

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

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the City's ability to administer federal financial assistance programs in accordance with applicable laws and regulations. The matters that we consider to be reportable conditions are described in the following paragraph.

- The City is not large enough to permit an adequate segregation of employee duties for effective internal accounting control over the financial reporting (journal entry preparation, approval and recordation) cycles.

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.

Our consideration of the internal control structure policies and procedures used in administering federal assistance would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe that the reportable condition noted above is a material weakness. This condition was considered in determining the nature, timing and extent of the procedures to be performed in our audit of the City's compliance with requirements applicable to its major federal financial assistance programs for the year ended June 30, 1996, and this report does not affect our report thereon dated December 3, 1996.

This report is intended for the information of the Mayor, Board of Aldermen, management and the Louisiana Legislative Auditor. However, this report is a matter of public record, and its distribution is not limited.

Provost, Salter, Harper & Alford, L.L.C.
December 3, 1996

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

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

- Accounting control cycle-
 - Revenue/receipts
 - Purchasing/disbursements
 - Payroll
 - Acquisition/disposal of property and equipment
 - Financing
 - Financial reporting

- Administrative controls-
 - Specific requirements
 - Eligibility
 - Special
 - General requirements
 - Political activity
 - Civil rights
 - Cash management
 - Federal financial reports
 - Drug-Free Workplace Act
 - Allowable costs/cost principles

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

During the year ended June 30, 1996, the City of Port Allen, Louisiana expended 67% of its total federal financial assistance under the major federal financial assistance program.

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

To the Honorable Mayor and Members
of the Board of Aldermen
City of Port Allen, Louisiana

We have audited the general purpose financial statements and the combining and individual fund and account group financial statements for the City of Port Allen, Louisiana for the year ended June 30, 1996 and have issued our report thereon dated December 3, 1996. We have also audited the City of Port Allen, Louisiana's compliance with requirements applicable to major federal financial assistance programs and have issued our report thereon dated December 3, 1996.

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

In planning and performing our audit for the year ended June 30, 1996 we considered the City's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on the City's general purpose financial statements and on its compliance with requirements applicable to major federal financial assistance programs, and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated December 3, 1996.

The management of the City of Port Allen, Louisiana, 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



Certified
Public
Accountants

Business
Advisors

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR FEDERAL
FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS**

To the Honorable Mayor and Members
of the Board of Aldermen
City of Port Allen, Louisiana

We have audited the general purpose financial statements and the combining and individual fund and account group financial statements of the City of Port Allen, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated December 3, 1996.

In connection with our audit of the financial statements of the City of Port Allen, Louisiana as of and for the year ended June 30, 1996 and with our consideration of the City's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, "Audits of State and Local Governments," we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended June 30, 1996. As required by Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services and/or costs allowed or not allowed; that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the City's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the City had not complied, in all material respects, with those requirements. Also, the results of our procedures did not disclose any immaterial instances of noncompliance with those requirements.

This report is intended for the information of the Mayor, Board of Aldermen, management, and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Provost, Salter, Harper & Alford, L.L.C.

December 3, 1996

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

In our opinion, the City of Port Allen, Louisiana, complied, in all material respects, with the following requirements governing types of services allowed or unallowed:

- Eligibility
- Reporting
- Annual recertification
- Tests of market rents
- Claims for advances and reimbursements

that are applicable to its major federal financial assistance program for the year ended June 30, 1996.

This report is intended for the information of the Mayor, Board of Aldermen, management, and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Provost, Salter, Harper & Alford, L.L.C.

December 3, 1996

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

To the Honorable Mayor and Members
of the Board of Aldermen
City of Port Allen, Louisiana

We have audited the general purpose financial statements and the combining and individual fund and account group financial statements of the City of Port Allen, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated December 3, 1996.

We have also audited the City of Port Allen, Louisiana's compliance with the following requirements governing types of services allowed or unallowed:

- Eligibility
- Reporting
- Annual recertification
- Tests of market rents
- Claims for advances and reimbursements

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 June 30, 1996. The management of the City is responsible for the City'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 OMB Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

This report is intended for the information of the Mayor, Board of Aldermen, management, and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Provost, Salter, Harper & Alford, L.L.C.

December 3, 1996

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

To the Honorable Mayor and Members
of the Board of Aldermen
City of Port Allen, Louisiana

We have audited the general purpose financial statements and the combining and individual fund and account group financial statements of the City of Port Allen, Louisiana as of and for the year ended June 30, 1996, and have issued our report thereon dated December 3, 1996.

We have applied procedures to test the City's compliance with the following requirements applicable to its federal financial assistance programs which are identified in the schedule of federal financial assistance, for the year ended June 30, 1996:

- Political activity
- Civil rights
- Cash management
- Federal financial reports
- Drug-Free Workplace Act
- Allowable costs/cost principles

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

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

control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted a matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the City's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The matters that we consider to be reportable conditions are described in the following paragraph.

- The City is not large enough to permit an adequate segregation of employee duties for effective internal accounting control over the financial reporting (journal entry preparation, approval and recordation) cycles.

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 errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe that the reportable condition noted above is a material weakness. This condition was considered in determining the nature, timing, and extent of the procedures to be performed in our audit of the financial statements of the City for the year ended June 30, 1996.

This report is intended for the information of the Mayor and Board of Aldermen, management, and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Provost, Salter, Harper & Alford, L.L.C.
December 3, 1996

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

To the Honorable Mayor and Members
of the Board of Aldermen
City of Port Allen, Louisiana

We have audited the general purpose financial statements and the combining and individual fund and account group financial statements of the City of Port Allen, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated December 3, 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 financial statements are free of material misstatement.

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

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

To the Honorable Mayor and Members
of the Board of Aldermen
City of Port Allen, Louisiana

We have audited the general purpose financial statements and the combining and individual fund and account group financial statements of the City of Port Allen, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated December 3, 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 financial statements are free of material misstatement.

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

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

This report is intended for the information of the Mayor, Board of Aldermen, management, and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Provost, Salter, Harper & Alford, L.L.C.

December 3, 1996

CITY OF PORT ALLEN, LOUISIANA

**UTILITY CUSTOMERS
June 30, 1996
(Unaudited)**

The City had 2,095 and 2,089 water and sewer and 1,668 and 1,694 gas customers at June 30, 1996 and 1995, respectively.

CITY OF PORT ALLEN, LOUISIANA
SCHEDULE OF INSURANCE IN FORCE
 June 30, 1996
 (Unaudited)

Insurer	Coverage	Risks Covered	Limits of Coverage	Expiration Date
Audubon Insurance Company	Scheduled equipment	Contractor's equipment physical damage	ACV subject to \$250 deductible	1/1/97
Audubon Indemnity Company	Vehicle fleet	Collision and comprehensive	ACV subject to deductibles of \$500, \$1,000, and \$250, respectively	1/1/97
Hartford Steam Boiler	All City owned property	Boiler and machinery	\$250M each occurrence subject to \$1,000 deductible	1/1/97
Vesta Fire Insurance Company	Buildings and contents	Fire and extended coverage	\$504M	11/3/96
Louisiana Municipal Association Liability Program	All employees, volunteer firemen & auxiliary policemen	Workmen's compensation	Statutory	12/31/96
Louisiana Municipal Association Liability Program	All City owned property and automobiles	Comprehensive general liability and automobile liability	Combined single limit \$500M	4/30/97
Louisiana Municipal Association Liability Program	Law enforcement officers	Personal injury and property damage	Combined single limit \$500M subject to \$2,500 deductible	4/30/97
Louisiana Municipal Association Liability Program	All employees, volunteer firemen & auxiliary policemen	Public officials errors and omissions	Combined single limit \$500M ACV subject to \$2,500 deductible	4/30/97
Vesta Fire Insurance	Valuable papers & electronic data equipment (hardware, processing media & extra expenses)	Fire and extended coverage	\$25,000 valuable papers, \$250 deductible, \$41,100 EDP Hardware, \$11,365 on programs, \$20,000 extra expense	11/3/96
Western Surety Company	Mayor, Chief of Police, Finance Director, Employees	Dishonesty	\$10,000 - \$50,000	7/1/96
Cigna Property and Casualty Insurance Company	Fire department buildings	Fire and extended coverage	\$325,000	3/8/97
Cigna Property and Casualty Insurance Company	Fire department property and vehicles	Comprehensive general liability	\$2,000M aggregate limit	3/8/97
Insurance Company of North America	EMS Wrongful acts	Wrongful acts	\$2,000M aggregate limit	3/8/97

CITY OF PORT ALLEN, LOUISIANA
COMBINED SCHEDULE OF BONDS PAYABLE
 June 30, 1996

	Issue Date	Final Maturity Date	Interest		Annual Serial Payments	Bonds		Unmatured Interest Coupons
			Rates	Payment Dates		Retired	Outstanding	
General obligation debt:								
Certificates of indebtedness	5/1/95	2/1/05	5.2% to 6.35%	2/1 and 8/1	\$ 45,000 to \$ 75,000	\$ 600,000	\$ 45,000	\$ 183,266

CITY OF PORT ALLEN, LOUISIANA

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
Year Ended June 30, 1996

Federal Grants/Program Title	Federal CFDA Number	Program or Award Amount	(Deferred) Accrued Revenue at July 1, 1995	Cash Received	Revenue Recognized	Expenditures	(Deferred) Accrued Revenue at June 30, 1996
U.S. Department of HUD Major Program: Section 8 Housing Assistance Payments Program, Existing Housing	14.182	\$ 729,885	\$ (61,085)	\$ 671,839	\$ 532,780	\$ 532,780	\$ (200,144)
Nonmajor Program: Pass - Through - State of Louisiana LCDBG - Street Program	14.228	\$ 485,313	-	54,966	260,698	260,698	205,732
			\$ (61,085)	\$ 726,805	\$ 793,478	\$ 793,478	\$ 5,588

INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

To the Honorable Mayor and Members of
the Board of Aldermen
City of Port Allen, Louisiana

We have audited the general purpose financial statements and the combining and, individual fund and account group financial statements of the City of Port Allen, Louisiana, as of and for the year ended June 30, 1996 and have issued our report thereon dated December 3, 1996. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards required 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 provided a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the combining and individual fund and account group financial statements. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the financial statements of the City of Port Allen, Louisiana. The information in this schedule has been subjected to the auditing procedures applied in the audit of the general purpose, combining and individual fund and account group financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose, combining and individual fund and account group financial statements taken as a whole.

