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PLAQUEMINES PARISH GOVERNMENT

Pointe a la Hache, Louisiana

Primary Government Financial Statements

As of and for the Year Ended December 31, 2007
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 7/16/08

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana

Primary Government Financial Statements
As of and for the Year Ended December 31, 2007
With Supplemental Information Schedules

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Pointe a la Hache, Louisiana

Primary Government Financial Statements
As of and for the Year Ended December 31, 2007
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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, 2007, 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 the Parish'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 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 do not include financial data for the Parish's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the Parish's primary government unless the Parish also issues financial statements for the financial reporting entity that include the financial data for its component units. The Parish has not issued such reporting entity financial statements. The effects of this departure from accounting principles generally accepted in the United States of America on the assets, liabilities, net assets, revenues and expenses of the aggregate discretely presented component units are not reasonably determinable.

In our opinion, because of the omission of the discretely presented component units, as discussed above, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the aggregate discretely presented component units of Plaquemines Parish Government as of December 31, 2007, or the changes in financial position thereof for the year then ended.

Also, 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 aggregate remaining fund information for the primary government of Plaquemines Parish Government as of December 31, 2007, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2007 on our consideration of the Parish's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The management's discussion and analysis and budgetary comparison schedules on pages 5 through 14 and pages 63 through 65, 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 consisted 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 the Parish's basic financial statements. The other supplementary information on pages 67 through 88 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. The supplementary information and schedule of expenditures of federal awards have 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
June 23, 2007

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, 2007. 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 \$254,779,740.
- Total Parish's net assets are comprised of the following:
 - Capital assets, net of related debt, of \$129,062,881 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 \$17,411,367 have constraints imposed from outside the Parish by bond covenants.
 - Unrestricted assets of \$99,305,492 represent the portion available to maintain the Parish's obligations to citizens and creditors.
- The governmental funds total ending fund balance of \$122,376,095 showed an increase of \$10,795,530 over the ending balance for 2006.
 - The General Fund ending fund balance of \$102,274,047 showed an increase of \$9,124,512 over the ending balance for 2006.
 - The General Fund ending unreserved/undesignated fund balance of \$12,687,382 showed a decrease of (\$3,427,754) over the ending balance for 2006.
- The enterprise funds total ending net assets of \$39,370,106 showed an increase of 3,729,931 from the ending balance for 2006.
 - The Port, Harbor and Terminal Fund total ending net assets of \$7,298,980 showed a increase of \$458,955 over the ending balance for 2006.
 - The Water and Sewer Fund total ending net assets of \$31,911,472 showed a increase of 3,248,945 from the ending balance for 2006.

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, 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 the largest asset class of the Parish. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The Parish has elected to implement the general provisions of GASB Statement No. 34 in a previous year and completed the infrastructure provisions for the year ended December 31, 2007.

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
- **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 fiduciary funds used by the parish are the permanent fund and the agency fund.

Notes to Basic Financial Statements

The accompanying notes to the financial statements (pages 28-61) provide information essential to a full understanding of the government-wide and fund financial statements.

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

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 63-65) are included as "Required Supplementary Information" for the General Fund and the major special revenue funds.

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's net assets at year-end are \$245,779,740. The following table provides a summary of the Parish's net assets:

	Net Assets							
	Governmental Activities		Business-Type Activities		Total		Percentage of Total	
	2007	2006	2007	2006	2007	2006	2007	2006
Assets:								
Current assets	\$150,072,732	\$140,077,680	(\$1,463,131)	(\$4,808,409)	\$148,609,601	\$135,269,271	50%	54%
Capital assets and other non-current assets	109,674,401	73,125,620	41,538,480	43,067,045	151,212,881	116,192,665	50%	46%
Total Assets	259,747,133	213,203,300	40,075,349	38,258,636	299,822,482	251,461,936	100%	100%
Liabilities:								
Current liabilities	22,429,052	16,341,536	703,771	761,876	23,132,823	17,103,412	43%	35%
Non-current liabilities	30,908,447	31,610,724	1,472	3,497	30,909,919	31,614,221	57%	65%
Total Liabilities	53,337,499	47,952,260	705,243	765,373	54,042,742	48,717,633	100%	100%
Net Assets:								
Investment in capital assets, net of debt	85,450,674	50,416,717	43,612,207	45,140,948	129,062,881	95,557,665	53%	47%
Restricted	17,411,367	16,298,552	—	—	17,411,367	16,298,552	7%	8%
Unrestricted (Deficit)	103,547,593	98,535,771	(4,242,101)	(7,647,685)	99,305,492	90,888,086	40%	45%
Total Net Assets	\$206,409,634	\$165,251,040	\$39,370,106	\$37,493,263	\$245,779,740	\$202,744,303	100%	100%

The Parish reported positive balances in net assets for both governmental and business-type activities. Net assets increased \$9,540,946 for governmental activities and increased \$3,729,931 for business-type activities. The Parish's overall financial position improved during fiscal year 2007.

Approximately 53% 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 41% 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
 Unaudited

An additional portion of the Parish's net assets, approximately 7%, represents resources that are subject to restrictions on how they can be used. The remaining balance of unrestricted assets, approximately 40%, 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 (\$4,242,101). 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	
	2007	2006	2007	2006	2007	2006	2007	2006
Revenues:								
Program:								
Charges for services	\$3,265,762	\$2,908,911	\$5,085,827	\$4,831,492	\$8,351,589	\$7,740,403	7.7%	7.4%
Operating grants	32,880,022	41,988,973	24,820	40,950	32,904,842	42,029,923	30.9%	40.2%
Capital grants	49,761	509,814	2,881,559	292,087	2,931,320	801,911	2.8%	0.8%
General:								
Property taxes	8,066,128	7,225,445	2,897,716	2,595,706	10,963,844	9,821,151	10.3%	9.4%
Sales taxes	6,401,752	7,363,814	--	--	6,401,752	7,363,814	6.0%	7.0%
Unrestricted grants	22,903,314	17,931,314	7,832	5,839	22,911,146	17,937,153	21.5%	17.2%
Licenses and fees	710,174	747,611	--	--	710,174	747,611	0.7%	0.7%
Parish oil and gas royalties	15,613,955	13,578,129	--	--	15,613,955	13,578,129	14.6%	13.0%
Mineral, surface and other leases	371,850	401,226	110,268	--	482,118	401,226	0.5%	0.4%
Investment income	4,581,517	3,456,673	76,796	199,189	4,658,413	3,655,862	4.4%	3.5%
Settlements	2,000	4,970	--	--	2,000	4,970	0.0%	0.0%
Other	554,472	332,207	94,764	73,026	649,236	405,233	0.6%	0.4%
Total Revenues	95,400,807	96,449,087	11,179,382	8,038,299	106,580,189	104,487,386	100.0%	100.0%
Program Expenses:								
General government	12,330,186	11,276,806	--	--	12,330,186	11,276,806	13.1%	13.1%
Public safety	38,130,912	38,670,843	--	--	38,130,912	38,670,843	40.9%	44.5%
Public works	17,167,327	14,615,249	--	--	17,167,327	14,615,249	18.4%	16.8%
Health and welfare	5,216,145	4,730,939	--	--	5,216,145	4,730,939	5.6%	5.4%
Culture and recreation	1,636,667	1,673,656	--	--	1,636,667	1,673,656	1.8%	1.9%
Economic development and assistance	68,333	119,257	--	--	68,333	119,257	0.1%	0.1%
Transportation	4,428,291	3,213,726	--	--	4,428,291	3,213,726	4.7%	3.7%
Interest on long-term debt	1,028,299	915,329	--	--	1,028,299	915,329	1.1%	1.1%
Water and Sewer	--	--	10,518,215	8,506,381	10,518,215	9,506,381	11.3%	10.9%
Port, Harbor and Terminal	--	--	2,320,496	1,755,882	2,320,496	1,755,882	2.5%	2.0%
Port Sulphur Golf Course	--	--	57,204	79,194	57,204	79,194	0.1%	0.1%
Boat Harbors and Shipyards	--	--	407,237	372,181	407,237	372,181	0.4%	0.4%
Total Program Expenses	80,006,160	75,215,805	13,303,152	11,713,638	93,309,312	86,929,443	100.0%	100.0%
Excess (deficiency)	15,394,647	21,233,282	(2,123,770)	(3,675,339)	13,270,877	17,557,943		
Transfers	(5,853,701)	(383,960)	5,853,701	383,960	--	--		
Change In Net Assets	9,540,946	20,849,322	3,729,931	(3,291,379)	13,270,877	17,557,943		
Beginning Net Assets, as restated	196,868,688	144,401,718	35,640,175	40,784,642	232,508,863	185,186,360		
Ending Net Assets	\$206,409,634	\$165,251,040	\$39,370,106	\$37,493,263	\$245,779,740	\$202,744,303		

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

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 8.5%, sales taxes provided 6.7%, intergovernmental revenue provided 58.6%, oil and gas royalties provided 16.4%, and fees and other revenues provided 10.0%.

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 (Deficit)	
	2007	2006	2007	2006
General government	\$12,330,186	\$11,276,806	(\$10,961,125)	(\$9,897,021)
Public safety	38,130,912	38,670,843	(6,323,766)	1,972,666
Public works	17,167,327	14,615,249	(15,900,194)	(13,035,044)
Health and welfare	5,216,145	4,730,939	(3,817,262)	(3,299,179)
Culture and recreation	1,636,667	1,673,656	(1,490,972)	(1,489,435)
Economic development and assistance	68,333	119,257	(68,333)	(119,257)
Transportation	4,428,291	3,213,726	(4,220,664)	(3,025,508)
Interest on long-term debt	1,028,299	915,329	(1,028,299)	(915,329)
Total	\$80,006,160	\$75,215,805	(\$43,810,615)	(\$29,808,107)

Program revenues cover only 45% of governmental operating expenses. This means that the government's taxpayers and the Parish's other general revenues fund 55% 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 45.5%, operating grants and contributions provided .2%, capital grants and contributions provided 25.8%, property taxes provided 25.9%, and other revenues provided 2.6%.

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 business-type activities are as follows:

Business-Type Activities				
Function	Costs of Services			
	Total		Net (Deficit)	
	2007	2006	2007	2006
Water and Sewer	\$10,518,215	\$9,506,381	(\$4,532,908)	(\$6,039,262)
Port, Harbor and Terminal	2,320,496	1,755,882	(401,498)	(58,462)
Port Sulphur Golf Course	57,204	79,194	(57,204)	(79,194)
Boat Harbors and Shipyards	407,237	372,181	(319,536)	(372,181)
Total	\$13,303,152	\$11,713,638	(\$5,311,146)	(\$6,549,099)

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

Program revenues cover only 71% of business-type expenses. This means that the government's taxpayers and the Parish's other general revenues fund 29% 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, 2007, the Parish's governmental funds reported a combined ending fund balance of \$122,376,095, an increase of \$10,795,530 in comparison with the 2006 ending fund balance. Approximately 14% of this total constitutes unreserved/undesignated 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		
	2007	2006
Reserved	\$11,242,934	\$5,849,101
Designated	96,498,541	87,889,529
Unreserved/Undesignated	14,634,620	17,841,935
Total	\$122,376,095	\$111,580,565

The General Fund ending fund balance for 2007 of \$102,274,047 showed an increase of \$9,124,512 over the ending balance for 2006.

The General Fund ending unreserved/undesignated fund balance for 2007 of \$12,687,382 showed a decrease of (\$3,427,754) over the ending balance for 2006.

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 (\$9,362,127) during 2007, compared to an operating loss of (\$7,992,110) for 2006, an increase of (\$1,370,017) over the prior year.

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

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

	Water and Sewer		Port, Harbor and Terminal		Other Enterprise	
	2007	2006	2007	2006	2007	2006
Operating Revenues						
Charges for services	\$3,388,992	\$3,243,905	\$1,552,664	\$1,644,413	\$52,163	---
Other	70,303	3,092	78,000	---	110,268	---
Total Operating Revenues	3,459,295	3,246,997	1,630,664	1,644,413	162,431	---
Operating Expenses						
Personal services	351,956	373,392	1,067,819	980,628	340,475	348,246
Contractual services, supplies, materials and other	7,509,878	6,518,354	2,078,983	1,600,169	133,150	148,289
Depreciation	2,737,864	2,699,081	324,974	180,946	69,418	34,415
Total Operating Expenses	10,599,698	9,590,827	3,471,776	2,761,743	543,043	530,950
Operating Loss	(\$7,140,403)	(\$6,343,830)	(\$1,841,112)	(\$1,117,330)	(\$380,612)	(\$530,950)

The enterprise funds' operating revenue increased by \$360,980 from the prior year; totaling \$5,252,390 in fiscal year 2007 and \$4,891,410 in fiscal year 2006. These operating revenue increases are attributable to increases in revenue generating activity.

The enterprise funds' operating expenses increased by \$1,730,997 from the prior year; totaling \$14,614,517 in fiscal year 2007 and \$12,883,520 in fiscal year 2006. 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 December 2006). 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 \$11,329,432 (expenditures were below the final budget amounts). The most significant positive expenditure variance of \$5,644,219 occurred in the General Fund's public works function. The revenue budget had a positive budget variance of \$681,145 (actual revenues were above the final budget amounts). The most significant positive revenue variances occurred in the use of money and property.

Capital Assets and Debt Administration

Capital Assets

The Parish's investment in capital assets for governmental and business-type activities as of December 31, 2007, was \$151,212,881 (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 change in this net investment was a 4.8% increase for governmental activities and a (2.9%) decrease for business-type activities. The overall increase was 2.4% 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 elected to implement the general provisions of GASB Statement No. 34 in a previous year and implemented the retroactive infrastructure provisions for the year ended December 31, 2007.

The following table provides a summary of capital asset activity:

	Capital Assets					
	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Non-depreciable assets:						
Land	\$7,847,740	\$7,847,740	\$52,000	\$52,000	\$7,899,740	\$7,899,740
Construction in progress	15,559,694	23,354,367	16,247,513	19,083,075	31,807,207	42,437,472
Total non-depreciable assets	23,407,434	31,202,137	16,299,513	19,135,075	39,706,947	50,337,212
Depreciable assets:						
Buildings and improvements	52,407,719	52,407,719	16,739,857	16,577,690	69,147,576	68,985,409
Improvements other than buildings	8,473,756	1,952,231	46,120,837	45,242,757	54,594,593	47,194,988
Machinery & equipment	31,852,074	21,610,162	6,635,145	3,272,201	38,487,219	24,882,363
Infrastructure	188,782,081	23,126,529	—	—	188,782,081	23,126,529
Total depreciable assets	281,515,630	99,096,641	69,495,839	65,092,648	351,011,469	184,189,289
Less accumulated depreciation	(197,322,390)	(59,247,061)	(42,183,145)	(39,086,775)	(239,505,535)	(98,333,838)
Book value-depreciable assets	84,193,240	39,849,580	27,312,694	26,005,873	111,505,934	65,855,453
Percentage depreciated	70%	60%	61%	60%	68%	60%
Book value-all assets	\$107,600,674	\$71,051,717	\$43,612,207	\$45,140,948	\$151,212,881	\$116,192,665

Debt Administration

At year-end, the Parish had total debt outstanding of \$31,050,000 for 2007 and \$29,535,000 for 2006. During the year, the Parish retired \$3,485,000 of the outstanding bonded debt and issued \$5,000,000 of revenue bonds.

In addition to bonded debt, the Parish's long-term obligations include capital leases, and litigation and claims. See Note 17 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 2007 in the fund balance designation for bond indebtedness is \$10,000,000.

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 8056 Highway 23, Suite 300, Belle Chasse, Louisiana 70037.

