

REPORT
SOUTH TANGIPAHOA PARISH
PORT COMMISSION
DECEMBER 31, 2005

Under provisions of state law, this report is a public document. A copy of the report has 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 7/26/06

SOUTH TANGIPAHOA PARISH
PORT COMMISSION

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May 11, 2006

To the Board of Commissioners of
South Tangipahoa Parish Port Commission
163 W. Hickory St.
Ponchatoula, LA 70454

We have reviewed the accompanying statement of net assets of South Tangipahoa Parish Port Commission (Commission), Ponchatoula, Louisiana, as of December 31, 2005, and the related statements of revenue, expenses and changes in net assets, and cash flows for the year then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of the Commission.

A review consists principally of inquiries of entity personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 2 through 4 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report dated May 11, 2006 on the results of our agreed-upon procedures.

Duplantier, Hrapmann, Hogan & Maher, LLP

SOUTH TANGIPAHOA PARISH PORT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2005

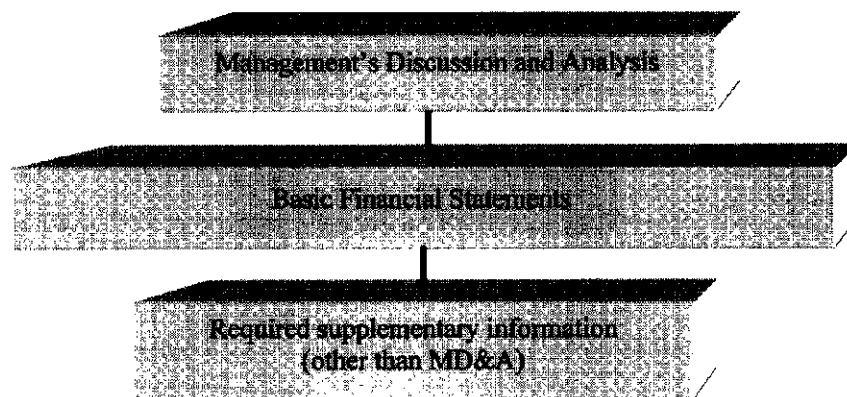
The Management's Discussion and Analysis (MD&A) of the South Tangipahoa Parish Port Commission's (Commission) financial performance presents a narrative overview and analysis of the Commission's financial activities for the year ended December 31, 2005. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the Commission's financial statements, which begin on page 5.

FINANCIAL HIGHLIGHTS

- ★ The Commission's assets exceeded its liabilities at the close of fiscal year 2005 by \$8,172,879.
- ★ The Commission's revenue was \$400,758 and the net result from activities was a decrease in net assets in the amount of \$81,204.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

SOUTH TANGIPAOHA PARISH PORT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2005

Basic Financial Statements

The basic financial statements present information for the Commission as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the government-wide financial statements and fund financial statements.

Government-wide Financial Statements: The *government-wide financial statements* are designed to provide readers with a broad overview of the Commission's finances, in a manner similar to private-sector business. The government-wide financial statements include:

Statement of Net Assets – this statement presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Commission is improving or deteriorating.

Statement of Revenues, Expenses and Changes in Net Assets – this statement presents information showing how the Commission's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

Statement of Cash Flows – this statement presents information showing how the Port Commission's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided by (used in) operating activities (indirect method) as required by GASB 34.

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets

	<u>December 31,</u> 2005	<u>December 31,</u> 2004
Current assets	\$ 1,563,224	\$ 1,312,361
Capital assets	6,642,014	6,934,306
Other assets	2,100	8,974
Total assets	<u>\$ 8,207,338</u>	<u>\$ 8,255,641</u>
Total liabilities (all current)	\$ 34,459	\$ 1,558
Total net assets	<u>8,172,879</u>	<u>8,254,083</u>
Total liabilities and net assets	<u>\$ 8,207,338</u>	<u>\$ 8,255,641</u>

The main reason for the decrease in net assets was the operating loss the Commission had for 2005.

