System	52,757	-	-	-	52,757	50,586
Telephone	17,782	-	-	-	17,782	20,743

GREATER LAFOURCHE PORT COMMISSION
GALLIANO, LOUISIANA

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

Year Ended December 31, 1995

	General Fund	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)	
					1995	1994
Tool allowance	4,837	-	-	-	4,837	4,800
Travel	25,913	-	-	-	25,913	19,307
Utilities	55,326	-	-	-	55,326	105,957
Deductions from ad valorem taxes for retirement systems	19,573	-	-	-	19,573	19,267
Miscellaneous	8,118	-	-	-	8,118	13,365
Capital outlay:						
Equipment and vehicle purchases	213,210	-	-	-	213,210	44,299
Pass dredging	6,780	-	-	-	6,780	1,365,282
Construction	-	-	-	1,984,722	1,984,722	1,795,846
Engineering	61,837	-	-	123,913	185,750	225,946
Debt service:						
Principal retirement	-	-	135,000	-	135,000	125,000
Interest and bank charges	-	-	99,184	-	99,184	79,560
Total Expenditures	1,942,642	-	234,184	2,108,635	4,285,461	5,303,467
Excess (deficiency) of revenues over expenditures	1,719,687	95	(225,177)	(357,228)	1,137,377	427,662
Other financing sources (uses):						
Operating transfers in	-	-	234,184	21,820	256,004	1,026,031
Operating transfers out	(256,004)	-	-	-	(256,004)	(1,026,031)
Total other financing sources (uses)	(256,004)	-	234,184	21,820	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	1,463,683	95	9,007	(335,408)	1,137,377	427,662
Fund balances at beginning of year	1,727,999	1,941	313,318	278,569	2,321,827	1,894,165
Fund balances at end of year	\$ 3,191,682	\$ 2,036	\$ 322,325	\$ (56,839)	\$ 3,459,204	\$ 2,321,827

See notes to financial statements.

GREATER LAFOURCHE PORT COMMISSION
GALLIANO, LOUISIANA

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

Year Ended December 31, 1995

	General Fund		Debt Service Fund		Capital Projects Fund		Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	Budget	Actual	
Revenues:							
Taxes:							
Ad valorem taxes	\$ 580,000	\$ 639,077	\$ 59,077	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues:							
Revenue sharing taxes	60,000	70,675	10,675	-	-	-	-
Grants	513,000	121,852	(391,148)	-	2,349,000	1,751,407	(597,593)
Self-generated fee revenues:							
Port lease rentals	2,150,000	2,483,135	333,135	-	-	-	-
Loading dock fees	120,000	168,942	48,942	-	-	-	-
Utility sales	60,000	21,233	(38,767)	-	-	-	-
Interest on time deposits	40,000	109,868	69,868	9,007	-	-	9,007
Other revenues	28,000	47,547	19,547	-	-	-	-
Total revenues	3,551,000	3,662,329	111,329	9,007	2,349,000	1,751,407	(597,593)
Expenditures:							
Current:							
General Government:							
Salaries	529,000	519,909	9,091	-	-	-	-
Per diems	32,000	28,800	3,200	-	-	-	-
Advertising	15,000	14,659	341	-	-	-	-
Auto and boat - fuel and oil	30,000	26,637	3,363	-	-	-	-
Auto and boat - parts and repairs	50,000	53,014	(3,014)	-	-	-	-
Auto and boat - radio repair	25,000	24,270	730	-	-	-	-
Bank and trust fees	3,000	483	2,517	-	-	-	-
Building maintenance	20,000	20,159	(159)	-	-	-	-
Dues, registration, and subscriptions	22,000	20,139	1,861	-	-	-	-
General port maintenance	300,000	167,327	132,673	-	-	-	-
Harbor police	22,000	15,918	6,082	-	-	-	-
Hospitalization insurance	98,000	106,449	(8,449)	-	-	-	-
General insurance	175,000	177,924	(2,924)	-	-	-	-
Lease expense - Port Fourchon	217,000	212,744	4,256	-	-	-	-
Legal and professional fees	59,000	66,000	(7,000)	-	-	-	-
Office expense and supplies	25,000	14,875	10,125	-	-	-	-
Warehouse supplies	4,000	7,202	(3,202)	-	-	-	-
Employer's contribution to State Retirement System	60,000	52,757	7,243	-	-	-	-

See notes to financial statements.

