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VINTON HARBOR AND TERMINAL DISTRICT
Vinton, Louisiana

ANNUAL FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORTS

Year Ended December 31, 1997

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 JUN 24 1998

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INDEPENDENT AUDITORS' REPORT

February 9, 1998

Board of Commissioners
Vinton Harbor and Terminal District
Vinton, Louisiana

We have audited the accompanying general purpose financial statements of the Vinton Harbor and Terminal District as of and for the year ended December 31, 1997. These general purpose financial statements are the responsibility of the Vinton Harbor and Terminal District management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

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

In accordance with Government Auditing Standards, we have also issued our report dated February 9, 1998 on our consideration of Vinton Harbor and Terminal District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations and contracts.

Gragsom Casiday & Guillory

VINTON HARBOR AND TERMINAL DISTRICT

Combined Balance Sheet - All Fund Types and Account Group

December 31, 1997

	Governmental Fund Type <u>General Fund</u>	Account Group General Fixed Assets	Totals (Memorandum Only)	
			<u>1997</u>	<u>1996</u>
ASSETS				
Cash	\$ 344,121	\$ -	\$ 344,121	\$ 305,423
Receivables				
Taxes (net)	43,029	-	43,029	41,428
State revenue sharing	3,150	-	3,150	3,150
State Department of Transportation	-	-	-	29,716
Interest	2,766	-	2,766	1,225
Fixed assets	<u>-</u>	<u>536,201</u>	<u>536,201</u>	<u>513,779</u>
TOTAL ASSETS	\$ <u>393,066</u>	\$ <u>536,201</u>	\$ <u>929,267</u>	\$ <u>894,721</u>
LIABILITIES				
Accounts payable	\$ <u>748</u>	\$ <u>-</u>	\$ <u>748</u>	\$ <u>33,910</u>
FUND EQUITY				
Investment in general fixed assets	-	536,201	536,201	513,779
Fund balance				
Unreserved - undesignated	<u>392,318</u>	<u>-</u>	<u>392,318</u>	<u>347,032</u>
TOTAL FUND EQUITY	<u>392,318</u>	<u>536,201</u>	<u>928,519</u>	<u>860,811</u>
TOTAL LIABILITIES AND FUND EQUITY	\$ <u>393,066</u>	\$ <u>536,201</u>	\$ <u>929,267</u>	\$ <u>894,721</u>

The accompanying notes are an integral part of these financial statements.

VINTON HARBOR AND TERMINAL DISTRICT

Statement of Revenues, Expenditures and Changes
in Fund Balance - Governmental Fund Type

Year Ended December 31, 1997

	<u>1997</u>	<u>1996</u>
REVENUES:		
Ad valorem taxes - net	\$ 41,769	\$ 40,823
State revenue sharing	3,156	3,151
Rental income, net	12,000	7,200
Interest	15,296	15,959
Miscellaneous	10,200	284
State Department of Transportation	<u>-</u>	<u>594,905</u>
TOTAL REVENUES	<u>82,421</u>	<u>662,322</u>
EXPENDITURES		
General Government		
Advertising	480	-
Director and secretary fees	4,500	4,500
Insurance	4,257	4,273
Per diem	2,100	2,100
Professional fees	2,000	2,000
Repairs	628	140
Supplies - office	384	565
Travel	364	825
Capital outlay	<u>22,422</u>	<u>724,301</u>
TOTAL EXPENDITURES	<u>37,135</u>	<u>738,704</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	45,286	(76,382)
FUND BALANCE - BEGINNING	<u>347,032</u>	<u>423,414</u>
FUND BALANCE - ENDING	\$ <u>392,318</u>	\$ <u>347,032</u>

The accompanying notes are integral part of these financial statements.

VINTON HARBOR AND TERMINAL DISTRICT

Notes to Financial Statements

December 31, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Vinton Harbor and Terminal District is a political subdivision of the State of Louisiana and was created by Acts of the Louisiana Legislature. It is governed by a Board of five commissioners.

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

1. Reporting Entity

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Statement No. 14, the Vinton Harbor and Terminal District includes all funds, account groups, et cetera, that are within the oversight responsibility of the Vinton Harbor and Terminal District.

As the governing authority, for reporting purposes, the Vinton Harbor and Terminal District is the financial reporting entity. 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.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Vinton Harbor and Terminal District 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 criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Vinton Harbor and Terminal District to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Vinton Harbor and Terminal District.

Continued

VINTON HARBOR AND TERMINAL DISTRICT

Notes to Financial Statements

December 31, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2. Organizations for which the Vinton Harbor and Terminal District does not appoint a voting majority but are fiscally dependent on the Vinton Harbor and Terminal District.
3. Organizations for which the reporting entity financial statements could be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based upon the application of these criteria, there are no component units included in the Vinton Harbor and Terminal District's reporting entity.

2. Fund Accounting

The Vinton Harbor and Terminal District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable financial resources.

The following funds and group of accounts are used by the District:

Governmental Fund:

The Governmental Fund accounts for all of the District's general activities. The Governmental Fund includes:

1. General Fund - The General operating fund of the District. All financial resources are accounted for in the General Fund.

General Fixed Assets Account Group:

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

Continued

VINTON HARBOR AND TERMINAL DISTRICT

Notes to Financial Statements

December 31, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental fund is accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by the governmental fund type. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred.

Those revenues susceptible to accrual are property taxes, interest, rentals and state revenue sharing.

4. Cash

Cash includes amounts in demand deposits and time deposits. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Continued

VINTON HARBOR AND TERMINAL DISTRICT

Notes to Financial Statements

December 31, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 1997, the District has \$344,156 in deposits (collected bank balances). These deposits are secured from risk by \$200,000 of federal deposit insurance and \$144,156 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

5. Budgets

The district did not and is not legally required to adopt a budget for the year ended December 31, 1997.

6. Total Columns

Total columns on the general purpose financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation.

7. Comparative Data

Comparative totals for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the government's financial position and operations.

VINTON HARBOR AND TERMINAL DISTRICT

Notes to Financial Statements

December 31, 1997

NOTE E - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE F - LEASES

Substantially all of the District's fixed assets are available for lease. At the current time, the District has one leasee, Southwest Steel of Louisiana, Inc., occupying the District's building. The lease is for a ten year period, inception May 2, 1994, at a monthly rent of \$800 and has a monthly termination option.

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

February 9, 1998

Board of Commissioners
Vinton Harbor and Terminal District
Vinton, Louisiana

We have audited the financial statements of the Vinton Harbor and Terminal District as of and for the year ended December 31, 1997, and have issued our report thereon dated February 9, 1998. We conducted our audit in accordance with generally accepted auditing 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 Vinton Harbor and Terminal District'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 you 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 Vinton Harbor and Terminal District's internal control structure over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and

not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the management and the Board of Commissioners. However, this report is a matter of public record and its distribution is not limited.

Gragson Casiday & Guillory