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ALEXANDRIA REGIONAL PORT AUTHORITY

ALEXANDRIA, LOUISIANA

APRIL 30, 2004

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

Release Date: 10-20-08

ALEXANDRIA REGIONAL PORT AUTHORITY

APRIL 30, 2024

TABLE OF CONTENTS

	<u>EXHIBIT</u>	<u>PAGE</u>
Independent Auditor's Report		1
Required Supplemental Information		
Management's Discussion and Analysis		2-5
Basic Financial Statements		7
Statement of Net Assets	A	8
Statement of Revenues, Expenses and Changes in Fund Net Assets	B	9
Statement of Cash Flows	C	13
Notes to Financial Statements		15-16
Other Report Required by Government		
Auditing Standards		17
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Basic Financial Statements Performed in Accordance with Government Auditing Standards		18-20
Schedule of Findings and Disclosed Costs		21
Management's Summary Schedule of Prior Audit Findings		22



PAULINE MOORE & HERRINGTON, LLP

**CIVIL SERVICE ACCOUNTS
INDEPENDENT AUDITOR'S REPORT**

Board of Commissioners
Alexandria Regional Port Authority

We have audited the accompanying basic financial statements of the Alexandria Regional Port Authority, Alexandria, Louisiana, as of and for the year ended April 30, 2004, as listed in the table of contents. These financial statements are the responsibility of the Alexandria Regional Port Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Alexandria Regional Port Authority as of April 30, 2004, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis in pages 3 through 6 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with Government Auditing Standards, we have also issued our report dated August 12, 2004, on our consideration of the Alexandria Regional Port Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Pauline Moore & Herrington, LLP
Certified Public Accountants

August 12, 2004

800.541.1234	800.511.1234	800.511.1234
504.326.1234	504.326.1234	504.326.1234
504.326.1234	504.326.1234	504.326.1234



800.541.1234 • P.O. Box 1000 • Alexandria, LA 71301-1000
504.326.4000 • 504.326.4000 • www.pmh.com

REQUIRED SUPPLEMENTAL INFORMATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

ALEXANDRIA REGIONAL PORT AUTHORITY
APRIL 30, 2004

Management's Discussion and Analysis

Our discussion and analysis of the Alexandria Regional Port Authority's (the Authority) financial performance provides an overview of the Authority's financial activities for the fiscal year ended April 30, 2004. Please read in conjunction with the Authority's basic financial statements, which begin on page 8.

Financial Highlights

- The Authority's net assets decreased by \$100,026 during the year ended April 30, 2004. The decrease in net assets is attributable to depreciation of capital assets. Prior to depreciation net assets increased by \$132,962.
- While total net assets decreased by about one percent, there was no significant change in unrestricted net assets. Unrestricted net assets are those net assets available to meet the day-to-day operating needs of the Authority.

Using This Annual Report

This annual report consists of Management's Discussion and Analysis, the basic financial statements, and notes to the financial statements. Management's Discussion and Analysis provides a narrative of the Authority's financial performance and activities for the year ended April 30, 2004. The basic financial statements provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business. The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

The basic financial statements consist of three statements:

- The *Statement of Net Assets* presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.
- The *Statement of Activities* presents information showing how the Authority's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Certain revenues and expenses are reported in this statement that will result in cash flows in future periods.
- The *Statement of Cash Flows* presents information showing how the Authority's cash changed during the most recent fiscal year. It shows the sources and uses of cash.

See Independent Auditor's Report.

ALEXANDRIA REGIONAL PORT AUTHORITY
APRIL 30, 2004

Management's Discussion and Analysis

Financial Analysis of the Authority as a Whole

A summary of net assets is presented below.

Table 1
Net Assets

	2004	2003	% Change
Current and other assets	\$ 707,599	\$ 840,245	18.47%
Capital assets, net of depreciation	<u>10,840,320</u>	<u>10,882,998</u>	-.34
Total Assets	11,713,479	11,831,243	.70
Current liabilities	167,190	16,785	948.72%
Noncurrent liabilities	<u>36,671</u>	<u>33,000</u>	11.72
Total Liabilities	204,861	51,785	291.97
Invested in capital assets	10,764,817	10,840,098	-3.07%
Unrestricted net assets	<u>724,521</u>	<u>280,458</u>	21.47
Total Net Assets	11,479,418	11,179,456	1.88

Invested in capital assets represent the Authority's long-term investment in capital assets, net of accumulated depreciation, and is not available for current operations.