GREATER LAFOURCHE PORT COMMISSION
GALLIANO, LOUISIANA

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

Year Ended December 31, 1995

	General Fund		Debt Service Fund		Capital Projects Fund		Variance Favorable (Unfavor- able)
	Budget	Actual	Budget	Actual	Budget	Actual	
Telephone	22,000	17,782	-	-	-	-	-
Tool allowance	5,000	4,837	-	-	-	-	-
Travel	25,000	25,913	-	-	-	-	-
Utilities	75,000	55,326	-	-	-	-	-
Deductions from ad valorem taxes for assessor's commission and retirement systems	25,000	19,573	-	-	-	-	-
Miscellaneous	15,000	8,118	-	-	-	-	-
Capital outlay:							
Equipment and vehicle purchases	222,000	213,210	-	-	-	-	-
Pass dredging	-	6,780	-	-	-	-	-
Construction and engineering	60,000	61,837	-	-	4,122,000	2,108,635	2,013,365
Debt service:							
Principal retirement	-	-	135,000	135,000	-	-	-
Interest	-	-	198,000	99,184	-	-	98,816
Contingent fund	200,000	-	-	-	-	-	-
Total expenditures	2,335,000	1,942,642	333,000	234,184	4,122,000	2,108,635	2,013,365
Excess (deficiency) of revenues over expenditures	1,216,000	1,719,687	(333,000)	(225,177)	(1,773,000)	(357,228)	1,415,772
Other financing sources (uses):							
Operating transfers in	-	-	333,000	234,184	1,773,000	21,820	(1,751,180)
Operating transfers out	(2,106,000)	(256,004)	-	-	-	-	-
Total other financing sources (uses)	(2,106,000)	(256,004)	333,000	234,184	1,773,000	21,820	(1,751,180)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(890,000)	1,463,683	-	9,007	-	(335,408)	(335,408)
Fund balances at beginning of year	890,000	1,727,999	-	313,318	-	278,569	278,569
Fund balances (deficit) at end of year	\$ -	\$ 3,191,682	\$ -	\$ 322,325	\$ -	\$ (56,839)	\$ (56,839)

See notes to financial statements.

GREATER LAFOURCHE PORT COMMISSION
GALLIANO, LOUISIANA

Notes to Financial Statements

1) Summary of Significant Accounting Policies

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

The following is a summary of certain significant accounting policies.

- a) Reporting Entity. The Greater Lafourche Port Commission (Commission) was created under Louisiana Revised Statute 34:1651 with a nine member board elected for a term of six (6) years. The Commission has been empowered to regulate the commerce and traffic within the port area; to promote commerce within the area through the construction, acquisition and maintenance of wharves, docks, sheds, landings and waterways; to provide police protection and services for its facilities; and to lease its facilities to all types of commercial transportation, storage, and shipping industries.

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

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

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

GREATER LAFOURCHE PORT COMMISSION
GALLIANO, LOUISIANA

Notes to Financial Statements, Continued

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

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

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

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

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

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

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

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

GREATER LAFOURCHE PORT COMMISSION
GALLIANO, LOUISIANA

Notes to Financial Statements, Continued

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

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

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

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

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

Encumbrance accounting is not utilized by the Commission.

- f) Cash and Investments

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

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

GREATER LAFOURCHE PORT COMMISSION
GALLIANO, LOUISIANA

Notes to Financial Statements, Continued

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

Ad valorem taxes are assessed on a calendar year basis, become due November 15th of each year and become delinquent on December 31st. The taxes are generally collected in December of the current year and in January and February of the ensuing year. The Commission's authorized and levied ad valorem tax mileage rate for 1995 was 7.24.

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

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

At December 31, 1995, \$51,344 has been recorded in the General Long-Term Debt Account Group which represents that portion of estimated compensated absence for annual leave of the General Fund which will be taken or reimbursed after the balance sheet date.

GREATER LAFOURCHE PORT COMMISSION
GALLIANO, LOUISIANA

Notes to Financial Statements, Continued

1) Total Columns on Financial Statements - Overview. Total columns on the financial statements - overview - are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial condition or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

2) Pension Plan

All full-time employees of the Greater Lafourche Port Commission must participate in the Louisiana State Employees Retirement System (LASERS), a cost-sharing multiple-employer public employee retirement system. As of June 30, 1995, there were 116,605 members covered by the plan on a statewide basis, of which 27,677 were retired beneficiaries, 22,300 were terminated members with accumulated contributions, and 66,628 were active employees. As of December 31, 1995, there were 17 employees of the Greater Lafourche Port Commission participating in this system. The payroll for the Commission employees covered by the retirement system for the year ended December 31, 1995 was \$433,681; the Commission's total payroll was \$519,909.

