

**OFFICIAL
FILE COPY**

DO NOT SEND OUT

(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

CITY OF PORT ALLEN, LOUISIANA

FINANCIAL REPORT

June 30, 1999

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 1-19-00

Provost
Salter
Harper
Alford LLC

Certified
Public
Accountants

Business
Advisors

8550 United Plaza Boulevard, Suite 600, Baton Rouge, Louisiana 70809, Phone: (225) 924-1772 / Facsimile: (225) 927-9075

CITY OF PORT ALLEN, LOUISIANA

Table of Contents

June 30, 1999

SECTION I – FINANCIAL STATEMENTS AND SUPPLEMENTARY FINANCIAL INFORMATION

INDEPENDENT AUDITOR’S REPORT ON GENERAL PURPOSE FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION 1

GENERAL PURPOSE FINANCIAL STATEMENTS

Combined Balance Sheet – All Fund Types, Account Groups, and Discretely Presented Component Unit	<i>Exhibit A</i>	4
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Discretely Presented Component Unit	<i>Exhibit B</i>	6
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – All Governmental Fund Types	<i>Exhibit C</i>	8
Comparative Statements of Revenues, Expenses and Changes in Retained Earnings – Proprietary Fund Type – Enterprise Funds	<i>Exhibit D</i>	10
Comparative Statements of Cash Flows – Proprietary Fund Type -- Enterprise Funds	<i>Exhibit E</i>	11
Notes to Financial Statements		12

COMBINING, INDIVIDUAL FUND AND ACCOUNT GROUP FINANCIAL STATEMENTS AND SCHEDULES

General Fund

Comparative Balance Sheets	<i>Exhibit F-1</i>	29
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance	<i>Exhibit F-2</i>	30
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	<i>Exhibit F-3</i>	31
Comparative Schedules of Revenues Compared to Budget	<i>Exhibit F-4</i>	33
Comparative Schedules of Expenditures Compared to Budget	<i>Exhibit F-5</i>	35

Special Revenue Fund

Combining Balance Sheet	<i>Exhibit G-1</i>	39
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	<i>Exhibit G-2</i>	40
Port Allen Fire Subdistrict No. 3 Fund – Comparative Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	<i>Exhibit G-3</i>	41
Street Improvements Fund – Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	<i>Exhibit G-4</i>	42
LCDBG Demonstrated Needs Fund - Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	<i>Exhibit G-5</i>	43

CITY OF PORT ALLEN, LOUISIANA

Table of Contents, Continued

June 30, 1999

Low-Income Housing Assistance Fund – Comparative Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	<i>Exhibit G-6</i>	44
Capital Projects Fund		
Comparative Balance Sheets	<i>Exhibit H-1</i>	46
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance	<i>Exhibit H-2</i>	47
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	<i>Exhibit H-3</i>	48
Debt Service Funds		
Combining Balance Sheet	<i>Exhibit I-1</i>	50
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	<i>Exhibit I-2</i>	51
Port Allen Fire Subdistrict No. 3 – Comparative Statements of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	<i>Exhibit I-3</i>	52
2.3 Million Certificates of Indebtedness - Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	<i>Exhibit I-4</i>	53
California Avenue – Comparative Statements of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	<i>Exhibit I-5</i>	54
Enterprise Funds		
Comparative Balance Sheets	<i>Exhibit J-1</i>	56
Comparative Schedules of Operating Expenses by Department	<i>Exhibit J-2</i>	57
General Fixed Assets Account Group		
Schedules of General Fixed Assets by Source	<i>Exhibit K-1</i>	59
SUPPLEMENTARY INFORMATION		
Schedule of Federal Financial Assistance	<i>Schedule 1</i>	61
Schedule of Bonds Payable	<i>Schedule 2</i>	62
Schedule of Insurance in Force (Unaudited)	<i>Schedule 3</i>	63
Utility Customers (Unaudited)	<i>Schedule 4</i>	64
Schedule of Compensation Paid to Council Members	<i>Schedule 5</i>	65
SECTION II – COMPLIANCE MATTERS AND INTERNAL ACCOUNTING AND ADMINISTRATIVE CONTROLS		
Reports Required by the <i>Government Auditing Standards</i>		
INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>		
		66

CITY OF PORT ALLEN, LOUISIANA

Table of Contents, Continued

June 30, 1999

Reports Required by the Single Audit Act and OMB Circular A-133

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

Schedule of Findings and Questioned Costs

Schedule 6

68

70



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

To the Honorable Mayor and Members of the City Council
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, 1999, as listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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.

Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, requires disclosure of certain matters regarding the year 2000 issue. The City of Port Allen, Louisiana has included such disclosures in Note 14. Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Accordingly, insufficient audit evidence exists to support the City of Port Allen, Louisiana's disclosures with respect to the year 2000 issue made in Note 14. Further, we do not provide assurance that the City of Port Allen, Louisiana is or will be year 2000 ready, that the City of Port Allen's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the City of Port Allen, Louisiana does business will be year 2000 ready.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding year 2000 disclosures, 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, 1999, 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, 1999, and the results of operations of such funds for the year then ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 8, 1999, on our consideration of the City of Port Allen's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the City of Port Allen, Louisiana taken as a whole and on the combining and individual fund and account group financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements. In addition, the other schedules listed in the table of contents as supplementary information is presented for additional analysis, and is not a required part of the general purpose financial statements. 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.

The financial statements for the year ended June 30, 1998 were audited by us, and we expressed a qualified opinion (as a result of the year 2000 disclosures described above) on them in our report dated November 20, 1998.

PROVOST, SALTER, HARPER & ALFORD, L.L.C.

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

December 8, 1999

CITY OF PORT ALLEN, LOUISIANA

General Purpose Financial Statements

June 30, 1999

CITY OF PORT ALLEN, LOUISIANA

Combined Balance Sheet

June 30, 1999

All Fund Types, Account Groups and Discretely Presented Component Unit

ASSETS AND OTHER DEBITS	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 Primary Government (Memorandum Only)			
	General	Revenue	Capital Projects	Debt Service							
Assets											
Cash and cash equivalents	\$ 1,419,502	\$ 594,452	\$ 400,958	\$ 10,236	\$ 1,231,317	\$ -	\$ -	\$ 3,656,465	\$ 28,017	\$ 3,684,482	803,554
Investments	803,554	-	-	-	-	-	-	803,554	-	803,554	-
Receivables (net of allowance for uncollectibles)											
Interest	4,329	-	-	-	2,112	-	-	6,441	-	6,441	6,441
Taxes	58,552	-	-	-	-	-	-	58,552	-	58,552	58,552
Accounts	36,884	-	-	-	174,546	-	-	211,430	-	211,430	211,430
Intergovernmental	264,951	63,885	-	-	-	-	-	328,836	-	328,836	328,836
Due from other funds	44,263	-	394,000	-	2,788	-	-	441,051	-	441,051	441,051
Prepaid insurance	8,315	410	-	-	3,289	-	-	12,014	-	12,014	12,014
Restricted assets	-	-	-	-	73,690	-	-	73,690	-	73,690	73,690
Property, plant and equipment (net where applicable of accumulated depreciation)	-	-	-	-	2,565,335	4,188,557	-	6,753,892	28,337	6,782,229	6,782,229
Total assets	2,640,350	658,747	794,958	10,236	4,053,077	4,188,557	-	12,345,925	56,354	12,402,279	-
Other Debits											
Amount to be provided for retirement of general long term debt	-	-	-	-	-	-	2,545,000	2,545,000	-	2,545,000	2,545,000
Total other debits	-	-	-	-	-	-	2,545,000	2,545,000	-	2,545,000	-
Total Assets and Other Debits	\$ 2,640,350	\$ 658,747	\$ 794,958	\$ 10,236	\$ 4,053,077	\$ 4,188,557	\$ 2,545,000	\$ 14,890,925	\$ 56,354	\$ 14,947,279	\$ 14,947,279

CITY OF PORT ALLEN, LOUISIANA

June 30, 1999

Combined Balance Sheet, Continued
All Fund Types, Account Groups and Discretely Presented Component Unit

	Governmental Fund Types				Proprietary		Account Groups		Totals		Reporting Entity (Memorandum Only)	
	Special Revenue		Capital Projects	Debt Service	Fund Type	Enterprise	General	Fixed Assets	General Long Term Debt	Government (Memorandum Only)		Component Unit City Court of Port Allen
	General											
LIABILITIES, FUND EQUITY AND OTHER CREDITS												
Liabilities												
Accounts payable and accrued liabilities	\$ 230,458	\$ 4,294	\$ 189,997	\$ 10,236	\$ 87,896	\$ -	\$ -	\$ 522,881	\$ 30,357	\$ 553,238		
Payroll deductions and taxes	52,254	-	-	-	-	-	-	52,254	-	52,254		
Compensated absences	61,354	15,543	-	-	53,907	-	-	130,804	-	130,804		
Liabilities payable from restricted assets	-	-	-	-	1,182,163	-	-	1,182,163	-	1,182,163		
Due to other funds	394,000	15,321	4,317	-	27,413	-	-	441,051	-	441,051		
Customer Deposits	-	-	-	-	73,690	-	-	73,690	-	73,690		
General obligation bonds	-	-	-	-	-	-	2,545,000	2,545,000	-	2,545,000		
Total liabilities	738,066	35,158	194,314	10,236	1,425,069	-	2,545,000	4,947,843	30,357	4,978,200		
Fund Equity and Other Credits												
Investment in general fixed assets	-	-	-	-	-	4,188,557	-	4,188,557	28,337	4,216,894		
Contributed capital	-	-	-	-	1,395,088	-	-	1,395,088	-	1,395,088		
Retained earnings	-	-	-	-	1,232,920	-	-	1,232,920	-	1,232,920		
Fund balances												
Reserved for capital outlay	1,981	-	-	-	-	-	-	1,981	-	1,981		
Entrance signs	8,316	-	-	-	-	-	-	8,316	-	8,316		
Reserved for prepaid insurance	6,349	-	-	-	-	-	-	6,349	-	6,349		
Reserved for public safety	1,885,638	623,589	600,644	-	-	-	-	3,109,871	(2,340)	3,107,531		
Unreserved, undesignated	1,902,284	623,589	600,644	-	2,628,008	4,188,557	-	9,943,082	25,997	9,969,079		
Total fund equity and other credits	\$ 2,640,350	\$ 658,747	\$ 794,958	\$ 10,236	\$ 4,053,077	\$ 4,188,557	\$ 2,545,000	\$ 14,890,925	\$ 56,354	\$ 14,947,279		