**SOUTH TANGIPAHOA PARISH PORT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2005**

Statement of Activities

	<u>December 31, 2005</u>	<u>December 31, 2004</u>
Revenues		
Operating revenues	\$ 199,488	\$ 219,355
Capital grant	-	62,290
Other revenues	201,270	34,191
Total revenues	<u>400,758</u>	<u>315,836</u>
Expenses		
Operating expenses	<u>481,962</u>	<u>514,226</u>
Total expenses	<u>481,962</u>	<u>514,226</u>
Net decrease in net assets	<u>\$ (81,204)</u>	<u>\$ (198,390)</u>

The main reason for the decrease in net assets was the depreciation expense of \$292,292 for 2005.

CONTACTING THE COMMISSION'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Commission's finances and to show the Commission's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Don Bankston, President, 163 W. Hickory Street, Ponchatoula, Louisiana 70454 (985) 386-9309.

SOUTH TANGIPAHOA PARISH PORT COMMISSION
 STATEMENT OF NET ASSETS
DECEMBER 31, 2005
 (Unaudited)

ASSETS:

Current assets:

Cash and cash equivalents	\$ 240,282
Certificates of deposit	1,160,000
Accounts receivable	7,856
Insurance claims receivable	<u>155,086</u>
Total current assets	1,563,224

Capital assets, net of accumulated depreciation 6,642,014

Utility deposits 2,100

TOTAL ASSETS \$ 8,207,338

LIABILITIES:

Current liabilities:

Accounts payable	\$ 8,106
Accrued expenses	26,312
Payroll tax liabilities	<u>41</u>
Total liabilities	<u>34,459</u>

NET ASSETS:

Invested in capital assets, net of related depreciation	6,642,014
Unrestricted	<u>1,530,865</u>
Total net assets	<u>8,172,879</u>

TOTAL LIABILITIES AND NET ASSETS \$ 8,207,338

See accompanying notes and accountant's review report.

SOUTH TANGIPAHOA PARISH PORT COMMISSION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2005
(Unaudited)

Operating revenues:	
Rental revenue	\$ 199,488
Operating expenses	<u>481,962</u>
Operating loss	(282,474)
Nonoperating revenues:	
Interest income	46,184
Insurance reimbursement	<u>155,086</u>
Total nonoperating revenues	<u>201,270</u>
Change in net assets	(81,204)
Total net assets - beginning of year	<u>8,254,083</u>
TOTAL NET ASSETS - END OF YEAR	\$ <u><u>8,172,879</u></u>

See accompanying notes and accountant's review report.

SOUTH TANGIPAHOA PARISH PORT COMMISSION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2005
(Unaudited)

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 199,856
Cash payments to suppliers for goods and services	(84,942)
Cash payments to employees for services	<u>(71,827)</u>
Net cash provided by operating activities	<u>43,087</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest earned on certificates of deposit	<u>46,184</u>
Net cash provided by investing activities	<u>46,184</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	89,271
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>151,011</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 240,282</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating loss	\$ (282,474)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	292,292
Change in assets and liabilities:	
Increase in trade accounts receivable	(6,506)
Decrease in prepaid expenses	6,874
Increase in accounts payable	7,289
Increase in other accrued liabilities	26,312
Decrease in payroll tax liability	<u>(700)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 43,087</u>

See accompanying notes and accountant's review report.

SOUTH TANGIPAHOA PARISH PORT COMMISSION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005

1. NATURE OF BUSINESS:

The South Tangipahoa Parish Port Commission (Commission) was established and provided for by R.S. 34:1951 of the Louisiana Revised Statutes (LRS). The Commission is composed of seven members from the Parish of Tangipahoa who are appointed directly by the Governor. Board members serve with no compensation. The Commission consists of the boundaries and limits of Wards 6, 7 and 8 of Tangipahoa Parish. The Commission has authority to own, construct, operate and maintain property, structures, and facilities necessary or useful for port, recreational, harbor and terminal purposes. The Commission also has the authority to make and enter into contracts, leases, and other agreements with operating entities interested in the transportation, storage, and shipping of products. The Commission presently has two paid employees, an Executive Director and a Secretary.