The age and years of creditable service required in order for a member to retire with full benefits are established by Statute and vary depending on the member's employer and job classification. The substantial majority of members may retire with full benefits at ages ranging from any age upon completing thirty years of creditable service, to age sixty upon completing ten years of creditable service.

The basic annual retirement benefit for substantially all members is equal to 2-1/2% of average compensation multiplied by the number of years of creditable service plus \$300. Participants who became members of LASERS on or after July 1, 1986, are not eligible for the \$300 addition to the annual retirement benefit formula. Average compensation is defined as the member's average annual earned compensation for the thirty-six consecutive months of employment during which the member's aggregate earned compensation was greatest. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or certain specified dollar amounts of actuarially determined monetary limits which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the above basic retirement benefit, a member may elect to receive his retirement benefits under any one of four different options providing for a reduced retirement benefit payable throughout his life with certain benefits being paid to his designated beneficiary after his death.

GREATER LAFOURCHE PORT COMMISSION
GALLIANO, LOUISIANA

Notes to Financial Statements, Continued

A member leaving covered employment before attaining minimum retirement age but after completing certain minimum service requirements becomes eligible for a deferred benefit provided the member lives to the minimum service retirement age and does not withdraw his accumulated contributions. The minimum service requirements for deferred benefits vary depending upon the member's employer and service classification.

A Deferred Retirement Option Plan (DROP) was authorized by the legislature effective January 1, 1991. The DROP is an optional method of retiring from the system that does not affect the amount of retirement benefits paid. When a member enters the DROP, his status changes from active member to retiree even though he continues to work at his regular job and draws his regular salary for a period of up to three years. During the DROP participation period, the retiree's retirement benefits are paid to a special account. The election is irrevocable once participation begins. Interest at a rate of one-half percent less than the system's realized return on its portfolio will be credited after participation ends. At the end of participation, the retirement benefit is paid to the retiree among available alternatives. The retiree's salary earned and years worked while participating in DROP are not considered in the calculation of retirement benefit. The DROP program was designed to have no actuarial effect on LASERS' unfunded liability.

Covered employees of the Commission are required by state statute to contribute 7.5% of compensation to the plan. The employer's contribution rate is made in accordance with Louisiana Revised Statute Title II, Chapter 10. The employer's contribution rate is established annually by the Actuarial Forecasting Committee of the plan. Effective July 1, 1995, the employer's contribution rate was set at 12.0% for all employers participating in the plan by the Actuarial Forecasting Committee of the plan. The employer's contribution rate for January through June 1995 was 11.9%. The contribution requirement for the year ended December 31, 1995 from the Commission was \$84,353 which consisted of \$51,826 from the Commission and \$32,527 from the employees. These contributions from the Commission and the employees represented 12.0% and 7.5%, respectively, of covered payroll.

LASERS does not make separate measurements of assets and pension benefit obligations for individual employers. The pension benefit obligation at June 30, 1995 for the LASERS as a whole was \$5,696,909,256. The system's net assets available for benefits on that date were \$3,589,501,958 with an unfunded accrued liability of \$2,107,407,298. Louisiana Act 81 of 1988 will enable the unfunded accrued liability to be amortized over 40 years or by the year 2029.

The pension benefit obligation was computed as part of an actuarial valuation performed as of June 30, 1995.

GREATER LAFOURCHE PORT COMMISSION
GALLIANO, LOUISIANA

Notes to Financial Statements, Continued

Significant actuarial assumptions used in the valuation include:

- a) Expected rate of return on investment of present and future assets is 8.25% per year, net of expenses.
- b) Salary increases range between 4.25% and 11.75%, depending on the age of the individuals, were projected based on a five-year (1981-1986) experience study of the System's members.
- c) Termination, disability and retirement assumptions were projected based on a five year (1981-1986) experience study on the System's members.
- d) Mortality rates were projected based on the 1983 Sex Distinct Graduated Group Annuity Mortality Table with females set at attained age plus one.

The Commission's actuarially determined contribution requirement for 1995 was \$84,353. This represents approximately .03% of total contributions required of all employers for the plan's year ended June 30, 1995. Ten year historical trend information is available in the separately issued retirement system reports issued by the administrators of the Louisiana State Employees Retirement System.

3) Cash

Under state law, the Commission may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. As reflected on Statement A, the Commission has cash and certificates of deposit totaling \$1,657,189 at December 31, 1995.