Provost, Salter, Harper & Alford, L.L.C.

December 3, 1996

SUPPLEMENTARY INFORMATION

**CITY OF PORT ALLEN, LOUISIANA
GENERAL FIXED ASSETS ACCOUNT GROUP**

**SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE
June 30, 1996
With Comparative Totals For June 30, 1995**

	City of Port Allen	Port Allen Fire Subdistrict Number 3	Totals	
			1996	1995
GENERAL FIXED ASSETS				
Land	\$ 341,557	\$ -	\$ 341,557	\$ 341,557
Buildings	265,182	429,234	694,416	694,416
Improvements other than buildings	533,166	-	533,166	533,166
Equipment	1,225,730	585,273	1,811,003	1,379,406
Construction in progress	105,668	-	105,668	105,668
	<u>\$ 2,471,303</u>	<u>\$ 1,014,507</u>	<u>\$ 3,485,810</u>	<u>\$ 3,054,213</u>
INVESTMENT IN GENERAL FIXED ASSETS				
Acquired prior to July 1, 1974*	\$ 111,064	\$ -	\$ 111,064	\$ 115,493
Acquired after June 30, 1974 from:				
General fund revenues	1,279,633	1,014,507	2,294,140	1,850,192
Federal grants	958,765	-	958,765	966,687
State grants	121,841	-	121,841	121,841
	<u>\$ 2,471,303</u>	<u>\$ 1,014,507</u>	<u>\$ 3,485,810</u>	<u>\$ 3,054,213</u>

* Records reflecting source from which assets were acquired were not maintained prior to July 1, 1974.

GENERAL FIXED ASSETS ACCOUNT GROUP

CITY OF PORT ALLEN, LOUISIANA
UTILITY FUND

COMPARATIVE SCHEDULES OF OPERATING EXPENSES BY DEPARTMENT
Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Gas System:		
Personal service	\$ 84,735	\$ 82,317
Contractual services and other	57,781	65,089
Supplies	5,900	6,257
Materials	410,609	357,679
Heat, light and power	4,183	4,148
Depreciation	18,970	13,130
	<u>582,178</u>	<u>528,620</u>
Water System:		
Personal service	84,735	82,317
Contractual services and other	181,410	43,834
Supplies	5,637	6,968
Materials	44,734	24,395
Heat, light and power	32,368	25,653
Depreciation	17,258	17,407
	<u>366,142</u>	<u>200,574</u>
Sewerage Treatment Plant:		
Personal service	198,455	189,845
Contractual services and other	106,052	108,399
Supplies	29,024	17,650
Materials	24,079	28,628
Heat, light and power	46,230	45,043
Depreciation	25,766	24,688
	<u>429,606</u>	<u>414,253</u>
Sewer System:		
Contractual services and other	48,319	115,671
Supplies	-	98
Materials	200	977
Heat, light and power	4,865	5,043
Depreciation	6,657	6,481
	<u>60,041</u>	<u>128,270</u>
General Administration:		
Personal service	166,784	163,091
Contractual services and other	46,090	49,549
Supplies	8,641	6,777
Heat, light and power	1,789	1,638
Depreciation	12,001	10,360
	<u>235,305</u>	<u>231,415</u>
	<u>\$ 1,673,272</u>	<u>\$ 1,503,132</u>

**CITY OF PORT ALLEN, LOUISIANA
UTILITY FUND**

**COMPARATIVE BALANCE SHEETS
June 30, 1996 and 1995**

	<u>1996</u>	<u>1995</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 929,310	\$ 824,153
Investments	-	197,189
Receivables:		
Accounts, net of allowance for uncollectibles: 1996, \$11,238; 1995, \$9,843	180,349	150,261
Accrued interest	-	1,761
Prepaid insurance	1,839	1,842
Due from other funds	12,488	-
Total current assets	<u>1,123,986</u>	<u>1,175,206</u>
RESTRICTED ASSETS		
Customer deposits	<u>65,280</u>	<u>61,690</u>
PLANT AND EQUIPMENT, at cost, net of accumulated depreciation:		
1996, \$2,258,036; 1995, \$2,189,855	<u>1,121,936</u>	<u>1,048,647</u>
Total assets	<u><u>\$ 2,311,202</u></u>	<u><u>\$ 2,285,543</u></u>
LIABILITIES AND FUND EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 133,440	\$ 73,637
Compensated absences	44,317	42,799
Other	-	15,185
Due to general fund	93,163	131,706
Total current liabilities	<u>270,920</u>	<u>263,327</u>
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS		
Customer deposits	<u>65,280</u>	<u>61,690</u>
Total current liabilities payable from restricted assets	<u>65,280</u>	<u>61,690</u>
Total liabilities	<u>336,200</u>	<u>325,017</u>
FUND EQUITY		
Contributed capital	<u>1,026,170</u>	<u>1,013,682</u>
Retained earnings:		
Unreserved	<u>948,832</u>	<u>946,844</u>
Total retained earnings	<u>948,832</u>	<u>946,844</u>
Total fund equity	<u>1,975,002</u>	<u>1,960,526</u>
Total liabilities and fund equity	<u><u>\$ 2,311,202</u></u>	<u><u>\$ 2,285,543</u></u>

ENTERPRISE FUND

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of net income is appropriate for accountability purposes.

Utility Fund - This fund is used to account for the provision of gas, water and sewer services to the residents of the City.

**CITY OF PORT ALLEN, LOUISIANA
CALIFORNIA AVENUE DEBT SERVICE FUND**

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Years Ended June 30, 1996 and 1995**

	1996		1995		Variance - Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
Revenues:					
Special assessments	\$ 4,992	\$ 5,504	\$ 3,323	\$ 12,384	\$ 9,061
Interest	2,040	1,845	1,794	4,209	2,415
Total revenues	7,032	7,349	5,117	16,593	11,476
Expenditures:					
Debt service -					
Principal	11,000	11,000	-	11,000	(11,000)
Interest and fiscal charges	904	1,766	1,793	1,818	(25)
Total expenditures	11,904	12,766	1,793	12,818	(11,025)
Excess (deficiency) of revenues over expenditures	(4,872)	(5,417)	3,324	3,775	451
Fund balance, beginning	9,848	9,848	6,073	6,073	-
Fund balance, ending	\$ 4,976	\$ 4,431	\$ 9,397	\$ 9,848	\$ 451

CITY OF PORT ALLEN, LOUISIANA
PORT ALLEN FIRE SUBDISTRICT NO. 3 DEBT SERVICE FUND

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**
 Years Ended June 30, 1996 and 1995

	1996		1996		Variance - Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	(Unfavorable)
Expenditures:					
Debt service -					
Principal	\$ 45,000	\$ 45,000	\$ -	\$ -	\$ -
Interest and fiscal charges	34,500	34,947	-	5,945	(5,945)
Total expenditures	79,500	79,947	-	5,945	(5,945)
Excess (deficiency) of revenues over expenditures	(79,500)	(79,947)	-	(5,945)	(5,945)
Other financing sources:					
Operating transfers in	79,500	76,974	8,918	8,918	-
Excess (deficiency) of revenues and other financing sources over expenditures	-	(2,973)	8,918	2,973	(5,945)
Fund balance, beginning	2,973	2,973	-	-	-
Fund balance, ending	<u>\$ 2,973</u>	<u>\$ -</u>	<u>\$ 8,918</u>	<u>\$ 2,973</u>	<u>\$ (5,945)</u>

**CITY OF PORT ALLEN, LOUISIANA
DEBT SERVICE FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE**

Year Ended June 30, 1996

With Comparative Totals for June 30, 1995

	Port Allen Fire Subdistrict Number 3	California Avenue	Totals	
			1996	1995
Revenues:				
Special assessments	\$ -	\$ 5,504	\$ 5,504	\$ 12,384
Interest	-	1,845	1,845	4,291
Total revenues	-	7,349	7,349	16,675
Expenditures:				
Debt service -				
Principal	45,000	11,000	56,000	11,000
Interest and fiscal charges	34,947	1,766	36,713	7,763
Total expenditures	79,947	12,766	92,713	18,763
Excess (deficiency) of revenues over expenditures	(79,947)	(5,417)	(85,364)	(2,088)
Other financing sources:				
Operating transfers in	76,974	-	76,974	8,918
Excess (deficiency) of revenues and other financing sources over expenditures	(2,973)	(5,417)	(8,390)	6,830
Fund balance, beginning	2,973	9,848	12,821	20,704
Residual equity transfer	-	-	-	(14,713)
Fund balance, ending	\$ -	\$ 4,431	\$ 4,431	\$ 12,821