The Commission presently maintains an office located in Ponchatoula, Louisiana, and a shallow water port facility located in Manchac, Louisiana. The port facility includes a dock with a 20,000 square foot warehouse, railroad siding adjacent to the Illinois Central Railroad track and a second dock with a 30,000 square foot transit facility. The port facility is presently operated under a Marine Terminal Operators Agreement with a contract operator.

The financial statements of the Commission are prepared in accordance with the standards established by the Governmental Accounting Standards Board (GASB) as the successor of the National Council on Governmental Accounting (NCGA).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

FINANCIAL REPORTING ENTITY:

GASB Codification Section 2100 establishes criteria for determining the governmental reporting entity. The Commission is considered a separate reporting entity.

BASIS OF PRESENTATION:

The accompanying financial statements have been prepared on the full accrual basis in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized when they are earned, and expenses are recognized at the time liabilities are incurred or economic asset used. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting principles and reporting standards. The Commission applies all GASB pronouncements as well as Financial Accounting Standards (FASB) statements and interpretations issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

SOUTH TANGIPAHOA PARISH PORT COMMISSION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

BASIS OF PRESENTATION: (Continued)

These financial statements were prepared in accordance with GASB Statement 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*. All activities of the Commission are accounted for within a single proprietary (enterprise) fund. This fund type is used to report any activity for which a fee is charged to external users for goods and services.

The accompanying financial statements of the Commission present information only as to the transactions of the programs of the Commission as authorized by Louisiana statutes and administrative regulations.

Cash and Cash Equivalents:

Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. Cash also includes amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Commission may deposit funds in demand deposits, interest bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the Commission may invest in United States bonds, treasury notes or certificates. These are reported separate from cash if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

Compensated Absences:

The Commission's secretary earns annual and sick leave at various rates depending upon length of service. Both annual and sick leave accumulate and can be used during the term of the employee's service. A maximum of 300 hours is paid upon separation from service but no unused sick leave is paid upon separation of service.

The Executive Director receives annual leave and sick leave each of which is non-cumulative and non-vesting. As of December 31, 2005, no accrual for employee leave benefits was made as the amount is not material.

Property and Equipment:

Property and equipment are reported in the financial statements. The cost of property, plant and equipment is depreciated on the straight-line basis over the estimated useful lives of the related assets. Assets are capitalized if their cost exceeds \$5,000.

SOUTH TANGIPAHOA PARISH PORT COMMISSION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005

3. CASH AND CERTIFICATES OF DEPOSIT:

At December 31, 2005, the Commission had cash and certificates of deposit in the amount of \$1,400,282.

The cash and certificates of deposit are stated at cost which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or pledged securities. The market value of the pledged securities and federal deposit insurance must at all times equal the amount on deposit. The deposits of the Commission are held by several financial institutions. At December 31, 2005, the Commission had \$243,682 (bank balance) in cash deposits and \$1,160,000 (bank balance) in certificates of deposit which were covered by FDIC insurance and pledged securities held by a second bank in joint custody.

4. CAPITAL ASSETS – EQUIPMENT, NET OF DEPRECIATION:

Depreciation expense for the year ended December 31, 2005 was \$292,292.

A summary of capital assets, net of accumulated depreciation at December 31, 2005 follows:

	<u>Balance</u> <u>12/31/04</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/05</u>
Land and Improvements	\$ 476,874	\$ --	\$ --	\$ 476,874
Port Facility	8,966,430	--	--	8,966,430
Port Improvements and Equipment	<u>108,701</u>	<u>--</u>	<u>--</u>	<u>108,701</u>
Total	9,552,005	--	--	9,552,005
Less accumulated depreciation	<u>(2,617,699)</u>	<u>(292,292)</u>	<u>--</u>	<u>(2,909,991)</u>
Net capital assets	<u>\$ 6,934,306</u>	<u>\$(292,292)</u>	<u>\$ --</u>	<u>\$ 6,642,014</u>

The above assets are leased to Associated Terminals, LLC as the Port operator.

