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Alexandria Regional Port Authority

Alexandria, Louisiana

April 30, 1996

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Release Date SEP 04 1996

Payne, Moore & Herrington, LLP

Certified Public Accountants
Alexandria, Louisiana



ALEXANDRIA REGIONAL PORT AUTHORITY

APRIL 30, 1998

TABLE OF CONTENTS

	SERIAL	PAGE
INDEPENDENT AUDITOR'S REPORT		1-2
FINANCIAL STATEMENTS		
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS	A	3
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES	B	4
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - TRUST AND ACTUAL - GENERAL FUND	C	5
NOTES TO FINANCIAL STATEMENTS		6-13
OTHER REPORTS REQUIRED BY GOVERNMENT		
<u>AUDITED STATEMENTS</u> AND OMB CIRCULAR A-120		14
INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE		15-16
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE		17
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS		18-20
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS		21-24
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u>		25-26
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE TO ITS FEDERAL FINANCIAL ASSISTANCE PROGRAM		27-28
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO ITS MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAM		29-31

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Alexandria Regional Port Authority

We have audited the accompanying general purpose financial statements of the Alexandria Regional Port Authority, Alexandria, Louisiana, as of and for the year ended April 30, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of the Alexandria Regional Port Authority's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-133, "Audits of State and Local Governments." These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Alexandria Regional Port Authority as of April 30, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

Poynce, Moore & Harrington, LLP

Board of Commissioners
Alexandria Regional Port Authority

In accordance with Government Auditing Standards, we have also issued a report dated July 22, 1996, on our consideration of the Alexandria Regional Port Authority's internal control structure and a report dated July 22, 1996, on its compliance with laws and regulations.

Poynce, Moore & Harrington, LLP
Certified Public Accountants

July 22, 1996

ALABAMA RESIDENT FUND AUTHORITY
 CREDIT BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 APRIL 30, 1994

CREDIT A

	GENERAL FUND TYPE		ACCOUNT GROUP		TOTAL (COMBINATION OF ALL)
	GENERAL FUND TYPE	CAPITAL PROJECTS FUND TYPE	GENERAL FUND TYPE	GENERAL FUND TYPE	
SURVEY AND OTHER DEBIT:					
CASH	\$191,896	\$	\$	\$	\$ 191,896
Certificate of deposit	128,500				128,500
Accounts receivable	388,872				388,872
Interfund receivable from general fund	18,483				18,483
Fund assets	7,783,821				7,783,821
OTHER DEBIT:					
Amounts to be provided for retirement of general long-term debt			165,830		165,830
TOTAL SURVEY AND OTHER DEBIT:	<u>\$2,399,569</u>	<u>\$155,832</u>	<u>\$165,830</u>	<u>\$165,830</u>	<u>\$2,721,061</u>
LIABILITIES, DEBITS, AND OTHER CREDITS					
LIABILITIES	\$ 2,321		\$	\$	\$ 2,321
Accounts payable		185,245			185,245
Construction accounts payable		131,380			131,380
Construction retainer payable					28,483
Contract payable to capital projects fund					49
Payroll taxes withheld and payable					285,822
General obligations payable					853,400
Total liabilities	<u>29,982</u>	<u>316,625</u>	<u>49</u>	<u>285,822</u>	<u>632,478</u>
DEBIT AND OTHER CREDITS					
Investment in general fund assets			7,783,821		7,783,821
Fund balances - reserved	211,322				211,322
Unassigned	211,322				422,644
Total equity and other credits	<u>422,644</u>	<u>422,644</u>	<u>7,783,821</u>	<u>285,822</u>	<u>8,515,931</u>
TOTAL LIABILITIES, DEBITS, AND OTHER CREDITS	<u>\$2,351,511</u>	<u>\$539,269</u>	<u>\$7,783,821</u>	<u>\$285,822</u>	<u>\$10,900,433</u>