**CITY OF PORT ALLEN, LOUISIANA
DEBT SERVICE FUNDS**

**COMBINING BALANCE SHEET
June 30, 1996
With Comparative Totals for June 30, 1995**

	Port Allen Fire Subdistrict Number 3	California Avenue	Totals	
			1996	1995
ASSETS				
Cash and cash equivalents	\$ 13,888	\$ 3,532	\$ 17,420	\$ 17,817
Receivables:				
Special assessment	-	12,707	12,707	18,261
Total assets	<u>\$ 13,888</u>	<u>\$ 16,239</u>	<u>\$ 30,127</u>	<u>\$ 36,078</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 13,888	\$ -	\$ 13,888	\$ 5,945
Due to general fund	-	-	-	-
Deferred revenue	-	11,808	11,808	17,312
Total liabilities	13,888	11,808	25,696	23,257
FUND BALANCES				
Reserved for debt service	-	4,431	4,431	12,821
Total liabilities and fund balance	<u>\$ 13,888</u>	<u>\$ 16,239</u>	<u>\$ 30,127</u>	<u>\$ 36,078</u>

DEBT SERVICE FUNDS

The debt service funds are used to account for the accumulation of resources and payment of general long-term debt principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the City is obligated in some manner for the payment.

Port Allen Fire Subdistrict Number 3 - This fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest of the fire district (a blended component unit of The City of Port Allen).

California Avenue - This fund is used to account for the receipt of special assessments and interest and the payment of the related debt principal and interest of the special assessment bonds of \$110,000 issued in 1988.

CITY OF PORT ALLEN, LOUISIANA
LOW-INCOME HOUSING ASSISTANCE FUND

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**
Years Ended June 30, 1996 and 1995

	1996		1995		Variance - Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	(Unfavorable)
Revenues:					
Intergovernmental	\$ 586,436	\$ 532,780	\$ 409,440	\$ 517,592	\$ 108,152
Expenditures:					
Welfare -					
Housing assistance	517,448	468,465	355,440	454,352	(98,912)
Program administration -					
Administration	57,700	51,564	45,700	51,793	(6,093)
Audit	2,300	2,300	2,300	2,300	-
Total expenditures	577,448	522,329	403,440	508,445	(105,005)
Excess of revenues over expenditures	8,988	10,451	6,000	9,147	3,147
Other financing (uses):					
Operating transfers out	(8,988)	(10,451)	(6,000)	(9,147)	(3,147)
Excess of revenues over expenditures and other financing uses	-	-	-	-	-
Fund balance, beginning	-	-	-	-	-
Fund balance, ending	\$ -	\$ -	\$ -	\$ -	\$ -

**CITY OF PORT ALLEN, LOUISIANA
STREET IMPROVEMENTS FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 1996**

	1996		Variance - Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Intergovernmental	\$ 237,605	\$ 260,698	\$ 23,093
Interest	-	-	-
Total revenues	<u>237,605</u>	<u>260,698</u>	<u>23,093</u>
Expenditures:			
Current -			
Highways and streets			
Other services and charges	54,811	57,611	(2,800)
Capital outlay -			
Highways and streets	<u>182,794</u>	<u>203,087</u>	<u>(20,293)</u>
Total expenditures	<u>237,605</u>	<u>260,698</u>	<u>(23,093)</u>
Excess (deficiency) of revenues over expenditures	-	-	-
Fund balance, beginning	-	-	-
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF PORT ALLEN, LOUISIANA
PORT ALLEN FIRE SUBDISTRICT NO. 3 FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Years Ended June 30, 1996 and 1995

	1996			1995		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:						
Intergovernmental	\$ 582,288	\$ 593,989	\$ 11,701	\$ 535,192	\$ 651,422	\$ 116,230
Interest	8,566	9,301	735	2,700	15,771	13,071
Total revenues	590,854	603,290	12,436	537,892	667,193	129,301
Expenditures:						
Current -						
Public safety:						
Fire -						
Personal services	284,100	285,688	(1,588)	273,999	280,722	(6,723)
Supplies	28,290	28,665	(375)	24,398	19,221	5,177
Other services and charges	99,818	102,307	(2,489)	76,298	96,878	(20,580)
Capital outlay -						
Public safety:						
Fire	402,562	434,574	(32,012)	429,000	577,686	(148,686)
Total expenditures	814,770	851,234	(36,464)	803,695	974,507	(170,812)
Excess (deficiency) of revenues over expenditures	(223,916)	(247,944)	(24,028)	(265,803)	(307,314)	(41,511)
Other financing sources (uses):						
Operating transfers out	(95,400)	(76,974)	18,426	(8,918)	(8,918)	-
General obligation bond proceeds	-	-	-	-	600,000	600,000
Total other financing sources (uses)	(95,400)	(76,974)	18,426	(8,918)	591,082	600,000
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(319,316)	(324,918)	(5,602)	(274,721)	283,768	558,489
Fund balance, beginning	543,239	543,239	-	259,471	259,471	-
Fund balance, ending	\$ 223,923	\$ 218,321	\$ (5,602)	\$ (15,250)	\$ 543,239	\$ 558,489

**CITY OF PORT ALLEN, LOUISIANA
SPECIAL REVENUE FUND**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE**

Year ended June 30, 1996

With Comparative Totals for June 30, 1995

	Port Allen Fire Subdistrict Number 3	Street Improvements	Low-Income Housing Assistance	Totals	
				1996	1995
Revenues:					
Intergovernmental	\$ 593,989	\$ 260,698	\$ 532,780	\$ 1,387,467	\$ 1,423,296
Interest	9,301	-	-	9,301	15,771
Total revenues	603,290	260,698	532,780	1,396,768	1,439,067
Expenditures:					
Current -					
Public safety	416,660	-	-	416,660	396,821
Highways and streets	-	57,611	-	57,611	-
Sanitation	-	-	-	-	254,282
Welfare	-	-	522,329	522,329	508,445
Capital outlay -					
Public safety	434,574	-	-	434,574	577,686
Highways and streets	-	203,087	-	203,087	-
Total expenditures	851,234	260,698	522,329	1,634,261	1,737,234
Excess (deficiency) of revenues over expenditures	(247,944)	-	10,451	(237,493)	(298,167)
Other financing sources (uses):					
Operating transfers out	(76,974)	-	(10,451)	(87,425)	(18,065)
General obligation bond proceeds	-	-	-	-	600,000
Total other financing sources (uses)	(76,974)	-	(10,451)	(87,425)	581,935
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(324,918)	-	-	(324,918)	283,768
Fund balance, beginning	543,239	-	-	543,239	259,471
Fund balance, ending	\$ 218,321	\$ -	\$ -	\$ 218,321	\$ 543,239

**CITY OF PORT ALLEN, LOUISIANA
SPECIAL REVENUE FUND**

COMBINING BALANCE SHEET

June 30, 1996

With Comparative Totals for June 30, 1995

	Port Allen Fire Subdistrict Number 3	Street Improvements	Low-Income Housing Assistance	Totals	
				1996	1995
ASSETS					
Cash	\$ 195,114	\$ -	\$ 210,702	\$ 405,816	\$ 622,213
Receivables:					
Intergovernmental	60,187	205,732	-	265,919	54,790
Prepaid insurance	6,204	-	-	6,204	2,277
Total assets	<u>\$ 261,505</u>	<u>\$ 205,732</u>	<u>\$ 210,702</u>	<u>\$ 677,939</u>	<u>\$ 679,280</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 11,888	\$ 205,732	\$ 107	\$ 217,727	\$ 10,828
Compensated absences payable	12,204	-	-	12,204	11,435
Due to other funds	19,092	-	10,451	29,543	52,693
Deferred revenue	-	-	200,144	200,144	61,085
Total liabilities	<u>43,184</u>	<u>205,732</u>	<u>210,702</u>	<u>459,618</u>	<u>136,041</u>
FUND BALANCES					
Reserved for prepaid insurance	-	-	-	-	2,277
Reserved for public safety	-	-	-	-	540,962
Unreserved, undesignated	218,321	-	-	218,321	-
Total fund balances	<u>218,321</u>	<u>-</u>	<u>-</u>	<u>218,321</u>	<u>543,239</u>
Total liabilities and fund balances	<u>\$ 261,505</u>	<u>\$ 205,732</u>	<u>\$ 210,702</u>	<u>\$ 677,939</u>	<u>\$ 679,280</u>

See Notes to Financial Statements.

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Port Allen Fire Subdistrict Number 3 - This fund is used to account for the activities of the fire district (a blended component unit of The City of Port Allen).

Low-Income Housing Assistance Fund - This fund is used to account for the expenditure and subsequent reimbursement of funds received from the U.S. Department of Housing and Urban Development for rental assistance to low-income citizens who qualify.