5. LEASES:

The Commission records operating leases as current expenditures in the accompanying financial statements. The following is an analysis of significant operating leases at December 31, 2005.

On January 31, 2000, the Commission entered into a thirty-six month lease for office space located at 163 W. Hickory Street, Ponchatoula, Louisiana. The monthly rent is \$800. Upon expiration of this lease on January 31, 2003, the Commission entered into a verbal agreement with the lessor to continue leasing the office space for \$800 per month on a month-to-month basis.

SOUTH TANGIPAHOA PARISH PORT COMMISSION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005

6. EMPLOYEE PENSION PLAN:

Plan Description:

The Commission's secretary participates in the Louisiana State Employee's Retirement System – LASERS.

LASERS is 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. Benefits are guaranteed by the State of Louisiana Constitution of 1974. 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 70804-4213, or by calling (225) 922-0600.

Contributions:

Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the Commission (as the employer) is required to contribute at an actuarially determined rate. The current employer rate is 15.8 percent of annual covered payroll. 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 Commission's employer contribution to LASERS for the year ending December 31, 2005, was \$4,069 and was equal to the required contributions for the year.

7. USE OF ESTIMATES:

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

8. RENTAL REVENUE:

The Commission allowed a telecommunications company to construct a communications tower on the Port Site in 1996. The lease on the tower site had an original term of 5 years with automatic renewals for four additional 5-year terms unless the telecommunications company cancels, in writing, 90 days prior to the end of a 5-year term. The lease permitted the telecommunications company to sublease parts of the tower with payments being made to the Commission.

SOUTH TANGIPAHOA PARISH PORT COMMISSION
 NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005

8. RENTAL REVENUE: (Continued)

The original lease with the telecommunications company began on September 1, 1996 and called for monthly payments of \$1,500 that escalated by 4% per annum. The telecommunications company entered into sublease agreements with other telecommunication companies commencing December 20, 1997 and August 21, 1998. These subleases required initial payments of \$750 per month each that also escalated by 4% at the end of each 12-month period.

The Commission entered into a 15-year commercial lease with lessee, Bayou Sign Company in April 16, 2003. Through this lease, the Commission agrees to lease 2 parcels of land for billboards located at Port Manchac. The rent shall be 25% of gross revenue (excluding taxes) per board with a minimum per board of \$100 per month for years 1-5, \$125 per month for years 6-10, and \$150 per month for years 11-15. It is also agreed through this lease that a minimum of 4 boards and a maximum of 8 boards on 2 structures will be erected. It is also agreed that on boards 5-8, the \$100 per month minimum per board will be waived the first 2 years.

The Commission entered into a 5-year operating lease agreement with lessee, Associated Terminals, LLC on January 15, 2004. Through this lease, the Commission agrees to lease to lessee a portion of Port Manchac, being two 30,000-square foot warehouse facilities, including all adjacent lay down areas, aprons, dock areas, rail sidings, truck scale, and office trailer. The Commission also grants lessee the option to renew the lease for two additional 5-year periods. The base rent during the first three years of this lease shall be \$10,000 per month. In the fourth and fifth years of this lease, the base rent shall increase to \$11,000. During any renewal period, the base rent shall be adjusted by an amount equal to 50% of the change in the Producer Price Index as published by the U.S. Department of Labor. In addition to the base rent, the lessee shall pay \$.10 per short or net ton for all cargoes transloading through the facility except Hunt Plywood business. Furthermore, the Commission entered into an equipment lease with lessee, Associated Terminals, LLC for the duration of the operating agreement described above. Through the equipment lease, the Commission agrees to lease a forklift (owned by the Commission and located at the port premises) to lessee for a monthly rental fee of \$100.

The Commission expects to receive the following revenue from these leases:

<u>For the Year</u>	<u>Amount</u>
2006	\$ 155,587
2007	133,400
2008	134,600
2009	<u>7,100</u>
Totals	<u>\$ 430,687</u>

SOUTH TANGIPAHOA PARISH PORT COMMISSION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005

9. HURRICANE KATRINA:

Southeast Louisiana was devastated by Hurricane Katrina on August 29, 2005. This is the area in which the Port is located. The property sustained some damage which was fully covered by insurance. The activity at the Port decreased due to the after effects of the storm. It is expected that the activity will rebound over the next couple of years.



