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# ALEXANDRIA REGIONAL PORT AUTHORITY

ALEXANDRIA, LOUISIANA

APRIL 30, 1988

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Legislative Auditor

By P. Robinson

## ALEXANDRIA REGIONAL PORT AUTHORITY

APRIL 30, 1998

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PAVON, MCDONALD & HERRINGTON, LLP

CHARTERED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT**

Board of Commissioners  
Alexandria Regional Port Authority

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

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

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

General (99%) (7)	State (100%) (7)	General (99%) (7)
1 (100%) (7)	State (100%) (7)	General (99%) (7)
State (100%) (7)	State (100%) (7)	1 (100%) (7)



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DARNE MOORE & HERRINGTON LLP

Board of Commissioners  
Alexandria Regional Port Authority

In accordance with Government Auditing Standards, we have also issued a report dated July 24, 1998, on our consideration of the Alexandria Regional Port Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

*Darne Moore & Herrington, LLP*  
Certified Public Accountants

July 24, 1998

MINNESOTA REGIONAL PORT AUTHORITY  
 COMBINED BALANCE SHEET  
 ALL FUND TYPES AND ACCOUNT GROUPS  
 APRIL 30, 1999

EXHIBIT A

	GENERAL FUND TYPE		ACCOUNT GROUPS		TOTAL (COMBINATION ONLY)
	GENERAL FUND	CAPITAL PROJECTS FUND	GENERAL FUND ASSETS	GENERAL LONG-TERM DEBT	
<b>ASSETS AND OTHER DEBITS</b>					
CASH	657,381	\$	\$	\$	\$ 247,181
Receivables	1,125	985,369			986,494
Deposits	1,125		16,487,586		18,614,111
Fixed assets					
OTHER DEBITS					
Amounts to be provided for retirement of general long-term debt					16,447,585
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>1,787,631</b>	<b>985,369</b>	<b>16,487,586</b>	<b>161,682</b>	<b>18,236,268</b>
<b>LIABILITIES, EQUITY, AND OTHER CREDITS</b>					
Accounts payable	\$ 1,896	\$	\$	\$	\$ 1,896
Construction accounts payable		485,369			485,369
Payroll taxes withheld and payable	41				41
Unsettled obligations payable					
Retaindiliations	1,937	485,369			487,306
Equity and other credits					1,811,616
Investment in general fund assets			16,487,586		16,487,586
Fund balances					
Unreserved	188,881				188,881
Designated for State III construction	85,440				85,440
Unreserved	283,318				283,318
Retaindiliations and other credits					
<b>TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS</b>	<b>1,787,631</b>	<b>985,369</b>	<b>16,487,586</b>	<b>161,682</b>	<b>18,236,268</b>

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

**ALABAMA REGIONAL PORT AUTHORITY**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**ALL GOVERNMENTAL FUND TYPES**  
**YEAR ENDED APRIL 30, 1999**

EXHIBIT B

	GENERAL FUND	CAPITAL PROJECTS FUND	TOTAL (REVENUES ONLY)
<b>REVENUES</b>			
Intergovernmental			
Operating and capital grants			
Red River Waterway Commission	\$ 40,000	\$ 100,000	\$ 140,000
City of Mobile	40,000		40,000
Louisiana Department of Transportation and Development		1,170,000	1,170,000
Charges for services	44,200		44,200
Interest	12,200		12,200
Total Revenues	<u>106,400</u>	<u>1,070,000</u>	<u>1,176,400</u>
<b>EXPENDITURES</b>			
General governmentals - current			
Salaries	49,317		49,317
Rent allowance	4,000		4,000
Payroll taxes and insurance	7,811		7,811
Utilities	4,893		4,893
Port marketing and development	10,444		10,444
Administration	4,800		4,800
Telephone, cellular charges, and other office expenses	12,360		12,360
Legal	4,744		4,744
Accounting and audit	4,120		4,120
Insurance	7,500		7,500
Printing/Shipping	17,814		17,814
Membership and dues	4,200		4,200
Travel	3,316		3,316
Port maintenance and operating	11,542		11,542
Miscellaneous	443		443
Capital outlay			
Bulk commodity handling facility		2,007,100	2,007,100
Cargo handling equipment and loading		3,400	3,400
Total Expenditures	<u>208,470</u>	<u>2,010,500</u>	<u>2,218,970</u>
<b>NETS DEFICIENCY OF REVENUES OVER EXPENDITURES</b>			
	(102,070)	-0-	(102,070)
<b>FUND BALANCES, BEGINNING OF YEAR</b>			
	270,520	-0-	270,520
<b>FUND BALANCES, END OF YEAR</b>			
	<u>168,450</u>	<u>-0-</u>	<u>168,450</u>