Street Improvements Fund - This fund is used to account for the receipt and subsequent expenditure of funds received from the U.S. Department of Housing and Urban Development for rehabilitation of the City's streets.

CITY OF PORT ALLEN, LOUISIANA
GENERAL FUND

COMPARATIVE SCHEDULES OF EXPENDITURES COMPARED TO BUDGET (Continued)
Years Ended June 30, 1996 and 1995

	1996		1995		Variance - Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
Capital outlay -					
General government	\$ 27,300	\$ 23,818	\$ 23,500	\$ 24,457	\$ (957)
Public safety:					
Police	47,068	60,293	43,800	43,242	558
Highways and streets	30,012	31,333	12,816	4,879	7,937
Drainage	3,600	3,485	27,504	27,599	(95)
Culture and recreation	2,400	2,388	-	-	-
Total capital outlay expenditures	<u>110,380</u>	<u>121,317</u>	<u>107,620</u>	<u>100,177</u>	<u>7,443</u>
Total expenditures	<u>\$ 2,679,096</u>	<u>\$ 2,663,140</u>	<u>\$ 2,761,776</u>	<u>\$ 2,723,347</u>	<u>\$ 38,429</u>

CITY OF PORT ALLEN, LOUISIANA
GENERAL FUND

COMPARATIVE SCHEDULES OF EXPENDITURES COMPARED TO BUDGET (Continued)
Years Ended June 30, 1996 and 1995

	1996		1995		Variance - Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	(Unfavorable)
Sanitation:					
Other services and charges	\$ 209,508	\$ 210,560	\$ 209,508	\$ 209,384	\$ 124
Health:					
Other services and charges	19,200	19,935	97,200	97,792	(592)
Culture and recreation:					
Personal services	54,748	61,303	45,354	63,835	(18,481)
Supplies	13,344	13,214	13,632	7,595	6,037
Other services and charges	33,284	27,343	42,954	27,813	15,141
Total culture and recreation	101,376	101,860	101,940	99,243	2,697
Fleet maintenance:					
Personal services	59,154	58,508	59,874	61,149	(1,275)
Supplies	8,694	5,573	7,656	4,597	3,059
Other services and charges	8,652	7,145	8,028	7,311	717
Total fleet maintenance	76,500	71,226	75,558	73,057	2,501
Total current expenditures	2,568,716	2,541,823	2,654,156	2,623,170	30,986

CITY OF PORT ALLEN, LOUISIANA
GENERAL FUND

COMPARATIVE SCHEDULES OF EXPENDITURES COMPARED TO BUDGET (Continued)
Years Ended June 30, 1996 and 1995

	1996		1995		Variance -
	Budget	Actual	Budget	Actual	Favorable (Unfavorable)
Public safety:					
Police -					
Personal services	\$ 781,800	\$ 771,275	\$ 777,000	\$ 801,348	\$ (24,348)
Supplies	46,536	48,289	46,836	45,074	1,762
Other services and charges	139,996	146,076	127,968	128,919	(951)
Total police	968,332	965,640	951,804	975,341	(23,537)
Protective inspection -					
Other services and charges	8,800	9,032	4,992	11,581	(6,589)
Total public safety	977,132	974,672	956,796	986,922	(30,126)
Highways and streets:					
Personal services	198,828	201,955	180,841	179,290	1,551
Supplies	85,056	90,334	90,252	84,404	5,848
Other services and charges	191,680	186,903	201,756	185,763	15,993
Total highways and streets	475,564	479,192	472,849	449,457	23,392
Drainage:					
Personal services	237,372	215,837	261,196	262,564	(1,368)
Supplies	39,384	42,256	37,320	25,416	11,904
Other services and charges	39,324	46,058	41,916	40,463	1,453
Total drainage	316,080	304,151	340,432	328,443	11,989

CITY OF PORT ALLEN, LOUISIANA
GENERAL FUND

COMPARATIVE SCHEDULES OF EXPENDITURES COMPARED TO BUDGET
Years Ended June 30, 1996 and 1995

	1996		1995		Variance - Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
Current -					
General government:					
Legislative -					
Personal services	\$ 56,376	\$ 56,376	\$ -	\$ 57,913	\$ (2,144)
Judicial -					
Personal services	48,729	48,759	(30)	52,619	(1,708)
Supplies	600	-	600	166	2,234
Other services and charges	7,587	7,302	285	7,401	783
Total judicial	56,916	56,061	855	60,186	1,309
Executive -					
Personal services	29,627	29,627	-	30,677	(1,655)
Administrative -					
Personal services	137,407	136,641	766	133,032	(1,397)
Supplies	7,014	7,859	(845)	7,315	(301)
Other services and charges	106,016	93,663	12,353	89,749	25,189
Total administrative	250,437	238,163	12,274	230,096	23,491
Total general government	393,356	380,227	13,129	378,872	21,001

**CITY OF PORT ALLEN, LOUISIANA
GENERAL FUND**

**COMPARATIVE SCHEDULES OF REVENUES COMPARED TO BUDGET (Continued)
Years Ended June 30, 1996 and 1995**

	1996		1995		Variance - Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
Charges for services:					
Public safety - protective inspection fees	\$ 12,400	\$ 12,212	\$ 4,500	\$ 16,733	\$ 12,233
Sanitation - refuse collection charges	231,208	230,902	229,812	231,090	1,278
Total charges for services	243,608	243,114	234,312	247,823	13,511
Fines	24,000	31,265	30,000	22,908	(7,092)
Interest	109,068	114,435	62,400	67,534	5,134
Miscellaneous	19,800	17,818	30,924	27,181	(3,743)
Total revenues	\$ 3,017,108	\$ 3,113,111	\$ 2,738,136	\$ 2,899,385	\$ 161,249

**CITY OF PORT ALLEN, LOUISIANA
GENERAL FUND**

**COMPARATIVE SCHEDULES OF REVENUES COMPARED TO BUDGET
Years Ended June 30, 1996 and 1995**

	1996			1995		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Taxes:						
Ad valorem	\$ 224,004	\$ 223,517	\$ (487)	\$ 224,004	\$ 221,484	\$ (2,520)
Franchise	264,524	282,320	17,796	245,004	240,094	(4,910)
Total taxes	488,528	505,837	17,309	469,008	461,578	(7,430)
Licenses and permits:						
Business licenses and permits -						
Alcoholic beverages	-	10,580	10,580	12,000	10,368	(1,632)
Professional and occupational	219,384	232,392	13,008	203,400	225,126	21,726
Total licenses and permits	219,384	242,972	23,588	215,400	235,494	20,094
Intergovernmental:						
State operating grants -						
Health and welfare	4,600	4,673	73	78,000	78,000	-
Streets	4,832	4,835	3	10,532	13,330	2,798
Public safety	1,240	1,240	-	9,120	9,046	(74)
State shared revenues -						
Tobacco tax	33,000	31,884	(1,116)	33,000	31,918	(1,082)
Alcoholic beverage tax	18,048	33,015	14,967	17,040	18,568	1,528
Video poker revenue	48,000	65,701	17,701	48,000	52,157	4,157
West Baton Rouge Parish operating grants -						
Recreation	30,000	30,000	-	28,000	28,000	-
West Baton Rouge Parish shared revenues -						
General sales and use tax	1,773,000	1,786,322	13,322	1,472,400	1,605,848	133,448
Total intergovernmental	1,912,720	1,957,670	44,950	1,696,092	1,836,867	140,775

CITY OF PORT ALLEN, LOUISIANA
GENERAL FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (Continued)
Years Ended June 30, 1996 and 1995

	1996		1995		Variance - Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
Other financing sources (uses):					
Sales of general fixed assets	\$ 3,000	\$ 3,403	\$ 3,000	\$ 100	\$ (2,900)
Operating transfers out	(350,000)	(350,000)	-	-	-
Operating transfers in	8,988	10,451	6,000	9,147	3,147
Total financing sources (uses)	<u>(338,012)</u>	<u>(336,146)</u>	<u>9,000</u>	<u>9,247</u>	<u>247</u>
Excess of revenues and other financing sources over expenditures and other financing uses	-	113,825	(14,640)	185,285	199,925
Fund balance, beginning	1,814,647	1,814,647	1,547,550	1,614,649	67,099
Residual equity transfer	(200,000)	(200,000)	14,640	14,713	73
Fund balance, ending	<u>\$ 1,614,647</u>	<u>\$ 1,728,472</u>	<u>\$ 1,547,550</u>	<u>\$ 1,814,647</u>	<u>\$ 267,097</u>

CITY OF PORT ALLEN, LOUISIANA
GENERAL FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Years Ended June 30, 1996 and 1995