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MEMBERS
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CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LA C.P.A.'S

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED UPON PROCEDURES

May 11, 2006

Board of Commissioners
South Tangipahoa Parish
Port Commission
163 W. Hickory Street
Ponchatoula, Louisiana 70454

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of South Tangipahoa Parish Port Commission and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about South Tangipahoa Parish Port Commission's compliance with certain laws and regulations during the year ended December 31, 2005 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed are as follows:

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$20,000 or public works exceeding \$100,000 and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

We noted no expenditures that required compliance with the public bid law.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management [agreed-upon procedure (3)] appeared on the list provided by management in agreed-upon procedure (2).

Accounting and Reporting

5. Randomly select 6 disbursements made during the period under examination and:
(a) trace payments to supporting documentation as to proper amount and payee, (b) determine if payments were properly coded to the correct fund and general ledger account, and (c) determine whether payments received approval from proper authorities.

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee, payments were properly coded to the correct fund and general ledger account and inspection of documentation supporting each of the six selected disbursements indicated proper approvals.

Meetings

6. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

No exceptions regarding compliance with the laws and regulations were noted.

Debt

7. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank deposit slips for the year and noted no deposits which appeared to be proceeds of bank loans, bonds or like indebtedness.

Advances and Bonuses

8. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advance, or gifts.

A reading of the minutes of the Commission for the year indicated no approval for the payments noted. We also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances or gifts.

Our prior year report, dated April 19, 2005, did not include any comments or unresolved matters.

Because the procedures noted above do not constitute an examination made in accordance with generally accepted auditing standards, we do not express an opinion on the procedures for the year ended December 31, 2005. Had we performed additional procedures in accordance with auditing standards generally accepted in the United States of America, matter might have come to our attention that would have been reported to you.

This report is intended solely for the use of the Board of Commissioners and management of South Tangipahoa Parish Port Commission and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Duplantier, Krapmann, Hogan & Maher, LLP

South Tangipahoa Parish Port Commission - 163 West Hickory St. Ponchatoula, LA 70454

<u>Name</u> <u>Commissioners</u>	<u>Title</u>	<u>Address</u>	<u>Phone</u>
Don Bankston	President	1500 J.W. Davis Drive, Hammond, LA 70403	985 542-6565
Paul Hooks	Treasurer	505 N. Wilson, Hammond, LA 70403	985 345-6844
Don Boihem	Member	2200 West Church St, Hammond, LA 70401	985 549-6901
Denise Fletcher	Secretary	170 East Hickory St., Ponchatoula, LA 70454	985 375-0417
Mark Griggs	Member	389 Kathleen St., Ponchatoula, LA 70454	985 386-3784
Michael Williams	Member	6 Audubon Place, Hammond, LA 70403	985 340-8015
<u>OFFICE STAFF:</u>			
Falgout, Chad J.	Exec. Director	3101 Palm Vista Dr., Metairie, LA 70005	985 386-9309
Muller, Helen A.	Adm. Secretary	P.O. Box 697, Ponchatoula, LA 70454	985 386-9309
Blackmon, Carmack	Legal Counsel	P.O. Box 44034, Baton Rouge, LA 70804	225 388-9871

LOUISIANA COMPLIANCE QUESTIONNAIRE
(For Audit Engagements of Government Entities)
May 10, 2006 (Date Transmitted)

Duplantier, Hrapmann, Hogan & Maher, L.L.P.
Certified Public Accountants
1340 Poydras Street, Suite 2000
New Orleans, LA 70112 (Auditors)

In connection with your audit of our financial statements as of December 31, 2005 and for January 1, 2005 through December 31, 2005 (period of audit) for the purpose of expressing an opinion as to the fair presentation of our financial statements in accordance with accounting principles generally accepted in the United States, to assess our system of internal control as a part of your audit, and to review our compliance with applicable laws and regulations, we confirm, to the best of our knowledge and belief, the following representations. These representations are based on the information available to us as of December 31, 2005 (date completed/date of the representations).