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

LOUISIANA REGIONAL PORT AUTHORITY
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
YEAR ENDING APRIL 30, 1974

PAGE 2

	GENERAL FUND	CAPITAL PROJECTS FUND	TOTAL COMBINATION (PAGE 1)
Revenues			
Inter-governmental			
Operating grants			
Red River Waterway Commission	\$ 48,000	\$	\$ 48,000
City of Alexandria	48,000		48,000
CAPITAL GRANTS			
Federal - Economic Development Administration		181,000	181,000
Louisiana Department of Development and Transportation and River Waterway Commission		1,474,000	1,474,000
Grants for services	125,000	642,000	767,000
Interest	14,000		14,000
Miscellaneous	48		48
Total Revenues	<u>197,048</u>	<u>2,297,000</u>	<u>2,494,048</u>
Expenditures			
General government			
Salaries	41,700		41,700
Auto allowances	4,000		4,000
Payroll taxes and insurance	7,800		7,800
Retirement	4,000		4,000
Port operating and development Administration	25,000		25,000
Equipments, material charges and other utility expenses	1,000		1,000
Legal	21,400		21,400
Printing	1,000		1,000
Rent	4,000		4,000
Promotional materials	400		400
Membership and dues	1,000		1,000
Travel	1,000		1,000
Port maintenance and operating	8,700		8,700
Miscellaneous	800		800
CAPITAL outlay			
General cargo facility and crane crane dock and equipment		1,548,000	1,548,000
Bulk commodity handling facility		244,000	244,000
Total Expenditures	<u>128,100</u>	<u>2,792,000</u>	<u>2,920,100</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	98,948	(495,000)	(396,052)
OTHER FINANCING SOURCES (USES)			
Operating transfers in		70,400	70,400
Operating transfers out	(70,400)		(70,400)
Total Other Financing Sources (Uses)	<u>(70,400)</u>	<u>70,400</u>	<u>0</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	28,548	-	28,548
FUND BALANCE, BEGINNING OF YEAR	158,600	-	158,600
FUND BALANCE, END OF YEAR	<u>\$187,148</u>	<u>\$</u>	<u>\$187,148</u>

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

ALEXANDRIA SEWERAGE PORT AUTHORITY
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 GENERAL FUND
 YEAR ENDED APRIL 30, 1994

EXHIBIT C

Revenue	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Intergovernmental			
Operating grants			
Red River Waterway Commission	\$ 40,000	\$ 40,000	\$ -0-
City of Alexandria	40,000	40,000	-0-
Charges for services	185,000	188,000	14,000
Interest	11,000	10,562	5,438
Miscellaneous	-0-	80	80
Total Revenue	296,000	318,642	28,642
Expenditures			
General government			
Salaries	48,000	41,700	1,300
Auto allowances	4,000	4,000	-0-
Payroll taxes and insurance	9,750	7,837	1,913
Retirement	4,000	4,000	-0-
Port marketing and development	12,000	12,500	(1,500)
Office relocation costs	18,000	-0-	18,000
Administrative	8,000	8,000	-0-
Telephones, cellular charges, and other office expenses	4,000	2,843	1,157
Legal	8,000	11,915	(3,915)
Assessing	4,000	1,300	2,700
Audit	8,000	4,893	(3,107)
Presentation materials	3,500	843	2,657
Membership and dues	1,500	2,578	(1,078)
Travel	5,000	3,583	1,417
Port maintenance and operating	14,400	8,794	27,606
Maintenance reserves	100,000	-0-	100,000
Miscellaneous	8,000	844	7,156
Total Expenditures	388,000	328,138	168,862
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(192,000)	90,504	289,504
OTHER FINANCING SOURCES (USES)			
Operating transfers out	-0-	178,451	(178,451)
Total Other Financing Sources (Uses)	-0-	178,451	(178,451)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	(192,000)	26,053	69,053
FUND BALANCE, BEGINNING OF YEAR	250,000	250,000	-0-
FUND BALANCE, END OF YEAR	58,000	276,053	218,053

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

ALEXANDRIA REGIONAL PORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS APRIL 30, 1994

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Alexandria Regional Port Authority, created by Act 1981, No. 482 of the Legislature of the State of Louisiana, is a political subdivision of the State. Its territorial limits are concurrent with that of the municipal limits of the city of Alexandria.

The Authority is governed by a board of commissioners composed of eight members, who serve without compensation and are appointed for terms in accordance with the act. At present there are two vacancies, one from Assumption Parish and one from an appointment by the city of Alexandria.