Government-Wide Financial Statements

Statement of Net Assets
December 31, 2007

	Governmental Activities	Business- Type Activities	Total
Assets:			
Current Assets:			
Cash and cash equivalents	\$15,367,810	\$1,106,123	\$16,473,933
Investments	67,412,642	3,480	67,416,122
Receivables (net of allowances for uncollectibles)	60,112,576	3,996,290	64,108,866
Internal balances	6,576,575	(6,576,575)	---
Prepaid items	603,129	7,551	610,680
Total Current Assets	150,072,732	(1,463,131)	148,609,601
Non-Current Assets:			
Internal balances	2,073,727	(2,073,727)	---
Net capital assets	107,600,674	43,612,207	151,212,881
Total Non-Current Assets	109,674,401	41,538,480	151,212,881
Total Assets	\$259,747,133	\$40,075,349	\$299,822,482
Liabilities:			
Current Liabilities:			
Accounts, salaries and other payables	\$3,412,620	\$158,546	\$3,571,166
Contracts and retainage payable	13,576,023	---	13,576,023
Bonds payable	3,710,000	---	3,710,000
Capital leases payable	36,708	2,024	38,732
Accrued interest payable	682,891	---	682,891
Compensated absences payable	738,978	80,849	819,827
Deposits due others	22,685	---	22,685
Other	249,147	462,352	711,499
Total Current Liabilities	22,429,052	703,771	23,132,823
Non-Current Liabilities:			
Claims and litigation payable	3,524,667	---	3,524,667
Capital leases payable	43,780	1,472	45,252
Notes payable-long term	8,900,000	---	8,900,000
Bonds payable-long term	18,440,000	---	18,440,000
Total Non-Current Liabilities	30,908,447	1,472	30,909,919
Total Liabilities	53,337,499	705,243	54,042,742
Net Assets:			
Invested in capital assets, net of related debt	85,450,674	43,612,207	129,062,881
Restricted	17,411,367	---	17,411,367
Unrestricted (Deficit)	103,547,593	(4,242,101)	99,305,492
Total Net Assets	206,409,634	39,370,106	245,779,740
Total Liabilities and Net Assets	\$259,747,133	\$40,075,349	\$299,822,482

The accompanying notes are an integral part of this statement.

Plaquemines Parish Government
Pointe a la Hache, Louisiana

Statement B

Statement of Activities
For the Year Ended December 31, 2007

Activities	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General government:							
Legislative	\$1,240,197	\$—	\$—	\$—	(\$1,240,197)	\$—	(\$1,240,197)
Judicial	3,504,788	493,553	42,127	—	(2,969,108)	—	(2,969,108)
Executive	2,881,070	—	—	—	(2,881,070)	—	(2,881,070)
Elections	112,293	—	—	—	(112,293)	—	(112,293)
Finance and administrative	1,182,792	160,213	—	—	(1,022,579)	—	(1,022,579)
Other	3,409,046	666,238	6,930	—	(2,735,878)	—	(2,735,878)
Public safety	38,130,912	—	31,807,146	—	(6,323,766)	—	(6,323,766)
Public works	17,167,327	885,675	331,697	49,761	(15,900,194)	—	(15,900,194)
Health and welfare	5,216,145	830,447	588,436	—	(3,817,262)	—	(3,817,262)
Culture and recreation	1,636,667	22,009	123,686	—	(1,490,972)	—	(1,490,972)
Economic development and assistance	68,333	—	—	—	(68,333)	—	(68,333)
Transportation	4,428,291	207,627	—	—	(4,220,664)	—	(4,220,664)
Interest on long-term debt	1,028,299	—	—	—	(1,028,299)	—	(1,028,299)
Total Governmental Activities	80,006,160	3,265,762	32,880,022	49,761	(43,810,615)	—	(43,810,615)
Business-Type Activities:							
Water and Sewer	10,518,215	3,403,000	24,620	2,557,687	—	(4,532,908)	(4,532,908)
Port, Harbor and Terminal	2,320,496	1,630,664	—	288,334	—	(401,498)	(401,498)
Port Sulphur Golf Course	57,204	—	—	—	—	(57,204)	(57,204)
Boat Harbors and Shipyards	407,237	52,163	—	35,538	—	(319,536)	(319,536)
Total Business-Type Activities	13,303,152	5,085,827	24,620	2,881,559	—	(5,311,146)	(5,311,146)
Total	\$93,309,312	\$8,351,589	\$32,904,642	\$2,931,320	(43,810,615)	(5,311,146)	(49,121,761)
General Revenues:							
Taxes:							
Property taxes					8,066,128	2,897,716	10,963,844
Sales and use taxes					6,401,752	—	6,401,752
Grants and Contributions not Restricted:							
Federal					36,647	7,832	44,479
State					22,866,667	—	22,866,667
Other:							
Subdivision impact fees					158,000	—	158,000
Occupational licenses					552,174	—	552,174
Parish oil royalties					12,945,585	—	12,945,585
Parish gas royalties					2,668,370	—	2,668,370
Mineral and surface leases					227,268	—	227,268
Property leases					144,582	110,268	254,850
Investment income					4,581,617	76,796	4,658,413
Cablevision fee					48,732	—	48,732
Proceeds from sale of assets					343,139	—	343,139
Settlements					2,000	—	2,000
Miscellaneous					101,464	—	101,464
Penalties					—	56,295	56,295
Federal excise tax reimbursement					56,754	—	56,754
Proceeds/(Loss) on disposal of assets					—	38,469	38,469
Insurance proceeds					4,383	—	4,383
Transfers					(5,853,701)	5,853,701	—
Total General Revenues and Transfers					53,351,561	9,041,077	62,392,638
Change in Net Assets					9,540,946	3,729,931	13,270,877
Net Assets—Beginning, As Restated					196,868,688	35,640,175	232,508,863
Net Assets—Ending					\$206,409,634	\$39,370,106	\$245,779,740

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, 2007**

	General Fund	Road Maintenance	Public Health	Solid Waste	Other Governmental Funds	Total Governmental Funds
Assets:						
Cash and cash equivalents	\$8,068,981	\$40,044	\$97,793	\$222,247	\$6,938,745	\$15,367,810
Investments	53,804,299	49,238	—	35,318	13,723,787	67,412,642
Receivables (net of allowances for uncollectibles)	54,172,972	1,199,352	737,252	3,108,450	894,550	60,112,578
Due from other funds	8,888,767	—	509,976	—	163,054	9,561,797
Prepaid items	603,129	—	—	—	—	603,129
Interfund loan	2,073,727	—	—	—	—	2,073,727
Total Assets	\$127,411,875	\$1,288,634	\$1,345,021	\$3,366,015	\$21,720,136	\$155,131,681
Liabilities:						
Accounts, salaries and other payables	\$2,947,550	\$83,653	\$131,222	\$165,202	\$84,993	\$3,412,620
Contracts and retainage payable	12,525,678	—	—	—	1,050,345	13,576,023
Deferred revenues	6,427,954	1,074,593	714,397	2,839,569	714,397	11,770,910
Compensated absences payable	486,062	58,020	101,465	60,828	32,603	738,978
Deposits due others	22,010	—	675	—	—	22,685
Due to other funds	2,644,482	—	—	—	340,740	2,985,222
Other	84,092	33,197	22,069	87,721	22,069	249,148
Total Liabilities	25,137,828	1,249,463	969,828	3,153,320	2,245,147	32,755,586
Fund Balances:						
Reserved	5,085,059	39,171	375,193	212,695	5,530,816	11,242,934
Designated	84,501,606	—	—	—	11,996,935	96,498,541
Unreserved:						
General Fund	12,687,382	—	—	—	—	12,687,382
Special Revenue Funds	—	—	—	—	1,947,238	1,947,238
Total Fund Balances	102,274,047	39,171	375,193	212,695	19,474,989	122,376,095
Total Liabilities and Fund Balances	\$127,411,875	\$1,288,634	\$1,345,021	\$3,366,015	\$21,720,136	\$155,131,681

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, 2007**

**Reconciliation of the Governmental Funds Balance Sheets to the
Government-Wide Financial Statement of Net Assets**

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

Fund Balances of Governmental Funds		<u>\$122,376,095</u>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		107,600,674
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	(682,890)	
Claims and litigation	(3,524,667)	
Capital leases	(80,488)	
Notes payable	(8,900,000)	
Bonds payable	<u>(22,150,000)</u>	
		(35,338,045)
Other assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		<u>11,770,910</u>
Net Assets of Governmental Activities		<u>\$206,409,634</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, 2007**

	General Fund	Road Maintenance	Public Health	Solid Waste	Capital Improvements	Other Governmental Funds	Total Governmental Funds
Revenues							
Taxes:							
Ad valorem	\$2,360,600	\$971,371	\$645,772	\$2,566,812	\$—	\$645,772	\$7,190,327
Sales and use	6,401,752	—	—	—	—	1,504,318	7,906,070
Other taxes, penalties, interest, etc.	48,732	—	—	—	—	—	48,732
Licenses and permits	1,276,043	—	—	—	—	—	1,276,043
Intergovernmental revenues:							
Federal grants	39,384,271	2,945	190,218	7,783	22,256	1,974	39,609,447
State funds:							
Parish transportation funds	—	—	—	—	—	331,697	331,697
State revenue sharing	37,428	15,403	10,242	40,697	—	10,242	114,012
Parish royalty fund	17,276,587	—	—	—	—	2,709,460	19,988,047
Other	1,184,336	173,906	351	—	1,385	27,703	1,387,681
Fees, charges and commissions for services	576,144	—	509,721	603,168	—	473,470	2,162,503
Fines and forfeitures	—	—	—	—	—	341,187	341,187
Use of money and property	19,590,842	14,793	1,534	75,329	—	917,762	20,600,260
Other	2,518,779	—	509,976	9,968	—	175,007	3,213,730
Total Revenues	90,657,514	1,178,418	1,867,814	3,303,757	23,641	7,138,592	104,169,736
Expenditures							
Current:							
General government	13,314,052	—	—	—	—	210,866	13,524,918
Public safety	39,370,910	—	—	—	—	—	39,370,910
Public works	7,972,941	2,920,426	—	3,615,144	3,200,213	4,925,923	22,634,647
Health and welfare	938,226	—	4,626,387	—	—	399,376	5,963,991
Culture and recreation	1,177,573	—	—	—	—	527,373	1,704,946
Economic development and assistance	67,526	—	—	—	—	—	67,526
Transportation	4,119,482	—	—	—	—	—	4,119,482
Debt service	—	—	—	—	—	4,213,776	4,213,776
Total Expenditures	66,960,710	2,920,426	4,626,387	3,615,144	3,200,213	10,277,318	91,600,198
Excess (Deficiency) of Revenues Over Expenditures	23,696,804	(1,742,008)	(2,758,573)	(311,387)	(3,176,572)	(3,138,726)	12,569,538
Other Financing Sources (Uses)							
Transfers in	418,621	1,606,506	3,078,571	486,938	3,176,572	18,318	8,785,526
Transfers out	(15,382,439)	—	—	—	—	(568,621)	(15,951,060)
Sale of capital assets	343,139	—	—	—	—	—	343,139
Capital leases	48,387	—	—	—	—	—	48,387
Proceeds from long-term bonds	—	—	—	—	—	5,000,000	5,000,000
Net Other Financing Sources (Uses)	(14,572,292)	1,606,506	3,078,571	486,938	3,176,572	4,449,697	(1,774,008)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	9,124,512	(135,502)	319,998	175,551	—	1,310,971	10,795,530
Fund Balances at Beginning of Year	93,149,535	174,673	55,195	37,144	—	18,164,018	111,580,565
Fund Balances at End of Year	\$102,274,047	\$39,171	\$375,193	\$212,695	\$—	\$19,474,989	\$122,376,095

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, 2007**

**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>\$10,795,530</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.		4,931,308
Revenues in the Statement of Activities that do not provide current resources are not reported as revenues in the funds.		(6,334,737)
Proceeds from debt issues (e.g., bonds, leases, notes) are an other financing source in the funds, but a debt issue increases long-term liabilities in the Statement of Net Assets.		(5,048,387)
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	1,997,950	
Retirement of tax collection	<u>(24,018)</u>	
		1,973,932
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces liabilities in the Statement of Net Assets.		
Capital leases	37,822	
Bond principal	<u>3,485,000</u>	
		3,522,822
Interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding obligations in the Statement of Activities.		<u>(299,522)</u>
Change in Net Assets of Governmental Activities		<u>\$9,540,946</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, 2007**

	Water and Sewer	Port, Harbor and Terminal	Other Proprietary Funds	Total
Assets				
Current Assets:				
Cash and cash equivalents	\$142,392	\$941,702	\$22,029	\$1,106,123
Investments	---	3,480	---	3,480
Receivables (net of allowances for uncollectibles)	3,448,643	547,647	---	3,996,290
Due from other funds	---	2,541,335	---	2,541,335
Prepaid items	7,551	---	---	7,551
Total Current Assets	3,598,586	4,034,164	22,029	7,654,779
Non-Current Assets:				
Net Capital Assets	35,836,832	7,239,168	536,207	43,612,207
Total Assets	\$39,435,418	\$11,273,332	\$558,236	\$51,266,986
Liabilities:				
Current Liabilities:				
Accounts payable	\$91,603	\$46,227	\$20,716	\$158,546
Capital leases payable	---	2,024	---	2,024
Compensated absences payable	10,184	59,219	11,468	80,849
Due to other funds	4,900,000	3,852,910	365,000	9,117,910
Other	448,452	12,500	1,400	462,352
Total Current Liabilities	5,450,219	3,972,880	398,582	9,821,681
Non-Current Liabilities:				
Capital leases payable	---	1,472	---	1,472
Interfund loan	2,073,727	---	---	2,073,727
Total Non-Current Liabilities	2,073,727	1,472	---	2,075,199
Total Liabilities	7,523,946	3,974,352	398,582	11,896,880
Net Assets:				
Invested in capital assets, net of related debt	35,836,832	7,239,168	536,207	43,612,207
Unrestricted	(3,925,360)	59,812	(376,553)	(4,242,101)
Total Net Assets	31,911,472	7,298,980	159,654	39,370,106
Total Liabilities and Net Assets	\$39,435,418	\$11,273,332	\$558,236	\$51,266,986

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, 2007**

	Water and Sewer	Port, Harbor and Terminal	Other Proprietary Funds	Total
Operating Revenues				
Charges for services	\$3,388,992	\$1,552,664	\$52,163	\$4,993,819
Other	70,303	78,000	110,268	258,571
Total Operating Revenues	3,459,295	1,630,664	162,431	5,252,390
Operating Expenses				
Personal services	351,956	1,067,819	340,475	1,760,250
Contractual services, supplies, materials and other	7,509,878	2,078,983	133,150	9,722,011
Depreciation	2,737,864	324,974	69,418	3,132,256
Total Operating Expenses	10,599,698	3,471,776	543,043	14,614,517
Operating Loss	(7,140,403)	(1,841,112)	(380,612)	(9,362,127)
Non-Operating Revenues (Expenses)				
Interest revenue	6,137	70,659	---	76,796
Interest expense	---	(468)	---	(468)
Ad valorem taxes	2,922,336	---	---	2,922,336
Other	3,798	1,440	26,033	31,271
Net Non-Operating Revenues (Expenses)	2,932,271	71,631	26,033	3,029,935
Net Loss Before Contributions and Transfers	(4,208,132)	(1,769,481)	(354,579)	(6,332,192)
Capital Contributions	2,572,717	288,334	35,538	2,896,589
Transfers In	4,884,380	1,940,102	341,072	7,165,534
Changes In Net Assets	3,248,945	458,955	22,031	3,729,931
Net Assets-Beginning, As Restated	28,662,527	6,840,025	137,623	35,640,175
Net Assets-Ending	\$31,911,472	\$7,298,980	\$159,654	\$39,370,106

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, 2007**

	Water and Sewer	Port, Harbor and Terminal	Other Proprietary Funds	Total
Cash Flows From Operating Activities:				
Cash received from customers	\$3,200,113	\$1,544,563	\$162,431	\$4,907,107
Cash payments for goods and services	(7,477,505)	(2,121,222)	(180,664)	(9,779,391)
Cash payments to employees	(351,384)	(1,068,066)	(339,355)	(1,758,805)
Net Cash Used by Operating Activities	(4,628,776)	(1,644,725)	(357,588)	(6,631,089)
Cash Flows From Non-Capital Financing Activities:				
Ad valorem tax collections	2,922,336	---	---	2,922,336
Other non-operating revenues	7,832	---	---	7,832
Operating transfers in	4,884,360	1,940,102	341,072	7,165,534
Payments on short-term loan from other funds	(2,800,176)	(1,746,173)	225,000	(4,321,349)
Net Cash Provided by Non-Capital Financing Activities	5,014,352	193,929	566,072	5,774,353
Cash Flows From Capital and Related Financing Activities:				
Acquisition/construction of capital assets	(383,787)	56,979	(233,206)	(560,014)
Decrease in intergovernmental receivables	791	2,949	---	3,740
Cash proceeds from sale of assets	10,996	1,440	26,033	38,469
Interest paid	---	(468)	---	(468)
Net Cash Provided By (Used By) Capital and Related Financing Activities	(372,000)	60,900	(207,173)	(518,273)
Cash Flows From Investing Activities:				
Interest received on time deposits	6,137	70,659	---	76,796
Payments for investments	---	(171)	---	(171)
Net Cash Provided by Investing Activities	6,137	70,488	---	76,625
Net Increase (Decrease) in Cash and Cash Equivalents	19,713	(1,319,408)	1,311	(1,298,384)
Cash and Cash Equivalents at Beginning of Year	122,679	2,261,110	20,718	2,404,507
Cash and Cash Equivalents at End of Year	\$142,392	\$941,702	\$22,029	\$1,106,123
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:				
Operating loss	(\$7,140,403)	(\$1,841,112)	(\$380,612)	(\$9,362,127)
Adjustments to reconcile operating loss to net cash used by operating activities:				
Depreciation	2,737,864	324,974	69,418	3,132,256
Change in assets and liabilities:				
Increase in receivables and other current assets	(254,987)	(86,101)	---	(341,088)
Increase (decrease) in accounts payable	12,656	(40,412)	(3,574)	(31,330)
Increase (decrease) in other liabilities	16,094	(2,074)	(42,820)	(28,800)
Net Cash Used by Operating Activities	(\$4,628,776)	(\$1,644,725)	(\$357,588)	(\$6,631,089)

The accompanying notes are an integral part of this statement.