PART I. AGENCY PROFILE

1. Name and address of the organization.

South Tangipahoa Parish Port Commission
163 W. Hickory Street
Ponchatoula, LA 70454

2. List the population of the municipality or parish based upon the last official United States Census or most recent official census (municipalities and police juries only). Include the source of the information.

102,358 (As of 1/19/05) Joyce Davis, Tangipahoa Parish Government
State of Louisiana

3. List names, addresses, and telephone numbers of entity officials. [Include elected/appointed members of the governing board, chief executive and fiscal officer, and legal counsel.]

See Attached List

4. Period of time covered by this questionnaire:

January 1, 2005 through December 31, 2005

5. The entity has been organized under the following provisions of the Louisiana Revised Statute (s) (LSA-RS) and, if applicable, local resolutions/ordinances (list).

RS34: 1901 - 1907

6. Briefly describe the public services provided:

Mult-Modal transportation point, combining barge-rail-truck used by local and local governments and provides savings in the purchases of local goods by offering competition in transportation and warehousing.

7. Expiration date of current elected/appointed officials' terms. Paul Hooks -7-1-2010
Don Bankston - 7-1-2010 Don Boihem - 7/1/2010 Denise D. Fletcher - 7/1/2010
Mark M. Griggs -7-1-2009 Mike A. Williams - 7-1-2011

LEGAL COMPLIANCE

PART II. PUBLIC BID LAW

8. The provisions of the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office have been complied with.
- A) All public works purchases exceeding \$100,000 have been publicly bid.
B) All material and supply purchases exceeding \$15,000 (increased to \$20,000 after 6/27/03) have been publicly bid.

Yes No []

PART III. CODE OF ETHICS LAW FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

9. It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes No []

10. It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes No []

PART IV. LAWS AFFECTING BUDGETING

11. We have complied with the budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-15) or the budget requirements of LSA-RS 39:33.

A. Local Budget Act

1. We have adopted a budget for the General Fund and all special revenue funds (LSA-RS 39:1305).
2. The chief executive officer, or equivalent, has prepared a proposed budget that included a budget message, a proposed budget for the General Fund and each special revenue fund, and a budget adoption instrument that specified the chief executive's authority to make budgetary amendments without approval of the governing authority. Furthermore, the proposed expenditures did not exceed estimated funds to be available during the period (LSA-RS 39:1305).
3. The proposed budget was submitted to the governing authority and made available for public inspection at least 15 days prior to the beginning of the budget year (LSA-RS 39:1306).
4. To the extent that proposed expenditures were greater than \$250,000, we have made the budget available for public inspection and have advertised its availability in our official journal. The advertisement included the date, time, and place of the public hearing on the budget. Notice has also been published certifying that all actions required by the Local Government Budget Act have been completed (LSA-RS 39:1307).

5. The proposed budget was made available for public inspection at the location required by LSA-RS 39:1308.

6. All action necessary to adopt and finalize the budget was completed prior to the date required by state law. The adopted budget contained the same information as that required for the proposed budget [LSA-RS 39:1306.

7. After adoption, a certified copy of the budget has been retained by the chief executive officer or equivalent officer (LSA-RS 39:1309).

8. The chief executive officer or equivalent notified in writing the governing authority during the year when actual receipts plus projected revenue collections for the year failed to meet budgeted revenues by five percent or more, or when actual expenditures plus projected expenditures to year end exceeded budgeted expenditures by five percent or more (LSA-RS 39:1311). (Note, state law exempts from the amendment requirements special revenue funds with anticipated expenditures of \$250,000 or less and exempts special revenue funds whose expenditures drive revenue recognition-primarily federal funds-from the requirement to amend revenues.)