	1996		1995		Variance - Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
Revenues:					
Taxes	\$ 488,528	\$ 505,837	\$ 469,008	\$ 461,578	\$ (7,430)
Licenses and permits	219,384	242,972	215,400	235,494	20,094
Intergovernmental	1,912,720	1,957,670	1,696,092	1,836,867	140,775
Charges for services	243,608	243,114	234,312	247,823	13,511
Fines	24,000	31,265	30,000	22,908	(7,092)
Interest	109,068	114,435	62,400	67,534	5,134
Miscellaneous	19,800	17,818	30,924	27,181	(3,743)
Total revenues	3,017,108	3,113,111	2,738,136	2,899,365	161,249
Expenditures:					
Current -					
General government	393,356	380,227	399,873	378,872	21,001
Public safety	977,132	974,672	956,796	986,922	(30,126)
Highways and streets	475,564	479,192	472,849	449,457	23,392
Drainage	316,080	304,151	340,432	328,443	11,989
Sanitation	209,508	210,560	209,508	209,384	124
Health	19,200	19,935	97,200	97,792	(592)
Culture and recreation	101,376	101,860	101,940	99,243	2,697
Fleet maintenance	76,500	71,226	75,558	73,057	2,501
Capital outlay -					
General government	27,300	23,818	23,500	24,457	(957)
Public safety	47,068	60,293	43,800	43,242	558
Highways and streets	30,012	31,333	12,816	4,879	7,937
Drainage	3,600	3,485	27,504	27,599	(95)
Culture and recreation	2,400	2,388	-	-	-
Total expenditures	2,679,096	2,663,140	2,761,776	2,723,347	38,429
Excess of revenues over expenditures	338,012	449,971	(23,640)	176,038	199,678

**CITY OF PORT ALLEN, LOUISIANA
GENERAL FUND**

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
Years Ended June 30, 1996 and 1995**

	<u>1996</u>	<u>1995</u>
Revenues:		
Taxes	\$ 505,837	\$ 461,578
Licenses and permits	242,972	235,494
Intergovernmental	1,957,670	1,836,867
Charges for services	243,114	247,823
Fines	31,265	22,908
Interest	114,435	67,534
Miscellaneous	17,818	27,181
Total revenues	<u>3,113,111</u>	<u>2,899,385</u>
Expenditures:		
Current -		
General government	380,227	378,872
Public safety	974,672	986,922
Highways and streets	479,192	449,457
Drainage	304,151	328,443
Sanitation	210,560	209,384
Health	19,935	97,792
Culture and recreation	101,860	99,243
Fleet maintenance	71,226	73,057
Capital outlay -		
General government	23,818	24,457
Public safety	60,293	43,242
Highways and streets	31,333	4,879
Drainage	3,485	27,599
Culture and recreation	2,388	-
Total expenditures	<u>2,663,140</u>	<u>2,723,347</u>
Excess of revenues over expenditures	<u>449,971</u>	<u>176,038</u>
Other financing sources (uses):		
Sales of general fixed assets	3,403	100
Operating transfers out	(350,000)	-
Operating transfers in	10,451	9,147
Total other financing sources (uses)	<u>(336,146)</u>	<u>9,247</u>
Excess of revenues and other financing sources over expenditures and other financing uses	113,825	185,285
Fund balance, beginning	1,814,647	1,614,649
Residual equity transfer	<u>(200,000)</u>	<u>14,713</u>
Fund balance, ending	<u>\$ 1,728,472</u>	<u>\$ 1,814,647</u>

**CITY OF PORT ALLEN, LOUISIANA
GENERAL FUND**

**COMPARATIVE BALANCE SHEETS
June 30, 1996 and 1995**

	1996	1995
ASSETS		
Cash and cash equivalents	\$ 1,162,518	\$ 910,977
Investments	468,273	742,973
Receivables:		
Interest	397	4,804
Taxes	66,248	61,633
Accounts	33,585	21,501
Intergovernmental	169,326	168,988
Due from other funds	110,218	184,399
Prepaid insurance	8,460	10,128
	<u>\$ 2,019,025</u>	<u>\$ 2,105,403</u>
 LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable	\$ 179,377	\$ 174,976
Payroll deductions and taxes	53,461	53,803
Deferred revenue	6,003	10,976
Compensated absences payable	51,712	51,001
	<u>290,553</u>	<u>290,756</u>
 FUND BALANCE		
Reserved for capital outlay:		
Municipal Building	60,163	57,637
Oregon Street	5,000	-
Reserved for prepaid insurance	8,460	10,128
Reserved for public safety	4,704	25
Unreserved, undesignated	1,650,145	1,746,857
	<u>1,728,472</u>	<u>1,814,647</u>
Total fund balance	<u>1,728,472</u>	<u>1,814,647</u>
Total liabilities and fund balance	<u>\$ 2,019,025</u>	<u>\$ 2,105,403</u>

GENERAL FUND

The general fund is used to account for resources, traditionally associated with government, which are not required legally or by sound financial management to be accounted for in another fund.

**COMBINING, INDIVIDUAL FUND AND ACCOUNT
GROUP STATEMENTS AND SCHEDULES**

NOTES TO FINANCIAL STATEMENTS

Louisiana State Employees Retirement System (LASERS)

Plan Description:

All the City's judicial employees participate in the LASERS, a cost-sharing, multiple employer defined benefit pension plan administered by a separate Board of Trustees. LASERS provides retirement, disability, and survivor benefits to participating, eligible employees. Benefits are established and amended by state statute. LASERS issues a publicly available financial report that includes financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Louisiana State Employees' Retirement System, Post Office box 44213, Baton Rouge, Louisiana, 70804-4213, or by calling (504) 922-0600.

Funding Policy:

Plan members are required by state statute to contribute 11½% of their annual covered salary and employers are required to contribute at an actuarially determined rate. The current employer rate is 12% of annual covered payroll. The City has elected to pay both the employee and the employer contributions. The contribution requirements of plan members and the employer are established by, and may be amended by, state law. As required by state law, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contributions to LASERS for the years ending June 30, 1996, 1995, and 1994, were \$4,989, \$4,622, and \$4,622, respectively, and were equal to the required contributions for each year.

Note 10. Other Postemployment Benefits

The government provides postretirement health care benefits as per the requirements of a local resolution for certain retirees. The government pays 50 percent of the premiums of health care coverage for employees who retire with 25 years of full time service and who agree to pay the remaining 50 percent of the premium. The government's regular health care benefit providers underwrite the retiree's policies. Retirees may not convert the benefit into an in-lieu payment to secure coverage under independent plans.

The benefits are authorized under Louisiana R.S. 33:5151. The City Council passed a resolution to provide the benefits on July 1, 1992 and may rescind the benefits at any time by a majority vote of the Board.

As of year end, there were 10 employees who had retired with 25 years of full-time service that were receiving the 50 percent premium coverage benefit. The government finances the plan on a pay-as-you-go basis. For the year ended June 30, 1996, the government recognized as incurred \$6,419 of expenditures.

NOTES TO FINANCIAL STATEMENTS

Funding Policy:

Plan members are required by state statute to contribution 7½% of their annual covered salary and employers are required to contribute at an actuarially determined rate. The current employer rate is 9.0% of annual covered payroll. The City has elected to pay both the employee and employer contributions. The contribution requirements of plan members and the employer are established by, and may be amended by, state law. As required by state law, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contributions to MPERS for the years ending June 30, 1996, 1995, and 1994 were \$96,983, \$97,504, and \$92,228, respectively, and were equal to the required contributions for each year.

Firefighters' Retirement System (FRS)

Plan Description:

All of the Port Allen Fire Subdistrict No. 3's full-time fire employees participate in the FRS, a cost-sharing, multiple-employer defined benefit pension plan administered by a separate Board of Trustees. FRS provides retirement, disability, and survivor benefits to participating, eligible employees. Benefits are established and amended by state statute. FRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Firefighters' Retirement System, Post Office Box 94095, Baton Rouge, Louisiana, 70806, or by calling (504) 925-4060.

Funding Policy:

Plan members are required by state statute to contribution 8.0% of their annual covered salary and employers are required to contribute at an actuarially determined rate. The current employer rate is 9.0% of annual covered payroll. The city has elected to pay both the employee and the employer contributions. The contribution requirements of plan members and the employer are established by, and may be amended by, state law. As required by state law, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contributions to FRS for the years ending June 30, 1996, 1995, and 1994, were \$36,597, \$35,606, and \$33,634, respectively, and were equal to the required contributions for each year.

NOTES TO FINANCIAL STATEMENTS

Note 9. Retirement Commitments

Municipal Employees Retirement System of Louisiana (MERS)

Plan Description:

All of the City's full-time general employees participate in the MERS, a cost-sharing, multiple-employer defined benefit pension plan administered by a separate Board of Trustees. MERS provides retirement, disability, and survivor benefits to participating, eligible employees. Benefits are established and amended by state statute. MERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana, 70809, or by calling (504) 925-4810.

Funding Policy:

Plan members are required by state statute to contribute 9.25% of their annual covered salary and employers are required to contribute at an actuarially determined rate. The current employer rate is 6.75% of annual covered payroll. The City has elected to pay both the employee and employer contributions. The contribution requirements of plan members and employers are established by, and may be amended by, state law. As required by state law, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contributions to MERS for the years ending June 30, 1996, 1995, and 1994, were \$154,641, \$136,401, and \$134,951, respectively, and were equal to the required contributions for each year.

Municipal Police Employees Retirement System (MPERS)

Plan Description:

All of the City's full-time police employees participate in the MPERS, a cost-sharing, multiple-employer defined benefit pension plan administered by a separate Board of Trustees. MPERS provides retirement, disability, and survivor benefits to participating, eligible employees. Benefits are established and amended by state statute. MPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Municipal Police Employees Retirement System, 8401 United Plaza Boulevard, Suite 270, Baton Rouge, Louisiana, 70809, or by calling (504) 929-7411.