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

GREATER LAFOURCHE PORT COMMISSION
GALLIANO, LOUISIANA

Notes to Financial Statements, Continued

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

Cash and cash equivalents - carrying amount	<u>\$ 1,657,189</u>
Bank balance of deposits	<u>\$ 1,666,518</u>
Portion insured by FDIC	219,986
Pledged securities under Louisiana law	<u>2,202,959</u>
Total FDIC insurance and pledged securities	<u>\$ 2,422,945</u>

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

4) Investments

At December 31, 1995, the Commission owns units of the Louisiana Asset Management Pool (LAMP) valued at \$1,588,850 by the LAMP at amortized cost, which approximates market value. Units of the LAMP represent an undivided fractional interest in each of the securities held by the LAMP. Securities held by the LAMP include only debt securities issued, guaranteed or otherwise backed by the U. S. Treasury, the government of the United States, or an agency, enterprise or instrumentality thereof, and repurchase agreements collateralized by such securities.

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

GREATER LAFOURCHE PORT COMMISSION
GALLIANO, LOUISIANA

Notes to Financial Statements, Continued

5) Changes in General Fixed Assets

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

	<u>Balance 12/31/94</u>	<u>Additions</u>	<u>Deletions and Transfers</u>	<u>Balance 12/31/95</u>
Land	\$ 209,209	\$ -	\$ -	\$ 209,209
Buildings	557,765	-	-	557,765
Port facilities and improvements	14,247,556	43,002	-	14,290,558
Furniture and office equipment	91,669	10,543	-	102,212
Vehicles, boats, and field equipment	462,378	202,667	299	664,746
Construction in process	175,386	2,049,407	43,002	2,181,791
TOTALS	<u>\$ 15,743,963</u>	<u>\$ 2,305,619</u>	<u>\$ 43,301</u>	<u>\$ 18,006,281</u>

6) Long-Term Debt

The following is a summary of bonds payable:

Series 1993 Revenue Bonds:

Payable December 31, 1994	\$ 2,015,000
Retired in 1995	<u>(135,000)</u>
Payable December 31, 1995	<u>\$ 1,880,000</u>

Interest expense for the year ended
December 31, 1995

\$ 99,184

GREATER LAFOURCHE PORT COMMISSION
GALLIANO, LOUISIANA

Notes to Financial Statements, Continued

Bonds payable at December 31, 1995 are represented by the following issue:

Revenue Refunding Bonds.

\$2,140,000 Revenue Refunding Bonds
(Port Fourchon Development) Series 1993;
due in annual principal installments of
\$145,000 to \$290,000 through
September 1, 2004; interest payable semi-
annually at 5% until September 1, 1999,
and 5.1% thereafter until maturity.

\$ 1,880,000

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

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

<u>Year Ending</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1996	\$ 145,000	\$ 93,340	\$ 238,340
1997	160,000	86,235	246,235
1998	170,000	78,395	248,395
1999	185,000	70,065	255,065
2000	205,000	61,000	266,000
2001	220,000	50,750	270,750
2002	240,000	39,750	279,750
2003	265,000	27,750	292,750
2004	290,000	14,500	304,500
	<u> </u>	<u> </u>	<u> </u>
Totals	<u>\$ 1,880,000</u>	<u>\$ 521,785</u>	<u>\$ 2,401,785</u>

GREATER LAFOURCHE PORT COMMISSION
GALLIANO, LOUISIANA

Notes to Financial Statements, Continued

7) Leases

The Commission leases the land on which Port Fourchon Industrial Park is built from four landowners under operating leases expiring in various years through 2033. The leases are structured to have a minimum amount of base rent with additional amounts payable as contingent rentals based on sublease rentals received by the Commission.

Minimum rental payments of approximately \$44,000 were included in lease expense of \$212,744 for the year ended December 31, 1995.

Minimum future rental payments under non-cancelable operating leases having remaining terms in excess of one year as of December 31, 1995 for each of the next five years are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
1996	\$ 46,007
1997	47,567
1998	50,680
1999	53,194
2000	7,675
Thereafter	<u>34,477</u>
Total minimum future rental payments	<u>\$ 239,600</u>

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

8) Port Lease Rentals

The Commission leases sites situated on Port Fourchon to businesses operating primarily in the oil and gas and seafood industries. The number of lessees as of December 31, 1995, is thirty-two. In general, lease contracts state that in each year of the primary term or any extended option term, rental payments to the Port shall escalate at rates varying from 2% to 5% of the rental paid in the preceding year, unless other arrangements are negotiated.