9. The governing authority has amended its budget when notified, as provided by LSA-RS 39:1311.

Yes No []

B. State Budget Requirements

1. The state agency has complied with the budgetary requirements of LSA-RS 39:33.

Yes [] No [] NA

C. Licensing Boards

1. The licensing board has complied with the budgetary requirements of R. S. 39:1331-1342.

Yes [] No [] NA

PART V. ACCOUNTING, AUDITING, AND FINANCIAL REPORTING LAWS

12. We have maintained our accounting records in such a manner as to provide evidence of legal compliance and the preparation of annual financial statements to comply with LSA-RS 24:514, 24:515, and/or 33:463.

Yes No []

13. All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes No []

14. We have filed our annual financial statements in accordance with LSA-RS 24:514, and 33:463 where applicable.

Yes No []

15. We have had our financial statements audited in a timely manner in accordance with LSA-RS 24:513.

Yes [] No [] NA

PART VI. ASSET MANAGEMENT LAWS

16. We have maintained records of our fixed assets and movable property records, as required by LSA-RS 24:515 and/or 39:321-332, as applicable.

Yes No []

PART VII. FISCAL AGENCY AND CASH MANAGEMENT LAWS

17. We have complied with the fiscal agency and cash management requirements of LSA-RS 39:1211-45 and 49:301-327, as applicable.

Yes [] No []

PART VIII. DEBT RESTRICTION LAWS

18. It is true we have not incurred any long-term indebtedness without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes [] No []

19. We have complied with the debt limitation requirements of state law (LSA-RS 39:562).

Yes [] No []

20. We have complied with the reporting requirements relating to the Fiscal Review Committee of the State Bond Commission (LSA-RS 39:1351).

Yes [] No []

PART IX. REVENUE AND EXPENDITURE RESTRICTION LAWS

21. We have restricted the collections and expenditures of revenues to those amounts authorized by Louisiana statutes, tax propositions, and budget ordinances.

Yes [] No []

22. It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes [] No []

23. It is true that no property or things of value have been loaned, pledged, or granted to anyone in violation of Article VII, Section 14 of the 1974 Louisiana Constitution.

Yes [] No []

PART X. QUESTIONS FOR SPECIFIC GOVERNMENTAL UNITS

Police Juries NA

24. We have adopted a system of road administration that provides as follows:

- A. Approval of the governing authority of all expenditures, LSA-RS 48:755(A).
- B. Development of a capital improvement program on a selective basis, LSA-RS 48:755.
- C. Centralized purchasing of equipment and supplies, LSA-RS 48:755.
- D. Centralized accounting, LSA-RS 48:755.
- E. A construction program based on engineering plans and inspections, LSA-RS 48:755.
- F. Selective maintenance program, LSA-RS 48:755.
- G. Annual certification of compliance to the legislative auditor, LSA-RS 48:758.

Yes [] No []

School Boards NA

25. We have complied with the general statutory, constitutional, and regulatory provisions of the Louisiana Department of Education, LSA-RS 17:51-401.

Yes [] No []

26. We have complied with the regulatory circulars issued by the Louisiana Department of Education that govern the Minimum Foundation Program.

Yes [] No []

27. We have, to the best of our knowledge, accurately compiled the performance measurement data contained in the following schedules and recognize that your agreed upon procedures will be applied to such schedules and performance measurement data:

Parish school boards are required to report as part of their annual financial statements measures of performance. These performance indicators are found in the supplemental schedules:

- Schedule 1, General Fund Instructional and Support Expenditures and Certain Local Revenues Sources
- Schedule 2, Education Levels of Public School Staff
- Schedule 3, Number and Type of Public Schools
- Schedule 4, Experience of Public Teachers and Full-time Classroom Teachers
- Schedule 5, Public School Staff Data
- Schedule 6, Class Size Characteristics
- Schedule 7, Louisiana Educational Assessment Program
- Schedule 8, The Graduate Exit Exam
- Schedule 9, The IOWA Tests

Yes [] No []

Tax Collectors *NA*

28. We have complied with the general statutory requirements of LSA-RS 47, Chapter 4.

Yes [] No []

Sheriffs *NA*

29. We have complied with the state supplemental pay regulations of LSA-RS 33:2218.8.

Yes [] No []

30. We have complied with LSA-RS 33:1432 relating to the feeding and keeping of prisoners.

Yes [] No []

District Attorneys *NA*

31. We have complied with the regulations of the Louisiana Department of Social Services that relate to the Title IV-D Program.