In evaluating how to define the reporting entity, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB. Generally, component units are legally separate organizations for which the elected officials or appointed board members of the primary government are financially accountable. Some of the criteria considered under "legally separate organization" are the capacity for the organization to have its own name; the right for the organization to sue and be sued in its own name without recourse to the primary government; and the right to buy, sell, lease, and mortgage property in its own name. Some of the criteria used to consider "financially accountable" include appointment of a voting majority of the organization's governing body; ability for the primary government to impose its will on the organization; whether the organization has the potential to provide specific financial benefits to, or impose specific financial burdens on the primary government; and fiscal dependence of the organization. By applying the criteria set forth in GASB, no potential component unit has been identified; therefore, none have been included or excluded from this report.

B. Fund Accounting

The Authority uses funds and account groups to report on its financial position and results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

ALEXANDRIA REGIONAL PORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 1978

A fund is a separate accounting entity with a self-balancing set of accounts. The Authority only has one fund classification - governmental. Governmental funds are used to account for all or most of a government's general activities, including the acquisition or construction of general fixed assets (Capital Projects Funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund.

An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. The General Fixed Assets Account Group is used to account for fixed assets. The General Long-Term Debt Account Group is used to account for long-term debt.

C. Basis of Accounting

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

The modified accrual basis of accounting is used by the governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined, and "available" means the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. All revenue types reported in the statements are susceptible to accrual.

D. Budgets and Budgetary Accounting

An operating budget, in accordance with generally accepted accounting principles, of proposed expenditures and the means of financing them was adopted. The budget was adopted on a fund basis. Amendments, if any, are subject to board approval, and the overall level of control is on the line item basis. Appropriations expire at the close of the fiscal year to the extent not expended.

Project-length financial plans are adopted for the Capital Projects Funds.

ALEXANDRIA REGIONAL PORT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 1994**

H. Cash and Certificate of Deposit

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government.

The certificate of deposit is stated at cost, which approximates market value.

F. Short-Term Interfund Receivables/Payables

Short-term interfund loans are classified as "interfund receivables or payables."

G. Fixed Assets

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction, if any, are reflected as expenditures in governmental funds, and the related assets are reported in the General Fixed Assets Account Group. All purchased fixed assets are stated at cost. Depreciated fixed assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Assets in the General Fixed Assets Account Group are not depreciated.

I. Compensated Absences

No accrued compensated absences are carried over to the next fiscal year.

1. Long-Term Obligations

Long-term debt is recognized as a liability of a governmental fund when due. For long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. In the current report, all obligations are reported in the General Long-Term Debt Account Group due to the nature of the terms of the agreement (See Note 4).

J. Interfund Transactions

Quasi-external transactions, if any, are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of

ALEXANDRIA REGIONAL PORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 1998

expenditures in the fund that is reimbursed. All other interfund transactions are reported as operating transfers.

K. Memorandum Only-Total Columns

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

L. ESTIMATES

The preparation of financial statements on a modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

M. LEGAL COMPLIANCE - BUDGETS

Before the beginning of the next fiscal year, the proposed budget prepared by the Executive Director of the Alexandria Regional Port Authority is presented to the Board of Commissioners for review and approval. The budgeted amounts presented in the financial statements represent the latest amended budgeted amounts.

N. CASH/CERTIFICATE OF DEPOSIT

Cash and certificates of deposit are held at one local financial institution. They are categorized as either (1) insured or collateralized with securities held by the Authority or its agent in the Authority's name; Statutes require collateral to be pledged on amounts exceeding the Federal depository insurance level of \$100,000; (2) collateralized with securities held by the pledging financial institution's trust department or agent in the Authority's name; or (3) uncollateralized. This category includes securities held by the pledging financial institution, or by its trust department or agent but not in the Authority's name, which meet the requirements of state law. All of the amounts indicated in category 3 is pledged in this manner.