A summary of changes in net assets is presented below.

Table 2
Changes in Net Assets

	2004	2003	% Change
Operating revenues			
(Charges for services, leases, and other)	\$ 147,673	\$ 147,478	-.25.32%
Non-operating revenues			
(Government subsidies and interest income)	<u>296,982</u>	<u>190,004</u>	56.24
Total Revenues	444,655	337,482	4.43
Operating expenses			
Depreciation	233,080	230,168	-1.24%
Other	<u>271,688</u>	<u>330,260</u>	-17.67
Total Expenses	504,768	560,428	-10.58
Change in net assets	(100,033)	(176,707)	-43.38

Net assets decreased because of depreciation. Without depreciation, net assets would have increased by \$132,962.

See Independent Auditor's Report.

**ALEXANDRIA REGIONAL PORT AUTHORITY
APRIL 30, 2004**

Management's Discussion and Analysis

Capital Assets

At April 30, 2004 and 2003, the Authority had \$13,891,633 and \$12,498,297, respectively, invested in capital assets, including land and improvements, roads, port facilities, and furniture, fixtures, and equipment. Additions to capital assets during the year ended April 30, 2004, consisted of Port facilities of \$1,874, and retired (\$25,000), and construction in progress of \$270,462 for a total of \$195,336.

Non-Current Liabilities

The Authority's non-current liabilities consist of accrued compensated absences for vacation and sick leave. These liabilities increased by \$3,868 during the fiscal year, from \$33,002 at the beginning of the year, to \$36,871 at the end of the year.

Other Currently Known Facts, Decisions, or Conditions

It is very difficult to project from year to year the profitability of the port due to a majority of the income that reflects profitability is thru-port fees. The lease income and grants provide the basis for the operating expenses.

Where appropriate, the tenants share the bulk of the maintenance except for replacement of the capital assets. During 2004-2005 fiscal year the Port and its tenant will construct a new 5000-ton Dome. This will increase the lease income for the Port and give the tenant the opportunity to increase its inventory.

In management's opinion the substantial cash balance that the port has acquired will be maintained under present operating projections.

Contacting the Authority's Financial Management

This financial report is designed to provide a general overview of the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Alexandria Regional Port Authority's office at 600 Port Road, Alexandria, Louisiana.

BASIC FINANCIAL STATEMENTS

ALEXANDRIA REGIONAL PORT AUTHORITY
STATEMENT OF NET ASSETS
APRIL 30, 2004

EXHIBIT A

ASSETS

Current assets

Cash	\$	481,807
Certificate of Deposit		101,888
Accounts receivable		178,876
Prepaid Expenses		7,181
Total current assets		<u>769,752</u>

Noncurrent assets

Deposits		527
Capital assets - net of accumulated depreciation		<u>10,945,520</u>
Total noncurrent assets		<u>10,946,047</u>
Total assets		<u>11,713,479</u>

LIABILITIES

Current liabilities

Accounts payable		188,893
Payroll related payables		<u>287</u>
Total current liabilities		<u>189,180</u>

Noncurrent liability

Accrued vacation and sick leave		<u>36,871</u>
Total liabilities		<u>226,051</u>

NET ASSETS

Net book value of capital assets		10,945,520
Less: current and non-current debt		<u>(189,903)</u>
Invested in capital assets		10,754,917
Unrestricted		<u>724,501</u>

TOTAL NET ASSETS

\$ 11,479,419

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

ALEXANDRIA REGIONAL PORT AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
YEAR ENDED APRIL 30, 2004

EXHIBIT B

OPERATING REVENUES	
Lease revenue	\$ 88,800
Charges for services	<u>48,873</u>
Total Operating Revenues	147,673
OPERATING EXPENSES	
Depreciation	233,800
Salaries and wages	95,358
Insurance	16,440
Port maintenance and operating	36,763
Office operating cost	20,993
Port marketing	38,400
Travel	21,100
Hospitalization	12,852
Retirement	9,867
Accounting	7,154
Auto expense	6,710
Payroll taxes	7,480
Membership and dues	6,733
Legal	<u>2,928</u>
Total Operating Expenses	504,958
OPERATING LOSS	(356,965)
NON-OPERATING REVENUES (EXPENSES):	
Contributions in aid of construction	183,644
Grant revenue	80,000
Interest income	5,888
Gain or loss on disposal of assets	(22,913)
Other income	<u>240</u>
Total Non-Operating Revenues	256,859
NET DECREASE IN NET ASSETS	(100,036)
NET ASSETS - BEGINNING OF YEAR	<u>11,579,458</u>
NET ASSETS - END OF YEAR	<u>\$ 11,479,418</u>