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, 1999

	General	Special Revenue	Capital Projects	Debt Service	Totals		Component Unit of Port Allen	Totals Reporting Entity (Memorandum Only)
					Primary Government (Memorandum Only)	Government (Memorandum Only)		
Revenues								
Taxes	\$ 517,139	\$ -	\$ -	\$ -	\$ 517,139	\$ -	\$ -	\$ 517,139
Licenses and permits	258,679	-	-	-	258,679	-	-	258,679
Intergovernmental	2,496,456	1,456,260	-	-	3,952,716	61,654	-	4,014,370
Operating transfers in	-	-	-	265,321	265,321	-	-	265,321
Charges for services	265,548	-	-	-	265,548	-	-	265,548
Fines and forfeitures	24,675	-	-	-	24,675	145,789	-	170,464
Special assessments	-	-	-	2,192	2,192	-	-	2,192
Interest	117,598	18,083	59,760	2,489	197,930	-	-	197,930
Miscellaneous	67,539	-	170	-	67,709	-	-	67,709
Total revenues	3,747,634	1,474,343	59,930	270,002	5,551,909	207,443		5,759,352
Expenditures								
Current								
General government	575,457	-	-	-	575,457	212,435	-	787,892
Public safety	1,128,187	428,528	-	-	1,556,715	-	-	1,556,715
Highways and streets	404,897	22,602	2,030,926	-	2,458,425	-	-	2,458,425
Drainage	242,905	-	-	-	242,905	-	-	242,905
Sanitation	257,150	-	-	-	257,150	-	-	257,150
Health	22,215	-	-	-	22,215	-	-	22,215
Welfare	-	456,873	-	-	456,873	-	-	456,873
Culture and recreation	93,341	-	-	-	93,341	-	-	93,341
Fleet maintenance	70,246	-	-	-	70,246	-	-	70,246
Capital outlay								
General government	98,519	-	-	-	98,519	-	-	98,519
Public safety	53,343	10,296	-	-	63,639	-	-	63,639
Drainage	44,487	-	-	-	44,487	-	-	44,487
Highways and streets	13,120	205,449	-	-	218,569	-	-	218,569
Culture and recreation	33,606	-	-	-	33,606	-	-	33,606
Debt Service								
Principal	-	-	-	210,000	210,000	-	-	210,000
Interest and fiscal charge	-	-	-	138,692	138,692	-	-	138,692
Total expenditures	3,037,473	1,123,748	2,030,926	348,692	6,540,839	212,435		6,753,274

CITY OF PORT ALLEN, LOUISIANA

Combined Statement of Revenues, Expenditures and Changes in Fund Balances, Continued
All Governmental Fund Types and Discretely Presented Component Unit

Year Ended June 30, 1999

	General	Special Revenue	Capital Projects	Debt Service	Totals		Totals Reporting Entity (Memorandum Only)
					Primary Government (Memorandum Only)	Component Unit City Court of Port Allen	
Excess (Deficiency) of Revenues Over Expenditures	710,161	350,595	(1,970,996)	(78,690)	(988,930)	(4,992)	(993,922)
Other Financing Sources (Uses)							
Sales of general fixed assets	5,862	-	-	-	5,862	-	5,862
Proceeds from certificates of indebtedness	-	-	2,300,000	-	2,300,000	-	-
Operating transfers in	1,336	-	394,000	81,527	476,863	-	476,863
Operating transfers out	(619,597)	(82,863)	(350,000)	-	(1,052,460)	-	(1,052,460)
Total other financing sources (uses)	(612,399)	(82,863)	2,344,000	81,527	1,730,265	-	(569,735)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	97,762	267,732	373,004	2,837	741,335	(4,992)	(1,563,657)
Fund Balances							
Beginning	1,914,105	355,857	98,783	16,437	2,385,182	2,652	2,387,834
Residual equity transfer in	19,274	-	128,857	-	148,131	-	148,131
Residual equity transfer out	(128,857)	-	-	(19,274)	(148,131)	-	(148,131)
Ending	\$ 1,902,284	\$ 623,589	\$ 600,644	\$ -	\$ 3,126,517	\$ (2,340)	\$ 824,177

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, 1999

	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	\$ 525,984	\$ 517,139	\$ (8,845)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	236,184	258,679	22,495	-	-	-	-	-	-	-	-	-
Intergovernmental	2,495,490	2,496,456	966	1,441,628	1,456,260	14,632	-	-	-	-	-	-
Charges for services	265,452	265,548	96	-	-	-	-	-	-	264,820	265,321	501
Operating transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	39,000	24,675	(14,325)	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-	2,190	2,192	2
Interest	90,000	117,598	27,598	15,468	18,083	2,615	60,072	59,760	(312)	2,492	2,489	(3)
Miscellaneous	73,476	67,539	(5,937)	-	-	-	-	170	170	-	-	-
Total revenues	3,725,586	3,747,634	22,048	1,457,096	1,474,343	17,247	60,072	59,930	(142)	269,502	270,002	500
Expenditures												
Current												
General government	653,172	575,457	77,715	-	-	-	-	-	-	-	-	-
Public safety	1,113,120	1,128,187	(15,067)	438,204	428,528	9,676	-	-	-	-	-	-
Highways and streets	415,992	404,897	11,095	20,902	22,602	(1,700)	2,031,712	2,030,926	786	-	-	-
Drainage	244,080	242,905	1,175	-	-	-	-	-	-	-	-	-
Sanitation	255,336	257,150	(1,814)	-	-	-	-	-	-	-	-	-
Health	20,400	22,215	(1,815)	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	453,688	456,873	(3,185)	-	-	-	-	-	-
Culture and recreation	120,180	93,341	26,839	-	-	-	-	-	-	-	-	-
Fleet maintenance	74,988	70,246	4,742	-	-	-	-	-	-	-	-	-
Capital outlay												
General government	99,424	98,519	905	-	-	-	-	-	-	-	-	-
Public safety	50,100	53,343	(3,243)	10,296	10,296	-	-	-	-	-	-	-
Highways and streets	13,500	13,120	380	209,478	205,449	4,029	-	-	-	-	-	-
Drainage	44,124	44,487	(363)	-	-	-	-	-	-	-	-	-
Culture and recreation	33,624	33,606	18	-	-	-	-	-	-	-	-	-
Debt Service												
Principal	-	-	-	-	-	-	-	-	-	210,000	210,000	-
Interest and fiscal charge	-	-	-	-	-	-	-	-	-	138,193	138,692	(499)
Total expenditures	3,138,040	3,037,473	100,567	1,132,568	1,123,748	8,820	2,031,712	2,030,926	786	348,193	348,692	(499)
Excess (Deficiency) of Revenues Over Expenditures	587,546	710,161	122,615	324,528	350,595	26,067	(1,971,640)	(1,970,996)	644	(78,691)	(78,690)	1

CITY OF PORT ALLEN, LOUISIANA
Year Ended June 30, 1999
Combined Statement of Revenues, Expenditures and Changes in Fund Balances, Continued
Budget and Actual - All Government Fund Types

	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	\$ 6,000	\$ 5,862	\$ (138)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from certificates of indebtedness	-	-	-	-	1,950,000	2,300,000	350,000	-	-	-	-	-
Operating transfers in	6,000	1,336	(4,664)	-	394,000	394,000	-	81,528	81,527	-	-	(1)
Operating transfers out	(618,820)	(619,597)	(777)	(81,528)	(81,527)	1	(350,000)	(350,000)	-	-	-	-
Total other financing sources (uses)	(606,820)	(612,399)	(5,579)	(81,528)	(82,863)	1	2,344,000	2,344,000	-	81,528	81,527	(1)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(19,274)	97,762	117,036	243,000	267,732	26,068	372,360	373,004	644	2,837	2,837	-
Fund Balance												
Beginning	1,914,105	1,914,105	-	359,849	355,857	(3,992)	98,783	98,783	-	-	16,437	16,437
Residual equity transfer-in	19,274	19,274	-	-	-	-	128,857	128,857	-	-	-	-
Residual equity transfer-out	(128,857)	(128,857)	-	-	-	-	-	-	-	-	(19,274)	(19,274)
Ending	\$ 1,785,248	\$ 1,902,284	\$ 117,036	\$ 602,849	\$ 623,589	\$ 22,076	\$ 600,000	\$ 600,644	\$ 644	\$ 2,837	\$ -	\$ (2,837)

CITY OF PORT ALLEN, LOUISIANA

Comparative Statements of Revenues, Expenses and Changes in Retained Earnings Proprietary Fund Type - Enterprise Funds