	<u>1</u>	<u>2</u>	<u>3</u>	<u>CASH</u> <u>BALANCE</u>	<u>NOTE</u> <u>SECURE</u>
Cash	\$280,000	\$-0-	\$00,000	\$100,000	\$180,000
Certificate of deposit	100,000	-0-	-0-	100,000	100,000
	\$380,000	\$-0-	\$00,000	\$200,000	\$280,000

ALEXANDRIA REGIONAL PORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 1988

8. RECEIVABLES

Receivables consist of the following as of April 30, 1988:

	GENERAL FUNDS	CAPITAL PROJECTS FUNDS
Intergovernmental		
Economic Development Administration	\$	\$ 45,250
Red River Waterway Commission		33,813
Louisiana Department of Transportation and Development		259,328
	\$-0-	\$338,473

9. FIXED ASSETS

The following is a summary of changes in fixed assets at the Alexandria Port:

	BALANCE 12/31/87	ACQUISITIONS	DEPRECIATION	BALANCE 4/30/88
Landfill	\$2,343,493	\$	\$	\$2,343,493
Access Road	298,758			298,758
Off-load facility	1,142,989			1,142,989
Public dock facility	382,804			382,804
Site improvements	5,987			5,987
Construction in progress				
General usage facility	187,171	1,347,143		1,534,313
Crane		283,188		283,188
Crane crane and warehouse	88,933	744,881		833,813
Dock commodity handling facility	18,220	204,812		223,032
	\$3,286,483	\$2,579,844	\$-0-	\$5,866,327

ALEXANDRIA REGIONAL PORT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 1998**

The current additions to investment in general fixed assets were funded by the following sources:

	U.S. ECONOMIC DEVELOPMENT ADMINISTRATION	STATE OF LOUISIANA	RED RIVER WATERWAY COMMISSION	GENERAL FUND	TOTAL
General cargo facility	\$581,000	\$ 800,000	\$218,174	\$40,000	\$1,639,174
Crane cover and warehouse		837,389	100,000	822	938,211
Bulk commodity handling facility		287,388	111,000		398,388
	<u>\$581,000</u>	<u>\$1,474,366</u>	<u>\$329,174</u>	<u>\$79,822</u>	<u>\$2,364,362</u>

The total investment in general fixed assets was funded by the following sources:

United States Economic Development Administration	\$ 804,000
State of Louisiana	
Act No. 1008 of 1988	800,000
Act No. 731 of 1987	1,287,000
Port Development and Priority Program	1,387,388
Red River Waterway Commission (See Note 4)	3,300,000
General fund	<u>158,822</u>
	\$7,776,310

In consideration for the transfer of the assets from the City of Alexandria, the Authority assumed liability for possible repayment of certain advances from the Red River Waterway Commission as set forth in Note 4.

Construction of Phase IIA, the general cargo facility, is estimated at ninety percent (90%) complete at the balance sheet date. The estimated cost for this phase is \$2,649,249 with funding provided by the following: United States Economic Development Administration - \$800,000; State of Louisiana Port Priority Program Trust Fund - \$1,850,000; Red River Waterway Commission - \$329,174; and the remaining portion from the General Fund - \$170,075. This phase should be completed during 1998.

Construction of Phase IIB, crane cover and warehouse, is estimated at eighty-five percent (85%) complete at the balance sheet date. The estimated cost for this phase is \$938,211 with funding provided by the following: State of Louisiana Port Priority Program Trust Fund - \$837,389 and Red River Waterway Commission - \$100,822. This phase should be completed during 1998.

ALEXANDRIA REGIONAL PORT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 1998**

Construction of Phase III, bulk commodity handling facility, is estimated at ten percent (10%) complete at the balance sheet date. The estimated cost for this phase is \$1,884,880 with funding anticipated from the following: State of Louisiana Port Priority Program Trust Fund - \$2,310,300; Red River Waterway Commission - \$730,500; and a loan - \$734,080.

4. GENERAL LONG-TERM DEBT

In connection with the transfer of the assets as described in Note 3, the Authority assumed an outstanding liability payable to the Red River Waterway District (governed by the Red River Waterway Commission). The District loaned to the City of Alexandria the sum of \$304,890 on December 5, 1984, in accordance with a supplemental agreement effective April 18, 1986, for development of the Port of Alexandria. The terms of the supplemental agreement state that the City was obligated to repay the District with interest at the rate of nine percent (9%) per annum from revenues generated by the Port starting upon completion of the Port. In accordance with the "Memorandum of Cooperative Endeavor" dated February 24, 1993, between the District and the Authority, this debt will be forgiven if the port is operational by June 30, 2000. Management believes that the port will be considered operational once Phase III construction is complete, and the debt will be forgiven at that time.