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

ALEXANDRIA REGIONAL PORT AUTHORITY
STATEMENT OF CASH FLOWS
YEAR ENDED APRIL 30, 2004

EXHIBIT C

CASH FLOWS FROM OPERATING ACTIVITIES	
Received from operations	\$ 145,049
Payments for payroll and related expenses	(38,559)
Payments for goods and services	<u>(115,332)</u>
Net Cash Used in Operating Activities	(14,862)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Government subsidies - operating grants	<u>80,000</u>
Net Cash Provided by Noncapital Financing Activities	80,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of fixed assets and construction	(37,733)
Contributions in aid of construction	<u>35,869</u>
Net Cash Used in Capital and Related Financing Activities	(1,874)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	5,988
Net proceeds from maturities of investments	<u>(814)</u>
Net Cash Provided by Investing Activities	5,272
DECREASE IN CASH	(98,471)
CASH, BEGINNING OF YEAR	<u>540,073</u>
CASH, END OF YEAR	\$ 441,602
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES	
Operating loss	\$ (258,990)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	239,000
Non-operating revenue (expense)	240
Changes in assets and liabilities:	
Prepaid expenses	(7,181)
Accounts receivable	(2,824)
Accounts payable	(12,275)
Payroll related payables	78
Accrued vacation and sick leave	<u>3,805</u>
NET CASH USED IN OPERATING ACTIVITIES	\$ (14,862)

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

ALEXANDRIA REGIONAL PORT AUTHORITY
APRIL 30, 2004

NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The Alexandria Regional Port Authority, created by Act 1987, No. 440 of the Legislature of the State of Louisiana, is a political subdivision of the State. Its territorial limits are concurrent with that of the municipal limits of the City of Alexandria. The Authority is governed by a board of commissioners, composed of eight members, who serve without compensation. The City of Alexandria appoints five members of the board and the parishes of Rapides, Grant and Assioutles each appoint one member.

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

Reporting Entity

GASB Statement No. 14, The Reporting Entity, as amended, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Authority is considered a primary government, since it is a special-purpose government that is legally separate and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the Authority may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. Based upon these same criteria, the Authority has no component units.

Basis of Presentation

The Authority has adopted the provisions of GASB Statement No. 34 and GASB Statement No. 37. These statements established standards for external financial reporting for all state and governmental entities, which includes a statement of net assets, a statement of revenues, expenses and changes in net assets, and a statement of cash flows. It requires the classification of net assets into three components -- invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

- **Invested in capital assets, net of related debt:** This component of net assets consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of these assets. The Authority has no debt attributable to its capital assets.
- **Restricted net assets:** This component of net assets consists of constraints imposed by creditors (such as through debt covenants), contributors, laws or regulations of other governments, or through constitutional provisions or enabling legislation. The Authority has no restricted net assets.
- **Unrestricted net assets:** This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

ALEXANDRIA REGIONAL PORT AUTHORITY
APRIL 30, 2024

NOTES TO FINANCIAL STATEMENTS

Fund Accounting

The accounts of the Authority are organized on the basis of an enterprise fund. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed primarily through user charges or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Enterprise funds follow GAAP prescribed by the Governmental Accounting Standards Board and Financial Accounting Standards Board's Standards issued prior to November 30, 1989. Enterprise funds are accounted for on a flow of economic measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. The operating statement presents increases (revenues) and decreases (expenses) in total net assets.

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

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with its principal ongoing operations. The principal operating revenues of the Authority are charges for services and lease revenue. Operating expenses include costs of providing services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Cash

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

Capital Assets

All purchased capital assets are stated at cost. Donated capital assets are valued at their estimated fair market value on the date received. Depreciation of all exhaustible capital assets is charged against operations. Depreciation is computed over the estimated useful lives ranging from 5 to 50 years using the straight-line method.

Compensated Absences

Vacated or accumulated vacation and sick leave are recorded as expenses and liabilities as the benefits accrue to employees. No liability is recorded for compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the employer and employees.