Years Ended June 30, 1999 and 1998

	Water & Gas Fund	Sewer Revenue Fund	1999	1998
Operating Revenues				
Charges for services				
Gas sales	\$ 618,216	\$ -	\$ 618,216	\$ 806,782
Water sales	339,778	-	339,778	329,441
Sewer service charges	-	659,381	659,381	419,547
Extension, reconnection and other charges	9,677	1,995	11,672	7,445
Delinquent charges	26,931	-	26,931	25,058
Total Operating Revenues	994,602	661,376	1,655,978	1,588,273
Operating Expenses				
Personal services	404,612	210,844	615,456	600,026
Contractual services and other	133,326	188,193	321,519	325,472
Supplies	16,576	40,039	56,615	37,068
Materials	317,183	9,307	326,490	477,259
Heat, light and power	30,562	9,296	39,858	90,767
Depreciation	56,921	39,292	96,213	92,220
Total Operating Expenses	959,180	496,971	1,456,151	1,622,812
Operating Income (Loss)	35,422	164,405	199,827	(34,539)
Nonoperating Revenues (Expenses)				
Transfer out	-	(39,723)	(39,723)	-
Interest and expense	-	(39,932)	(39,932)	-
Interest on investments	44,791	-	44,791	41,677
Other revenue	9,904	807	10,711	10,207
Net Income	90,117	85,557	175,674	17,345
Retained Earnings				
Beginning	1,057,246	-	1,057,246	1,039,901
Ending	\$ 1,147,363	\$ 85,557	\$ 1,232,920	\$ 1,057,246

CITY OF PORT ALLEN, LOUISIANA

Comparative Statements of Cash Flows

Years Ended June 30, 1999 and 1998

Proprietary Fund Type - Enterprise Funds

	Water & Gas Fund	Sewer Revenue Fund	1999	1998
Cash Flows From Operating Activities				
Operating income (loss)	\$ 35,422	\$ 164,405	\$ 199,827	\$ (34,539)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation	56,921	39,292	96,213	92,220
Provisions for doubtful accounts	8,263	-	8,263	6,383
Change in assets and liabilities				
Decrease (increase) in accounts receivable	(16,355)	(423)	(16,778)	8,218
Decrease (increase) in due from other funds	(1,945)	(288)	(2,233)	18,362
Increase (decrease) in accounts payable and accrued expenses	(43,839)	(11,099)	(54,938)	564,656
(Decrease) in due to other funds	(4,796)	-	(4,796)	(44,240)
Other prepaids and accruals, net	4,424	(658)	3,766	2,969
Net Cash Provided By Operating Activities	38,095	191,229	229,324	614,029
Cash Flows From Noncapital Financing Activities				
Other revenue	9,904	808	10,712	10,207
Cash Flows From Capital and Related Financing Activities				
Acquisition and construction of capital assets	(31,386)	(1,072,451)	(1,103,837)	(542,979)
Net borrowings on revenue bonds	-	680,072	680,072	-
Interest Paid	-	(28,280)	(28,280)	-
Transfers out	-	(39,723)	(39,723)	-
Capital contribution	-	350,000	350,000	-
Net Cash (Used In) Capital and Related Financing Activities	(31,386)	(110,382)	(141,768)	(542,979)
Cash Flows From Investing Activities				
Interest on investments	42,679	-	42,679	41,677
Increase in Cash and Cash Equivalents	59,292	81,655	140,947	122,934
Cash and Cash Equivalents				
Beginning, including restricted accounts 1999, \$69,565; 1998, \$67,035	1,164,060	-	1,164,060	1,041,126
Ending, including restricted accounts 1999, \$73,690; 1998, \$69,565	\$ 1,223,352	\$ 81,655	\$ 1,305,007	\$ 1,164,060
Cash and Cash Equivalents	\$ 1,149,662	\$ 81,655	\$ 1,231,317	\$ 1,094,495
Restricted Assets	73,690	-	73,690	69,565
Ending	\$ 1,223,352	\$ 81,655	\$ 1,305,007	\$ 1,164,060

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements

June 30, 1999

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.

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 serves the citizens of the City. The voters elect the judge. 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, 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 that it is legally separate from the government. The discretely presented component unit has a December 31 year end.

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 1999

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.

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 fund). The general fund is used to account for all activities of the general government not accounted for in some other fund.

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).

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

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 1999

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.

All governmental fund types use the modified accrual basis of accounting. 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 proprietary fund type utilizes the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The City reports deferred revenue on its combined balance sheet. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when the City receives resources 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.

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.

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 1999

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.

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, which approximates market.

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" on the balance sheet. Short-term interfund loans, if any, are classified as "interfund receivables/payables."

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.

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

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.

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 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.

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 1999

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.

Compensated Absences. In accordance with GASB Statement No. 16, 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. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

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.

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.

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.

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 1999

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, 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.

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.

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 Council for review. The City’s Council 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 Council.

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

3. Deposits and Investments

Deposits. At June 30, 1999, the City had cash and cash equivalents (book balance) totaling \$3,730,155.

Under State law, federal deposit insurance or the pledge of securities owned by the fiscal agent bank must secure these deposits (or the resulting bank balances). 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:

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 1999

- 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.

At June 30, 1999	Bank Balance	1	2	3	Carrying Amount
Deposits	\$ 1,660,116	\$ -	\$ -	\$ 1,700,000	\$ 1,429,455
Certificates of Deposit	2,300,000	-	-	1,731,764	2,300,000
Cash on hand	700	-	-	-	700
Total cash	\$ 3,960,816	\$ -	\$ -	\$ 3,431,764	\$ 3,730,155

Investments. The City's investments are categorized as either (a) 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.

	Categories			Carrying Amount	Market Value
	1	2	3		
U.S. Government agencies	\$ 803,554	\$ -	\$ -	\$ 803,554	\$ 803,554

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 1999

4. Receivables

Receivables at June 30, 1999 consist of the following:

	General	Special Revenue	Debt Service	Enterprise	Total
Receivables					
Interest	\$ 4,329	\$ -	\$ -	\$ 2,112	\$ 6,441
Taxes	58,552	-	-	-	58,552
Accounts	36,884	-	-	187,966	224,850
Special assessments	-	-	-	-	-
Inter-governmental	264,951	63,885	-	-	328,836
Gross receivables	364,716	63,885	-	190,078	618,679
Less allowance for Uncollectibles	-	-	-	13,420	13,420
Net total receivables	\$ 364,716	\$ 63,885	\$ -	\$ 176,658	\$ 605,259

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 the City may assess penalties and interest.

5. Property, Plant and Equipment

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

	Balance July 1, 1998	Additions	Retirements	Balance June 30, 1999
Land	\$ 342,127	\$ -	\$ -	\$ 342,127
Buildings	912,873	2,569	-	915,442
Improvements other than buildings	634,244	33,607	-	667,851
Equipment	1,888,772	73,854	52,024	1,910,602
Construction in progress	120,168	232,367	-	352,535
Total	\$ 3,898,184	\$ 342,397	\$ 52,024	\$ 4,188,557

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 1999

The following is a summary of proprietary fund type, enterprise fund property, plant and equipment at June 30, 1999.

	Water and Gas Fund	Sewer Revenue Fund	Total
Land	\$ 16,193	\$ 364,710	\$ 380,903
Buildings	58,040	-	58,040
Improvements other than buildings	1,926,310	2,423,337	4,349,647
Machinery and equipment	213,435	31,531	244,966
	2,213,978	2,819,578	5,033,556
Less accumulated depreciation	1,659,635	808,586	2,468,221
Net property, plant and equipment	\$ 554,343	\$ 2,010,992	\$ 2,565,335

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

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 \$91,574 are as follows:

Fiscal year ending June 30,	
2000	\$ 79,566
2001	81,320
2002	82,720
2003	83,756
2004	84,450
Thereafter	79,762
	491,574
Less amount representing interest	91,574
	\$ 400,000

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 1999

On July 1, 1998, the City of Port Allen, Louisiana issued Certificates of Indebtedness Series 1998 in the amount of \$2,300,000 for the purpose of improving city streets and acquiring land for the proposed site of a new wastewater treatment facility. The certificates were issued in denominations of \$5,000 with interest payable January 1 and July 1 of each year through 2000 with interest from 4.05% to 8.0%. The certificates are secured by a pledge of the excess of general and special funds of The City and other operating revenue above statutory, necessary and usual charges.

Annual debt service requirements to maturity, including interest of \$513,886 are as follows:

Fiscal year ending June 30,	
2000	\$ 268,265
2001	269,665
2002	281,340
2003	288,037
2004	293,797
Thereafter	<u>1,257,782</u>
	2,658,886
Less amount representing interest	<u>513,886</u>
	<u>\$ 2,145,000</u>

Changes in Long Term Liabilities. During the year ended June 30, 1999, the following changes occurred in liabilities reported in the general long term debt account group.

	Balance July 1, 1998	Additions	Reductions	Balance June 30, 1999
General obligation debt	\$ 455,000	\$ 2,300,000	\$ 210,000	<u>\$ 2,545,000</u>

7. Revenue Bonds Payable

Proprietary Fund Type - Enterprise. The City has received \$1,227,163 from the Louisiana Department of Environmental Quality Municipal Facilities Revolving Loan Fund for financing the costs of construction of a sewer effluent force main and pumping station. The City has been approved for a line of credit up to \$1,300,000 for this project. The construction was completed June 28, 1999. The City is repaying the loan in annual installments of \$45,000 to \$90,000 through 2018. Interest is being paid on April 1 and October 1 at 3.95%. The balance on the loan at June 30, 1999 is \$1,182,163.

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 1999

Annual debt service requirements to maturity are as follows:

Fiscal year ending June 30,	
2000	\$ 85,382
2001	95,090
2002	93,099
2003	96,107
2004	93,917
Thereafter	<u>1,200,562</u>
	1,664,157
Less amount representing interest	<u>481,994</u>
	<u>\$ 1,182,163</u>

8. Interfund Assets/Liabilities

Due From/To Other Funds.