NOTES TO FINANCIAL STATEMENTS

Changes in Long-Term Liabilities:

During the year ended June 30, 1996, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance</u> <u>July 1, 1995</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 1996</u>
Special assessment debt	\$ <u>11,000</u>	\$ <u>-</u>	\$ <u>11,000</u>	\$ <u>-</u>
General obligation debt	\$ <u>600,000</u>	\$ <u>-</u>	\$ <u>45,000</u>	\$ <u>555,000</u>

Note 7. Interfund Assets/Liabilities

Due from/to other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Low-income housing assistance	\$ 10,451
	Fire District	19,092
	Utility	<u>93,163</u>
		<u>\$ 122,706</u>

Note 8. Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City attorney the resolution of these matters will not have a material adverse effect on the financial condition of the City.

NOTES TO FINANCIAL STATEMENTS

The following is a summary of proprietary fund type, enterprise fund property, plant and equipment at June 30, 1996:

Land	\$ 23,573
Buildings	58,040
Improvements other than buildings	3,088,007
Machinery and equipment	210,352
Less accumulated depreciation	<u>(2,258,036)</u>
Net property, plant and equipment	<u>\$ 1,121,936</u>

In the enterprise fund, the following estimated useful lives are used to compute depreciation:

Buildings	33 years
Improvements other than buildings	33-50 years
Machinery and equipment	3-10 years

Note 6. Long-Term Debt

General Obligation Debt

The Port Allen Fire Protection Subdistrict Number 3 of the West Baton Rouge Parish Fire Protection District Number 1 issued certificates of indebtedness on May 1, 1995 for the purchase of fire trucks and other fire fighting equipment. The certificates were issued in denominations of \$5,000 with interest payable February 1 and August 1 of each year through 2005 with interest from 5.2% to 6.35%. The certificates are secured by a pledge of the excess annual revenues of the Port Allen Fire Protection Subdistrict Number 3 of the West Baton Rouge Parish Fire Protection District Number 1.

Annual debt services requirements to maturity, including interest of \$183,266, are as follows:

Fiscal year ending <u>June 30,</u>	
1997	\$ 83,330
1998	80,606
1999	82,756
2000	79,566
2001	81,320
Thereafter	<u>330,688</u>
	738,266
Less current representing interest	<u>183,266</u>
	<u>\$ 555,000</u>

NOTES TO FINANCIAL STATEMENTS

Note 4. Receivables

Receivables at June 30, 1996, consist of the following:

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Enterprise</u>	<u>Total</u>
Receivables:					
Interest	\$ 397	\$ -	\$ -	\$ -	\$ 397
Taxes	66,248	-	-	-	66,248
Accounts	33,585	-	-	191,587	225,172
Special assessments	-	-	11,961	-	11,961
Intergovernmental	<u>169,326</u>	<u>265,919</u>	<u>-</u>	<u>-</u>	<u>435,245</u>
Gross receivables	269,556	265,919	11,961	191,587	739,023
Less allowance for uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,238</u>	<u>11,238</u>
Net total receivables	<u>\$ 269,556</u>	<u>\$ 265,919</u>	<u>\$ 11,961</u>	<u>\$ 180,349</u>	<u>\$ 727,785</u>

Property taxes are levied as of January 1 on property values assessed as of the same date. The tax levy is mailed in October. The billings are due on or before December 31. On January 1 of the following year, the bill becomes delinquent and penalties and interest may be assessed by the City.

Note 5. Property, Plant and Equipment

The following is a summary of changes in the general fixed assets account group during the fiscal year.

	<u>Balance July 1, 1995</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 1996</u>
Land	\$ 341,557	\$ -	\$ -	\$ 341,557
Buildings	694,416	-	-	694,416
Improvements other than buildings	533,166	-	-	533,166
Equipment	1,379,406	535,284	103,687	1,811,003
Construction in progress	<u>105,668</u>	<u>-</u>	<u>-</u>	<u>105,668</u>
Total	<u>\$ 3,054,213</u>	<u>\$ 535,284</u>	<u>\$ 103,687</u>	<u>\$ 3,485,810</u>

NOTES TO FINANCIAL STATEMENTS

Under State law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. The City's deposits are categorized to give an indication of the level of risk assumed by the City. The categories are described as follows:

- Category 1.* Insured or collateralized with securities held by the entity or by its agent in the entity's name.
- Category 2.* Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.
- Category 3.* Collateralized with securities held by the pledging financial institution's trust department or agent but not in the entity's name.

<u>At June 30, 1996</u>	<u>Bank Balance</u>	<u>Category</u>			<u>Carrying Amount</u>
		<u>1</u>	<u>2</u>	<u>3</u>	
Deposits	\$ 1,106,348	\$ 200,000	\$ -	\$ 906,348	\$ 1,021,266
Certificates of deposit	2,068,214	200,000	-	1,868,214	2,068,214
Cash on hand	-	-	-	-	700
Total cash	<u>\$ 3,174,562</u>	<u>\$ 400,000</u>	<u>\$ -</u>	<u>\$ 2,774,562</u>	<u>\$ 3,090,180</u>

Investments

The City's investments are categorized as either (1) insured or registered or for which the securities are held by the City or its agent in the City's name, (2) uninsured and unregistered for which the securities are held by the City in the City's name or (3) uninsured and unregistered for which the securities are held by the broker or dealer, or by its trust department or agent but not in the City's name.

	<u>Categories</u>			<u>Carrying Amount</u>	<u>Market Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
U.S. Government agencies	<u>\$ 468,273</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 468,273</u>	<u>\$ 447,851</u>

NOTES TO FINANCIAL STATEMENTS

O. 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. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

P. Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

Note 2. Legal Compliance--Budgets

On or before May 15 of each year, all agencies of the City submit requests for appropriation to the City's finance director so that a budget may be prepared. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

Before June 16, the proposed budget is presented to the City's Board of Aldermen for review. The City's Board of Aldermen holds a public hearing and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the City's finance director or the revenue estimates must be changed by an affirmative vote of a majority of the City's Board of Aldermen.

Expenditures may not legally exceed budgeted appropriations at the activity level. During the year, several supplementary appropriations were necessary.

Note 3. Deposits and Investments

Deposits

At June 30, 1996, the City had cash and cash equivalents (book balance) totaling \$3,024,900.

NOTES TO FINANCIAL STATEMENTS

K. Compensated Absences

Vested or accumulated vacation leave is accrued and recorded as earned. Accumulating sick leave benefits estimated to be taken as "terminal leave" prior to retirement are not accrued but are reported as expenditures when paid. Such amounts, in the opinion of management, cannot be reasonably estimated. In accordance with the provisions of Statement of Financial Accounting Standards No. 43, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

L. Long-Term Obligations

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other 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. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

M. Fund Equity

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers or other funds. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

N. Interfund Transactions

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

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

NOTES TO FINANCIAL STATEMENTS

G. Inventories

Purchases of operating supplies are recorded as expenditures when purchased; inventories of such supplies are not recorded and are not considered by management to be material.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30 are recorded as prepaid items.

I. Restricted Assets

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The "revenue bond current debt service" account is used to segregate resources accumulated for debt service payments over the next 12 months. The "revenue bond account renewal and replacement" account is used to report resources set aside to meet unexpected contingencies or to fund asset renewals and replacements.

J. Fixed Assets

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction 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 valued at cost where historical records are available and at estimated historical cost where no historical records exist. Donated 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. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the City.

Assets in the general fixed assets account group are not depreciated. Depreciation of buildings, equipment and vehicles in the proprietary fund type is computed using the straight-line method.

NOTES TO FINANCIAL STATEMENTS

The City reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the City before it has a legal claim to them, as when grant moneys are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

D. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general, special revenue and debt service funds. All annual appropriations lapse at fiscal year end.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditures of resources are recorded to reserve that portion of the applicable appropriation, is not utilized in the governmental funds. Encumbrances outstanding at year end are immaterial and not reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

E. Cash, Cash Equivalents and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City.

State statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, certificates of deposit in Louisiana banks, or any other federally insured investment.

Investments are stated at cost or amortized cost.

F. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans, if any, are classified as "interfund receivables/payables."

NOTES TO FINANCIAL STATEMENTS

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Services from such activities are provided to outside parties (enterprise funds).

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All 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 of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other uses) in net current assets.

The proprietary fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund is included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The modified accrual basis of accounting is used by all 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 collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Those revenues susceptible to accrual are property taxes, franchise taxes, special assessments, fines, interest revenue and charges for services. Sales taxes collected and held by the Parish and beer and tobacco taxes collected and held by the State at year end on behalf of the City also are recognized as revenue. Licenses and permits are not susceptible to accrual because generally they are not measurable until received in cash.

The accrual basis of accounting is utilized by the proprietary fund type. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

NOTES TO FINANCIAL STATEMENTS

and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government. The discretely presented component unit has a December 31 year end.

Complete financial statements for the City Court may be obtained at the Court's administrative office: City Court of Port Allen, 330 South Alexander, Port Allen, Louisiana.

Excluded from the reporting entity:

Port Allen Volunteer Fire Department and Port Allen Auxiliary Police Department. These potential component units provide volunteer fire and police services within the city limits. Although the City does provide facilities and/or some financing, it does not exercise direct control over their operations.