ALEXANDRIA REGIONAL PORT AUTHORITY
APRIL 30, 2004

NOTES TO FINANCIAL STATEMENTS

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

2. CASH

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

At year-end, the carrying amount of the Authority's deposits was \$491,657, and bank balances were \$482,937. A summary of collateralization of bank balances is presented below:

Insured (Federal deposit insurance)	\$ 100,000
Uncollateralized (in accordance with GAAP; However all balances are collateralized in accordance with state law - see below)	382,937
	\$ 482,937

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount of deposit with the fiscal agent. The uncollateralized amount shown above is secured by pledged securities held in the name of pledging fiscal agent bank in a holding or custodial bank. Even though this amount is considered uncollateralized under GAAP, Louisiana Revised Statutes impose a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Authority that the fiscal agent has failed to pay deposited funds upon demand.

3. CHANGES IN CAPITAL ASSETS

	Balance 05/01/03	Additions	Retirements	Balance 04/30/04
Land and improvements	\$ 3,341,482	\$	\$	\$ 3,341,482
Infrastructure-roads	305,277			305,277
Office Equipment	8,903			8,903
Port facilities	8,876,333	1,874	(35,900)	8,852,307
Furniture and fixtures	9,141			9,141
Equipment	261,180			261,180
Construction in Progress	-	215,492		215,492
Totals	\$12,402,205	\$ 217,366	\$ (35,900)	12,683,632
Accumulated depreciation				(1,745,150)
Net capital assets				\$ 10,938,482

ALEXANDRIA REGIONAL PORT AUTHORITY
APRIL 30, 2004

NOTES TO FINANCIAL STATEMENTS

Depreciation expense included in the financial statements for the fiscal year is \$233,000.

Capital assets are depreciated using the straight line method over the following estimated useful lives:

Infrastructure - roads	50 years
Port facilities	40 years
Furniture and fixtures	7 years
Equipment	5-40 years

A summary of significant budgeted construction or renovation projects is presented below:

	<u>Project Authorization</u>	<u>Expended To Date</u>	<u>Commitment</u>	<u>Required Further Financing</u>
Leasehold Improvements				
5000-ton Dome	\$ 1,000,000	\$ 316,462	\$ 760,538	None

4. CHANGES IN COMPENSATED ABSENCES

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Compensated absences - net	\$ 33,822	\$ 3,869	\$	\$ 36,691

5. RETIREMENT PLAN CONTRIBUTION

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

6. LEASE AND COMMITMENT

On September 1, 1996, the Authority entered into a lease agreement with Teral Riverservice, Inc. to lease a bulk cargo facility from the Authority. The term of the lease was for five years expiring August 31, 2003 with the option of renewal at the end of the lease term. Under the terms of the original lease agreement, Teral Riverservice agreed to pay an annual rental of \$118,000 payable on a quarterly basis; provided however, that in consideration for an advance made by Teral Riverservice, Inc. of \$200,000 for construction of the bulk cargo facility, Teral Riverservice, Inc. shall be due a credit of \$20,000 per year on each rental for ten years. The Authority may, however, reimburse the \$200,000 or any remaining balance thereof in advance in full or in part at any time. In the event the lease is not renewed, any remaining balance of the credit is forfeited by Teral Riverservice, Inc.

On September 1, 2003, Teral Riverservice exercised its renewal option for an additional period of five years with the same terms and conditions as set forth in the original lease with an exception for an increase in the annual rental based on the CPI and otherwise as stated below. In addition to the present terms of the lease, the Port Authority agreed to construct further storage facilities and conveyor systems. Construction

ALEXANDRIA REGIONAL PORT AUTHORITY
APRIL 30, 2004

NOTES TO FINANCIAL STATEMENTS

costs are estimated at \$1,000,000 to be funded by a grant from the Red River Waterway Commission in the amount of \$700,000, funds advanced by Terral Riverservice in the amount of \$200,000 and the balance of \$100,000 to be funded by the Port Authority.

Under the terms of the revised and renewed agreement, Terral Riverservice, Inc. has presently agreed to pay an annual rental of \$120,000 payable on a quarterly basis, provided however, that in consideration for the extra advance made by Terral Riverservice, Inc. of \$200,000 for construction of the additional bulk cargo facility, Terral Riverservice, Inc. shall be due a credit of \$30,000 per year on such rental for ten years, in which, such credit shall be taken as a reduction of \$7,500 for each quarterly payment until the sum of \$200,000 (representing the unpaid balance of the original advance of \$100,000 plus the additional advance of \$200,000) has been credited in full.