Pursuant to an agreement dated February 11, 1984, and a supplemental agreement dated September 21, 1985, the District reimbursed the City of Alexandria \$1,000,000 for "Administrative Costs" relative to the development of the Port. These agreements provide for an obligation to repay the \$1,000,000 with interest at nine percent (9%) only in the event that the Port is not completed within the time frame provided in the act of location of the port site from Guaranty Realty Corporation to the City of Alexandria.

Pursuant to the "Memorandum of Cooperative Endeavor" dated February 24, 1993, between the District and the Authority, the District will provide funding of up to \$304,890 for Phase IIIa to provide the local match for a construction grant from the State of Louisiana. This agreement provides for an obligation to repay the \$304,890 with interest only in the event that the Port is not operational by June 30, 2000.

It is the opinion of management that the initial reimbursement of \$1,000,000 and the funds provided for Phase IIIa of \$304,890 represent at present a contingent liability of the Authority. Only in the event that the Port should not become operational by June 30, 2000, as noted previously, would the amount revert to an obligation due and payable.

ALEXANDRIA REGIONAL PORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 1986

Furthermore, the "Memorandum of Cooperative Endeavor" agreement provides that all funds previously advanced and loaned by the District to the Authority and to the City of Alexandria shall be declared a grant and a non-recoverable expenditure by the District upon the Port achieving operational status as defined in the agreement; thus, repayment of any and all sums to the District is considered highly unlikely under present conditions.

CHANGES IN LONG-TERM DEBT

During the year ended April 30, 1986, the following changes occurred in long-term debt:

	BALANCE 3/1/85	ADDITIONS	DEDUCTIONS	BALANCE 3/31/86
General Long-Term Debt				
Red River Waterway Commission	\$104,000	\$.00	\$.00	\$104,000

Annual debt service requirements are not shown since debt is unlikely to be repaid.

7. INDIVIDUAL RETIREMENT ACCOUNT

The Port Authority deposits directly into an investment account ten percent (10%) of gross salary for its sole employee as a retirement benefit.

OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS
AND ONE CIRCULAR A-133

**INDEPENDENT AUDITOR'S REPORT ON
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE**

Boyer, Moore & Herrington, LLP

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INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

Board of Commissioners
Alexandria Regional Port Authority

We have audited the general purpose financial statements of the Alexandria Regional Port Authority, Alexandria, Louisiana, as of and for the year ended April 30, 1994, and have issued our report thereon dated July 17, 1994. These general purpose financial statements are the responsibility of the Alexandria Regional Port Authority's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-133, "Audits of State and Local Governments." These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

Boyer, Moore & Herrington, LLP
Certified Public Accountants

July 22, 1994

ALABAMA ECONOMIC DEVELOPMENT AUTHORITY
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
 YEAR ENDED APRIL 30, 1994

FEDERAL AGENCY/ PROGRAM TITLE	CONTRACT NUMBER	PROGRAM OR AGENCY ACCOUNT	ACCUMULATED REVENUE TO DATE	ACCUMULATED REVENUE BY FISCAL YEAR
E. S. Department of Commerce Economic Development Administration Public Works and Development Initiatives	21-280	0994-004	\$197	\$245,866
				\$245,866
				\$49,233

See Independent Auditor's report.

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

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

Board of Commissioners
Alexandria Regional Port Authority

We have audited the general purpose financial statements of the Alexandria Regional Port Authority, Alexandria, Louisiana, as of and for the year ended April 30, 1996, and have issued our report thereon dated July 23, 1996.

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

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

In planning and performing our audit of the general purpose financial statements of the Alexandria Regional Port Authority, for the year ended April 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to

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Board of Commissioners
Alexandria Regional Port Authority

provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

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

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

Payne Moore & Herrington, LLP
Alexandria Regional Port Authority

July 11, 1994

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

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

Board of Commissioners
Alexandria Regional Port Authority

We have audited the general purpose financial statements of the Alexandria Regional Port Authority, Alexandria, Louisiana, as of and for the year ended April 30, 1996, and have issued our report thereon dated July 22, 1996. We have also audited the compliance of the Alexandria Regional Port Authority with requirements applicable to the major Federal financial assistance program and have issued our report thereon dated July 22, 1996.