GREATER LAFOURCHE PORT COMMISSION
GALLIANO, LOUISIANA

Notes to Financial Statements, Continued

Based on existing leases at December 31, 1995, minimum lease rentals on non-cancelable leases to be received over the next five years are as follows:

Year Ending December 31,	Amount
1996	\$ 2,803,514
1997	2,546,171
1998	2,271,532
1999	1,922,358
2000	1,342,059
Total	<u>\$ 10,885,634</u>

9) Fund Equities

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

Reserved for Debt Service

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

Reserved for Capital Projects

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

GREATER LAFOURCHE PORT COMMISSION
GALLIANO, LOUISIANA

Notes to Financial Statements, Continued

10) Contracts-in-Progress

At December 31, 1995, the Commission had the following construction contracts in progress:

<u>Project Description</u>	<u>Estimated total cost</u>	<u>Cost incurred to date</u>	<u>Estimated % funded by other entities</u>
Warehouse facilities	\$ 1,015,066	\$ 909,018	70%
Multi-use dock extension	1,840,940	1,145,273	78%
Bulkhead extension, E-Slip	<u>856,784</u>	<u>127,500</u>	-
	<u>\$ 3,712,790</u>	<u>\$ 2,181,791</u>	

11) Risk Management

The Commission is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. To manage these risks, the Commission has obtained coverage from commercial insurance companies. During 1995, there were no claims in excess of insurance coverage.

12) Litigation

The Commission is involved in litigation concerning the title to land which was donated to the Commission in 1963. This property has been improved over the years and is generating lease rental revenues used to support port operations. Outside counsel has advised the Commission, that at this stage in the proceedings, he cannot offer an opinion as to the probable outcome. Management does not expect this litigation to have a significant adverse impact on the Commission's financial position or operating results, and accordingly, no provision for any loss has been recorded.

GREATER LAFOURCHE PORT COMMISSION
GALLIANO, LOUISIANA

Schedule of Per Diems Paid Board Members

Year Ended December 31, 1995

<u>Board Member</u>	
Dudley A. Bernard	\$ 3,600
Robert M. Champagne	3,600
Harrison J. Cheramie, Jr.	3,550
Vinton J. Crosby	1,750
Tomey J. Doucet	3,600
Brent A. Duet	300
Larry J. Griffin	3,550
John J. Melancon, Sr.	1,800
Rodney J. Terrebonne	3,600
Donald J. Vizier	3,450
	<hr/>
	\$ 28,800
	<hr/> <hr/>

SUPPLEMENTARY FINANCIAL REPORTS

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INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF
FEDERAL FINANCIAL ASSISTANCE

Board of Commissioners
Greater Lafourche Port Commission
Galliano, Louisiana

We have audited the general purpose financial statements of the Greater Lafourche Port Commission for the year ended December 31, 1995, and have issued our report thereon dated May 29, 1996. These general purpose financial statements are the responsibility of the Greater Lafourche Port Commission's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

Bergeron & Company

May 29, 1996

GREATER LAFOURCHE PORT COMMISSION

Schedule of Federal Financial Assistance

Year Ended December 31, 1995

<u>Federal Granting Agency/Recipient State Agency/Grant Program</u>	<u>Pass-through Grantor's Number</u>	<u>Federal Catalog Number</u>	<u>Expenditures</u>
<u>Department of Commerce - Economic Development Administration</u>			
Economic Development - Grants and Loans for Public Works and Development Facilities	N/A	11.300	\$ 1,027,453 *
<u>Department of the Interior Pass Through Payments from State</u>			
Department of Culture, Recreation and Tourism Office of State Parks Outdoor Recreation - Acquisition, Development and Planning	22-00772.6	15.916	41,812
<u>Federal Emergency Management Agency Pass Through Payments from State</u>			
Military Department Office of Emergency Preparedness Disaster Assistance	FEMA 956 DR-LA	83.516	<u>11,693</u>
Total Federal Assistance Expended			<u>\$ 1,080,958</u>

* Major Program.

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

Board of Commissioners
Greater Lafourche Port Commission
Galliano, Louisiana

We have audited the general purpose financial statements of the Greater Lafourche Port Commission, as of and for the year ended December 31, 1995, and have issued our report thereon dated May 29, 1996.