Receivable Fund	Payable Fund	Amount
General	Fire District	\$ 11,485
	Utility	27,125
	Low Income Housing	1,336
	Capital Projects	<u>4,317</u>
		<u>\$ 44,263</u>
LCDBG Special Revenue	General Fund	<u>\$ 288</u>
Utility	Fire District	<u>\$ 2,500</u>
Capital Projects	General Fund	<u>\$ 394,000</u>

9. 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.

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 1999

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.

10. 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 (225) 925-4810.

Funding Policy. Plan members are required by state statute to contribute 9¼% of their annual covered salary and employers are required to contribute at an actuarially determined rate. The current employer rate is 5¾% 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 year. The City's contributions to MERS for the years ending June 30, 1999, 1998, and 1997 were \$148,258, \$152,537 and \$157,615, 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 (225) 929-7411.

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 1999

Funding Policy. Plan members are required by state statute to contribute 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 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, 1999, 1998, and 1997 were \$107,923, \$107,886 and \$104,605, 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 (225) 925-4060.

Funding Policy. Plan members are required by state statute to contribute 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, 1999, 1998, and 1997 were \$33,787, \$31,734 and \$32,915, respectively, and were equal to the required contributions for each year.

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 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.

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 1999

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 determinable rate. The current employer rate is 13% 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 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, 1999, 1998 and 1997 were \$5,392, \$5,449 and \$5,147, respectively, and were equal to the required contributions for each year.

11. Other Post Employment Benefits

The government provides post retirement health care benefits as per the requirements of a local resolution for certain retirees. The government pays 50% 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% 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% premium coverage benefit. The government finances the plan on a pay-as-you-go basis. For the year ended June 30, 1999, the government recognized as incurred \$6,394 of expenditures.

12. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters. The City purchases commercial insurance policies at levels which management believes is adequate to protect the City. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

CITY OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

June 30, 1999

13. Prior Year Amounts

Some of the amounts presented in the prior year have been reclassified to conform to the current year presentation.

14. Year 2000 Readiness

The City of Port Allen, Louisiana has assessed its systems in anticipation of the year 2000 as it relates to its computer systems and other electronic equipment. The year 2000 issue refers to the fact that many computer programs use only the last two digits to refer to a year. Therefore, both 1900 and 2000 would be referred to as "00." Computer programs have to be adjusted to recognize the difference between those two years or the program will fail or create errors. Also, some programs may not be able to recognize that 2000 is a leap year. Further, the year 2000 issue could affect electronic equipment – such as environmental systems and vehicles containing computer chips that have date recognition features.

The City has identified various computer systems and pieces of electronic equipment that are critical to conducting the City's operations and that need to be year 2000 compliant. The City is assigning resources to remediate those systems that need to be repaired. The cost of repairs and resources needed have been immaterial to date and are not expected to be material to future operations.

CITY OF PORT ALLEN, LOUISIANA

Combining, Individual Fund and Account Group Statements and Schedules June 30, 1999

CITY OF PORT ALLEN, LOUISIANA

General Fund

June 30, 1999

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.

CITY OF PORT ALLEN, LOUISIANA

Comparative Balance Sheets General Fund

June 30, 1999 and 1998

ASSETS	1999	1998
Assets		
Cash and cash equivalents	\$ 1,419,502	\$ 1,348,002
Investments	803,554	563,218
Receivables		
Interest	4,329	1,382
Taxes	58,552	60,556
Accounts	36,884	26,129
Intergovernmental	264,951	214,375
Due from other funds	44,263	50,373
Prepaid insurance	8,315	8,697
	<hr/>	<hr/>
Total Assets	\$ 2,640,350	\$ 2,272,732
	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 230,458	\$ 156,855
Payroll deductions and taxes	52,254	52,258
Due to other funds	394,000	97,055
Compensated absences payable	61,354	52,459
	<hr/>	<hr/>
Total liabilities	738,066	358,627
	<hr/>	<hr/>
Fund Balance		
Reserved for capital outlay		
Entrance signs	1,981	75,500
Reserved for prepaid insurance	8,316	8,697
Reserved for public safety	6,349	12,298
Unreserved, undesignated	1,885,638	1,817,610
	<hr/>	<hr/>
Total fund balance	1,902,284	1,914,105
	<hr/>	<hr/>
Total Liabilities and Fund Balance	\$ 2,640,350	\$ 2,272,732
	<hr/> <hr/>	<hr/> <hr/>

CITY OF PORT ALLEN, LOUISIANA

Comparative Statements of Revenues, Expenditures and Changes in Fund Balance General Fund

Years Ended June 30, 1999 and 1998

	1999	1998
Revenues		
Taxes	\$ 517,139	\$ 534,426
Licenses and permits	258,679	236,501
Intergovernmental	2,496,456	2,068,195
Charges for services	265,548	248,705
Fines and forfeitures	24,675	24,830
Interest	117,598	87,161
Miscellaneous	67,539	18,296
Total revenues	3,747,634	3,218,114
Expenditures		
Current		
General government	575,457	435,712
Public safety	1,128,187	1,042,545
Highways and streets	404,897	423,587
Drainage	242,905	279,382
Sanitation	257,150	235,075
Health	22,215	20,798
Culture and recreation	93,341	95,521
Fleet maintenance	70,246	68,817
Capital outlay		
General government	98,519	193,698
Public safety	53,343	114,133
Highways and streets	13,120	5,017
Drainage	44,487	-
Culture and recreation	33,606	32,547
Total expenditures	3,037,473	2,946,832
Excess of Revenues Over Expenditures	710,161	271,282
Other Financing Sources (Uses)		
Sales of general fixed assets	5,862	7,575
Operating transfers out	(619,597)	(150,000)
Operating transfers in	1,336	-
Total other financing sources (uses)	(612,399)	(142,425)
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	97,762	128,857
Fund Balance		
Beginning	1,914,105	1,885,248
Residual equity transfer-In	19,274	-
Residual equity transfer-Out	(128,857)	(100,000)
Ending	\$ 1,902,284	\$ 1,914,105

CITY OF PORT ALLEN, LOUISIANA

Comparative Statements of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Years Ended June 30, 1999 and 1998
General Fund

	1999		1998		Variance - Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
Revenues					
Taxes	\$ 525,984	\$ 517,139	\$ (8,845)	\$ 534,426	\$ 12,642
Licenses and permits	236,184	258,679	22,495	236,501	317
Intergovernmental	2,495,490	2,496,456	966	2,068,195	47,167
Charges for services	265,452	265,548	96	248,705	(4,771)
Fines and forfeitures	39,000	24,675	(14,325)	24,830	830
Interest	90,000	117,598	27,598	87,161	9,161
Miscellaneous	73,476	67,539	(5,937)	18,296	(9,028)
Total revenues	3,725,586	3,747,634	22,048	3,218,114	56,318
Expenditures					
Current					
General government	653,172	575,457	77,715	435,712	21,620
Public safety	1,113,120	1,128,187	(15,067)	1,042,545	6,657
Highways and streets	415,992	404,897	11,095	423,587	44,113
Drainage	244,080	242,905	1,175	279,382	39,878
Sanitation	255,336	257,150	(1,814)	235,075	5
Health	20,400	22,215	(1,815)	20,798	(398)
Culture and recreation	120,180	93,341	26,839	95,521	20,051
Fleet maintenance	74,988	70,246	4,742	68,817	5,037
Capital outlay					
General government	99,424	98,519	905	193,698	21,738
Public safety	50,100	53,343	(3,243)	114,133	2,675
Highways and streets	13,500	13,120	380	5,017	2,183
Drainage	44,124	44,487	(363)	-	-
Culture and recreation	33,624	33,606	18	32,547	249
Total expenditures	3,138,040	3,037,473	100,567	2,946,832	163,808

CITY OF PORT ALLEN, LOUISIANA

Comparative Statements of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual, Continued Years Ended June 30, 1999 and 1998
General Fund

	1999		1998		Variance - Favorable (Unfavorable)	Variance - Favorable (Unfavorable)
	Budget	Actual	Budget	Actual		
Excess of Revenues Over Expenditures	587,546	710,161	51,156	271,282	122,615	220,126
Other Financing Sources (Uses)						
Sales of general fixed assets	6,000	5,862	(138)	7,575	(138)	1,575
Operating transfers out	(618,820)	(619,597)	(150,000)	(150,000)	(777)	-
Operating transfers in	6,000	1,336	6,000	-	(4,664)	(6,000)
Total other financing sources (uses)	(606,820)	(612,399)	(138,000)	(142,425)	(5,579)	(4,425)
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(19,274)	97,762	(86,844)	128,857	117,036	215,701
Fund Balance						
Beginning	1,914,105	1,914,105	1,885,248	1,885,248	-	-
Residual equity transfer-in	19,274	19,274	-	-	-	-
Residual equity transfer-out	(128,857)	(128,857)	(100,000)	(100,000)	-	-
Ending	\$ 1,785,248	\$ 1,902,284	\$ 1,698,404	\$ 1,914,105	\$ 117,036	\$ 215,701