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

ALEXANDRIA REGIONAL PORT AUTHORITY  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 GENERAL FUND  
 YEAR ENDED APRIL 30, 1990

EXHIBIT C

REVENUES	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Intergovernmental			
Operating grants			
Red River Waterway Commission	\$ 48,000	\$ 48,000	\$ -0-
City of Alexandria	48,000	48,000	-0-
Charges for services	48,000	46,348	(2,752)
Interest	13,000	13,282	282
<b>TOTAL REVENUES</b>	<b>113,000</b>	<b>109,450</b>	<b>(3,550)</b>
<b>EXPENDITURES</b>			
General government - current			
Salaries	54,000	58,107	4,107
Auto allowances	8,000	8,000	-0-
Regional lease and insurance	1,000	7,907	(307)
Retirement	4,000	6,082	(2,082)
Port marketing and development	14,000	15,444	(1,444)
Administratives	8,000	9,000	-0-
Telephone, cellular charges, and other office expenses	13,000	12,349	651
Legal	8,000	8,744	(744)
Accounting and audit	8,000	8,121	121
Insurance	8,000	7,500	500
Offloading/Unloading	17,000	17,034	(34)
Membership and dues	3,000	4,333	(1,333)
Travel	4,000	5,305	1,305
Port maintenance and operating	8,000	11,562	(3,562)
Miscellaneous	000	441	(441)
<b>TOTAL EXPENDITURES</b>	<b>182,000</b>	<b>188,878</b>	<b>(6,878)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>-0-</b>	<b>(7,328)</b>	<b>(7,328)</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>215,000</b>	<b>215,328</b>	<b>-0-</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>215,000</b>	<b>208,000</b>	<b>(7,000)</b>

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

ALEXANDRIA REGIONAL PORT AUTHORITY  
APRIL 30, 1978

NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The Alexandria Regional Port Authority, created by Act 1987, No. 492 of the Legislature of the State of Louisiana, is a political subdivision of the State. Its territorial limits are consistent with that of the municipal limits of the City of Alexandria.

The Authority is governed by a board of commissioners, composed of eight members, who serve without compensation and are appointed for terms in accordance with the act.

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

Fund Accounting

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



ALEXANDRIA REGIONAL PORT AUTHORITY  
APRIL 30, 1998

**NOTES TO FINANCIAL STATEMENTS**

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

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

Basis of Accounting

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

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

Budgets and Budgetary Accounting

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

Project-length financial plans are adopted for the Capital Projects Funds. Because these non-operating financial plans primarily serve as a management control function, no comparison between budgeted and actual accounts for funds budgeted on this basis is provided in this document.

ALEXANDRIA REGIONAL PORT AUTHORITY  
APRIL 30, 1998

NOTES TO FINANCIAL STATEMENTS

Cash

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

Fixed Assets

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

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

Unaccrued Liabilities

Vacated or accumulated vacation and sick leave that are reported to be liquidated with expendable available financial resources are reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vacated or accumulated vacation and sick leave of governmental funds that are not expected to be liquidated with expendable available financial resources are reported in the General Long-Term Debt Account Group. No modified amount expenditures are reported in the governmental funds.

Long-Term Obligations

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

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 identified as "due from other funds" or "due to other funds" on the balance sheet.

ALABAMA REGIONAL PORT AUTHORITY  
APRIL 30, 1998

NOTES TO FINANCIAL STATEMENTS

Interfund Transactions

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

Memorandum Only - Total Column

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

Estimates

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

**3. LEGAL COMPLIANCE - BUDGET**

Normally, prior to the beginning of the fiscal year, the proposed budget, prepared by the Executive Director, is presented to the Board of Commissioners for review and approval. During the current fiscal year, the Authority did not adopt a budget until September 11, 1997. The budgeted amounts presented in the financial statements represent the latest amended budgeted amounts.

**4. CASH**

Under state law, the Authority may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Authority may invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

As April 30, 1998, the Authority had cash on deposit totaling \$267,381.

**MISSISSIPPI REGIONAL PORT AUTHORITY**  
**APRIL 30, 1988**

**NOTES TO FINANCIAL STATEMENTS**

At year end, the carrying amount of the Authority's deposits were \$337,183, and bank balances were \$261,887. A summary of collateralization of bank balances is presented below.