We conducted our audits in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget Circular A-129, "Audits of States and Local Governments." These standards and OMB Circular A-129 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and about whether the Alexandria Regional Port Authority complied with laws and regulations, noncompliance with which would be material to a major Federal financial assistance program.

In planning and performing our audits for the year ended April 30, 1996, we considered the internal control structure of the Alexandria Regional Port Authority in order to determine our auditing procedures for the purpose of expressing our opinions on the general purpose financial statements of the Authority and on their compliance with requirements applicable to the major program and to report on the internal control structure in accordance with OMB Circular A-129. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to the Federal financial assistance program. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated July 22, 1996.

The management of the Alexandria Regional Port Authority is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and

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Board of Commissioners
Alexandria Regional Port Authority

procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering the federal financial assistance program in the following categories: **Accounting Controls:** Budgets; Cash; Revenues and receivables; Expenditures for goods and services and accounts payable; and Property and capital expenditures; **Administrative Controls:** Political activity; Davis-Bacon act; Civil rights; Cash management; Federal financial reports; Allowable cost/cost principles; Drug-free workplace act; Administrative requirements; Types of services allowed or disallowed; and Matching, level of effort, and/or earmarking requirements.

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

During the year ended April 30, 1996, the Alexandria Regional Port Authority expended one hundred percent (100%) of its total federal financial assistance under Economic Development.

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

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Board of Commissioners
Alameda's Regional Port Authority

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

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

Payne Moore & Harrington, LLP
Certified Public Accountants

July 22, 1996

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN audit OF GENERAL PURPOSE FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
SYSTEMIC RISKING STANDARDS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN ASPECT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
Alexandria Regional Port Authority

We have audited the general purpose financial statements of the Alexandria Regional Port Authority, Alexandria, Louisiana, as of and for the year ended April 30, 1994, and have issued our report thereon dated July 22, 1994.

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

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

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

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

Payne, Moore & Herrington, LLP
Certified Public Accountants

July 22, 1994

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE
WITH THE GENERAL REQUIREMENTS APPLICABLE TO
THE FEDERAL FINANCIAL ASSISTANCE PROGRAM**

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

Board of Commissioners
Alexandria Regional Port Authority

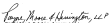
We have audited the general purpose financial statements of the Alexandria Regional Port Authority, Alexandria, Louisiana, as of and for the year ended April 30, 1994, and have issued our report thereon dated July 23, 1994.

We have applied procedures to test the Authority's compliance with the following requirements applicable to its federal financial assistance program, which is identified in the Schedule of Federal Financial Assistance, for the year ended April 30, 1994: Political activity; Davis-Bacon act; Civil rights; Cash management; Federal financial reports; Allowable costs/unit principles; Drug-free workplace act; and Administrative requirements.

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

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

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


Certified Public Accountants

July 23, 1994

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH SPECIFIC REQUIREMENTS APPLICABLE TO ITS MAJOR
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH SPECIFIC REQUIREMENTS APPLICABLE TO THE MAJOR
FEDERAL FINANCIAL ASSISTANCE PROGRAM**

Board of Commissioners
Alexandria Regional Port Authority

We have audited the general purpose financial statements of the Alexandria Regional Port Authority, Alexandria, Louisiana, as of and for the year ended April 30, 1996, and have issued our report thereon dated July 23, 1996.

We have also audited the Authority's compliance with the requirements governing types of services allowed or unallowed; matching; level of effort; or earmarking; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to its major federal financial assistance program, which is identified in the accompanying Schedule of Federal Financial Assistance, for the year ended April 30, 1996. The management of the Alexandria Regional Port Authority is responsible for the Authority's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget Circular 8-118, "Basics of State and Local Governments." Those standards and OMB Circular 8-118 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures did not disclose any immaterial instances of noncompliance with the requirements referred to above.

In our opinion, the Alexandria Regional Port Authority complied, in all material respects, with the requirements governing types of services allowed or unallowed; matching; level of effort; or earmarking; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to its major federal financial assistance program for the year ended April 30, 1996.

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Board of Commissioners
Alexandria Regional Port Authority

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

Fayne, Moore & Herrington, LLP
Certified Public Accountants

July 22, 1994