CITY OF PORT ALLEN, LOUISIANA

**Comparative Schedules of Revenues Compared to Budget
General Fund**

Years Ended June 30, 1999 and 1998

	1999		1998		Variance - Favorable (Unfavorable)	Variance - Favorable (Unfavorable)
	Budget	Actual	Budget	Actual		
Taxes						
Ad valorem	\$ 249,984	\$ 251,271	\$ 245,784	\$ 252,344	\$ 1,287	\$ 6,560
Franchise	276,000	265,868	276,000	282,082	(10,132)	6,082
Total taxes	525,984	517,139	521,784	534,426	(8,845)	12,642
Licenses and permits						
Business licenses and permits	-	12,345	-	11,550	12,345	11,550
Alcoholic beverages						
Professional and occupational	236,184	246,334	236,184	224,951	10,150	(11,233)
Total licenses and permits	236,184	258,679	236,184	236,501	22,495	317
Intergovernmental						
State operating grants	205,692	168,833	27,000	27,000	(36,859)	-
Health and welfare	4,832	4,835	4,836	4,835	3	(1)
Streets						
Public safety	29,556	29,164	6,348	6,350	(392)	2
State shared revenues						
Tobacco tax	31,800	31,884	31,800	31,883	84	83
Alcoholic beverage tax	20,448	26,214	20,448	28,595	5,766	8,147
Video poker revenue	39,000	51,124	36,000	46,138	12,124	10,138
West Baton Rouge Parish operating grants						
Recreation	40,000	50,000	40,000	40,000	10,000	-
West Baton Rouge Parish shared revenues						
General sales and use tax	2,124,162	2,134,402	1,854,596	1,883,394	10,240	28,798
Total intergovernmental	2,495,490	2,496,456	2,021,028	2,068,195	966	47,167

CITY OF PORT ALLEN, LOUISIANA

**Comparative Schedules of Revenues Compared to Budget, Continued
General Fund**

Years Ended June 30, 1999 and 1998

	1999		1998		Variance - Favorable (Unfavorable)	Variance - Favorable (Unfavorable)
	Budget	Actual	Budget	Actual		
Charges for services						
Public safety - protective inspection fees	6,000	7,228	11,892	13,669	1,228	1,777
Sanitation - refuse collection charges	259,452	258,320	241,584	235,036	(1,132)	(6,548)
Total charges for services	265,452	265,548	253,476	248,705	96	(4,771)
Fines and forfeitures	39,000	24,675	24,000	24,830	(14,325)	830
Interest	90,000	117,598	78,000	87,161	27,598	9,161
Miscellaneous	73,476	67,539	27,324	18,296	(5,937)	(9,028)
Total Revenues	\$ 3,725,586	\$ 3,747,634	\$ 3,161,796	\$ 3,218,114	\$ 22,048	\$ 56,318

CITY OF PORT ALLEN, LOUISIANA

**Comparative Schedules of Expenditures Compared To Budget
General Fund**

Years Ended June 30, 1999 and 1998

	1999		1998		Variance - Favorable (Unfavorable)	Variance - Favorable (Unfavorable)
	Budget	Actual	Budget	Actual		
Current						
General government						
Legislative						
Personal services	\$ 55,890	\$ 53,822	\$ 2,068	\$ 55,890	\$ -	\$ -
Judicial						
Personal services	53,304	53,312	(8)	52,656	52,690	(34)
Supplies	300	300	-	300	300	-
Other services and charges	13,116	11,794	1,322	10,056	9,049	1,007
Executive						
Personal services	33,788	34,320	(532)	32,401	32,382	19
Administrative						
Personal services	152,758	152,069	689	146,885	146,547	338
Supplies	8,616	7,315	1,301	8,616	6,769	1,847
Other services and charges	335,400	262,525	72,875	150,528	132,085	18,443
Total general government	653,172	575,457	77,715	457,332	435,712	21,620
Public safety						
Police						
Personal services	889,740	909,016	(19,276)	848,310	853,233	(4,923)
Supplies	76,632	75,431	1,201	48,876	46,758	2,118
Other services and charges	141,300	137,673	3,627	143,400	132,700	10,700
Protective inspection						
Other services and charges	5,448	6,067	(619)	8,616	9,854	(1,238)
Total public safety	1,113,120	1,128,187	(15,067)	1,049,202	1,042,545	6,657
Highways and streets						
Personal services	167,664	168,558	(894)	213,708	196,226	17,482
Supplies	44,652	43,310	1,342	64,752	40,877	23,875
Other services and charges	203,676	193,029	10,647	189,240	186,484	2,756
Total highways and streets	415,992	404,897	11,095	467,700	423,587	44,113

CITY OF PORT ALLEN, LOUISIANA

Comparative Schedules of Expenditures Compared To Budget, Continued

General Fund

Years Ended June 30, 1999 and 1998

	1999		1998		Variance - Favorable (Unfavorable)	Variance - Favorable (Unfavorable)
	Budget	Actual	Budget	Actual		
Drainage						
Personal services	139,776	139,030	746	159,672	746	15,336
Supplies	44,460	41,165	3,295	54,209	3,295	14,851
Other services and charges	59,844	62,710	(2,866)	65,501	(2,866)	9,691
Total drainage	244,080	242,905	1,175	279,382	1,175	39,878
Sanitation						
Other services and charges	255,336	257,150	(1,814)	235,075	(1,814)	5
Health						
Other services and charges	20,400	22,215	(1,815)	20,798	(1,815)	(398)
Culture and recreation						
Personal services	72,948	57,700	15,248	54,939	15,248	14,433
Supplies	14,844	9,897	4,947	11,716	4,947	1,904
Other services and charges	32,388	25,744	6,644	28,866	6,644	3,714
Total culture and recreation	120,180	93,341	26,839	95,521	26,839	20,051
Fleet maintenance						
Personal services	59,880	59,538	342	57,523	342	467
Supplies	7,260	4,819	2,441	4,093	2,441	3,167
Other services and charges	7,848	5,889	1,959	7,201	1,959	1,403
Total fleet maintenance	74,988	70,246	4,742	68,817	4,742	5,037
Total current expenditures	2,897,268	2,794,398	102,870	2,601,437	102,870	136,963

CITY OF PORT ALLEN, LOUISIANA

Comparative Schedules of Expenditures Compared To Budget, Continued

General Fund

Years Ended June 30, 1999 and 1998

	1999		1998		Variance - Favorable (Unfavorable)	Variance - Favorable (Unfavorable)
	Budget	Actual	Budget	Actual		
Capital Outlay						
General government	99,424	98,519	215,436	193,698	905	21,738
Public safety						
Police	50,100	53,343	116,808	114,133	(3,243)	2,675
Highways and streets	13,500	13,120	7,200	5,017	380	2,183
Drainage	44,124	44,487	-	-	(363)	-
Culture and recreation	33,624	33,606	32,796	32,547	18	249
	240,772	243,075	372,240	345,395	(2,303)	26,845
Total capital outlay expenditures	\$ 3,138,040	\$ 3,037,473	\$ 3,110,640	\$ 2,946,832	\$ 100,567	\$ 163,808
Total Expenditures						

CITY OF PORT ALLEN, LOUISIANA

Special Revenue Funds

June 30, 1999

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.

Demonstrated Needs 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 the construction of a new water well on Sixth Street.

CITY OF PORT ALLEN, LOUISIANA
Combining Balance Sheet
Special Revenue Fund

June 30, 1999 and 1998

	Port Allen Fire Subdistrict Number 3	Street Improvements	Demonstrated Needs	Low-Income Housing Assistance	Totals	
					1999	1998
ASSETS						
Cash	\$ 594,452	\$ -	\$ -	\$ -	\$ 594,452	\$ 548,809
Receivables						
Intergovernmental	56,395	-	2,500	4,990	63,885	55,091
Due from other funds	-	-	-	-	-	1,200
Prepaid insurance	410	-	-	-	410	282

Total Assets \$ 651,257 \$ - \$ 2,500 \$ 4,990 \$ 658,747 \$ 605,382

LIABILITIES AND FUND BALANCES

Liabilities						
Accounts payable	\$ 640	\$ -	\$ -	\$ 3,654	\$ 4,294	\$ 217,154
Compensated absences payable	15,543	-	-	-	15,543	13,652
Due to other funds	11,485	-	2,500	1,336	15,321	18,719
Total liabilities	27,668	-	2,500	4,990	35,158	249,525

Fund Balances						
Unreserved, undesignated	623,589	-	-	-	623,589	355,857
Total fund balances	623,589	-	-	-	623,589	355,857

Total Liabilities and Fund Balance \$ 651,257 \$ - \$ 2,500 \$ 4,990 \$ 658,747 \$ 605,382

CITY OF PORT ALLEN, LOUISIANA

Combining Statement of Revenues, Expenditures and Changes in Fund Balance Special Revenue Fund

Years Ended June 30, 1999 and 1998

	Port Allen Fire Subdistrict Number 3	Street Improvements	Demonstrated Needs	Low-Income Housing Assistance	Totals	
					1999	1998
Revenues						
Intergovernmental	\$ 766,008	\$ 228,051	\$ 2,500	\$ 459,701	\$ 1,456,260	\$ 1,175,216
Interest	18,083	-	-	-	18,083	15,207
Total revenues	784,091	228,051	2,500	459,701	1,474,343	1,190,423
Expenditures						
Current						
Public safety	428,528	-	-	-	428,528	455,445
Highways and streets	-	22,602	-	-	22,602	31,117
Welfare	-	-	2,500	454,373	456,873	494,093
Capital outlay						
Public safety	10,296	-	-	-	10,296	44,438
Highways and streets	-	205,449	-	-	205,449	-
Total expenditures	438,824	228,051	2,500	454,373	1,123,748	1,025,093
Excess (Deficiency) of Revenues Over Expenditures	345,267	-	-	5,328	350,595	165,330
Other Financing Sources (Uses)						
Operating transfers out	(81,527)	-	-	(1,336)	(82,863)	(79,518)
Penalties	-	-	-	-	-	(9,872)
Total other financing sources (uses)	(81,527)	-	-	(1,336)	(82,863)	(89,390)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	263,740	-	-	3,992	267,732	75,940
Fund Balance						
Beginning	359,849	-	-	(3,992)	355,857	279,917
Ending	\$ 623,589	\$ -	\$ -	\$ -	\$ 623,589	\$ 355,857

CITY OF PORT ALLEN, LOUISIANA

Comparative Statements of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual **Years Ended June 30, 1999 and 1998**
Port Allen Fire Subdistrict No. 3 Fund