Provided this lease agreement is still in full force and effect and provided Terral Riverservice, Inc. shall not be in uncured default of this agreement at the end of the primary term or any extension of this agreement, Terral Riverservice, Inc. shall have the option to extend this lease agreement for eight additional consecutive terms of five years each.

Terral Riverservice, Inc. agreed to pay all taxes or any other governmental charges, utilities, and insurance. Terral Riverservice, Inc. also agreed to maintain and repair leased property and keep it in good condition.

Current year lease income is comprised of:

Annual lease for cargo facility	\$ 120,000
Annual credit for construction advance	<u>(30,000)</u>
	\$ 90,000

Minimum future rental payments to be received by the Authority under the lease are as follows:

Fiscal Year/End	Gross	Credit	Net
4/30/05	\$ 120,000	\$ 30,000	\$ 90,000
4/30/06	120,000	30,000	90,000
4/30/07	120,000	30,000	90,000
4/30/08	42,667	<u>10,000</u>	32,667
Total	<u>\$ 420,667</u>	<u>\$ 100,000</u>	<u>\$ 320,667</u>

7. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts, theft or damage and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Authority carries commercial insurance as coverage for such occurrences except errors and omissions. The Authority covers all other losses, claims, settlements, and judgments, if any. Claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. No claim expenditures or liabilities are reported in the accompanying financial statements. The Authority is involved in a matter concerning collection of sales taxes on certain equipment installed at the Port. In the opinion of legal counsel, the Authority's exposure to liability is minimal.

ALEXANDRIA REGIONAL PORT AUTHORITY
APRIL 30, 2004

NOTES TO FINANCIAL STATEMENTS

8. CONCENTRATION OF RISK

The Authority receives seventy percent of its operating revenue from one customer.

**OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

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



PARTE, BECKERS INTERICTION, LLP

GOVERNMENT ACCOUNTING

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

Board of Commissioners
Alexandria Regional Port Authority

We have audited the basic financial statements of the Alexandria Regional Port Authority, Alexandria, Louisiana, as of and for the year ended April 30, 2004, and have issued our report thereon dated August 12, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Alexandria Regional Port Authority's basic 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 basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Alexandria Regional Port Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

MONROE OFFICE (713) 835-1100 (713) 835-1101 (713) 835-1102
600 Poydras Street, Suite 2000 (713) 835-1103
New Orleans, Louisiana 70112 (713) 835-1104



MONROE OFFICE • 515 DE LA LOUISIANE • SUITE 2000 • 70112-1000
Tel: (504) 443-1000 • Fax: (504) 443-5200 • WWW.PMH.COM



PARTE, SECOURS & ASSOCIATION, LLP

CHIEF PUBLIC ACCOUNTANT

Board of Commissioners
Alexandria Regional Port Authority

This report is intended solely for the information and use of management and the Board of Commissioners, state awarding agencies, and the Legislative Auditor's office of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:873, this report is in fact a public document.

Laura Marie A. Hamilton, LL.M.
Chief Public Accountant

August 12, 2004



**ALEXANDRIA REGIONAL PORT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED APRIL 30, 2004**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? yes no

Reportable conditions identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Management's Summary Schedule of Prior Audit Findings: Attached

Memoiranda of Other Comments and Recommendations: Not applicable

Management's Corrective Action Plan: Not applicable

Federal Awards: Not applicable

SECTION II - FINANCIAL STATEMENT FINDINGS

Not applicable

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Not applicable

**ALEXANDRIA REGIONAL PORT AUTHORITY
MANAGEMENT'S SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED APRIL 30, 2004**

FINDING 03 - 01: COMPLIANCE WITH LOUISIANA REVISED STATUTE 24:513

Condition: The completion date for the prior fiscal year audit was October 31, 2003. The report was not complete as of that date and therefore was not available for filing with the Office of Legislative Auditor.

Cause: Certain supporting documentation and other information considered essential to complete the audit engagement was requested on several occasions from management, however, such data was not received timely.

Status: Resolved.

FINDING 03-02 TRAVEL POLICY GUIDELINES

Condition: The Authority did not have a current comprehensive travel policy.

Recommendation: We recommend that management completely review the current travel policy and develop comprehensive guidelines for the Authority. As an example, we suggest that guidelines incorporate such particulars as board approval prior to a travel event, documentation for expenditures; expenditure limits for meals; accounting for advances; mode of travel for which reimbursement is available; mileage reimbursement; standard expense vouchers; length of time after travel event to account for expenditures; and other allowable costs.

Status: Resolved.