Yes [] No []

Assessors *NA*

32. We have complied with the regulatory requirements found in Title 47 of the Louisiana Revised Statutes.

Yes [] No []

33. We have complied with the regulations of the Louisiana Tax Commission relating to the reassessment of property.

Yes [] No []

Clerks of Court *NA*

34. We have complied with LSA-RS 13:751-960.

Yes [] No []

Libraries *NA*

35. We have complied with the regulations of the Louisiana State Library.

Yes [] No []

Municipalities *NA*

36. Minutes are taken at all meetings of the governing authority. LSA-RS 42:7.1 (Act 665 of 1976).

Yes [] No []

37. Minutes, ordinances, resolutions, budgets, and other official proceedings of the municipalities are published in the official journal. LSA-RS 43:143-144 and A.G. 86-528.

Yes [] No []

38. All official action taken by the municipality is conducted at open and public meetings. LSA-RS 42:4.1-13.

Yes [] No []

Airports *NA*

39. We have submitted our applications for funding airport construction or development to the Department of Transportation and Development as required by LSA-RS 2:802.

Yes [] No []

40. We have adopted a system of administration that provides for approval by the department for any expenditures of funds appropriated from the Transportation Trust Fund, and no funds have been expended without department approval (LSA-RS 2:810).

Yes [] No []

41. All project funds have been expended on the project and for no other purpose (LSA-RS 2:810).

Yes [] No []

42. We have certified to the legislative auditor, on an annual basis, that we have expended project funds in accordance with the standards established by law (LSA-RS 2:811).

Yes [] No []

Ports

43. We have submitted our applications for funding port construction or development to the Department of Transportation and Development as required by LSA-RS 34:3432.

Yes [] No []

44. We have adopted a system of administration that provides for approval by the department for any expenditures of funds made out of state and local matching funds, and no funds have been expended without department approval (LSA-RS 34:3460).

Yes [] No []

45. All project funds have been expended on the project and for no other purpose (LSA-RS 34:3460).

Yes [] No []

46. We have established a system of administration that provides for the development of a capital improvement program on a selective basis, centralized purchasing of equipment and supplies, centralized accounting, and the selective maintenance and construction of port facilities based upon engineering plans and inspections (LSA-RS 34:3460).

Yes [] No []

47. We have certified to the legislative auditor, on an annual basis, that we have expended project funds in accordance with the standards established by law (LSA-RS 34:3461).

Yes [] No []

Sewerage Districts - *NA*

48. We have complied with the statutory requirements of LSA-RS 33:3881-4160.

Yes [] No []

Waterworks Districts *NA*

49. We have complied with the statutory requirements of LSA-RS 33:3811-3837.

Yes [] No []

Utility Districts *NA*

50. We have complied with the statutory requirements of LSA-RS 33:4161-4548.

Yes [] No []

Drainage and Irrigation Districts *NA*

51. We have complied with the statutory requirements of LSA-RS 38:1601-1707 (Drainage Districts); LSA-RS 38:1751-1921 (Gravity Drainage Districts); LSA-RS 38:1991-2048 (Levee and Drainage Districts); or LSA-RS 38:2101-2123 (Irrigation Districts), as appropriate.

Yes [] No []

Fire Protection Districts *NA*

52. We have complied with the statutory requirements of LSA-RS 40:1491-1509.

Yes [] No []

Other Special Districts *NA*

53. We have complied with those specific statutory requirements of state law applicable to our district.

Yes [] No []

The previous responses have been made to the best of our belief and knowledge.

Alma D. Decker Secretary *5/18/06* Date

Paul Book Treasurer *5/18/06* Date

[Signature] President *5/19/06* Date