Noncash investing, capital and financing activities:

At the end of 2007, the Port, Harbor and Terminal Fund purchased equipment costing \$366,625 and made no payments for this equipment before year-end.

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

Statement H

**Statement of Fiduciary Net Assets
December 31, 2007**

Assets	
Cash and cash equivalents	\$1,881,513
Investments (fair value)	
Corporate securities	32,592
Corporate bonds	5,370
Other	107
Local government investment pool	1,161
Total Assets	\$1,920,743
Liabilities	
Deposits due others	\$1,546,359
Other	241,410
Total Liabilities	1,787,769
Net Assets	
Held in trust for pension benefits and other purposes	132,974
Total Liabilities and Net Assets	\$1,920,743

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, 2007

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, 2010.

Plaquemines Parish occupies 1,986 square miles with a population of approximately 22,512. The Parish maintains approximately 148 miles of roads, of which 49 miles are paved, 67 miles are asphalt, and 32 miles are shelled. The Parish has a total of approximately 598 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:

1. A Management Discussion and Analysis (MD&A) section providing analysis of the Parish's overall financial position and results of operations.
2. Financial statements prepared using full accrual accounting for all the Parish's activities.
3. 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).

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.

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana
Notes to Basic Financial Statements
December 31, 2007

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.

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.

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) Capital Projects Fund:
 - (a) Capital Improvements
 - 4) Proprietary Funds:
 - (a) Water 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.

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: charges to customers or applicants for goods, services, or privileges provided; operating grants and contributions; and 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, and then unrestricted resources as they are needed.

F. BUDGET PRACTICES

The proposed budget for the Parish for the year ended December 31, 2007, was completed and made available for public inspection on October 31, 2006. The operating and capital improvement budgets were formally adopted by ordinance 06-210 and ordinance 06-211, dated December 14, 2006.

The budgets for the General and Special Revenue Funds were prepared on a basis not 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.

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits and interest-bearing demand deposits. 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 Parish'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, 2007 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

Infrastructure assets include roads, bridges, levees, etc. 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 2007. The Parish implemented the general provisions of GASB Statement No. 34 in a previous year and completed the infrastructure provisions for the year ending December 31, 2007.

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, 2007.
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.

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 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.

2. LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes for the year ended December 31, 2007:

Parish-Wide Taxes	Authorized Millage	Levied Millage	Expiration Date
Parish (alimony tax)	4.61	4.35	12/31/2009
Road Maintenance	1.89	1.79	12/31/2009
Water	2.52	2.38	12/31/2009
Library	1.26	1.19	12/31/2009
Pollution Control	2.52	2.38	12/31/2009
Public Health	1.26	1.19	12/31/2009
Waste Disposal	3.75	3.54	12/31/2009
Incineration	1.26	1.19	12/31/2009
Total	19.07	18.01	

The following are the principal taxpayers for the Parish:

Taxpayer	Type of Business	Assessed Value	Percentage
ConocoPhillips Petroleum Co.	Oil/Gas	\$98,989,305	15.81%
ChevronTexaco/Chevron Chemical/Chevron USA	Oil/Gas & Chemical	51,180,590	8.17%
Kirby Inland Marine, LP	Public Utility	43,223,310	6.90%
AEP Memco, LLC	Public Utility	21,169,250	3.38%
Tennessee Gas Pipeline	Public Utility	16,548,990	2.64%
Teco Bulk Terminal, LLC	Comm/Industrial	15,895,195	2.54%
Energy Partners, LTD	Oil/Gas	12,370,730	1.98%
Shell Pipeline/Chemical/Offshore	Public Utility	11,687,470	1.87%
Devon Energy Production	Oil & Gas	11,616,310	1.85%
Colonial Pipeline Co.	Public Utility	11,239,710	1.79%
Total		\$293,920,860	46.93%

3. CASH AND CASH EQUIVALENTS

At December 31, 2007, the Parish has cash equivalents (book balances) totaling \$18,260,541 as follows:

Demand Deposit and Money Market Accounts	\$11,877,962
Restricted Cash	6,382,579
Total	\$18,260,541

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, 2007, the Parish has \$22,775,755 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance and \$35,497,451 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 1).

The custodial credit risk is the risk that in the event of a bank failure, the Parish's deposits may not be returned to it. The Parish's policy to ensure there is no exposure to this risk is to require each financial institution to pledge their own securities to cover any amount in excess of Federal Depository Insurance Coverage. These securities must be held in the Government's name. Accordingly, the parish had no custodial credit risk related to its deposits at December 31, 2007.

The Parish employees may participate in a deferred compensation plan (Note 9). At December 31, 2007, the plan administrator held cash and cash equivalents for plan participants valued at \$94,905.

4. INVESTMENTS

At December 31, 2007, the parish has investments totaling \$67,417,283 as follows:

Investment Type	Amortized Cost/ Fair Value
Unrestricted:	
U.S. Agency Securities	\$3,141,870
Louisiana Asset Management Pool	52,721,649
Total	55,863,519
Restricted:	
Louisiana Asset Management Pool	11,553,764
Total Investments	\$67,417,283

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The Parish's investments in U.S. Agency Securities were rated AAA by Standard & Poor's and AAA by Moody's Investors Service at December 31, 2007. The investments above are in U.S. Instrumentalities which are invested in Federal Home Loan Mortgage Corporation, Federal National Mortgage Association and Government National Mortgage Association Securities.

In accordance with the Parish's Investment Policy, investment officers of the Parish are authorized to invest idle monies in the following:

- U.S. government obligations, U.S. government agency obligations, and U.S. government instrumentality obligations, which have a liquid market with a readily determinable market value;
- Investment-grade obligations of state, provincial and local governments and public authorities;
- Repurchase agreements whose underlying purchased securities consist of the foregoing;
- Money market mutual funds regulated by the Securities and Exchange Commission and whose portfolios consist only of dollar-denominated securities;
- Local government investment pools, either state administered or through joint powers statutes and other intergovernmental agreement legislation;
- Certificates of deposit and other evidences of deposit at financial institutions, bankers' acceptances and commercial paper, rated in the highest tier (e.g., A-1, P-1, F-1, or D-1 or higher) by a nationally recognized rating agency;

Investments with a maturity value of less than 90 days are classified on the Statement of Net Assets as "Cash and Cash Equivalents" totaling \$18,260,541. All other investments totaling \$67,417,283 are classified on the Statement of Net Assets as "Investments" and are presented at amortized cost/fair value.

As a means of limiting its exposure to fair value losses arising from interest rates (interest rate risk), the parish's investment policy states that the parish will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by:

Monitoring the interest rates at several different financial institutions on a weekly basis to ensure that the proper changes in investments can be made in a timely manner;
Structuring the investments so that they mature to meet the cash requirements for ongoing operations, thereby avoiding the need to sell the investments prior to maturity;
Investing funds in primarily shorter-term securities;

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Parish minimizes this risk by:

- Limiting investments to the safest types of securities and only those securities which are of the highest quality;
- Insuring that financial institutions doing business with Plaquemines Parish Government comply with prevailing provisions of State Statutes and meet all Plaquemines Parish Government established criteria;
- Maintaining adequate collateralization and diversifying maturities;

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For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the parish will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Parish's investment policy requires that all investments be fully collateralized and held by an independent third party with clearly marked evidence of ownership (safekeeping receipt) supplied to the parish and maintained. Accordingly, the Parish has no custodial credit risk related to its investments at December 31, 2007.

Investments held by Plaquemines Parish Government consist of \$64,275,413 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 150.128 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.

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, 2007, the plan administrator held life insurance contract and annuity investments for plan participants valued at \$38,069, these assets are valued at cash surrender value for the life insurance contracts and at fair market value for the annuities.

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5. RECEIVABLES

At December 31, 2007, the Parish has net receivables totaling \$73,056,084 as follows:

Class of Receivable	Governmental Funds			Business-Type Funds	Total
	General	Special Revenue	Capital Projects	Enterprise	
Taxes:					
Ad Valorem	\$2,724,097	\$5,573,437	\$ ---	\$2,980,849	\$11,278,383
Sales	725,858	---	---	---	725,858
Other	55,573	46,045	---	24,620	126,238
Intergovernmental:					
Federal	42,074,156	---	---	10,962	42,085,118
State	5,598,523	26,840	---	---	5,625,363
Local	822,950	64,380	---	---	887,330
Accounts	---	181,160	---	1,191,369	1,372,529
Payroll	395,682	---	---	---	395,682
Other	4,553,340	223,564	26	111,072	4,888,002
Gross Receivables	56,950,179	6,115,426	26	4,318,872	67,384,503
Less-Allowances for Uncollectibles	(2,777,207)	(175,848)	---	(322,582)	(3,275,637)
Net Receivables	\$54,172,972	\$5,939,578	\$26	\$3,996,290	\$64,108,866

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 13.25 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, 2007, 2006, and 2005 were \$2,051,277, \$1,977,218 and \$2,177,861 respectively, equal to the required contributions for each year.

Certain employees of the Parish participate in a deferred compensation plan administered by Commonwealth Annuity and Life Insurance Company adopted under the provisions of the Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Commonwealth Annuity and Life Insurance Company, 132 Turnpike Road, Suite 210, Southborough, MA 01772.

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7. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2007, is as follows:

Description	Beginning Balance Restated	Additions	Deductions	Ending Balance
Governmental Activities:				
Capital assets not being depreciated				
Land	\$7,847,740	\$—	\$—	\$7,847,740
Construction in progress	23,354,397	9,116,124	(16,910,827)	15,559,694
Total capital assets not being depreciated	31,202,137	9,116,124	(16,910,827)	23,407,434
Capital assets being depreciated				
Buildings and improvements	52,407,719	—	—	52,407,719
Improvements other than buildings	1,792,103	6,681,653	—	8,473,756
Machinery and equipment	22,555,305	10,593,186	(1,296,417)	31,852,074
Infrastructure	188,702,081	80,000	—	188,782,081
Total capital assets being depreciated	265,457,208	17,354,839	(1,296,417)	281,515,630
Less accumulated depreciation				
Buildings and improvements	(30,265,407)	(1,023,770)	—	(31,289,177)
Improvements other than buildings	(122,913)	(66,083)	—	(188,996)
Machinery and equipment	(10,559,502)	(2,159,386)	897,977	(11,820,911)
Infrastructure	(153,042,158)	(981,148)	—	(154,023,306)
Total accumulated depreciation	(193,989,980)	(4,230,387)	897,977	(197,322,390)
Total capital assets being depreciated, net	71,467,228	13,124,452	(398,440)	84,193,240
Governmental Activities, Net	\$102,669,365	\$22,240,576	(\$17,309,267)	\$107,600,674
Business-Type Activities				
Capital assets not being depreciated				
Land	\$52,000	\$—	\$—	\$52,000
Construction in progress	15,365,183	950,613	(68,283)	16,247,513
Total capital assets not being depreciated	15,417,183	950,613	(68,283)	16,299,513
Capital assets being depreciated				
Buildings and improvements	16,739,857	—	—	16,739,857
Improvements other than buildings	45,463,687	657,150	—	46,120,837
Machinery and equipment	6,357,971	384,013	(106,839)	6,635,145
Total capital assets being depreciated	68,561,515	1,041,163	(106,839)	69,495,839
Less accumulated depreciation				
Buildings and improvements	(9,506,542)	(355,728)	—	(9,862,270)
Improvements other than buildings	(27,077,609)	(2,483,195)	—	(29,560,804)
Machinery and equipment	(2,466,738)	(293,333)	—	(2,760,071)
Total accumulated depreciation	(39,050,889)	(3,132,256)	—	(42,183,145)
Total capital assets being depreciated, net	29,510,626	(2,091,093)	(106,839)	27,312,694
Business-Type Activities, Net	\$44,927,809	(\$1,140,480)	(\$175,122)	\$43,612,207

The implementation of GASB Statement No. 34 infrastructure reporting requirements caused the beginning net assets to be restated, see note 23.

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Depreciation expense was charged as follows:

Function	Governmental Funds	Business-Type Funds	Total
General Government	\$1,095,177	\$--	\$1,095,177
Public Safety	93,580	--	93,580
Public Works	1,705,889	--	1,705,889
Health and Welfare	283,556	--	283,556
Culture and Recreation	34,112	--	34,112
Economic Development	807	--	807
Transportation	1,017,266	--	1,017,266
Water and Sewer	---	2,737,864	2,737,864
Port, Harbor and Terminal	---	324,974	324,974
Golf Course	---	3,935	3,935
Boat Harbors and Shipyards	---	65,483	65,483
Total	\$4,230,387	\$3,132,256	\$7,362,643

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 2 retirees in 2007 was approximately \$4,221.

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 Commonwealth Annuity and Life Insurance Company, 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, 2007. 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 \$132,974.

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 06-486. 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 2007, the cost to the Parish for 246 retirees totaled \$775,259.

In June 2004, the Governmental Accounting Standards Board issued Statement No. 45, "Accounting and Financial Reporting by Employers for Post-employment Benefit Plans Other Than Pension Plans". The Parish is required to implement this standard for the year ended December 31, 2008. The Parish has not yet determined the full impact that the adoption will have on the financial statements.

11. ACCOUNTS, SALARIES AND OTHER PAYABLES

The payables of \$3,571,166 at December 31, 2007, are as follows:

Class of Payable	Governmental Funds				Business-Type Funds	Total
	General	Special Revenue	Debt Service	Capital Projects	Proprietary	
Withholdings	\$325,100	\$--	\$--	\$--	\$--	\$325,100
Accounts	2,350,442	404,720	--	18,234	158,546	2,931,942
Other	272,008	--	42,116	--	--	314,124
Total	\$2,947,550	\$404,720	\$42,116	\$18,234	\$158,546	\$3,571,166

12. COMPENSATED ABSENCES

At December 31, 2007, employees of the Parish have accumulated and vested \$819,827 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 \$486,062, \$252,916 and \$80,849, 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, 2007:

Description	Governmental Funds	Business-Type Funds	Total
Fiscal year:			
2008	\$43,722	\$2,293	\$46,015
2009	29,139	1,529	30,668
2010	13,838	---	13,838
2011	5,955	---	5,955
Total minimum lease payments	92,654	3,822	96,476
Less amount representing interest	(12,166)	(326)	(12,492)
Present value of net minimum lease payments	\$80,488	\$3,496	\$83,984

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, which ended on December 31, 2007. The contract was automatically renewed on December 31, 2007, for a term of five additional years, ending on December 31, 2012. 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 \$162,268, and the monthly fee is \$446,485.