Insured (federal deposit insurance)	\$100,000
Uncollateralized (in accordance with GRAP; however all balances are collateralized in accordance with state law. - See below)	181,887
	\$261,887

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the financial agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount of deposit with the financial agent. The uncollateralized amount shown above is secured by pledged securities held in the name of pledging financial agent bank in a holding or custodial bank. Even though this amount is considered uncollateralized under GRAP, Louisiana Revised Statutes impose a statutory requirement on the custodial bank to advertise and sell the pledged securities within 18 days of being notified by the Authority that the financial agent has failed to pay deposited funds upon demand.

**4. RECEIVABLES**

Receivables consist of the following at April 30, 1988.

	GENERAL FUND	CAPITAL PROJECTS FUND
Intergovernmental		
Red River Waterway Commission	\$	\$ 98,358
Louisiana Department of Transportation and Development		181,528
Miscellaneous	1,315	—
	\$3,315	\$483,188

ALABAMA REGIONAL PORT AUTHORITY  
APRIL 30, 1988

NOTES TO FINANCIAL STATEMENTS

8. FIXED ASSETS

The following is a summary of changes in fixed assets:

	BALANCE 03/31/87	ADDITIONS	DEPLENMENTS	BALANCE 04/30/88
landfill reclamation improvements)	\$3,561,482	\$	\$	\$ 3,561,482
Access road	298,788			298,788
Off-lead facility	1,142,989			1,142,989
Public dock facility	382,826			382,826
General cargo facility	3,253,872			3,253,872
Crane	259,459			259,459
Crane equipment	8,158			8,158
Crane cover and warehouse	981,388			981,388
Bulk commodity handling facility	428,428	2,887,384		3,478,428
site improvements	5,947			5,947
Office furniture and fixtures	7,887			7,887
Construction in progress				
Large handling equipment and security fencing	58,838	3,488		58,455
	\$8,398,931	\$2,895,884	\$-	\$10,447,505

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

United States Economic Development Administration	\$ 878,548
State of Louisiana	
Act No. 1881 of 1988	445,994
Act No. 711 of 1983	1,247,448
Port Development and Feasibility Program	3,704,222
Red River Waterway Commission (See Note 4)	3,898,426
General Fund	388,831
	\$10,447,505

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

**ALEXANDRIA REGIONAL PORT AUTHORITY**  
**APRIL 30, 1988**

**STATE OF FINANCIAL STATEMENTS**

Construction of Phase III, bulk commodity handling facility and conveyor system/access road is estimated at sixty percent (60%) complete at the balance sheet date. The estimated cost for this phase is \$3,487,764 with funding provided by the following: State of Louisiana Port Priority Program Trust Fund - \$2,318,000; Red River Waterway Commission - \$700,400; Federal contribution - \$300,000; and the remaining portion from the General Fund - \$169,364.

**6. GENERAL LONG-TERM DEBT**

In connection with the transfer of the assets as described in Note 5, the Authority assumed an outstanding liability payable to the Red River Waterway District (covered by the Red River Waterway Commission). The District loaned to the City of Alexandria the sum of \$188,000 on December 5, 1984, in accordance with a supplemental agreement effective April 18, 1988. The development of the Port of Alexandria. The terms of the supplemental agreement state that the City was obligated to repay the District with interest at the rate of nine percent (9%) per annum from revenues generated by the Port starting upon completion of the Port. In accordance with the "Memorandum of Cooperative Endeavor" dated February 24, 1983, between the District and the Authority, this debt will be forgiven if the port is operational by June 30, 1988.

Pursuant to an agreement dated February 11, 1987, and a supplemental agreement dated September 23, 1988, the District reimbursed the City of Alexandria \$2,204,000 for "differential cost" relative to the development of the Port. These agreements provide for an obligation to repay the \$2,204,000 with interest at nine percent (9%) only in the event that the Port is not completed within the time frame provided in the Act of Donation of the port site from Starkey Realty Corporation to the City of Alexandria.

Pursuant to the "Memorandum of Cooperative Endeavor" dated February 24, 1983, between the District and the Authority, the District will provide funding of up to \$200,000 for Phase III to provide the local match for a construction grant from the State of Louisiana. This agreement provides for an obligation to repay the funding with interest only in the event that the Port is not operational by June 30, 1988.

It is the opinion of management that the initial reimbursement of \$2,204,000 and the funds provided for Phase III represent at present a contingent liability of the Authority. Only in the event that the port should not become operational by June 30, 1988 as noted previously, would the amount revert to an obligation due and payable.

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

ALABAMA REGIONAL PORT AUTHORITY  
April 30, 1998

NOTES TO FINANCIAL STATEMENTS

unlikely under present conditions. Management has certified that the port is fully operational and all required documents have been filed with the Red River Waterway District. The Red River Waterway Commission has acknowledged that the port is operational and has instructed legal counsel to complete the documents necessary to facilitate repayment of all sums previously advanced.