	1999		1998		Variance - Favorable (Unfavorable)	Variance - Favorable (Unfavorable)
	Budget	Actual	Budget	Actual		
Revenues						
Intergovernmental	\$ 751,560	\$ 766,008	\$ 14,448	\$ 589,500	\$ 644,126	\$ 54,626
Interest	15,468	18,083	2,615	9,456	15,207	5,751
Total revenues	767,028	784,091	17,063	598,956	659,333	60,377
Expenditures						
Current						
Public safety						
Fire						
Personal services	309,348	315,496	(6,148)	298,776	305,757	(6,981)
Supplies	35,700	29,494	6,206	35,700	26,940	2,145,000
Other services and charges	93,156	83,538	9,618	135,156	122,748	12,408
Capital outlay						
Public safety						
Fire	10,296	10,296	-	49,800	44,438	5,362
Total expenditures	448,500	438,824	9,676	519,432	499,883	19,549
Excess (Deficiency) of Revenues Over Expenditures	318,528	345,267	26,739	79,524	159,450	79,926
Other Financing Sources (Uses)						
Operating transfers out	(81,528)	(81,527)	1	(79,524)	(79,518)	6
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	237,000	263,740	26,740	-	79,932	79,932
Fund Balance						
Beginning	359,849	359,849	-	279,917	279,917	-
Ending	\$ 596,849	\$ 623,589	\$ 26,740	\$ 279,917	\$ 359,849	\$ 79,932

CITY OF PORT ALLEN, LOUISIANA

**Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Street Improvements Fund**

	1999		1998		Variance - Favorable (Unfavorable)	Variance - Favorable (Unfavorable)
	Budget	Actual	Budget	Actual		
Revenues						
Intergovernmental	\$ 230,380	\$ 228,051	\$ 32,817	\$ 31,117	\$ (2,329)	\$ (1,700)
Total revenues	230,380	228,051	32,817	31,117	(2,329)	(1,700)
Expenditures						
Current						
Highways and streets						
Other services and charges	20,902	22,602	32,817	31,117	(1,700)	1,700
Capital outlay						
Highways and streets	209,478	205,449	-	-	4,029	-
Total expenditures	230,380	228,051	32,817	31,117	2,329	1,700
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-	-	-
Fund Balance						
Beginning	-	-	-	-	-	-
Ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF PORT ALLEN, LOUISIANA

**Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
LCDBG Demonstrated Needs Fund**

Years Ended June 30, 1999 and 1998

	1999		1998		Variance - Favorable (Unfavorable)	Variance - Favorable (Unfavorable)
	Budget	Actual	Budget	Actual		
Revenues						
Intergovernmental	\$ -	\$ 2,500	\$ 2,500	\$ -	\$ 2,500	\$ -
Expenditures						
Preagreement costs	-	2,500	(2,500)	-	(2,500)	-
Total expenditures	-	2,500	(2,500)	-	(2,500)	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-	-	-
Other Financing (Uses)						
Operating transfers out	-	-	-	-	-	-
Excess of Revenues Over Expenditures and Other Financing Uses	-	-	-	-	-	-
Fund Balance						
Beginning	-	-	-	-	-	-
Ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF PORT ALLEN, LOUISIANA

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Years Ended June 30, 1999 and 1998

Low Income Housing Assistance Fund

	1999			1998			Variance - Favorable (Unfavorable)
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)	
Revenues							
Intergovernmental	\$ 459,688	\$ 459,701	\$ 13	\$ 502,887	\$ 499,973	\$ (2,914)	
Expenditures							
Welfare							
Housing assistance	397,877	398,157	(280)	440,788	431,883	8,905	
Program administration	52,811	53,216	(405)	59,099	59,210	(111)	
Administration	3,000	3,000	-	3,000	3,000	-	
Audit							
Total expenditures	453,688	454,373	(685)	502,887	494,093	8,794	
Excess (Deficiency) of Revenues Over Expenditures	6,000	5,328	(672)	-	5,880	5,880	
Other Financing (Uses)							
Operating transfers out	-	(1,336)	(1,336)	-	-	-	
Penalty	-	-	-	-	(9,872)	(9,872)	
Excess of Revenues Over Expenditures and Other Financing Uses	6,000	3,992	(2,008)	-	(3,992)	(3,992)	
Fund Balance							
Beginning	-	(3,992)	(3,992)	-	-	-	
Ending	\$ 6,000	\$ -	\$ (6,000)	\$ -	\$ (3,992)	\$ (3,992)	

CITY OF PORT ALLEN, LOUISIANA

Capital Projects Fund

June 30, 1999

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Capital Improvement Fund – this fund is operational through excess revenues of the General fund of the City of Port Allen, Louisiana. No federal assistance is received. The City Council approves amounts to be transferred to the Capital Projects Fund through budget appropriation or through residual equity transfers.

CITY OF PORT ALLEN, LOUISIANA

Comparative Balance Sheets Capital Projects Fund

June 30, 1999 and 1998

ASSETS	1999	1998
Assets		
Cash and cash equivalents	\$ 400,958	\$ 2,928
Due from other funds	394,000	97,055
Total assets	<u>\$ 794,958</u>	<u>\$ 99,983</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 189,997	\$ -
Due to other funds	4,317	1,200
Total liabilities	<u>194,314</u>	<u>1,200</u>
Fund Balance		
Unreserved, undesignated	<u>600,644</u>	<u>98,783</u>
Total fund balance	<u>600,644</u>	<u>98,783</u>
Total Liabilities and Fund Balance	<u><u>\$ 794,958</u></u>	<u><u>\$ 99,983</u></u>

CITY OF PORT ALLEN, LOUISIANA

Comparative Statements of Revenues, Expenditures and Changes in Fund Balances

Capital Projects Fund

	1999	1998
Revenues		
Interest	\$ 59,760	\$ 1,369
Discounts taken	170	-
Total revenues	<u>59,930</u>	<u>1,369</u>
Expenditures		
Current		
Highways and streets	<u>2,030,926</u>	<u>335,931</u>
Total expenditures	<u>2,030,926</u>	<u>335,931</u>
(Deficiency) of Revenues Over Expenditures	<u>(1,970,996)</u>	<u>(334,562)</u>
Other Financing Sources		
Proceeds from certificates of indebtedness	2,300,000	-
Operating transfers in	394,000	150,000
Operating transfers out	<u>(350,000)</u>	<u>-</u>
Total other financing sources	<u>2,344,000</u>	<u>150,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>373,004</u>	<u>(184,562)</u>
Fund Balance		
Beginning	98,783	183,345
Residual equity transfer	<u>128,857</u>	<u>100,000</u>
Ending	<u>\$ 600,644</u>	<u>\$ 98,783</u>

CITY OF PORT ALLEN, LOUISIANA

Comparative Statements of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Capital Projects Fund

Years Ended June 30, 1999 and 1998

	1999		1998		Variance - Favorable (Unfavorable)	Variance - Favorable (Unfavorable)
	Budget	Actual	Budget	Actual		
Revenues						
Interest	\$ 60,072	\$ 59,760	\$ (312)	\$ 1,369	\$ (233)	\$ (233)
Discounts taken	-	170	170	-	-	-
Total revenues	60,072	59,930	(142)	1,369	(233)	(233)
Expenditures						
Current						
Highways and streets	2,031,712	2,030,926	786	315,246	335,931	(20,685)
Total expenditures	2,031,712	2,030,926	786	315,246	335,931	(20,685)
Deficiency of Revenues Over Expenditures	(1,971,640)	(1,970,996)	644	(334,562)	(20,918)	(20,918)
Other Financing Sources (Uses)						
Proceeds from certificates of indebtedness	1,950,000	2,300,000	350,000	-	-	-
Operating transfers in	394,000	394,000	-	150,000	150,000	-
Operating transfers out	-	(350,000)	(350,000)	-	-	-
Total other financing sources (uses)	2,344,000	2,344,000	-	150,000	150,000	-
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	372,360	373,004	644	(184,562)	(20,918)	(20,918)
Fund Balance						
Beginning	98,783	98,783	-	183,345	183,345	-
Residual equity transfer	128,857	128,857	-	100,000	100,000	-
Ending	\$ 600,000	\$ 600,644	\$ 644	\$ 119,701	\$ 98,783	\$ (20,918)

CITY OF PORT ALLEN, LOUISIANA

Debt Service Fund

June 30, 1999

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.

2.3 Million Certificate of Indebtedness - This fund is used to account for the accumulation of resources and payment of certificates of indebtedness principal and interest.