In accordance with parish resolution 06-415 dated September 28, 2006, 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 October, 2006, and expires in September, 2011. The contract provides for waste disposal fees of \$43.14 per ton, collection from Belle Chasse and the Eastbank, and \$45.54 per ton, collection from Port Sulphur and Boothville. Fees 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 next payment due. Projected contributions for which fund balance reserves have not been established are as follows:

Payment Date	Contribution
September 2011	\$1,899,000
September 2012	946,000
September 2013	1,072,000
Balance to complete	3,842,000
Total	\$7,759,000

In 2003, the Parish and the Department of the Army, United States Corps of Engineers entered into an agreement for the improvements of the Braithwaite Park Hurricane Protection Project. At year-end, the Parish establishes a fund balance reserve for the next payment due. Projected contributions for which fund balance reserves have not been established are as follows:

Payment Date	Contribution
September 2011	\$1,093,750
September 2012	365,400
September 2013	315,000
Total	\$1,774,150

16. SELF-INSURANCE COMMITMENTS

The Parish is self-insured for liability claims relative to commercial liability (automobile and general) up to \$1,000,000 which is supplemented by an excess bumbershoot liability policy of \$6,000,000. 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 \$500,000 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.

The Parish maintains a fund balance designation for self-insurance as disclosed in Note 24.

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17. LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended December 31, 2007:

Description	Capital Leases	Litigation and Claims	Bonded Debt	Revenue Anticipation Note	Total
Governmental Activities:					
Long-term obligations payable at beginning of year	\$69,924	\$5,522,617	\$20,635,000	\$8,900,000	\$35,127,541
Additions	48,387	917,810	5,000,000	---	5,966,197
Deductions	(37,823)	(2,915,760)	(3,485,000)	---	(6,438,583)
Long-term obligations payable at end of year	\$80,488	\$3,524,667	\$22,150,000	\$8,900,000	\$34,655,155
Business-Type Activities:					
Long-term obligations payable at beginning of year	\$5,323	\$---	\$---	\$---	\$5,323
Additions	---	---	---	---	--
Deductions	(1,827)	---	---	---	(1,827)
Long-term obligations payable at end of year	\$3,496	\$---	\$---	\$---	\$3,496

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, 2007:

Description	Capital Leases	Litigation and Claims	Bonded Debt	Revenue Anticipation Note	Total
Governmental Activities:					
Current Portion	\$36,708	\$---	\$3,710,000	\$---	\$3,746,708
Long-Term Portion	43,780	3,524,667	18,440,000	8,900,000	30,908,447
Total	\$80,488	\$3,524,667	\$22,150,000	\$8,900,000	\$34,655,155
Business-Type Activities:					
Current Portion	\$2,024	\$---	\$---	\$---	\$2,024
Long-Term Portion	1,472	---	---	---	1,472
Total	\$3,496	\$---	\$---	\$---	\$3,496

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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General Obligation Bonds

The Parish has general obligation bonds outstanding at December 31, 2007, totaling \$4,720,000, with maturities from 2008 to 2011 and interest rates from 4.0% to 4.3%. Bond principal and interest payable in the next fiscal year are \$2,515,000 and \$196,050, respectively.

General obligation bonds are comprised of the following individual issues:

General Obligation Bonds	Outstanding
\$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% to 4.3%. Debt retirement payments are made from Public Improvement Bonds, Series 1999, Debt Service Fund.	\$2,880,000
\$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% to 6.0%. Debt retirement payments are made from Public Improvement Bonds, Series 2001, Debt Service Fund.	1,840,000
Total General Obligation Bonds	\$4,720,000

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.

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, 2007, the statutory limit for each purpose is \$62,622,693.

Revenue Bonds

On September 1, 2007, the Parish issued \$5,000,000 of revenue bonds, Series 2007. The bonds were issued for the West 1st Street Canal Project.

The Parish has revenue bonds outstanding at December 31, 2007, totaling \$17,430,000 with maturities from 2008 to 2027 and interest rates from 2.35% to 7%. Bond principal and interest payable in the next fiscal year are \$1,195,000 and \$648,364, respectively.

Revenue bonds are comprised of the following individual issues:

Revenue Bonds	Outstanding
\$10,000,000 - Revenue Bonds, Series 2004 Due in annual installments ranging from \$830,000 to \$1,185,000 through March 2014, with interest from 2.35% to 3.2%. Debt retirement payments are made from Revenue Bonds, Series 2004, Debt Service Fund.	\$7,405,000
\$5,300,000 - Revenue Bonds, Series 2005 Due in annual installments ranging from \$105,000 to \$410,000 through March 2025, with interest from 3.625% to 7.0%. Debt retirement payments are made from Revenue Bonds, Series 2005, Debt Service Fund.	5,025,000
\$5,000,000 - Revenue Bonds, Series 2007 Due in annual installments ranging from \$75,000 to \$390,000 through March 2027, with interest from 4.3% to 7.0%. Debt retirement payments are made from Revenue Bonds, Series 2007, Debt Service Fund.	5,000,000
Total Revenue Bonds	\$17,430,000

The revenue bonds are payable solely from the Parish's one percent sales and use tax.

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Revenue Anticipation Note

The Parish has a revenue anticipation note outstanding at December 31, 2007, totaling \$8,900,000 with maturity in 2011 and interest rate of 3.0%. Note principal and interest payable are not due in the next fiscal year.

Revenue anticipation note is comprised of the following individual issue:

Revenue Anticipation Note	Outstanding
\$8,900,000 - Revenue Anticipation Note, Series 2006 Due at the end of the loan term in August 2011, with interest of 3.0%. Debt retirement payments are made from Revenue Anticipation Note, Series 2006, Debt Service Fund.	\$8,900,000
Total Anticipation Note	\$8,900,000

The revenue anticipation note is payable solely from the parish's revenues.

Long-Term Debt Summary

During 2007, bond principal and interest payments on all bonded debt totaled \$3,485,000 and \$725,966, respectively. The annual requirements to amortize all bonded debt outstanding at December 31, 2007, are as follows:

Fiscal Year	Principal	Interest	Total
2008	\$3,710,000	\$844,414	\$4,554,414
2009	2,025,000	699,373	2,724,373
2010	2,110,000	623,866	2,733,866
2011	11,115,000	1,880,484	12,995,484
2012	1,495,000	461,659	1,956,659
2013-2017	4,670,000	1,623,219	6,293,219
2018-2022	2,990,000	984,059	3,974,059
2023-2027	2,935,000	291,492	3,226,492
Total	\$31,050,000	\$7,408,566	\$38,458,566

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, 2007, the amount of defeased debt outstanding but removed from the long-term obligation account group for Public Improvement Bonds Series 1988 was \$1,910,000.

PLAQUEMINES PARISH GOVERNMENT
 Pointe a la Hache, Louisiana
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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, 2007, the amount of defeased debt outstanding but removed from the long-term obligation account group for Public Improvement Bonds Series 1991 was \$2,910,000.

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 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, 2007, the amount of defeased debt outstanding but removed from the long-term obligation account group for Public Improvement Bonds Series 1992 was \$1,895,000.

18. CHANGES IN AGENCY FUNDS

A summary of changes in agency funds assets and liabilities for the year ended December 31, 2007, is as follows:

Description	Beginning Balance	Additions	Reductions	Ending Balance
Assets:				
Cash	\$1,346,134	\$24,526,162	(\$24,085,688)	\$1,786,608
Investments	1,104	57	--	1,161
Total Assets	\$1,347,238	\$24,526,219	(\$24,085,688)	\$1,787,769
Liabilities:				
Interfund Payables	\$--	\$7,838,610	(\$7,838,610)	\$--
Deposits Due Others	1,213,314	15,792,318	(15,459,273)	1,546,359
Other Liabilities	133,924	112,177	(4,691)	241,410
Total Liabilities	\$1,347,238	\$23,743,105	(\$23,302,574)	\$1,787,769

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 Pointe a la Hache, Louisiana
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19. 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, 2007:

Balance due at January 1, 2007	\$364,247
Amount due for 2007	339,860
Total	704,107
Remitted during 2007	(364,247)
Balance due at December 31, 2007	\$339,860

20. INTERFUND RECEIVABLES/PAYABLES

Interfund receivables/payables at December 31, 2007, are as follows:

Payable Fund	Receivable Fund				Total
	Governmental Funds			Business-Type Funds	
	General	Public Health	Non-Major	Port, Harbor and Terminal	
Governmental Major Funds:					
General Fund	\$--	\$--	\$103,147	\$2,541,335	\$2,644,482
Governmental Non-Major Funds:					
Criminal Court	339,860	--	--	--	339,860
Court Reporter	787	--	--	--	787
DWI Court Administered	1	--	--	--	1
Capital Projects-Sewer System Imp	48	--	--	--	48
Capital Projects-Series 2005	44	--	--	--	44
Total	340,740	--	--	--	340,740
Total Governmental Funds	340,740	--	103,147	2,541,335	2,985,222
Business-Type Major Funds:					
Water and Sewer	6,973,727	--	--	--	6,973,727
Port, Harbor and Terminal	3,283,027	509,976	59,907	--	3,852,910
Total	10,256,754	509,976	59,907	--	10,826,637
Business-Type Non-Major Funds:					
Port Sulphur Golf Course	5,000	--	--	--	5,000
Boat Harbors and Shipyards	360,000	--	--	--	360,000
Total	365,000	--	--	--	365,000
Total Business-Type Funds	10,621,754	509,976	59,907	--	11,191,637
Total	\$10,962,494	\$509,976	\$163,054	\$2,541,335	\$14,176,859

Of the \$6,973,727 due from the Water and Sewer fund to the General Fund, \$2,073,727 is classified as noncurrent.

PLAQUEMINES PARISH GOVERNMENT
 Pointe a la Hache, Louisiana
 Notes to Basic Financial Statements
 December 31, 2007

21. INTERFUND TRANSFERS

The following is a summary of interfund transfers during 2007:

Transfers Out	Transfers In									Total
	Governmental Funds						Business-Type Funds			
	General	Road Maintenance	Public Health	Solid Waste	Capital Projects	Non-Major	Water and Sewer	Port, Harbor & Terminal	Non-Major	
Governmental Funds										
Major Funds										
General	\$—	\$1,456,506	\$3,078,571	\$486,938	\$3,176,572	\$18,318	\$4,884,360	\$1,940,102	\$341,072	\$15,382,439
Non-Major Funds										
Transportation	26,406	150,000	—	—	—	—	—	—	—	176,406
Criminal Court	339,860	—	—	—	—	—	—	—	—	339,860
Witness Fee	52,355	—	—	—	—	—	—	—	—	52,355
Total	418,621	150,000	—	—	—	—	—	—	—	568,621
Total Governmental Funds	\$418,621	\$1,606,506	\$3,078,571	\$486,938	\$3,176,572	\$18,318	\$4,884,360	\$1,940,102	\$341,072	\$15,951,060

22. FUND DEFICITS

The following individual funds have deficits in unrestricted net assets at December 31, 2007:

Fund	Deficit Amount
Business-Type Funds:	
Water and Sewer	(\$3,925,360)
Golf Course	(5,247)
Boat Harbors and Shipyards	(371,306)

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

23. NET ASSET RESTATEMENT

The December 31, 2006 Net Assets for governmental funds and business-type funds have been restated to reflect prior period adjustments in capital asset depreciation calculation, assets omitted due to storm related activities and initial year implementation of GASB Statement No. 34 infrastructure reporting requirements

Description	Governmental Funds	Business-Type Funds	Total
Beginning balance, before restatement	\$165,251,040	\$37,493,263	\$202,744,303
GASB Statement No. 34 Implementation	30,520,165	—	30,520,165
Other Adjustments	1,097,483	(1,853,088)	(755,605)
Beginning balance, as restated	\$196,868,688	\$35,640,175	\$232,508,863

24. 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			Total
	General	Special Revenue	Capital Projects	
Fund Balances:				
Reserved:				
Encumbrances	\$728,499	\$630,652	\$—	\$1,359,151
Prepaid items	603,129	—	—	603,129
Capital projects	984,732	—	5,527,223	6,511,955
Corp of Engineers	2,768,699	—	—	2,768,699
Total	\$5,085,059	\$630,652	\$5,527,223	\$11,242,934
Designated:				
Emergencies	\$4,800,000	\$—	\$—	\$4,800,000
Self-insurance	3,050,000	—	—	3,050,000
Bond indebtedness	10,000,000	—	—	10,000,000
Infrastructure	135,988	—	—	135,988
Sewer projects	2,285,471	—	—	2,285,471
Financial security	1,120,181	—	—	1,120,181
Hurricane disaster recovery	8,500,000	—	—	8,500,000
Insurance premiums	1,317,900	—	—	1,317,900
Hurricane preparedness/ready	250,000	—	—	250,000
Employee study implementation	1,500,000	—	—	1,500,000
Capital projects	51,542,066	112,791	11,884,144	63,539,001
Total	\$84,501,606	\$112,791	\$11,884,144	\$96,498,541

A. RESERVED FOR ENCUMBRANCES

The reserve for encumbrances in the amount of \$1,359,151 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 \$603,129 represents payments to vendors for expenditures that will apply to periods after December 31, 2007.

C. RESERVED FOR CORP OF ENGINEERS

The reserve for Corp of Engineers in the amount of \$2,768,699 represents the estimated funding requirements for the Parish's contribution to levee projects. Included in this total is \$1,500,000 of estimated funding requirements for the Parish's contribution to the New Orleans to Venice Hurricane Protection Project. Also included in the total is \$1,268,699 of estimated funding requirements for the Parish's contribution to the Braithwaite Park Levee Enlargement Project. These contributions are due in 2010 to fund construction.

D. DESIGNATED FOR EMERGENCIES

In accordance with parish resolutions, the Parish has designated funds in the amount of \$4,800,000 for emergency purposes.

E. DESIGNATED FOR SELF-INSURANCE

In accordance with parish resolution 06-210, dated December 14, 2006, the Parish has designated funds in the amount of \$3,050,000 for self-insurance. The Parish is self-insured for commercial liability (automobile and general) up to \$1,000,000, which is supplemented by an excess bumbershoot liability policy of \$6,000,000. Coverage is maintained through an insurer rated at least A- by A.M. Best Rating. The Parish is self-insured for employer's liability (worker's compensation) up to \$400,000 supplemented by an excess policy with coverage up to \$10,000,000 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 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.

F. 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 \$10,000,000 for payment of bonded indebtedness.

G. DESIGNATED FOR INFRASTRUCTURE

In accordance with parish ordinance 97-143, dated August 28, 1997, the Parish has designated funds in the amount of \$135,988 for the construction, repair, maintenance, upgrading and developing of infrastructure.

H. 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 \$2,285,471 for parish-wide sewer projects and payment of sewer bond indebtedness.

I. DESIGNATED FOR FINANCIAL SECURITY

In accordance with parish resolution 05-101, dated April 28, 2005, the Parish has designated funds in the amount of \$1,120,181 for the financial security and future benefit of Plaquemines Parish.

J. DESIGNATED FOR HURRICANE DISASTER RECOVERY

In accordance with parish ordinance 06-198, dated October 26, 2006, the Parish has designated funds in the amount of \$8,500,000 for the availability of funds to meet the Parish's obligations in a disaster recovery effort.

K. DESIGNATED FOR INSURANCE PREMIUMS

In accordance with parish ordinance 06-196, dated October 26, 2006, the Parish has designated funds in the amount of \$1,317,900 so insurance can be maintained on Parish buildings.

L. DESIGNATED FOR HURRICANE PREPAREDNESS AND POOR & NEEDY DAMAGES

In accordance with parish ordinance 07-122, dated May 24, 2007 and ordinance 07-210 dated August 23, 2007, the Parish has designated funds in the amount of \$250,000 for the availability of funds to meet the Parish's obligations for hurricane recovery for the poor and needy.

M. DESIGNATED FOR EMPLOYEE STUDY IMPLEMENTATION

In accordance with parish ordinance 07-212, dated August 23, 2007, the Parish has designated funds in the amount of \$1,500,000 for the availability of funds to implement employee pay plan study.