Port Allen City Constable. This potential component unit is an independently elected official and provides services to residents, generally within the geographic boundaries of the City. However, the City does not have the ability to exercise influence over its daily operations and does not provide any funding for the office.

B. Fund Accounting

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

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, 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.

Funds are classified into two categories: governmental and proprietary. Each category, in turn, is divided into separate "fund types."

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked moneys (special revenue funds), the acquisition of capital assets (capital projects fund) and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

CITY OF PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The financial statements of the City of Port Allen, Louisiana, (City) 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 City's accounting policies are described below.

A. Reporting Entity

In evaluating how to define the City, 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 GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the City and/or its citizens, or whether the activity is conducted within the geographic boundaries of the City and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the City is able to exercise oversight responsibilities. Based upon the application of these criteria, the following is a brief review of each potential component unit addressed in defining the City's reporting entity.

Blended component unit: The Port Allen Fire Subdistrict No. 3 serves the citizens of the government.

Discretely presented component units: The City Court of Port Allen. The City Court serves the citizens of the City. The judge is elected by the voters. The City is required to provide facilities and funding for the operation of the Court.

The government is a municipal corporation governed by an elected mayor and five-member council. As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are in substance, part of the government's operations,

CITY OF PORT ALLEN, LOUISIANA
COMPARATIVE STATEMENTS OF CASH FLOWS
PROPRIETARY FUND TYPE - ENTERPRISE FUND
Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income (loss)	\$ (47,503)	\$ 13,453
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	80,652	72,066
Provision for doubtful accounts	1,395	3,817
Change in assets and liabilities:		
Decrease (increase) in accounts receivable	(31,483)	13,242
(Increase) in due from other funds	(12,489)	-
Increase in accounts payable and accrued expenses	61,321	8,527
Increase (decrease) in due to other funds	(38,543)	108,688
Other prepaids and accruals, net	(9,830)	13,564
Net cash provided by operating activities	<u>3,520</u>	<u>233,357</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Other revenue	<u>10,930</u>	<u>13,806</u>
Net cash provided by noncapital financing activities	<u>10,930</u>	<u>13,806</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(153,941)	(235,334)
Capital contribution	<u>12,488</u>	<u>-</u>
Net cash (used in) capital and related financing activities	<u>(141,453)</u>	<u>(235,334)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	-	(197,189)
Proceeds from sale of investments	197,189	-
Interest on investments	<u>38,561</u>	<u>35,172</u>
Net cash provided by (used in) investing activities	<u>235,750</u>	<u>(162,017)</u>
Increase (decrease) in cash and cash equivalents	108,747	(150,188)
Cash and cash equivalents:		
Beginning, including restricted accounts 1996, \$61,690; 1995, \$58,985	<u>885,843</u>	<u>1,036,031</u>
Ending, including restricted accounts 1996, \$65,280; 1995, \$61,690	<u>\$ 994,590</u>	<u>\$ 885,843</u>
Cash and equivalents	\$ 929,310	\$ 824,153
Restricted assets	<u>65,280</u>	<u>61,690</u>
	<u>\$ 994,590</u>	<u>\$ 885,843</u>

CITY OF PORT ALLEN, LOUISIANA

COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN
RETAINED EARNINGS

PROPRIETARY FUND TYPE - ENTERPRISE FUND

Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Operating revenues:		
Charges for services -		
Gas sales	\$ 812,540	\$ 770,312
Water sales	336,727	313,651
Sewer service charges	436,051	399,850
Extension, reconnection and other charges	14,020	7,840
Delinquent charges	26,431	24,932
	<u>1,625,769</u>	<u>1,516,585</u>
Operating expenses:		
Personal services	534,709	517,569
Contractual services and other	439,652	382,543
Supplies	49,202	37,750
Materials	479,622	411,679
Heat, light and power	89,435	81,525
Depreciation	80,652	72,066
	<u>1,673,272</u>	<u>1,503,132</u>
Operating income (loss)	(47,503)	13,453
Nonoperating revenues:		
Interest on investments	38,561	35,172
Other revenue	10,930	13,806
	<u>49,491</u>	<u>48,978</u>
Net income	1,988	62,431
Retained earnings, beginning	<u>946,844</u>	<u>884,413</u>
Retained earnings, ending	<u>\$ 948,832</u>	<u>\$ 946,844</u>

CITY OF PORT ALLEN, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL - ALL GOVERNMENT FUND TYPES (Continued)
 Year Ended June 30, 1996

	General Fund			Special Revenue Funds			Capital Projects Fund			Debt Service Funds		
	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)
Other financing sources (uses):												
Sales of general fixed assets	\$ 3,000	\$ 3,403	\$ 403	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating transfers in	8,988	10,451	1,463	-	-	-	-	-	-	-	-	(2,526)
Operating transfers out	(350,000)	(350,000)	-	(104,388)	(87,425)	16,963	350,000	350,000	-	-	-	-
Total other financing sources (uses)	(338,012)	(336,146)	1,866	(104,388)	(87,425)	16,963	350,000	350,000	-	79,500	76,974	(2,526)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	-	113,825	113,825	(319,316)	(324,918)	(5,602)	308,929	309,836	907	(4,872)	(8,390)	(3,518)
Fund balance, beginning	1,814,647	1,814,647	-	543,239	543,239	-	-	-	-	12,821	12,821	-
Residual equity transfers in (out)	(200,000)	(200,000)	-	-	-	-	200,000	200,000	-	-	-	-
Fund balance, ending	\$ 1,614,647	\$ 1,728,472	\$ 113,825	\$ 223,923	\$ 218,321	\$ (5,602)	\$ 508,929	\$ 509,836	\$ 907	\$ 7,949	\$ 4,431	\$ (3,518)

CITY OF PORT ALLEN, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENT FUND TYPES
Year Ended June 30, 1996

	General Fund			Special Revenue Funds			Capital Projects Fund			Debt Service Funds		
	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:												
Taxes	\$ 488,528	\$ 505,837	\$ 17,309	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	219,384	242,972	23,588	-	-	-	-	-	-	-	-	-
Intergovernmental	1,912,720	1,957,570	44,850	1,406,329	1,387,457	(18,862)	-	-	-	-	-	-
Charges for services	243,608	243,114	(494)	-	-	-	-	-	-	-	-	-
Fines	24,000	31,265	7,265	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-	-	-	-
Interest	109,068	114,435	5,367	8,566	9,301	735	-	3,955	3,955	4,992	5,504	512
Miscellaneous	19,800	17,818	(1,982)	-	-	-	-	-	-	2,040	1,845	(195)
Total revenues	3,017,108	3,113,111	96,003	1,414,895	1,396,768	(18,127)	-	3,955	3,955	7,032	7,349	317
Expenditures:												
Current -												
General government	393,356	380,227	13,129	-	-	-	-	-	-	-	-	-
Public safety	977,132	974,672	2,460	412,208	416,660	(4,452)	-	-	-	-	-	-
Highways and streets	475,564	479,192	(3,628)	54,811	57,511	(2,800)	41,071	44,119	(3,048)	-	-	-
Drainage	316,080	304,151	11,929	-	-	-	-	-	-	-	-	-
Sanitation	209,508	210,560	(1,052)	-	-	-	-	-	-	-	-	-
Health	19,200	19,935	(735)	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	577,448	522,329	55,119	-	-	-	-	-	-
Culture and recreation	101,376	101,860	(484)	-	-	-	-	-	-	-	-	-
Fleet maintenance	76,500	71,226	5,274	-	-	-	-	-	-	-	-	-
Capital outlay -												
General government	27,300	23,816	3,482	-	-	-	-	-	-	-	-	-
Public safety	47,068	60,293	(13,225)	402,562	434,574	(32,012)	-	-	-	-	-	-
Highways and streets	30,012	31,333	(1,321)	182,794	203,087	(20,293)	-	-	-	-	-	-
Drainage	3,600	3,485	115	-	-	-	-	-	-	-	-	-
Culture and recreation	2,400	2,388	12	-	-	-	-	-	-	-	-	-
Debt service -												
Principal	-	-	-	-	-	-	-	-	-	56,000	56,000	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	35,404	36,713	(1,309)
Total expenditures	2,679,096	2,663,140	15,956	1,629,823	1,634,261	(4,438)	41,071	44,119	(3,048)	91,404	92,713	(1,309)
Excess (deficiency) of revenues over expenditures	338,012	449,971	111,959	(214,928)	(237,493)	(22,565)	(41,071)	(40,164)	907	(84,372)	(85,364)	(992)

CITY OF PORT ALLEN, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNIT (Continued)

Year Ended June 30, 1996

	General	Special Revenue	Capital Projects	Debt Service	Totals Primary Government (Memorandum Only)	Component Unit City Court of Port Allen	Totals Reporting Entity (Memorandum Only)
Other financing sources (uses):							
Sales of general fixed assets	\$ 3,403	\$ -	\$ -	\$ -	\$ 3,403	\$ -	\$ 3,403
Operating transfers in	10,451	-	350,000	76,974	437,425	-	437,425
Operating transfers out	(350,000)	(87,425)	-	-	(437,425)	-	(437,425)
Total other financing sources (uses)	(336,146)	(87,425)	350,000	76,974	3,403	-	3,403
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	113,825	(324,918)	309,836	(8,390)	90,353	(13,114)	77,239
Fund balances, beginning	1,814,647	543,239	-	12,821	2,370,707	21,433	2,392,140
Residual equity transfer in (out)	(200,000)	-	200,000	-	-	-	-
Fund balances, ending	\$ 1,728,472	\$ 219,321	\$ 509,836	\$ 4,431	\$ 2,461,060	\$ 8,319	\$ 2,469,379