CITY OF PORT ALLEN, LOUISIANA

Combining Balance Sheet

Debt Service Funds

June 30, 1999 and 1998

	Port Allen Fire Subdistrict Number 3	\$2.3 Million Certificates of Indebtedness	California Avenue	Totals
ASSETS	1999	1998	1999	1998
Cash and cash equivalents	\$ 10,236	\$ -	\$ -	\$ 10,236
Receivables	-	-	-	-
Special assessment	-	-	-	2,347
Total Assets	\$ 10,236	\$ -	\$ -	\$ 10,236

LIABILITIES AND FUND BALANCES

Liabilities				
Accounts payable	\$ 10,236	\$ -	\$ -	\$ 11,565
Deferred revenue	-	-	-	2,192
Total liabilities	10,236	-	-	13,757
Fund Balances				
Reserved for debt service	-	-	-	16,437

Total Liabilities and Fund

Balances	\$ 10,236	\$ -	\$ -	\$ 10,236
				\$ 30,194

CITY OF PORT ALLEN, LOUISIANA

**Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Debt Service Funds**

Years Ended June 30, 1999 and 1998

	Port Allen Fire Subdistrict Number 3	\$2.3 Million Certificates of Indebtedness	California Avenue	Totals	
				1999	1998
Revenues					
Operating transfers in	\$ -	\$ 265,321	\$ -	\$ 265,321	\$ -
Special assessments	-	-	2,192	2,192	4,808
Interest	-	1,844	645	2,489	1,051
Total revenues	-	267,165	2,837	270,002	5,859
Expenditures					
Debt service					
Principal	55,000	155,000	-	210,000	50,000
Interest and fiscal charges	26,527	112,165	-	138,692	29,518
Total expenditures	81,527	267,165	-	348,692	79,518
Excess (Deficiency) of Revenues Over Expenditures	(81,527)	-	2,837	(78,690)	(73,659)
Other Financing Sources					
Operating transfers in	81,527	-	-	81,527	79,518
Excess (Deficiency) of Revenues And Other Financing Sources Over Expenditures	-	-	2,837	2,837	5,859
Fund Balance					
Beginning	-	-	16,437	16,437	10,578
Residual equity transfer out	-	-	(19,274)	(19,274)	-
Ending	\$ -	\$ -	\$ -	\$ -	\$ 16,437

CITY OF PORT ALLEN, LOUISIANA

Comparative Statements of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual **Years Ended June 30, 1999 and 1998**
Port Allen Fire Subdistrict No. 3 Debt Service Fund

	1999		1998		Variance - Favorable (Unfavorable)	Variance - Favorable (Unfavorable)
	Budget	Actual	Budget	Actual		
Expenditures						
Debt service						
Principal	\$ 55,000	\$ 55,000	\$ -	\$ 50,000	\$ -	\$ -
Interest and fiscal charges	26,528	26,527	1	29,524	29,518	6
Total expenditures	81,528	81,527	1	79,524	79,518	6
(Deficiency) of Revenues Over Expenditures	(81,528)	(81,527)	1	(79,524)	(79,518)	6
Other Financing Sources						
Operating transfers in	81,528	81,527	(1)	79,524	79,518	(6)
(Deficiency) of Revenues And Other Financing Sources Over Expenditures	-	-	-	-	-	-
Fund Balance						
Beginning	-	-	-	-	-	-
Ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF PORT ALLEN, LOUISIANA
Statement of Revenues, Expenditures and Changes in
Year Ended June 30, 1999
Fund Balance - Budget and Actual
\$2.3 Million Certificates of Indebtedness Fund

	1999		Variance - Favorable (Unfavorable)
	Budget	Actual	
Operating transfers in	264,820	265,321	\$ 501
Interest	1,845	1,844	(1)
Total revenues	266,665	267,165	500
Debt service			
Principal	155,000	155,000	-
Interest and fiscal charges	111,665	112,165	(500)
Total expenditures	266,665	267,165	(500)
Excess (Deficiency) of Revenues Over Expenditures	-	-	-
Beginning	-	-	-
Ending	\$ -	\$ -	\$ -

CITY OF PORT ALLEN, LOUISIANA

**Comparative Statements of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
California Avenue Debt Service Fund**

Years Ended June 30, 1999 and 1998

	1999		1998		Variance - Favorable (Unfavorable)	Actual	Budget	Actual	Budget	Variance - Favorable (Unfavorable)
	Budget	Actual	Budget	Actual						
Revenues										
Operating Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	2,190	2,192	2	4,808	4,808	4,808	4,808	4,808	-	-
Interest	647	645	(2)	880	880	1,051	1,051	1,051	171	171
Total revenues	2,837	2,837	-	5,688	5,688	5,859	5,859	5,859	171	171
Expenditures										
Debt service	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	2,837	2,837	-	5,688	5,688	5,859	5,859	5,859	171	171
Fund Balance										
Beginning	16,437	16,437	-	-	-	10,578	10,578	10,578	10,578	10,578
Residual equity transfer out	(19,274)	(19,274)	-	-	-	-	-	-	-	-
Ending	\$ -	\$ -	\$ -	\$ 5,688	\$ 5,688	\$ 16,437	\$ 16,437	\$ 16,437	\$ 10,749	\$ 10,749

CITY OF PORT ALLEN, LOUISIANA

Enterprise Fund

June 30, 1999

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 cost 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.

Sewer Fund - This fund is used to account for the provision of sewer services to the residents of the city.

CITY OF PORT ALLEN, LOUISIANA

Comparative Balance Sheets

June 30, 1999 and 1998

Enterprise Funds

ASSETS	Water and Gas Fund	Sewer Revenue Fund	1999	1998
Current Assets				
Cash and cash equivalents	\$ 1,149,662	\$ 81,655	\$ 1,231,317	\$ 1,094,495
Receivables				
Accounts, net of allowance for uncollectibles: 1999, \$13,420; 1998, \$11,103	174,124	422	174,546	166,032
Accrued interest on investments	2,112	-	2,112	-
Prepaid insurance	1,787	1,502	3,289	2,929
Due from other funds	2,500	288	2,788	555
Total current assets	1,330,185	83,867	1,414,052	1,264,011
Restricted Assets				
Customer deposits	73,690	-	73,690	69,565
Plant and Equipment, at cost, net of accumulated depreciation				
1999, \$2,468,221; 1998, \$2,388,798	554,343	2,010,992	2,565,335	1,557,712
Total Assets	\$ 1,958,218	\$ 2,094,859	\$ 4,053,077	\$ 2,891,288
LIABILITIES AND FUND EQUITY				
Current Liabilities				
Accounts payable and accrued liabilities	\$ 70,186	\$ 17,710	\$ 87,896	\$ 134,635
Compensated absences	38,872	15,035	53,907	50,454
Deferred revenues	-	-	-	502,091
Due to general fund	27,413	-	27,413	32,209
Notes payable and long-term debt	-	1,182,163	1,182,163	-
Total current liabilities	136,471	1,214,908	1,351,379	719,389
Customer deposits	73,690	-	73,690	69,565
Total liabilities	210,161	1,214,908	1,425,069	788,954
Contributed capital, beginning	600,694	444,394	1,045,088	1,045,088
Capital contribution - City	-	350,000	350,000	-
Contributed capital, ending	600,694	794,394	1,395,088	1,045,088
Retained earnings				
Unreserved	1,147,363	85,557	1,232,920	1,057,246
Total fund equity	1,748,057	879,951	2,628,008	2,102,334
Total Liabilities and Fund Equity	\$ 1,958,218	\$ 2,094,859	\$ 4,053,077	\$ 2,891,288

CITY OF PORT ALLEN, LOUISIANA

Comparative Schedules of Operating Expenses by Department Enterprise Funds

Years Ended June 30, 1999 and 1998

	Water & Gas Fund	Sewer Revenue Fund	1999	1998
Gas System				
Personal service	\$ 108,477	\$ -	\$ 108,477	\$ 104,820
Contractual services and other	41,564	-	41,564	37,714
Supplies	4,359	-	4,359	5,533
Materials	287,343	-	287,343	408,112
Heat, light and power	3,627	-	3,627	4,009
Depreciation	18,519	-	18,519	18,632
Total gas system	463,888	-	463,888	578,820
Water System				
Personal service	108,477	-	108,477	104,820
Contractual services and other	32,967	-	32,967	49,007
Supplies	4,400	-	4,400	7,051
Materials	29,840	-	29,840	30,609
Heat, light and power	25,137	-	25,137	29,846
Depreciation	17,223	-	17,223	17,361
Total water system	218,044	-	218,044	238,694
Sewerage Treatment Plant				
Personal service	-	210,844	210,844	210,818
Contractual services and other	-	121,132	121,132	102,060
Supplies	-	40,039	40,039	15,284
Materials	-	-	-	22,311
Heat, light and power	-	-	-	50,117
Depreciation	-	31,073	31,073	23,632
Total sewerage treatment plant	-	403,088	403,088	424,222
Sewer System				
Contractual services and other	-	67,061	67,061	78,243
Materials	-	9,307	9,307	16,227
Heat, light and power	-	9,296	9,296	4,958
Depreciation	-	8,219	8,219	8,218
Total sewer system	-	93,883	93,883	107,646
General Administration				
Personal service	187,659	-	187,659	179,568
Contractual services and other	58,795	-	58,795	58,448
Supplies	7,817	-	7,817	9,200
Heat, light and power	1,798	-	1,798	1,837
Depreciation	21,180	-	21,180	24,377
Total general administration	277,249	-	277,249	273,430
Total Operating Expenses	\$ 959,180	\$ 496,971	\$ 1,456,151	\$ 1,622,812

CITY OF PORT ALLEN, LOUISIANA

General Fixed Assets Account Group

June 30, 1999

CITY OF PORT ALLEN, LOUISIANA

Schedule of General Fixed Assets by Source

General Fixed Assets Account Group

June 30, 1999

With Comparative Totals For June 30, 1998

	City of		Port Allen		Totals	
	Port Allen	Port Allen	Fire Subdistrict Number 3	1999	1998	
General Fixed Assets						
Land	\$ 342,127	\$ -	\$ -	\$ 342,127	\$ 342,127	\$ 342,127
Buildings	479,878	435,564	435,564	915,442	912,873	912,873
Improvements other than buildings	609,413	58,438	58,438	667,851	634,244	634,244
Equipment	1,329,323	581,279	581,279	1,910,602	1,888,772	1,888,772
Construction in progress	352,535	-	-	352,535	120,168	120,168
Total general fixed assets	\$ 3,113,276	\$ 1,075,281	\$ 1,075,281	\$ 4,188,557	\$ 3,898,184	\$ 3,898,184
Investment in General Fixed Assets						
Acquired prior to July 1, 1974*	\$ 109,562	\$ -	\$ -	\$ 109,562	\$ 109,562	\$ 109,562
Acquired after June 30, 1974 from						
General fund revenues	1,931,385	534,600	534,600	2,465,985	2,178,537	2,178,537
Federal grants	950,488	-	-	950,488	947,563	947,563
Bonds	-	540,681	540,681	540,681	540,681	540,681
State grants	121,841	-	-	121,841	121,841	121,841
Total investment in general fixed assets	\$ 3,113,276	\$ 1,075,281	\$ 1,075,281	\$ 4,188,557	\$ 3,898,184	\$ 3,898,184