PLAQUEMINES PARISH GOVERNMENT
 Pointe a la Hache, Louisiana
 Notes to Basic Financial Statements
 December 31, 2007

N. DESIGNATED/RESERVED FOR CAPITAL PROJECTS

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

Fund/Project	Designated	Reserved
General Fund		
Acquisition of Building-Finance	\$6,953	---
Acquisition of Helicopter	333,375	---
Airport Feasibility Study	17,500	---
Belle Chasse Annex Courtroom	80,000	---
Belle Chasse High Rise Bridge	7,700	---
Belle Chasse Public Boat Launch	56,470	---
Computer System Replacement	815,894	---
Concrete Foundation-PALH Shipyard	300,000	---
Drainage-Belle Chasse	2,779,270	---
Drainage-East 1st, 2nd, 3rd Streets/H-M Avenues	165,605	---
Drainage-Woodland/Barriere Canal	159,884	---
Drainage Improvements-Hunt Street	537,775	---
Drainage Improvements-Main Street/Avenue G	1,082,750	---
Drainage Improvements-North Concord Road	200,000	---
Drainage Study-Parish Wide	499,910	---
Drainage Study-North Side of Industrial Canal	80,000	---
Dredging-Venice Jump Basin	19,557	---
Engineering Consulting-District 3	86,342	---
Engineering & Environmental Consulting-District 2	10,000	---
EOC Center	500,000	---
Fort Jackson Renovation/Preservation	39,203	---
GIS-Development & Implementation	167,500	---
Highway 23 Beautification	5,200	---
Hurricane Projects	---	749,686
Hurricane Protection Levee-Braithwaite Park	1,037,900	---
Hurricane Protection Levee-LaReussite	842,500	---
Hurricane Protection Levee-New Orleans to Venice	11,711	---
Levee Improvements-Scarsdale to White Ditch	1,000,000	---
Marking, Striping and Joint Sealant-Tidewater Road	50,000	---
New Construction-Animal Control Building	641,115	---
New Construction-Buras Fire House	500,000	---
New Construction-Fort Jackson Museum	547,048	---
New Courthouse/Government Complex	6,030,000	---
New Construction-Safe House Pump Station #1	500,000	---
New Shipyard-Empire Boat Harbor	1,492,635	---
Overlay-Empire Boat Harbor	160,000	---
Overlay-Buras Boat Harbor	80,000	---
Overlay-Buras River Road	500,000	---
Overlay-Carol Lane Empire	245,000	---
Overlay-Morel Lane	100,000	---
Overlay-Pointe a la Hache Boat Harbor Road	180,000	---

PLAQUEMINES PARISH GOVERNMENT
 Pointe a la Hache, Louisiana
 Notes to Basic Financial Statements
 December 31, 2007

Fund/Project	Designated	Reserved
General Fund (continued)		
Overlay-South Concord Road	150,000	—
Overlay-Venice Marina Road	1,010,713	—
PPG Building Sign	7,322	42,216
Parish Welcome Center	228,308	—
Parks-Blackie Barris	30,000	—
Peters Road Extension Bypass	1,256,200	—
Plaquemines Parish Navigational Channel	26,500	—
Playground Equipment-Davant Park	60,000	—
Preventative-Road Maintenance Parish Wide	86,959	—
Raising of Tidewater Road	4,582,896	—
Renovations-Belle Chasse Administrative Bldg-Elevator	150,000	—
Renovations-Bulk Heads/Boat Slips Pointe a la Hache	250,000	—
Renovations-Compactor Sites-Solid Waste South	250,000	—
Renovations-Cost Analysis Woodlawn Building	50,000	—
Renovations-Courthouse	99,800	—
Renovations-Hebert Boulevard Field 1	158,057	—
Renovations/Improvements-Ollie Pump Station	6,990,439	—
Renovations/Repair-Buras Pump Station	319,530	—
Renovations/Repair-Diamond Pump Station	100,000	—
Renovations/Repair-Hayes Pump Station	100,000	—
Repairs/Rehab-Belle Chasse Streets	61,674	—
Repairs-Belair Pump Station	100,000	—
Repairs-Cement/Aprons Hwy 23 to Vista Street	15,000	—
Repairs-Empire Floodgate	551,841	—
Repairs-Ferry Ramps Pointe a la Hache	648,130	—
Repairs-Noble Manor	123,746	—
Repairs-South Concord Road	50,000	—
Replace-Pointe a la Hache Boat Harbor Bldg/Lift	102,000	—
Replace-Venice Boat Harbor Hoist	200,000	—
Resurface-Hebert Boulevard	700,000	—
Resurface-Highway 15	589,292	—
Road Maintenance-Parish Wide	49,985	—
Rock Armament-Buras Boat Harbor	1,293,824	—
Sewerage-Belle Chasse Sewer Treatment Plant to LaReussite	2,000,000	—
Sewer Line- Bourgois	47,792	—
Sewer Line-Lift Station 8 to BC Sewer Treatment Plant	—	21,219
Sewer Line-Pointe a la Hache to Bohemia	52,025	171,611
Sewer Plant Relocation-Idlewild	125,000	—
Shipyard-Venice Marina	306,275	—
Street & Curb Repairs-District 2	250,000	—
Street & Curb Repairs-District 4	100,000	—
Upgrade-Disaster Communication System	691,637	—
Utility Relocation-Happy Jack to North Port Sulphur	2,991,960	—
Walking Track & Recreation Field-Empire	80,000	—
Waterline-Lake Hermitage	1,526,364	—

PLAQUEMINES PARISH GOVERNMENT
 Pointe a la Hache, Louisiana
 Notes to Basic Financial Statements
 December 31, 2007

Fund/Project	Designated	Reserved
General Fund (continued)		
Waterline-Naomi	60,000	---
Waterline-St. Thomas/Port Sulphur	250,000	---
Waterline Replacement-Braithwaite/Phoenix	800,000	---
Total General Fund	51,542,066	984,732
Special Revenue Funds		
Resurface-Barriere Road	23,594	---
Road Maintenance Parish Wide	89,197	---
Total Special Revenue Funds	112,791	---
Capital Improvements Fund		
1999 - 6 Million General Obligation Bonds Water & Sewer Improvements	287,267	---
2004 General Obligation Bonds Sewer System Improvements-Parish Wide	10,991,607	---
2005 General Obligation Bonds West First Street Drainage Canal Improvements	605,270	5,527,223
Total Capital Improvements Funds	11,884,144	5,527,223
Total Designations & Reserves	\$63,539,001	\$6,511,955

PLAQUEMINES PARISH GOVERNMENT
 Pointe a la Hache, Louisiana
 Notes to Basic Financial Statements
 December 31, 2007

25. 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, 2007, is as follows:

	Water and Sewer	Port, Harbor and Terminal	Golf Course	Boat Harbors and Shipyards	Total
Condensed Statement of Net Assets					
Assets:					
Current assets	\$3,598,586	\$4,034,164	\$332	\$21,697	\$7,654,779
Capital assets	35,836,832	7,239,168	5,247	530,960	43,612,207
Total assets	39,435,418	11,273,332	5,579	552,657	51,266,986
Liabilities:					
Interfund payables	4,900,000	3,852,910	5,000	360,000	9,117,910
Other current liabilities	550,219	119,970	579	33,003	703,771
Noncurrent liabilities	2,073,727	1,472	—	—	2,075,199
Total liabilities	7,523,946	3,974,352	5,579	393,003	11,896,880
Net assets:					
Invested in capital assets, net of related debt	35,836,832	7,239,168	5,247	530,960	43,612,207
Unrestricted	(3,925,360)	59,812	(5,247)	(371,306)	(4,242,101)
Total net assets	\$31,911,472	\$7,298,980	\$—	\$159,654	\$39,370,106
Condensed Statement of Revenues, Expenses, and Changes in Net Assets					
Operating revenues	\$3,459,295	\$1,630,664	\$—	\$162,431	\$5,252,390
Depreciation expense	(2,737,864)	(324,974)	(3,935)	(65,483)	(3,132,256)
Other operating expenses	(7,861,834)	(3,146,802)	(64,792)	(408,833)	(11,482,261)
Operating loss	(7,140,403)	(1,841,112)	(68,727)	(311,885)	(9,362,127)
Nonoperating revenues (expenses):					
Investment income	6,137	70,859	—	—	76,796
Interest expense	—	(468)	—	—	(468)
Ad valorem taxes	2,922,336	—	—	—	2,922,336
Other	3,798	1,440	8,573	17,460	31,271
Capital contributions	2,572,717	288,334	—	35,538	2,896,589
Net transfers	4,884,360	1,940,102	60,154	280,918	7,165,534
Change in net assets	3,248,945	458,955	—	22,031	3,729,931
Beginning net assets	28,662,527	6,840,025	—	137,623	35,640,175
Ending net assets	\$31,911,472	\$7,298,980	\$—	\$159,654	\$39,370,106
Condensed Statement of Cash Flows					
Net cash provided by (used by):					
Operating activities	(\$4,628,776)	(\$1,644,725)	(\$65,388)	(\$292,200)	(\$6,631,089)
Noncapital financing activities	5,014,352	193,929	55,154	510,918	5,774,353
Capital and related financing activities	(372,000)	60,900	8,573	(215,746)	(518,273)
Investing activities	6,137	70,488	—	—	76,625
Net increase (decrease) in cash and cash equivalents	19,713	(1,319,408)	(1,661)	2,972	(1,298,384)
Cash and cash equivalents at beginning of year	122,679	2,261,110	1,993	18,725	2,404,507
Cash and cash equivalents at end of year	\$142,392	\$941,702	\$332	\$21,697	\$1,106,123

26. 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, 2007, 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 \$3,524,667. Each general, auto, employer's and vessel protection and indemnity liability claim up to \$1,000,000 each is covered by the self-insurance program, as described in Note 16 and Note 24. Each general, auto and employer's claim exceeding the self-insurance program limits is covered by an umbrella liability policy up to \$6,000,000. Each vessel protection and indemnity liability claim exceeding the self-insurance program limits is covered by an umbrella liability policy up to \$51,000,000. The Parish is responsible for replenishing its designation of self-insurance to cover additional claims. A long-term liability in the amount of \$3,524,667 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.

27. EMERGENCY 911 SERVICE

During 2007, the Parish collected service charges of \$320,725 for emergency 911 operations and expended \$399,378 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, 2007**

	General Fund			Road Maintenance			Public Health		
	Budget		(Non-GAAP Basis) Actual	Budget		Actual	Budget		Actual
	Original	Final		Original	Final		Original	Final	
Revenues									
Taxes:									
Ad valorem	\$2,400,000	\$2,382,090	\$2,360,600	\$1,000,000	\$980,210	\$971,371	\$660,000	\$651,650	\$645,772
Sales and use	4,491,000	5,491,000	6,401,752	—	—	—	—	—	—
Other taxes, penalties, interest, etc.	60,000	48,730	48,732	—	—	—	—	—	—
Licenses and permits	1,114,200	1,174,200	1,276,043	—	—	—	—	—	—
Intergovernmental revenues:									
Federal grants	283,560	2,031,410	(1,270,438)	2,200	2,940	2,945	1,500	190,220	190,218
State funds:									
State revenue sharing	37,000	37,430	37,428	15,200	15,400	15,403	10,000	10,240	10,242
Parish royalty fund	12,287,000	16,889,230	17,278,587	—	—	—	—	—	—
Other	1,029,700	1,180,240	1,184,336	168,700	185,470	173,906	—	—	351
Fees, charges and commissions for services	533,200	606,460	576,144	—	—	—	402,500	403,500	509,721
Use of money and property	17,120,175	16,712,900	19,590,842	12,000	12,000	14,793	2,000	2,000	1,534
Other	2,813,460	2,787,970	2,518,779	—	—	—	553,190	575,100	509,976
Total Revenues	42,189,285	49,321,660	50,002,805	1,198,100	1,178,020	1,178,418	1,629,190	1,832,710	1,867,814
Expenditures									
Current:									
General government	12,128,886	15,584,460	13,314,052	—	—	—	—	—	—
Public safety	2,056,407	2,982,860	734,358	—	—	—	—	—	—
Public works	7,178,708	13,617,160	7,972,941	3,079,281	3,591,120	2,920,428	—	—	—
Health and welfare	928,606	1,043,470	938,226	—	—	—	5,017,303	5,703,660	4,626,387
Culture and recreation	1,159,828	1,312,760	1,177,573	—	—	—	—	—	—
Economic development and assistance	132,930	147,590	67,526	—	—	—	—	—	—
Transportation	4,648,412	4,965,290	4,119,482	—	—	—	—	—	—
Total Expenditures	28,233,777	39,653,590	28,324,158	3,079,281	3,591,120	2,920,428	5,017,303	5,703,660	4,626,387
Excess (Deficiency) of Revenues Over Expenditures	13,935,508	9,668,070	21,678,647	(1,881,181)	(2,415,100)	(1,742,008)	(3,388,113)	(3,870,950)	(2,758,573)
Other Financing Sources (Uses)									
Transfers in	286,700	428,200	418,621	1,842,010	2,240,430	1,606,506	3,012,920	3,815,760	3,078,571
Transfers out	(14,457,050)	(64,042,050)	(15,382,439)	—	—	—	—	—	—
Capital leases	11,000	11,000	48,387	—	—	—	—	—	—
Sale of capital assets	10,000	10,000	343,139	—	—	—	—	—	—
Net Other Financing Sources (Uses)	(14,149,350)	(63,592,850)	(14,572,292)	1,842,010	2,240,430	1,606,506	3,012,920	3,815,760	3,078,571
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(213,842)	(53,924,780)	7,106,355	(39,171)	(174,670)	(135,502)	(375,193)	(55,190)	319,998
Fund Balances at Beginning of Year	93,149,540	93,149,540	93,149,535	174,670	174,670	174,673	55,190	55,190	55,195
Fund Balances at End of Year	\$92,935,698	\$39,224,760	\$100,255,890	\$135,499	\$—	\$39,171	(\$320,003)	\$—	\$375,193

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

Schedule 1

**Budgetary Comparison Schedule
For the Year Ended December 31, 2007**

	Solid Waste			Capital Improvements		
	Budget		Actual	Budget		Actual
	Original	Final		Original	Final	
Revenues						
Taxes:						
Ad valorem	\$2,640,000	\$2,590,180	\$2,566,812	\$ --	\$ --	\$ --
Sales and use	--	--	--	--	--	--
Other taxes, penalties, interest, etc.	--	--	--	--	--	--
Licenses and permits	--	--	--	--	--	--
Intergovernmental revenues:						
Federal grants	5,900	7,780	7,783	--	1,124,350	22,256
State funds:						
State revenue sharing	40,000	40,700	40,697	--	--	--
Parish royalty fund	--	--	--	--	--	--
Other	--	--	--	2,855,540	1,385	--
Fees, charges and commissions for services	416,500	551,000	603,168	--	--	--
Use of money and property	43,000	30,000	75,329	--	--	--
Other	8,000	9,500	9,968	--	500,250	--
Total Revenues	3,153,400	3,229,160	3,303,757	--	4,480,140	23,641
Expenditures						
Current:						
General government	--	--	--	--	--	--
Public safety	--	--	--	--	--	--
Public works	5,008,564	4,523,600	3,615,144	2,187,900	50,967,940	3,200,213
Health and welfare	--	--	--	--	--	--
Culture and recreation	--	--	--	--	--	--
Economic development and assistance	--	--	--	--	--	--
Transportation	--	--	--	--	--	--
Total Expenditures	5,008,564	4,523,600	3,615,144	2,187,900	50,967,940	3,200,213
Excess (Deficiency) of Revenues Over Expenditures	(1,855,164)	(1,294,440)	(311,387)	(2,187,900)	(46,487,800)	(3,176,572)
Other Financing Sources (Uses)						
Transfers in	1,818,020	1,257,300	486,938	2,187,900	46,487,800	3,176,572
Transfers out	--	--	--	--	--	--
Capital leases	--	--	--	--	--	--
Sale of capital assets	--	--	--	--	--	--
Net Other Financing Sources (Uses)	1,818,020	1,257,300	486,938	2,187,900	46,487,800	3,176,572
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(37,144)	(37,140)	175,551	--	--	--
Fund Balances at Beginning of Year	37,140	37,140	37,144	--	--	--
Fund Balances at End of Year	(\$4)	\$ --	\$212,695	\$ --	\$ --	\$ --

**PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana**

**Notes to Budgetary Comparison Schedule
For the Year Ended December 31, 2007**

BASIS OF ACCOUNTING

The accompanying budgetary comparison schedule is not adopted on a basis consistent with generally accepted accounting principles (GAAP). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the primary government financial statements.