CITY OF PORT ALLEN, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNIT

Year Ended June 30, 1996

	General	Special Revenue	Capital Projects	Debt Service	Totals Primary Government (Memorandum Only)	Component Unit City Court of Port Allen	Totals Reporting Entity (Memorandum Only)
Revenues:							
Taxes	\$ 505,837	\$ -	\$ -	\$ -	\$ 505,837	\$ -	\$ 505,837
Licenses and permits	242,972	-	-	-	242,972	-	242,972
Intergovernmental	1,957,670	1,387,467	-	-	3,345,137	-	3,345,137
Charges for services	243,114	-	-	-	243,114	-	243,114
Fines	31,265	-	-	-	31,265	137,964	169,229
Special assessments	-	-	-	5,504	5,504	-	5,504
Interest	114,435	9,301	3,955	1,845	129,536	-	129,536
Miscellaneous	17,818	-	-	-	17,818	-	17,818
Total revenues	3,113,111	1,396,768	3,955	7,349	4,521,183	137,964	4,659,147
Expenditures:							
Current -							
General government	380,227	-	-	-	380,227	151,078	531,305
Public safety	974,672	416,660	-	-	1,391,332	-	1,391,332
Highways and streets	479,192	57,611	44,119	-	580,922	-	580,922
Drainage	304,151	-	-	-	304,151	-	304,151
Sanitation	210,560	-	-	-	210,560	-	210,560
Health	19,935	-	-	-	19,935	-	19,935
Welfare	-	522,329	-	-	522,329	-	522,329
Culture and recreation	101,860	-	-	-	101,860	-	101,860
Fleet maintenance	71,226	-	-	-	71,226	-	71,226
Capital outlay -							
General government	23,818	-	-	-	23,818	-	23,818
Public safety	60,293	434,574	-	-	494,867	-	494,867
Highways and streets	31,333	203,087	-	-	234,420	-	234,420
Drainage	3,485	-	-	-	3,485	-	3,485
Culture and recreation	2,388	-	-	-	2,388	-	2,388
Debt service -							
Principal	-	-	-	56,000	56,000	-	56,000
Interest and fiscal charge	-	-	-	36,713	36,713	-	36,713
Total expenditures	2,663,140	1,634,261	44,119	92,713	4,434,233	151,078	4,585,311
Excess (deficiency) of revenues over expenditures	449,971	(237,493)	(40,164)	(85,364)	86,950	(13,114)	73,836

CITY OF PORT ALLEN, LOUISIANA
COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS, AND DISCRETELY PRESENTED COMPONENT UNIT (Continued)
 June 30, 1996

	Governmental Fund Types				Proprietary Fund Type Enterprise	Account Groups			Totals Primary Government (Memorandum Only)	Component Unit City Court of Port Allen	Totals Reporting Entity (Memorandum Only)
	Special Revenue		Capital Projects			General Fixed Assets	General Long-Term Debt	Totals			
	General	Special Revenue	Capital Projects	Debt Service							
LIABILITIES, EQUITY AND OTHER CREDITS											
LIABILITIES											
Accounts payable and accrued liabilities	\$ 232,838	\$ 217,727	\$ -	\$ 13,888	\$ 133,440	\$ -	\$ -	\$ 597,893	\$ 3,055	\$ 600,948	
Compensated absences	51,712	12,204	-	-	44,317	-	46,044	154,277	-	154,277	
Liabilities payable from restricted assets	-	-	-	-	65,280	-	-	65,280	-	65,280	
Due to other funds	-	29,543	-	-	93,163	-	-	122,706	-	122,706	
Deferred revenue	6,003	200,144	-	11,808	-	-	-	217,955	10,310	228,265	
Special assessment debt with government commitment	-	-	-	-	-	-	-	-	-	-	
General obligation bonds	-	-	-	-	-	-	555,000	555,000	-	555,000	
Total liabilities	290,553	459,618	-	25,696	336,200	-	601,044	1,713,111	13,365	1,726,476	
FUND EQUITY AND OTHER CREDITS											
Investment in general fixed assets	-	-	-	-	-	3,485,810	-	3,485,810	28,337	3,514,147	
Contributed capital	-	-	-	-	1,026,170	-	-	1,026,170	-	1,026,170	
Retained earnings: Unreserved	-	-	-	-	948,832	-	-	948,832	-	948,832	
Fund balances:											
Reserved for capital outlay - Municipal building	60,163	-	-	-	-	-	-	60,163	-	60,163	
Oregon Street	5,000	-	-	-	-	-	-	5,000	-	5,000	
Reserved for prepaid insurance	8,460	-	-	-	-	-	-	8,460	-	8,460	
Reserved for public safety	4,704	-	-	-	-	-	-	4,704	-	4,704	
Reserved for debt service	-	-	-	4,431	-	-	-	4,431	-	4,431	
Unreserved, undesignated	1,650,145	218,321	509,836	-	-	-	-	2,378,302	8,319	2,386,621	
	1,728,472	218,321	509,836	4,431	1,975,002	3,485,810	-	7,921,872	36,656	7,958,528	
Total Liabilities, Fund Equity And Other Credits	\$ 2,019,025	\$ 677,939	\$ 509,836	\$ 30,127	\$ 2,311,202	\$ 3,485,810	\$ 601,044	\$ 9,634,983	\$ 50,021	\$ 9,685,004	

CITY OF PORT ALLEN, LOUISIANA

COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS, AND DISCRETELY PRESENTED COMPONENT UNIT
June 30, 1996

	Governmental Fund Types			Proprietary Fund Type Enterprise	Account Groups			Totals Primary Government (Memorandum Only)	Component Unit City Court of Port Allen	Totals Reporting Entity (Memorandum Only)
	General	Special Revenue	Capital Projects		General Fixed Assets	General Long-Term Debt				
ASSETS										
Cash and cash equivalents	\$ 1,162,518	\$ 405,816	\$ 509,836	\$ 17,420	\$ 929,310	\$ -	\$ 3,024,900	\$ 21,684	\$ 3,046,584	
Investments	468,273	-	-	-	-	-	468,273	-	468,273	
Receivables (net of allowance for uncollectibles)										
Interest	397	-	-	-	-	-	397	-	397	
Taxes	66,248	-	-	-	-	-	66,248	-	66,248	
Accounts	33,585	-	-	180,349	-	-	213,934	-	213,934	
Special assessment	-	-	-	12,707	-	-	12,707	-	12,707	
Intergovernmental	169,326	265,919	-	-	-	-	435,245	-	435,245	
Due from other funds	110,218	-	-	-	12,488	-	122,706	-	122,706	
Prepaid insurance	8,460	6,204	-	-	1,839	-	16,503	-	16,503	
Restricted assets	-	-	-	-	65,280	-	65,280	-	65,280	
Property, plant and equipment (net where applicable of accumulated depreciation)	-	-	-	-	1,121,936	3,485,810	4,607,746	28,337	4,636,083	
OTHER DEBITS										
Amount available in debt service fund	-	-	-	-	-	-	4,431	-	4,431	
Amount to be provided for retirement of general long-term debt	-	-	-	-	-	-	596,613	-	596,613	
Total assets	\$ 2,019,025	\$ 677,939	\$ 509,836	\$ 30,127	\$ 2,311,202	\$ 3,485,810	\$ 9,634,983	\$ 50,021	\$ 9,685,004	

GENERAL PURPOSE FINANCIAL STATEMENTS

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the combining and individual fund and account group financial statements. The accompanying financial information listed in the table of contents as supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements of the City of Port Allen, Louisiana. Such information, except for the "Schedule of Insurance in Force" and "Utility Customers," marked "unaudited," on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the general purpose, combining and individual fund and account group financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements of each of the respective individual funds and account groups taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 3, 1996 on our consideration of the City of Port Allen's internal control structure and a report dated December 3, 1996 on its compliance with laws and regulations.

The financial statements for the year ended June 30, 1995 were audited by us, and we expressed an unqualified opinion on them in our report dated November 14, 1995.

Provost, Salter, Harper & Alford, L.L.C.

December 3, 1996

**INDEPENDENT AUDITOR'S REPORT ON THE
GENERAL PURPOSE FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

To the Honorable Mayor and Members
of the Board of Aldermen
City of Port Allen, Louisiana

We have audited the accompanying general purpose financial statements and the combining and individual fund and account group financial statements of the City of Port Allen, Louisiana, as of and for the year ended June 30, 1996, as listed in the accompanying table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Port Allen, Louisiana, as of June 30, 1996, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the combining and individual fund and account group financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds and account groups of the City of Port Allen, Louisiana, as of June 30, 1996, and the results of operations of such funds for the year then ended, in conformity with generally accepted accounting principles.

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CITY OF PORT ALLEN, LOUISIANA
FINANCIAL REPORT

June 30, 1996

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

Release Date MAR 12 1997

Provost, Salter, Harper & Alford, L.L.C.

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Business Advisors

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