We have conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the Greater Lafourche Port Commission is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the Greater Lafourche Port Commission for the year ended December 31, 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the finance committee, management, and other regulatory agencies. However, this report is a matter of public record and its distribution is not limited.

Bergeron + Company

May 29, 1996

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Board of Commissioners
Greater Lafourche Port Commission
Galliano, Louisiana

We have audited the general purpose financial statements of the Greater Lafourche Port Commission as of and for the year ended December 31, 1995, and have issued our report thereon dated May 29, 1996. We have also audited the compliance of the Greater Lafourche Port Commission with requirements applicable to major federal financial assistance programs and have issued our report thereon dated May 29, 1996.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128 "Audits of State and Local Governments". Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and about whether the Greater Lafourche Port Commission complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audits for the year ended December 31, 1995, we considered the internal control structure of the Commission in order to determine our auditing procedures for the purpose of expressing our opinions on the Greater Lafourche Port Commission's general purpose financial statements and on its compliance with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated May 29, 1996.

The management of the Greater Lafourche Port Commission is responsible for establishing and maintaining the internal control structure. In fulfilling that responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted

accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

Accounting Controls

- Lease rentals, grants, and ad valorem taxes
- Cash receipts
- Cash disbursements
- Payroll
- Property and equipment
- Debt and debt service expenditures

Controls used in administering individual federal financial assistance programs

General Requirements:

- Political activity
- Davis-Bacon Act
- Civil Rights
- Allowable costs/cost principles
- Drug-Free Workplace Act
- Federal financial reports

Specific Requirements:

- Types of service allowed or unallowed
- Matching, level of effort, and/or earmarking requirements
- Special test and provisions

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended December 31, 1995, the Greater Lafourche Port Commission expended 95% of its total federal financial assistance under major federal financial assistance programs.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the Greater Lafourche Port Commission's major federal financial assistance programs, which are identified in the accompanying schedule of federal financial assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

This report is intended for the information of the finance committee, management and other regulatory agencies. However, this report is a matter of public record and its distribution is not limited.

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May 29, 1996

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

Board of Commissioners
Greater Lafourche Port Commission
Galliano, Louisiana

We have audited the general purpose financial statements of the Greater Lafourche Port Commission as of and for the year ended December 31, 1995, and have issued our report thereon dated May 29, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Greater Lafourche Port Commission is the responsibility of the Greater Lafourche Port Commission's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the Commission's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the use of the finance committee, management and other regulatory agencies. However, this report is a matter of public record and its distribution is not limited.

Bergeron & Company

May 29, 1996

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

Board of Commissioners
Greater Lafourche Port Commission
Galliano, Louisiana

We have audited the general purpose financial statements of the Greater Lafourche Port Commission as of and for the year ended December 31, 1995 and have issued our report thereon dated May 29, 1996.

We have applied procedures to test the Greater Lafourche Port Commission's compliance with the following requirements applicable to each of its federal financial assistance programs, the major programs of which are identified in the schedule of federal financial assistance, for the year ended December 31, 1995: political activity, Davis-Bacon Act, civil rights, allowable costs/cost principles, Drug-Free Workplace Act and various administrative requirements.

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Single Audits of State and Local Governments". Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Greater Lafourche Port Commission's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the first paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the Greater Lafourche Port Commission had not complied, in all material respects, with those requirements.

This report is intended for the use of the finance committee, management and other regulatory agencies. However, this report is a matter of public record and its distribution is not limited.

Bergeron & Company

May 29, 1996

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

Board of Commissioners
Greater Lafourche Port Commission
Galliano, Louisiana

We have audited the general purpose financial statements of the Greater Lafourche Port Commission as of and for the year ended December 31, 1995 and have issued our report thereon dated May 29, 1996.

We have also audited the Greater Lafourche Port Commission's compliance with the requirements governing types of services allowed or unallowed; matching, level of effort, and/or earmarking; and special tests and provisions that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying schedule of federal financial assistance, for the year ended December 31, 1995. The management of the Greater Lafourche Port Commission is responsible for the Commission's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget Circular A-128, "Audits of State and Local Government". Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Greater Lafourche Port Commission's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the Greater Lafourche Port Commission complied, in all material respects, with the requirements governing types of services allowed or unallowed; matching, level of effort, and/or earmarking; and special tests and provisions that are applicable to each of its major federal financial assistance program for the year ended December 31, 1995.

This report is intended for the use of the finance committee, management and other regulatory agencies. However, this report is a matter of public record and its distribution is not limited.

Bergeron & Company

May 29, 1996