NON-GAAP REPORTING RECONCILIATION

Budgetary amounts adopted by the Parish do not include public assistance disaster grant revenue from the United States Federal Emergency Management Agency nor the related expenditures. Actual amounts are reconciled on a non-GAAP basis for comparison as follows:

		General Fund		
		As Reported	Adjustment to Budgetary Basis	Non-GAAP Basis
Revenues				
	Federal Grants	\$41,762,513	\$40,654,709	\$1,107,804
Expenditures				
	Public Safety	\$39,370,910	\$38,636,552	\$734,358

Other Supplementary Information

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

Schedule 2

**Combined Balance Sheet
December 31, 2007**

	Governmental Fund Types				Proprietary Fund Type	Fiduciary Fund Type		Total
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Agency	Permanent	Memorandum Only
Assets:								
Current Assets:								
Cash and cash equivalents	\$8,068,981	\$645,089	\$—	\$6,653,740	\$1,106,123	\$1,786,608	\$94,905	\$18,355,446
Investments	53,604,299	2,043,102	—	11,765,241	3,480	1,181	38,069	67,455,352
Receivables (net of allowances for uncollectibles)	54,172,972	5,939,578	—	28	3,996,290	—	—	64,108,866
Due from other funds	8,888,767	569,883	42,116	61,031	2,541,335	—	—	12,103,132
Prepaid items	603,129	—	—	—	7,551	—	—	610,680
Total Current Assets	125,338,148	9,197,652	42,116	18,480,038	7,654,779	1,787,789	132,974	182,633,476
Non-Current Assets:								
Interfund loan	2,073,727	—	—	—	—	—	—	2,073,727
Land, buildings and equipment (net, where applicable, of accumulated depreciation)	—	—	—	—	43,612,207	—	—	43,612,207
Total Non-Current Assets	2,073,727	—	—	—	43,612,207	—	—	45,685,934
Total Assets	\$127,411,875	\$9,197,652	\$42,116	\$18,480,038	\$51,266,986	\$1,787,789	\$132,974	\$208,319,410
Liabilities:								
Current Liabilities:								
Accounts, salaries and other payables	\$2,947,550	\$404,720	\$42,116	\$18,234	\$158,546	\$—	\$—	\$3,571,166
Contracts and retainage payable	12,525,678	—	—	1,050,345	—	—	—	13,576,023
Capital leases payable	—	—	—	—	2,024	—	—	2,024
Deferred revenues	6,427,954	5,342,956	—	—	—	—	—	11,770,910
Compensated absences payable	486,062	252,916	—	—	80,849	—	—	819,827
Deposits due others	22,010	675	—	—	—	1,546,359	—	1,569,044
Due to other funds	2,644,482	340,648	—	92	9,117,910	—	—	12,103,132
Other	84,092	165,056	—	—	482,352	241,410	—	952,910
Total Current Liabilities	25,137,828	6,506,971	42,116	1,068,671	9,821,681	1,787,789	—	44,365,036
Non-Current Liabilities:								
Capital leases payable	—	—	—	—	1,472	—	—	1,472
Interfund loan	—	—	—	—	2,073,727	—	—	2,073,727
Total Non-Current Liabilities	—	—	—	—	2,075,199	—	—	2,075,199
Total Liabilities	25,137,828	6,506,971	42,116	1,068,671	11,896,880	1,787,789	—	46,440,235
Net Assets and Fund Balances:								
Net Assets:								
Invested in capital assets, net of related debt	—	—	—	—	43,612,207	—	—	43,612,207
Held in trust for pension benefits and other purposes	—	—	—	—	—	—	132,974	132,974
Unrestricted	—	—	—	—	(4,242,101)	—	—	(4,242,101)
Fund Balances:								
Reserved	5,085,059	630,852	—	5,527,223	—	—	—	11,242,934
Unreserved:								
Designated	84,501,806	112,791	—	11,884,144	—	—	—	96,498,541
Undesignated	12,687,362	1,947,238	—	—	—	—	—	14,634,620
Total Net Assets and Fund Balances	102,274,047	2,690,681	—	17,411,367	39,370,106	—	132,974	161,879,175
Total Liabilities, Net Assets and Fund Balances	\$127,411,875	\$9,197,652	\$42,116	\$18,480,038	\$51,266,986	\$1,787,789	\$132,974	\$208,319,410

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

Schedule 3

**Combined Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2007**

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Memorandum Only
Revenues					
Taxes:					
Ad valorem	\$2,360,600	\$4,829,727	\$—	\$—	\$7,190,327
Sales and use	6,401,752	—	1,504,318	—	7,906,070
Other taxes, penalties, interest, etc.	48,732	—	—	—	48,732
Licenses and permits	1,276,043	—	—	—	1,276,043
Intergovernmental revenues:					
Federal grants	39,384,271	202,920	—	22,256	39,609,447
State funds:					
Parish transportation funds	—	331,697	—	—	331,697
State revenue sharing	37,428	76,584	—	—	114,012
Parish royalty fund	17,278,587	—	2,709,460	—	19,988,047
Other	1,184,336	201,960	—	1,385	1,387,681
Fees, charges and commissions for services	576,144	1,586,359	—	—	2,162,503
Fines and forfeitures	—	341,187	—	—	341,187
Use of money and property	19,590,842	199,883	—	809,535	20,600,260
Other	2,518,779	894,951	—	—	3,213,730
Total Revenues	90,657,514	8,465,268	4,213,778	833,176	104,169,736
Expenditures					
General government:					
Legislative	1,251,776	—	—	—	1,251,776
Judicial	3,302,431	210,866	—	—	3,513,297
Executive	2,892,813	—	—	—	2,892,813
Elections	105,381	—	—	—	105,381
Finance and administrative	3,163,543	—	—	—	3,163,543
Other	2,598,108	—	—	—	2,598,108
Public safety	39,370,910	—	—	—	39,370,910
Public works	7,972,941	6,746,455	—	7,915,251	22,634,647
Health and welfare	938,226	5,025,765	—	—	5,963,991
Culture and recreation	1,177,573	527,373	—	—	1,704,946
Economic development and assistance	67,526	—	—	—	67,526
Transportation	4,119,482	—	—	—	4,119,482
Debt service	—	—	4,213,778	—	4,213,778
Total Expenditures	66,960,710	12,510,459	4,213,778	7,915,251	91,600,198
Excess (Deficiency) of Revenues Over Expenditures	23,696,804	(4,045,191)	—	(7,082,075)	12,569,538
Other Financing Sources (Uses)					
Transfers in	418,621	5,172,015	—	3,194,890	8,785,526
Transfers out	(15,382,439)	(588,621)	—	—	(15,951,060)
Sale of capital assets	343,139	—	—	—	343,139
Capital leases	48,387	—	—	—	48,387
Proceeds from long-term bonds	—	—	—	5,000,000	5,000,000
Net Other Financing Sources (Uses)	(14,572,292)	4,603,394	—	8,194,890	(1,774,008)
Excess of Revenues and Other Sources Over Expenditures and Other Uses	9,124,512	558,203	—	1,112,815	10,795,530
Fund Balances at Beginning of Year	93,149,535	2,132,478	—	16,298,552	111,580,565
Fund Balances at End of Year	\$102,274,047	\$2,690,681	\$—	\$17,411,367	\$122,376,095

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

Schedule 4

**Combined Schedule of Revenues, Expenses and Changes in Net Assets
For the Year Ended December 31, 2007**

Operating Revenues	
Charges for services	\$4,993,819
Other	258,571
Total Operating Revenues	5,252,390
Operating Expenses	
Personal services	1,760,250
Contractual services, supplies, materials and other	9,722,011
Depreciation	3,132,256
Total Operating Expenses	14,614,517
Operating Loss	(9,362,127)
Non-Operating Revenues (Expenses)	
Interest revenue	76,796
Interest expense	(468)
Ad valorem taxes	2,922,336
Other	31,271
Net Non-Operating Revenues (Expenses)	3,029,935
Net Loss Before Contributions and Transfers	(6,332,192)
Capital Contributions	2,896,589
Transfers In	7,165,534
Changes in Net Assets	3,729,931
Net Assets-Beginning, As Restated	35,640,175
Net Assets-Ending	\$39,370,106

**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, 2007**

Cash Flows From Operating Activities:	
Cash received from customers	\$4,907,107
Cash payments for goods and services	(9,779,391)
Cash payments to employees	(1,758,805)
Net Cash Used by Operating Activities	(6,631,089)
Cash Flows From Non-Capital Financing Activities:	
Ad valorem tax collections	2,922,336
Other non-operating revenues	7,832
Operating transfers in	7,165,534
Payments on short-term loan from other funds	(4,321,349)
Net Cash Provided by Non-Capital Financing Activities	5,774,353
Cash Flows From Capital and Related Financing Activities:	
Acquisition/construction of capital assets	(560,014)
Decrease in intergovernmental receivables	3,740
Cash proceeds from sale of assets	38,469
Interest paid	(468)
Net Cash Used by Capital and Related Financing Activities	(518,273)
Cash Flows From Investing Activities:	
Interest received on time deposits	76,796
Payments for investments	(171)
Net Cash Provided by Investing Activities	76,625
Net Decrease in Cash and Cash Equivalents	(1,298,384)
Cash and Cash Equivalents at Beginning of Year	2,404,507
Cash and Cash Equivalents at End of Year	\$1,106,123
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:	
Operating loss	(\$9,362,127)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	3,132,256
Change in assets and liabilities:	
Increase in receivables and other current assets	(341,088)
Decrease in accounts payable	(31,330)
Decrease in other liabilities	(28,800)
Net Cash Used by Operating Activities	(\$6,631,089)

Noncash investing, capital and financing activities:

At the end of 2007, the Port, Harbor and Terminal Fund purchased equipment costing \$366,625 and made no payments for this equipment before year-end.

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended December 31, 2007

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.

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.

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.

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.

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, 2007**

	Road Maintenance	Public Health	Solid Waste	Library	Transpor- tation	Criminal Court	Judicial Court Reporter	DWI Court Admin.	911	Witness Fee	Total
Assets:											
Cash and cash equivalents	\$40,044	\$97,793	\$222,247	\$20,232	\$4,828	\$128,967	\$—	\$61,390	\$69,588	\$—	\$645,089
Investments	49,238	—	35,318	1,258,437	149,117	483,389	—	—	57,603	—	2,043,102
Receivables (net of allowances for uncollectibles)	1,199,352	737,252	3,108,450	753,018	26,851	64,411	787	250	49,207	—	5,939,578
Due from other funds	—	509,876	—	—	—	—	—	—	59,907	—	569,883
Total Assets	\$1,288,634	\$1,345,021	\$3,366,015	\$2,031,687	\$180,796	\$686,767	\$787	\$61,640	\$236,305	\$—	\$9,197,852
Liabilities:											
Accounts, salaries and other payables	\$83,653	\$131,222	\$165,202	\$11,119	\$5,525	\$7,047	\$—	\$—	\$952	\$—	\$404,720
Deferred revenues	1,074,593	714,397	2,839,569	714,397	—	—	—	—	—	—	5,342,956
Compensated absences payable	58,020	101,465	80,828	21,863	—	—	—	—	10,740	—	252,916
Deposits due others	—	675	—	—	—	—	—	—	—	—	675
Due to other funds	—	—	—	—	—	339,860	787	1	—	—	340,648
Other	33,197	22,069	87,721	22,069	—	—	—	—	—	—	165,056
Total Liabilities	1,249,463	969,828	3,153,320	769,448	5,525	346,907	787	1	11,692	—	6,506,971
Fund Balances:											
Reserved:											
Encumbrances	39,171	375,193	212,695	3,593	—	—	—	—	—	—	630,652
Unreserved:											
Designated for capital projects	—	—	—	—	112,791	—	—	—	—	—	112,791
Undesignated	—	—	—	1,258,646	62,480	339,860	—	61,639	224,613	—	1,947,238
Total Fund Balances	39,171	375,193	212,695	1,262,239	175,271	339,860	—	61,639	224,613	—	2,690,681
Total Liabilities and Fund Balances	\$1,288,634	\$1,345,021	\$3,366,015	\$2,031,887	\$180,796	\$686,767	\$787	\$61,640	\$236,305	\$—	\$9,197,852

**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, 2007**

	Road Maintenance	Public Health	Solid Waste	Library	Transportation	Criminal Court	Judicial Court Reporter	DWI Court Admin.	911	Witness Fee	Total
Revenues											
Taxes:											
Ad valorem	\$971,371	\$645,772	\$2,566,812	\$645,772	\$—	\$—	\$—	\$—	\$—	\$—	\$4,829,727
Intergovernmental revenues:											
Federal grants	2,945	190,218	7,783	1,974	—	—	—	—	—	—	202,920
State funds:											
Parish transportation funds	—	—	—	—	331,897	—	—	—	—	—	331,897
State revenue sharing	15,403	10,242	40,697	10,242	—	—	—	—	—	—	76,584
Other	173,908	351	—	27,703	—	—	—	—	—	—	201,960
Fees, charges and commissions for services	—	509,721	603,168	—	—	—	13,995	—	320,725	138,750	1,586,359
Fines and forfeitures	—	—	—	2,319	—	336,368	—	2,500	—	—	341,187
Use of money and property	14,793	1,534	75,329	66,237	8,763	26,110	203	2,413	2,733	1,768	199,883
Other	—	509,976	9,968	55,193	—	—	—	—	119,814	—	694,951
Total Revenues	1,178,418	1,867,814	3,303,757	809,440	340,460	362,478	14,198	4,913	443,272	140,518	8,465,268
Expenditures											
General government:											
Judicial	—	—	—	—	—	47,005	14,198	2	—	149,661	210,866
Public works	2,920,426	—	3,615,144	—	210,885	—	—	—	—	—	6,746,455
Health and welfare	—	4,626,387	—	—	—	—	—	—	399,378	—	5,025,785
Culture and recreation	—	—	—	527,373	—	—	—	—	—	—	527,373
Total Expenditures	2,920,426	4,626,387	3,615,144	527,373	210,885	47,005	14,198	2	399,378	149,661	12,510,459
Excess (Deficiency) of Revenues Over Expenditures	(1,742,008)	(2,758,573)	(311,387)	282,067	129,575	315,473	—	4,911	43,894	(9,143)	(4,045,191)
Other Financing Sources (Uses)											
Transfers in	1,606,506	3,078,571	486,938	—	—	—	—	—	—	—	5,172,015
Transfers out	—	—	—	—	(176,406)	(339,860)	—	—	—	(52,355)	(568,621)
Net Other Financing Sources (Uses)	1,606,506	3,078,571	486,938	—	(176,406)	(339,860)	—	—	—	(52,355)	4,603,394
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(135,502)	319,998	175,551	282,067	(46,831)	(24,387)	—	4,911	43,894	(81,498)	558,203
Fund Balances at Beginning of Year	174,673	55,195	37,144	980,172	222,102	364,247	—	56,728	180,719	61,498	2,132,478
Fund Balances at End of Year	\$39,171	\$375,193	\$212,695	\$1,262,239	\$175,271	\$339,860	\$—	\$61,639	\$224,613	\$—	\$2,690,681

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended December 31, 2007

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.

REVENUE BONDS, SERIES 2004 FUND

The Revenue Bonds, Series 2004 Fund accumulates monies for the Series 2004 Revenue Bonds dated March 1, 2004. Funding is provided by the proceeds of the special one per cent sales and use tax being levied and collected pursuant to an election held in Plaquemines Parish on October 29, 1977.

REVENUE BONDS, SERIES 2005 FUND

The Revenue Bonds, Series 2005 Fund accumulates monies for the Series 2005 Revenue Bonds dated July 1, 2005. Funding is provided by the proceeds of the special one per cent sales and use tax being levied and collected pursuant to an election held in Plaquemines Parish on October 29, 1977.

REVENUE BONDS, SERIES 2007 FUND

The Revenue Bonds, Series 2007 Fund accumulates monies for the Series 2007 Revenue Bonds dated September 1, 2007. Funding is provided by the proceeds of the special one per cent sales and use tax being levied and collected pursuant to an election held in Plaquemines Parish on October 29, 1977.