In addition to the above, the Authority's obligation relative to the liability for compensated absences is reported as a general obligation debt.

CHANGES IN LONG-TERM DEBT

During the year ended April 30, 1998, the following changes occurred in long-term debt.

	BALANCE BEGINNING	ADDITIONS	DEDUCTIONS	BALANCE 4/30/98
General long-term debt				
Red River Waterway Commission	\$208,000	0-	0 -0-	\$208,000
Compensated Absences	18,882	258	0-	19,140
	\$226,882	\$258	0 -0-	\$227,140

Annual debt service requirements are not shown since debt to the Red River Waterway Commission is unlikely to be repaid.

7. RETIREMENT INVESTMENT ACCOUNT

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

**OTHER REPORT REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**



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



PAYNE, MOORE & HERRINGTON, LLP

CERTAIN PUBLIC ACCOUNTS

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

Board of Commissioners  
Alexandria Regional Port Authority

We have audited the general purpose financial statements of the Alexandria Regional Port Authority, Alexandria, Louisiana, as of and for the year ended April 30, 1998, and have issued our report thereon dated July 24, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Alexandria Regional Port Authority's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of general purpose financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

However, we noted one immaterial instance of noncompliance with certain provisions of laws, regulations, and grants that we have reported to management and which is described in the accompanying schedule of findings and questioned costs as Finding 97-B1.

Opinion on Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Alexandria Regional Port Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial

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FOYNE, MOORE & HERRINGTON, LLP

BOARD OF Commissioners  
Alexandria Regional Port Authority

reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

*Foyne, Moore & Herrington, LLP*  
Certified Public Accountants

July 26, 1999

ALEXANDRIA REGIONAL PORT AUTHORITY  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 YEAR ENDED APRIL 30, 1998

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

Financial Statements

Type of auditor's report issued:	Qualified	
Internal control over financial reporting:		
Material weaknesses identified?	_____ yes	_____ <input checked="" type="checkbox"/> no
Reportable conditions identified that are not considered to be material weaknesses?	_____ yes	_____ <input checked="" type="checkbox"/> none reported
Noncompliance material to financial statements noted?	_____ yes	_____ <input checked="" type="checkbox"/> no
Prior Year Audit Findings	None	
Federal Awards	Not Applicable	

ALEXANDRIA REGIONAL PORT AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED APRIL 30, 1998

**SECTION II - FINANCIAL STATEMENT FINDINGS**

**FINDING #1-81 - LEGAL COMPLIANCE OF BUDGET ADOPTION**

**Criteria:** Louisiana state laws require that all action necessary to adopt, finalize, and implement the budget for an ensuing fiscal year be taken in open meeting and completed prior to the beginning of that fiscal year.

**Condition:** The Budget for fiscal year ended April 30, 1998 was not adopted until September 31, 1997.

**Questioned Costs:** None.

**Comments:** Not applicable.

**Effect:** The Alexandria Regional Port Authority is not in compliance with state laws.

**Cause:** Adoption of the budget was delayed due to ongoing construction and ongoing planning of construction projects.

**Recommendation:** We recommend that, in the future, in order to be in compliance with state laws, the proposed budget for the ensuing fiscal year be adopted prior to the beginning of that fiscal year.

**Management's Response:** See Management's Corrective Action Plan.

**SECTION III - FEDERAL AIDED FINDINGS AND QUESTIONED COSTS**

Not Applicable.

**ALEXANDRIA REGIONAL PORT AUTHORITY  
MANAGEMENT'S CORRECTIVE ACTION PLAN  
YEAR ENDED APRIL 30, 1998**

The Alexandria Regional Port Authority respectfully submits the following corrective action plan for the year ended April 30, 1998.

Independent Public Accounting Firm:        Payne, Brown & Harrington, LLP  
P. O. BOX 12290  
Alexandria, LA 71311-0290

Audit periods:    May 1, 1997 through April 30, 1998

The finding from the Schedule of Findings and Questioned Costs is discussed below. The finding is numbered consistently with the number assigned in the schedule.

**NONCOMPLIANCE**

**FINDING 91-81 - LEGAL COMPLIANCE OF BUDGET ADOPTION**

Condition: The budget for fiscal year ended April 30, 1998 was not adopted until September 11, 1997.

Recommendation: We recommend that in the future, in order to be in compliance with state laws, the proposed budget for the ensuing fiscal year be adopted prior to the beginning of that fiscal year.

Action Taken: The Authority has instituted procedures to ensure development and adoption of the budget in compliance with state law in future periods.