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

CITY OF PORT ALLEN, LOUISIANA

Supplementary Information

June 30, 1999

CITY OF PORT ALLEN, LOUISIANA

Schedule of Bonds Payable

June 30, 1999

	Issue Date	Final Maturity Date	Interest		Annual Serial Payments	Bonds Issued	Retired	Outstanding	Unmatured Interest Coupons
			Rates	Payment Dates					
General Obligation Debt									
Certificates of indebtedness	7/1/98	7/1/08	4.05% to 8.0%	1/1 and 7/1	\$155,000 to \$315,000	\$ 2,300,000	\$155,000	\$ 2,145,000	\$ 513,886
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	200,000	400,000	91,574
Revenue Bonds									
Sewer revenue bonds	4/1/98	4/1/18	3.95%	4/1 and 10/1	\$45,000 to \$90,000	1,227,163	45,000	1,182,163	481,994
						\$ 4,127,163	\$400,000	\$ 3,727,163	\$ 1,087,454

CITY OF PORT ALLEN, LOUISIANA

Schedule of Insurance in Force (Unaudited)

June 30, 1999

Insurer	Coverage	Risks Covered	Limits of Coverage	Expiration Date
Audubon Insurance Company	Scheduled equipment	Contractor's equipment physical damage	ACV subject to \$250 deductible	1/1/00
Audubon Indemnity Company	Vehicle fleet	Collision and comprehensive	ACV subject to deductibles of \$500, \$1,000 and \$250, respectively	1/1/00
Hartford Steam Boiler	All City owned property	Boiler and machinery	\$250M each occurrence subject to \$1,000 deductible	1/1/00
Vesta Fire Insurance Company	Buildings and contents	Fire and extended coverage	\$620M	11/3/99
Louisiana Municipal Association Liability Program	All employees, volunteer firemen and auxiliary policemen	Workmen's compensation	Statutory	12/31/99
Louisiana Municipal Association Liability Program	All City owned property and automobiles.	Comprehensive general liability and automobile liability	Combined single limit \$500M	4/30/00
Louisiana Municipal Association Liability Program	Law enforcement officers	Personal injury and property damage	Combined single limit \$500M subject to \$2,500 deductible	4/30/00
Louisiana Municipal Association Liability Program	All employees, volunteer firemen and auxiliary policemen	Public officials errors and omissions	Combined single limit \$500M ACV subject to \$2,500 deductible	4/30/00
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	11/3/99
Western Surety Company	Mayor, Chief of Police, Finance Director, Employees	Dishonesty	\$10,000 - \$50,000	7/1/99
American Alternative Insurance Company	Fire department buildings	Fire and extended coverage	\$390,457	7/1/99
American Alternative Insurance Company	Fire department property and vehicles	Comprehensive general liability	\$2,000M aggregate limit	7/1/99
American Alternative Insurance Company	EMS wrongful acts	Wrongful acts	\$2,000M aggregate limit	7/1/99

CITY OF PORT ALLEN, LOUISIANA

Utility Customers

June 30, 1999 (Unaudited)

The City had 2,079 and 2,057 water and sewer and 1,633 and 1,628 gas customers at June 30, 1999 and 1998, respectively.

CITY OF PORT ALLEN, LOUISIANA

Schedule of Compensation Paid to Council Members For the Year Ended June 30, 1999

Dean Hotard, Mayor pro tem	\$ 10,200
Ralph Bergeron, Councilman	9,600
Clarence Lawrence, Councilman	4,430
Irvie Johnson, Councilman	9,600
Lillian Ragan, Councilman	9,600
Ray Helen Lawrence, Councilman	3,878
	<hr/>
	\$ 47,308
	<hr/> <hr/>

* Mrs. Lawrence was appointed and subsequently elected to complete the term of her husband who died in December, 1998. Her initial per diem was prorated to the date of her installation.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL
CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

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

We have audited the financial statements of the City of Port Allen, Louisiana, as of and for the year ended June 30, 1999, and have issued our report thereon dated December 8, 1999, which was qualified because insufficient audit evidence exists to support the City of Port Allen's disclosures with respect to the Year 2000 Issue. Except as discussed in the preceding sentence, 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 City of Port Allen, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying schedule of findings and questioned costs as item 99-4.

Internal Control Over Financial Reporting.

In planning and performing our audit, we considered the City of Port Allen, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City of Port Allen, Louisiana's ability to record, process, summarize and report financial data

consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 99-1 through 99-3.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition item 99-3 is a material weakness.

This report is intended for the information of the Mayor, Members of the City Council, management and federal and state awarding agencies and pass through entities. However, this report is a matter of public record and its distribution is not limited.

PROVOST, SALTER, HARPER & ALFORD, L.L.C.

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

December 8, 1999

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB
CIRCULAR A-133**

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

Compliance.

We have audited the compliance of the City of Port Allen, Louisiana, with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 1999. The City of Port Allen, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Port Allen, Louisiana's management. Our responsibility is to express an opinion on the City of Port Allen, Louisiana's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133 *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Port Allen, Louisiana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Port Allen, Louisiana's compliance with those requirements.

In our opinion, the City of Port Allen, Louisiana complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999.

Internal Control Over Compliance.

The management of the City of Port Allen, Louisiana is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Port Allen, Louisiana's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the City's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 99-1 through 99-3.

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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program 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 over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition item 99-3 is a material weakness.

This report is intended for the information of the Mayor, Members of the City Council, management and federal and state awarding agencies and pass through entities. However, this report is a matter of public record and its distribution is not limited.

PROVOST, SALTER, HARPER & ALFORD, L.L.C.

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

December 8, 1999

CITY OF PORT ALLEN, LOUISIANA

Schedule of Findings and Questioned Costs

Year Ended June 30, 1999

Section I – Summary of Auditor's Results

Financial Statements.

Type of auditor's report issued:	<u>Qualified for Y2K disclosures</u>
Internal control over financial reporting:	
Material weakness identified?	<u>Yes</u>
Reportable condition identified not considered to be material weaknesses?	<u>Yes</u>
Noncompliance material to financial statements noted?	<u>Yes</u>

Federal Awards.

Internal Control over major programs:	
Material weakness identified?	<u>Yes</u>
Reportable condition identified not considered to be material weaknesses?	<u>No</u>
Type of auditor's report issued on compliance for major programs:	<u>Unqualified</u>
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, § 510(a)?	<u>Yes</u>
Identification of major programs:	

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
<u>14.182</u>	<u>Section 8 Housing</u>
<u>14.228</u>	<u>LCDBG – Street Program</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 300,000</u>
Auditee qualified as low risk auditee?	<u>No</u>

CITY OF PORT ALLEN, LOUISIANA***Schedule of Finding and Questioned Costs, Continued******Year Ended June 30, 1999*****Section II – Financial Statement Findings****Reportable Conditions**

Item 99-1. Documentation for cash payments to confidential informants by the police department is not adequate.

Criteria. Cash payments for any purpose must be supported by sufficient documentation for the payment.

Effect. Errors or irregularities could occur and not be detected.

Cause. Personnel involved failed to adequately document the payments.

Recommendation. Payments to confidential informants should be documented in police reports and personal logs of the police officers.

Management's Response. We will implement the auditor's recommendation immediately.

Item 99-2. Cash receipts for copies of police reports are not deposited in the general fund.

Criteria. All cash receipts should be deposited in the City's bank accounts and recorded in the books and records.

Effect. Errors or irregularities could occur and not be detected.

Cause. Management was allowing the funds to be used by the Port Allen Auxiliary Police Department without being recorded in the books and records.

Recommendation. These funds should be deposited in the City's bank account and recorded in the books and records.

Management's Response. We will implement the auditor's recommendation immediately.

Reportable Conditions – Material Weakness

Item 99-3. 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.

CITY OF PORT ALLEN, LOUISIANA***Schedule of Finding and Questioned Costs, Continued******Year Ended June 30, 1999***

Criteria. Financial reporting under the control of one person represents a failure to segregate incompatible accounting activities.

Effect. The condition is such that errors, either intentional or unintentional, in the processing of financial reports, could occur and not be detected in a timely manner and in the ordinary course of operations.

Cause. The size of the City and the limited number of employees did not permit an adequate segregation of incompatible duties.

Recommendation. To the extent that it is practical to do so, Management should segregate employee duties and perform supervisory reviews.

Management's Response. We recognize the problem and we perform supervisory reviews to mitigate the effect, however based on the size of the City, there is nothing else that we can do that is cost effective.

Independent Auditor's Comments on Resolution of Prior Audit Findings

Item 99-3 is a repeat of prior year's findings. There were no other findings reported in the prior year.

Compliance**Reportable Conditions – Material Weakness**

Item 99-4. The City had one construction project that was not bid even though it exceeded the statutory threshold of \$100,000.

Criteria. Per R.S.38:2212, all construction projects exceeding \$100,000 in labor and materials are required to be bid.

Effect. State law has been violated.

Cause. The project was not adequately planned or estimated and the project was split into several components.

Recommendation. State law regarding construction projects should be followed.

Management's Response. We considered the City to be in compliance with R.S.38:2212. Future transactions will be researched to insure compliance with this statute.

CITY OF PORT ALLEN, LOUISIANA

Schedule of Finding and Questioned Costs, Continued

Year Ended June 30, 1999

Section III – Federal Award Findings and Questioned Costs

See Finding 99-3 above, related to segregation of employee duties.