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

Schedule 8

**Balance Sheet
December 31, 2007**

Assets

Due from other funds

Revenue Bonds
Series 2007
\$42,116
\$42,116

Liabilities

Matured bonds and interest payable

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

Schedule 9

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2007**

	Public Improvement Bonds		Revenue Bonds		Total
	Series 1999	Series 2001	Series 2004	Series 2005	
Revenues					
Sales and use tax	\$ —	\$ —	\$1,113,587	\$390,731	\$1,504,318
Intergovernmental revenue:					
State funds:					
Parish royalty fund	809,660	1,899,800	—	—	2,709,460
Total Revenues	809,660	1,899,800	1,113,587	390,731	4,213,778
Expenditures					
Debt service:					
Principal retirement	660,000	1,755,000	900,000	170,000	3,485,000
Interest	148,850	143,800	213,086	220,230	725,966
Other	810	1,000	501	501	2,812
Total Expenditures	809,660	1,899,800	1,113,587	390,731	4,213,778
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, 2007

CAPITAL PROJECTS FUNDS

1999 GENERAL OBLIGATION BOND CONSTRUCTION FUND (WATER AND SEWER PROJECTS)

The 1999 General Obligation Bond Construction Fund, Water and Sewer Projects 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 issued on December 11, 1991.

2004 REVENUE BOND CONSTRUCTION FUND (SEWER PROJECTS)

The 2004 Revenue Bond Construction Fund, Sewer Projects is used for parishwide sewer improvements. Financing is being provided from the unexpended proceeds of the \$10,000,000 in revenue bonds issued on March 1, 2004.

2005 / 2007 REVENUE BOND CONSTRUCTION FUND (WEST FIRST STREET CANAL PROJECT)

The 2005 / 2007 Revenue Bond Construction Fund is used for the West First Street Canal Drainage project. Financing is being provided from the unexpended proceeds of the \$10,300,000 in revenue bonds.

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 General and Water and Sewer Funds.

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 10

**Combining Balance Sheet
December 31, 2007**

	GO Bonds Series 1999 Waterworks & Sewer Projects	Revenue Bonds		LCDBG PALH to Bohemia Sewerline	Total
		Series 2004 Sewer Projects	Series 2005/2007 Canal Imp		
Assets:					
Cash and cash equivalents	\$326,588	\$3,506,008	\$2,821,144	\$ —	\$6,653,740
Investments	1,139	7,486,247	4,277,855	—	11,765,241
Receivables (net of allowances for uncollectibles)	—	—	26	—	26
Due from other funds	—	—	—	61,031	61,031
Total Assets	\$327,727	\$10,992,255	\$7,099,025	\$61,031	\$18,480,038
Liabilities:					
Accounts, salaries and other payables	\$ —	\$600	\$17,634	\$ —	\$18,234
Contracts and retainage payable	40,460	—	948,854	61,031	1,050,345
Due to other funds	—	48	44	—	92
Total Liabilities	40,460	648	966,532	61,031	1,068,671
Fund Balances:					
Reserved:					
Capital improvements	—	—	5,527,223	—	5,527,223
Unreserved:					
Designated for capital projects	287,267	10,991,607	605,270	—	11,884,144
Total Fund Balances	287,267	10,991,607	6,132,493	—	17,411,367
Total Liabilities and Fund Balances	\$327,727	\$10,992,255	\$7,099,025	\$61,031	\$18,480,038

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

Schedule 11

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2007**

	GO Bonds	Revenue Bonds		LCDBG Proj	Capital Improvements	Total
	Series 1999 Waterworks & Sewer Projects	Series 2004 Sewer Projects	Series 2005/2007 Canal Imp	PALH to Bohemia Sewerline		
Revenues						
Intergovernmental revenue:						
Federal grants	\$ --	\$ --	\$ --	\$ --	\$22,256	\$22,256
State funds:						
Other	--	--	--	--	1,385	1,385
Use of money and property	2,033	529,862	277,640	--	--	809,535
Total Revenues	2,033	529,862	277,640	--	23,641	833,176
Expenditures						
Public works	625	78,778	4,617,317	18,318	3,200,213	7,915,251
Excess (Deficiency) of Revenues Over Expenditures	1,408	451,084	(4,339,677)	(18,318)	(3,176,572)	(7,082,075)
Other Financing Sources						
Transfers in	--	--	--	18,318	3,176,572	3,194,890
Proceeds from long-term bonds	--	--	5,000,000	--	--	5,000,000
Net Other Financing Sources	--	--	5,000,000	18,318	3,176,572	8,194,890
Excess of Revenues and Other Sources Over Expenditures	1,408	451,084	660,323	--	--	1,112,815
Fund Balances at Beginning of Year	285,859	10,540,523	5,472,170	--	--	16,298,552
Fund Balances at End of Year	\$287,267	\$10,991,607	\$6,132,493	\$--	\$--	\$17,411,367

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended December 31, 2007

ENTERPRISE FUNDS

WATER AND SEWER FUND

The Water 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 and Shipyards 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, and Empire. 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 12

**Combining Schedule of Net Assets
December 31, 2007**

	Water and Sewer	Port, Harbor and Terminal	Golf Course	Boat Harbors & Shipyards	Total
Assets					
Current Assets:					
Cash and cash equivalents	\$142,392	\$941,702	\$332	\$21,697	\$1,106,123
Investments	—	3,480	—	—	3,480
Receivables (net of allowance for uncollectibles)	3,448,643	547,647	—	—	3,996,290
Due from other funds	—	2,541,335	—	—	2,541,335
Prepaid items	7,551	—	—	—	7,551
Total Current Assets	3,598,586	4,034,164	332	21,697	7,654,779
Non-Current Assets:					
Land	52,000	—	—	—	52,000
Buildings	11,452,802	5,287,055	—	—	16,739,857
Improvements other than buildings	45,365,330	435,421	—	320,086	46,120,837
Machinery and equipment	2,141,659	3,909,330	13,116	571,040	6,635,145
Construction in progress	15,804,197	366,625	—	76,691	16,247,513
Less accumulated depreciation	(38,979,156)	(2,759,263)	(7,869)	(438,857)	(42,183,145)
Total Non-Current Assets	35,836,832	7,239,168	5,247	530,960	43,612,207
Total Assets	\$39,435,418	\$11,273,332	\$5,579	\$552,657	\$51,266,986
Liabilities:					
Current Liabilities:					
Accounts payable	\$91,603	\$46,227	\$579	\$20,137	\$158,546
Capital leases payable	—	2,024	—	—	2,024
Compensated absences payable	10,164	59,219	—	11,466	80,849
Due to other funds	4,900,000	3,852,910	5,000	360,000	9,117,910
Other	448,452	12,500	—	1,400	462,352
Total Current Liabilities	5,450,219	3,972,880	5,579	393,003	9,821,681
Non-Current Liabilities:					
Capital leases payable	—	1,472	—	—	1,472
Interfund loan	2,073,727	—	—	—	2,073,727
Total Non-Current Liabilities	2,073,727	1,472	—	—	2,075,199
Total Liabilities	7,523,946	3,974,352	5,579	393,003	11,896,880
Net Assets:					
Invested in capital assets, net of related debt	35,836,832	7,239,168	5,247	530,960	43,612,207
Unrestricted (Deficit)	(3,925,360)	59,812	(5,247)	(371,306)	(4,242,101)
Total Net Assets	31,911,472	7,298,980	—	159,654	39,370,106
Total Liabilities and Net Assets	\$39,435,418	\$11,273,332	\$5,579	\$552,657	\$51,266,986

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

Schedule 13

**Combining Schedule of Revenues, Expenses and Changes in Net Assets
For the Year Ended December 31, 2007**

	Water and Sewer	Port, Harbor and Terminal	Golf Course	Boat Harbors & Shipyards	Total
Operating Revenues					
Charges for services	\$3,388,992	\$1,552,664	\$---	\$52,163	\$4,993,819
Other	70,303	78,000	---	110,268	258,571
Total Operating Revenues	3,459,295	1,630,664	---	162,431	5,252,390
Operating Expenses					
Personal services	351,956	1,067,819	48,480	291,995	1,760,250
Contractual services, supplies, materials and other	7,509,878	2,078,983	16,312	116,838	9,722,011
Depreciation	2,737,864	324,974	3,935	65,483	3,132,256
Total Operating Expenses	10,599,698	3,471,776	68,727	474,316	14,614,517
Operating Loss	(7,140,403)	(1,841,112)	(68,727)	(311,885)	(9,362,127)
Non-Operating Revenues (Expenses)					
Interest revenue	6,137	70,659	---	---	76,796
Interest expense	---	(468)	---	---	(468)
Ad valorem taxes	2,922,336	---	---	---	2,922,336
Other	3,798	1,440	8,573	17,480	31,271
Net Non-Operating Revenues (Expenses)	2,932,271	71,631	8,573	17,480	3,029,935
Net Loss Before Contributions and Transfers	(4,208,132)	(1,769,481)	(60,154)	(294,425)	(6,332,192)
Capital Contributions	2,572,717	288,334	---	35,538	2,896,589
Transfers In	4,884,360	1,940,102	60,154	280,918	7,165,534
Changes In Net Assets	3,248,945	458,955	---	22,031	3,729,931
Net Assets-Beginning, As Restated	28,662,527	6,840,025	---	137,623	35,640,175
Net Assets-Ending	\$31,911,472	\$7,298,980	\$---	\$159,654	\$39,370,106

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

Schedule 14

**Combining Schedule of Cash Flows
For the Year Ended December 31, 2007**

	Water and Sewer	Port, Harbor and Terminal	Golf Course	Boat Harbors & Shipyards	Total
Cash Flows From Operating Activities:					
Cash received from customers	\$3,200,113	\$1,544,563	\$—	\$182,431	\$4,907,107
Cash payments for goods and services	(7,477,505)	(2,121,222)	(16,203)	(164,461)	(9,779,391)
Cash payments to employees	(351,384)	(1,068,068)	(49,185)	(290,170)	(1,758,805)
Net Cash Used by Operating Activities	(4,628,776)	(1,644,725)	(65,388)	(292,200)	(6,631,089)
Cash Flows From Non-Capital Financing Activities:					
Ad valorem tax collections	2,922,336	—	—	—	2,922,336
Other non-operating revenues	7,832	—	—	—	7,832
Operating transfers in	4,884,360	1,940,102	60,154	280,918	7,165,534
Payments on short-term loan from other funds	(2,800,176)	(1,748,173)	(5,000)	230,000	(4,321,349)
Net Cash Provided by Non-Capital Financing Activities	5,014,352	193,929	55,154	510,918	5,774,353
Cash Flows From Capital and Related Financing Activities:					
Acquisition/construction of capital assets	(383,787)	56,979	—	(233,206)	(560,014)
Decrease in intergovernmental receivables	791	2,949	—	—	3,740
Cash proceeds from sale of assets	10,996	1,440	8,573	17,460	38,469
Interest paid	—	(468)	—	—	(468)
Net Cash Provided By (Used By) Capital and Related Financing Activities	(372,000)	60,900	8,573	(215,746)	(518,273)
Cash Flows From Investing Activities:					
Interest received on time deposits	6,137	70,659	—	—	76,796
Payments for investments	—	(171)	—	—	(171)
Net Cash Provided by Investing Activities	6,137	70,488	—	—	76,625
Net Increase (Decrease) in Cash and Cash Equivalents	19,713	(1,319,408)	(1,661)	2,972	(1,298,384)
Cash and Cash Equivalents at Beginning of Year	122,679	2,261,110	1,993	18,725	2,404,507
Cash and Cash Equivalents at End of Year	\$142,392	\$941,702	\$332	\$21,697	\$1,106,123
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:					
Operating loss	(\$7,140,403)	(\$1,841,112)	(\$68,727)	(\$311,885)	(\$9,362,127)
Adjustments to reconcile operating loss to net cash used by operating activities:					
Depreciation	2,737,864	324,974	3,935	65,483	3,132,256
Change in assets and liabilities:					
Increase in receivables and other current assets	(254,987)	(86,101)	—	—	(341,088)
Increase (decrease) in accounts payable	12,656	(40,412)	109	(3,683)	(31,330)
Increase (decrease) in other liabilities	18,094	(2,074)	(705)	(42,115)	(28,800)
Net Cash Used by Operating Activities	(\$4,628,776)	(\$1,644,725)	(\$65,388)	(\$292,200)	(\$6,631,089)

Noncash investing, capital and financing activities:

At the end of 2007, the Port, Harbor and Terminal Fund purchased equipment costing \$366,625 and made no payments for this equipment before year-end.

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULE
As of December 31, 2007

FIDUCIARY FUNDS

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.

PERMANENT FUNDS

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 Commonwealth Annuity and Life Insurance Company. 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
Fiduciary Funds**

Schedule 15

**Combining Schedule of Fiduciary Net Assets
December 31, 2007**

	Sales Tax	Deferred Compensation	Total
Assets			
Cash and cash equivalents	\$1,786,608	\$94,905	\$1,881,513
Investments (fair value)			
Corporate securities	---	32,592	32,592
Corporate bonds	---	5,370	5,370
Other	---	107	107
Local government investment pool	1,161	---	1,161
Total Assets	\$1,787,769	\$132,974	\$1,920,743
Liabilities			
Deposits due others	\$1,546,359	\$---	\$1,546,359
Other	241,410	---	241,410
Total Liabilities	1,787,769	---	1,787,769
Net Assets			
Held in trust for pension benefits and other purposes	---	132,974	132,974
Total Liabilities and Net Assets	\$1,787,769	\$132,974	\$1,920,743

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

Schedule 16

**Schedule of Changes in Fiduciary Net Assets
For the Year Ended December 31, 2007**

	Deferred Compensation
Additions	
Contributions:	
Plan members	\$7,800
Investment Earnings:	
Net Increase in the fair value of investments	2,521
Total Additions	10,321
Deductions	
Administrative expenses	60
Withdrawals	5,268
Total Deductions	5,328
Change in Net Assets	4,993
Net Assets-Beginning	127,981
Net Assets-Ending	\$132,974

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
For the Year Ended December 31, 2007

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 Chairperson 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 17

**Schedule of Compensation Paid to Council Members and Parish President
For the Year Ended December 31, 2007**

Position/Name	Annual Salary
Parish President	
William Nungesser	\$72,000
Council Members	
District 1 Don M. Beshel	28,100
District 2 Warren K. Hinkley	28,100
District 3 Jerry K. Hodnett, Chairperson	29,100
District 4 Anthony L. Buras, Jr.	28,100
District 5 Brent R. Chauvin	28,100
District 6 Burghart H. Turner	28,100
District 7 John J. Friedman, Jr., Vice Chairperson	28,100
District 8 Lynda G. Banta	28,100
District 9 Marla F. Cooper	28,100
	253,900
Total	\$325,900

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

Schedule 18

**Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2007**

Federal Grantor/ Pass-Through Grantor or Cluster Title	Federal CFDA Number	Identification	Federal Expenditures
United States Department of Health and Human Services			
Passed through Louisiana Department of Labor - Community Services Block Grant	93.569	CSBG	\$93,759
Passed through Louisiana Department of Health and Hospitals - Medical Assistance Program	93.778	307	70,388
Passed through Louisiana Department of Health and Hospitals - National Bioterrorism Hospital Preparedness Program	93.889	HRSA	19,250
Passed through Louisiana Department of Health and Hospitals - Office of Public Health Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	326	169,010
Passed through Louisiana Housing Finance Agency - Low-Income Home Energy Assistance-Hurricane Crisis Assistance	93.568	LHFA	142,021
Total United States Department of Health and Human Services			494,428
United States Department of the Interior			
Direct Programs:			
Payments in-Lieu-of Taxes (Public Law 95-469)	NONE	NONE	29,650
Payments in-Lieu-of Taxes (Public Law 97-258)	15.226	NONE	14,829
Passed through Institute of Museum and Library Services - Save America's Treasures	15.929	IMLS	24,000
Total United States Department of the Interior			68,479
United States Department of Transportation			
Passed through Louisiana Department of Transportation and Development - Federal Transit - Capital Investment Grants	20.500	DOTD	321,130
Office of Homeland Security/Federal Emergency Management Agency			
Passed through United Way of America - Emergency Food and Shelter National Board Program	97.024	EFSP	11,055
Passed through Louisiana Office of Homeland Security and Emergency Preparedness - State Domestic Preparedness Equipment Support Program	97.004	111	120,141
Passed through Louisiana Office of Homeland Security and Emergency Preparedness - Severe Loss Repetitive Program	97.110	111	1,500
Passed through Louisiana Office of Public Assistance - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	PA-1603/111	38,203,494
Total United States Federal Emergency Management Agency			38,336,190
United States Department of Justice			
Passed through Louisiana Commission of Law Enforcement and Administration of Criminal Justice - Violence Against Women Formula Grants	16.588	129	17,127
United States Department of Commerce			
Passed through Louisiana Office of Coastal Restoration and Management - Coastal Zone Management Administrative Awards	11.419	435	33,000
Total Issues/Expenditures			\$39,270,354

**PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana**

**Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2007**

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, 2007. 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 U.S. Federal State Emergency Management Agency-Domestic Preparedness Equipment Support Program and Disaster Grants-Public Assistance-Presidentially Declared Disasters are considered major federal programs 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.

**OFFICE OF HOMELAND SECURITY/FEDERAL EMERGENCY MANAGEMENT
AGENCY FUNDING**

Amounts reported in the Schedule of Expenditures of Federal Awards for Office of Homeland Security/Federal Emergency Management Agency funding do not agree with the amounts reported in the related financial reports. The financial reports include adjustments to current year federal expenditures due to the Office of Homeland Security and Emergency Preparedness funding an additional 10% cost share for work done in prior periods; however, the funds were received in the current year. The adjustments for the years ended December 31, 2005 and 2006 were increases of \$276,391 and \$1,145,452 respectively.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS 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, 2007, which collectively comprise the Parish's basic financial statements and have issued our report thereon dated June 23, 2007. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Parish's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Parish's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Parish's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Parish's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Parish's financial statements that is more than inconsequential will not be prevented or detected by the Parish's internal control. We consider the deficiencies described in the

accompanying schedule of findings and questioned costs as items 2007-01 and 2007-02 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Parish's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies, and accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items 2007-01 and 2007-02 to be material weaknesses.

Compliance and Other Matters

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 agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

The Parish's response to the findings identified in our audit is described in the accompanying corrective action plan for current year findings. We did not audit the Parish's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, Parish Council, management, others within the organization, 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
June 23, 2007

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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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 programs for the year ended December 31, 2007. The Parish's major federal programs are 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 each of its major federal programs are 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.

As described in items 2007-03 and 2006-04 in the accompanying schedule of findings and questioned costs, the Parish did not comply with requirements regarding procurement and special tests and provisions that are applicable to its Disaster Assistance Grant – Public Assistance (Hurricane Katrina). Compliance with such requirements is necessary, in our opinion, for the Parish to comply with requirements applicable to that program.

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In our opinion, except for the noncompliance described in the preceding paragraph, the Parish complied, in all material respects with the requirements applicable to its Disaster Assistance Grant – Public Assistance (Hurricane Katrina) for the year ended December 31, 2007.

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 the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Parish's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the Parish's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A control deficiency in the Parish's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Parish's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the Parish's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2007-03 and 2007-04 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the Parish's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, we consider items 2007-03 and 2007-04 to be material weaknesses.

The Parish's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Parish's responses and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, Parish Council, management, others within the organization, 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
June 23, 2007

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2007

Part I. Summary of Auditor's Results:

1. The auditor's report expresses an unqualified opinion on the primary government financial statements.
2. Significant deficiencies relating to the audit of the financial statements are reported.
3. No instances of noncompliance material to the financial statements were disclosed during the audit.
4. Significant deficiencies relating to the audit of the major federal award programs are reported.
5. The auditor's report on compliance for Disaster Assistance Grant – Public Assistance (Hurricane Katrina) expresses a qualified opinion.
6. Audit findings that are required to be reported in accordance with Section 510(a) of Circular A-133 are reported in this Schedule.
7. The program tested as major was:

United States Department of Homeland Security – Disaster Assistance Grants – Public Assistance (Hurricane Katrina); passed through the Louisiana Office of Public Assistance (CFDA No 97.036).
8. The threshold used to distinguish between Type A and Type B programs, as described in Section 520(b) of Circular A-133 was \$1,178,110.
9. The Parish did not qualify as a low-risk auditee under Section 530 of Circular A-133.

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana

Schedule of Findings and Questioned Costs (continued)
For the Year Ended December 31, 2007

Part II. Findings required to be reported in accordance with *Government Auditing Standards*:

A. Internal Control –

2007-01 Time and Attendance Records

CONDITION Time and attendance records to support compensated absence expenditures for certain employees of the Criminal Court could not be provided for testing.

CRITERIA SAS109, *Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement*, AU §314.41 defines internal control as follows:

“Internal control is a process – effected by those charged with governance, management, and other personnel – designed to provide reasonable assurance about the achievement of the entity’s objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Additionally, *Statements on Standards for Attestation Engagements (SSAE) AT §501.03* states:

An entity's internal control over financial reporting includes those policies and procedures that pertain to an entity's ability to record, process, summarize, and report financial data consistent with the assertions embodied in either financial statements or interim financial statements, or both.”

CAUSE The condition results from a failure to generate and retain time and attendance records sufficient to support compensated absence expenditures.

EFFECT Failure to maintain adequate records increases the risk that transactions, inconsistent with management’s assertions and unsupported by underlying documentation, may be summarized, processed, and recorded in the Parish’s financial statements.

RECOMMENDATION We recommend that the Parish institute policies and procedures to cause the preparation and maintenance of time and attendance records necessary to support compensated absence expenditures.

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana

Schedule of Findings and Questioned Costs (continued)
For the Year Ended December 31, 2007

2007-02 Unreported Revenues

CONDITION Report of the Louisiana Legislative Auditor dated April 23, 2008 included findings related to undeposited probation funds in the amount of \$10,280 and the potential reduction of traffic citations in the amount of \$14,526 without proper legal authorization.

CRITERIA SAS109, *Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement*, AU §314.41 defines internal control as follows:

"Internal control is a process – effected by those charged with governance, management, and other personnel – designed to provide reasonable assurance about the achievement of the entity's objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Additionally, Statements on Standards for Attestation Engagements (SSAE) AT §501.03 states:

An entity's internal control over financial reporting includes those policies and procedures that pertain to an entity's ability to record, process, summarize, and report financial data consistent with the assertions embodied in either financial statements or interim financial statements, or both."

CAUSE The condition results from a failure to follow established policies and procedures.

EFFECT Failure to follow established policies and procedures increases the risk that receipt of probation funds and traffic citations, in amounts determined by the appropriate judiciary, may not be collected, summarized, processed, and recorded in the Parish's financial statements.

RECOMMENDATION We recommend that the Parish institute policies and procedures to cause the proper collection of probation funds and traffic citations.

B. Compliance –

There were no findings to be reported under this section.

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana

Schedule of Findings and Questioned Costs (continued)
For the Year Ended December 31, 2007

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

2007-03 Suspension and Debarment

Department of Homeland Security
CFDA 97.036 Disaster Assistance Grants – Public Assistance

Questioned Costs: none

CONDITION Verification procedures for suspension and debarment of professional service contractors/vendors were not performed. Fifty-four (54) expenditures representing 29 contractors/vendors were selected for testing. Suspension/debarment status was not verified on eleven (11) expenditures representing 3 professional service contractors/vendors. None of the 3 professional service contractors/vendors were subsequently determined to be suspended or debarred on the Excluded Parties List System (EPLS).

CRITERIA Common Rule; Section 35: Subawards to debarred and suspended parties, states, in part:

"Grantees and subgrantees must not make any award or permit any award at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549 (Debarment and Suspension)."

CAUSE The condition results from a failure to comply with federal regulations.

EFFECT Failure to verify that the contractor is not debarred or suspended places the Parish in violation of federal regulations.

RECOMMENDATION We recommend that the Parish institute policies and procedures to determine the debarment/suspension status of contractors/vendors during the procurement process.

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana

Schedule of Findings and Questioned Costs (continued)
For the Year Ended December 31, 2007

2007-04 Special Tests and Provisions

Department of Homeland Security
CFDA 97.036 Disaster Assistance Grants – Public Assistance

Questioned Costs: \$ 26,472

CONDITION Approval of FEMA was not obtained prior to the demolition of commercial properties. One hundred fifty (150) load tickets were selected for testing, nine (9) of which pertained to the removal of debris from commercial property. None of the files for the commercial demolitions contained specific FEMA approval to remove the debris from the property.

CRITERIA FEMA Disaster Assistance Policy 9523.13, *Debris Removal from Private Property*, states, in part:

“Debris Removal from Commercial Property. The removal of debris from commercial property is generally ineligible for Public Assistance grant funding. It is assumed and expected that these commercial enterprises retain insurance that can and will cover the cost of debris removal. However, in some cases as determined by the FCO, the removal of debris from private commercial property by a State or local government may be eligible for FEMA reimbursement only when such removal is in the public interest (44 CFR 206.224(a) and (b)).”

CAUSE The condition results from a failure to follow the requirements of the related federal regulations.

EFFECT Failure to obtain the appropriate FEMA authorization places the Parish in violation of federal regulations and results in the costs associated with the commercial property demolitions being questioned.

RECOMMENDATION We recommend that the Parish obtain specific approval from FEMA prior to the demolition of commercial property.

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2007

A. Internal Control -

There were no findings previously reported under this section.

B. Compliance -

2006-01 Public Bid Statutes

CONDITION Solicitations for bids, including related advertisements, for the purchases of equipment, supplies, or public works projects were not made in accordance with state statutes.

RECOMMENDATION We recommend that the Parish comply with the terms and conditions of the public bid law.

CURRENT STATUS Finding has been resolved.

C. OMB A-133 -

2006-02 Cash Management

CFDA 97.004 State Domestic Preparedness Equipment Support Program

CONDITION Expenditure reimbursements were requested and received from federal agencies prior to the payment of such expenditures from Parish funds. Fourteen (14) reimbursement requests were selected for testing from two federal programs. One (1) request was submitted for reimbursement prior to expenditure from Parish funds.

RECOMMENDATION We recommended that the Parish request reimbursement from federal agencies subsequent to the payment of such expenditures from Parish funds.

CURRENT STATUS Finding has been resolved.

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana

Summary Schedule of Prior Audit Findings (continued)
For the Year Ended December 31, 2007

2006-03 Suspension and Debarment

CFDA 97.036 Disaster Assistance Grants – Public Assistance – Katrina

CONDITION Verification procedures for suspension and debarment of contractors/vendors were not performed. Seventy-four (74) expenditures representing 33 contractors/vendors were selected for testing from two (2) federal programs. Suspension/debarment status was not verified on all seventy-four (74) expenditures. None of the 33 contractors/vendors were subsequently determined to be suspended or debarred on the Excluded Parties List System (EPLS).

RECOMMENDATION We recommend that the Parish institute policies and procedures to determine the debarment/suspension status of contractors/vendors during the procurement process.

CURRENT STATUS Finding has been partially resolved. The Parish verified the debarment/suspension status of all contractors/vendors with the exception of professional service contractors/vendors. See item 2007-03 in Part III of the Schedule of Findings and Questioned Costs.

2006-04 Procurement

CFDA 97.036 Disaster Assistance Grants – Public Assistance – Katrina
CFDA 97.004 State Domestic Preparedness Equipment Support Program

CONDITION Solicitations for bids, including related advertisements, for the purchases of equipment, supplies, or public works projects were not made in accordance with state statutes and related federal regulations. Thirty (30) expenditures selected for testing for the purchase of equipment or supplies or progress payments on public works projects representing 17 contractors/vendors were selected for testing from two (2) federal programs. Five (5) of the expenditures did not appear to be in compliance with the State's bid statutes.

RECOMMENDATION We recommended that the Parish comply with the terms and conditions of the State's public bid statutes and related federal regulations.

CURRENT STATUS Finding has been resolved.

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana

Summary Schedule of Prior Audit Findings (continued)
For the Year Ended December 31, 2007

2006-05 Demolition File Documentation

CFDA 97.036 Disaster Assistance Grants – Public Assistance – Katrina

CONDITION Property demolition folders did not contain adequate documentation in accordance with the Demolition Operations Plan approved by FEMA. Of sixty-eight (68) demolition files examined:

- 18 did not have evidence of property insurance. Right of entry (ROE) forms include a section addressing the for the applicability of insurance for the subject property; however, the sections were not complete;
- 1 did not have a right of entry form;
- 5 did not have evidence of a building inspection; and
- 1 did not have evidence of a fire inspection.

RECOMMENDATION We recommended that the Parish follow implemented polices and procedures and maintain the documentation required in its agreement with FEMA.

CURRENT STATUS Finding has been resolved.

2006-06 Recalculation of Load Tickets

CFDA 97.036 Disaster Assistance Grants – Public Assistance – Katrina

CONDITION Six (6) of 150 daily load tickets were not recalculated.

RECOMMENDATION We recommended that implemented policies and procedures be followed and properly documented.

CURRENT STATUS Finding has been resolved.

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana

Summary Schedule of Prior Audit Findings (continued)
For the Year Ended December 31, 2007

2006-07 Missing Demolition Files

CFDA 97.036 Disaster Assistance Grants – Public Assistance – Katrina

CONDITION Two (2) of 68 demolition files selected for testing could not be located.

RECOMMENDATION We recommended that an attempt be made to locate the missing files and the documentation be properly maintained.

CURRENT STATUS Finding has been resolved.

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana

Corrective Action Plan for Current Year Findings
For the Year Ended December 31, 2007

2007-01 Time and Attendance Records

CONDITION Time and attendance records to support compensated absence expenditures for certain employees of the Criminal Court could not be provided for testing.

MANAGEMENT'S RESPONSE Although the employees of the Court System are paid through the Parish's payroll system, the Court System maintains their time and attendance records independently of the Parish's records. The Court System is responsible for establishing policies and procedures regulating the reporting of time and attendance for their employees.

A separate audit of the Court System was recently performed by the Louisiana Legislative Auditor. As a result of the finding reported in that audit, the Court System has retained an accounting firm to revise their policies and procedures.

The Parish is the main funding source for Court System employees, and as such, we acknowledge our responsibility regarding the safeguarding of public funds. The Parish will work with the Court System to ensure that adequate policies and procedures to maintain proper time and attendance records are implemented.

2007-02 Unreported Revenues

CONDITION Report of the Louisiana Legislative Auditor dated April 23, 2008 included findings related to undeposited probation funds in the amount of \$10,280 and the potential reduction of traffic citations in the amount of \$14,526 without proper legal authorization.

MANAGEMENT'S RESPONSE The Court System was responsible for establishing policies and procedures regulating the collection and safekeeping of probation funds.

The probation funds in question were collected by employees of the Court System. These funds were accounted for in a bank account established and maintained by the Court System, independent from the Parish's bank accounts.

As a result of the findings of the Louisiana Legislative Auditor, the Court System has retained an accounting firm to revise their policies and procedures. The Parish will work with the Court System to ensure that adequate policies and procedures are implemented to ensure the safekeeping and proper accounting of public funds.

PLAQUEMINES PARISH GOVERNMENT
Pointe a la Hache, Louisiana

Corrective Action Plan for Current Year Findings
For the Year Ended December 31, 2007

2007-03 Suspension and Debarment

CONDITION Verification procedures for suspension and debarment of professional service contractors/vendors were not performed.

MANAGEMENT'S RESPONSE The Parish will implement policies and procedures to ensure that awards of federal funds will not be made to debarred or suspended professional service contractors/vendors.

2007-04 Special Tests and Provisions

CONDITION Approval of FEMA was not obtained prior to the demolition of commercial properties.

MANAGEMENT'S RESPONSE The Parish did not receive written approval from FEMA for commercial demolitions; however, procedures were in place to ensure FEMA's authorization.

All commercial demolition folders were forwarded to FEMA for review. Upon satisfactory review by FEMA, the folders were returned to the Parish as authorization to proceed. Subsequent written approval was obtained from FEMA for the commercial demolitions and FEMA has agreed to provide future written authorization.