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# SOUTH TANGIPAHOA PARISH PORT COMMISSION

## ANNUAL FINANCIAL STATEMENTS

As of December 31, 2007 and for the Year Then Ended  
With Supplemental Information Schedules

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 6/11/08

**PHIL HEBERT**  
**CERTIFIED PUBLIC ACCOUNTANT**  
**A PROFESSIONAL ACCOUNTING CORPORATION**

South Tangipahoa Parish Port Commission

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December 31, 2007

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### **Accountant's Review Report**

To the Board of Commissioners  
South Tangipahoa Parish Port Commission  
Ponchatoula, Louisiana

I have reviewed the accompanying financial statements of the governmental activities and the major fund of South Tangipahoa Parish Port Commission, as of and for the year ended December 31, 2007, which collectively comprise the Commission's basic financial statements as listed in the table of contents, 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 South Tangipahoa Parish Port Commission.

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

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

In accordance with the *Louisiana Government Audit Guide* and the provisions of state law, I have issued a report dated May 26, 2008 on the results of my agreed-upon procedures.

The management's discussion and analysis and budgetary comparison information on pages 4 through 6 are not a required part of the basic financial statements but are 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, I do not express an opinion or any other form of assurance on the supplementary information.

Respectfully submitted,

*Phil Hebert*

Phil Hebert CPA  
A Professional Accounting Corporation

May 26, 2008

## **South Tangipahoa Parish Port Commission**

### **Management's Discussion and Analysis As of and for the Year Ended December 31, 2007**

#### **Introduction**

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, 2007. 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 7.

#### **Financial Highlights**

- At December 31, 2007, the Commission's assets exceeded its liabilities by \$7,772,732.
- At December 31, 2007, the Commission's net assets decreased by \$199,079. This was due primarily to depreciation expense of \$287,083.

#### **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.

## South Tangipahoa Parish Port Commission

### Management's Discussion and Analysis As of and for the Year Ended December 31, 2007

#### Financial Analysis

The purpose of financial analysis is to help determine whether South Tangipahoa Parish Port Commission is better off as a result of the current year's activities. In this analysis, data from two of the basic financial statements, the Statement of Net Assets and the Statement of Activities, are presented below in condensed format.

#### Statement of Net Assets

	<u>12/31/07</u>	<u>Restated 12/31/06</u>
Assets:		
Current Assets	\$ 1,721,747	\$ 1,628,915
Capital Assets	6,062,639	6,349,722
Other Assets	2,100	2,100
Total Assets	<u>7,786,486</u>	<u>7,980,737</u>
Liabilities:		
Current Liabilities	13,754	8,926
Total Liabilities	<u>13,754</u>	<u>8,926</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	6,062,639	6,349,722
Unrestricted	1,710,093	1,622,089
Total Net Assets	<u>\$ 7,772,732</u>	<u>\$ 7,971,811</u>

Approximately 78% of the Commission's net assets reflect its investment in capital assets (land, building, equipment, and improvements) net of any related debt used to acquire those capital assets.

Approximately 22% of the Commission's net assets are unrestricted and may be used to meet the Commission's ongoing obligations to its citizens.

The investment in capital assets decreased by \$287,083 due to current year depreciation.

Unrestricted Net Assets increased by \$88,004 from \$1,622,089 to \$1,710,093.

Total Net Assets decreased by \$199,079 from \$7,971,811 to \$7,772,732.

**South Tangipahoa Parish Port Commission**

**Management's Discussion and Analysis  
As of and for the Year Ended December 31, 2007**

**Statement of Activities**

	<u>12/31/07</u>	<u>Restated 12/31/06</u>
Revenues:		
Operating Revenues	\$ 208,870	\$ 202,087
Other Revenues	85,540	71,063
Total Revenues	<u>294,410</u>	<u>265,636</u>
Expenses:		
Operating Expenses	493,489	472,745
Total Expenses	<u>493,489</u>	<u>472,745</u>
Net Decrease in Net Assets	<u>\$ (199,079)</u>	<u>\$ (207,109)</u>

Other revenues increased by \$14,477 from the prior year due primarily to a grant from Entergy of \$5,000 and an increase in interest revenue of \$9,444.

Operating expenses increased by \$20,744 due primarily to an increase in insurance expense of \$18,115.

Operating expenses include depreciation expense of \$287,083 and \$292,292 for the current year and prior year.

**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 Anthony Licciardi, Jr. President, 163 W. Hickory Street, Ponchatoula, Louisiana 70454 (985)386-9309.

**South Tangipahoa Parish Port Commission  
Statement of Net Assets**

**Statement A**

**December 31, 2007**

**Assets**

Current Assets:

Cash and Cash Equivalents	\$ 345,892
Certificates of Deposit	1,360,000
Accounts Receivable	1,099
Interest Receivable	14,756
Utility Deposit	2,100
Land	303,000
Capital Assets, Net	<u>5,759,639</u>
Total Current Assets/Total Assets	<u>7,786,486</u>

**Liabilities**

Current Liabilities:

Accounts Payable	5,039
Payroll Liabilities	2,566
Accrued Vacation	<u>6,149</u>
Total Current Liabilities/Total Liabilities	<u>13,754</u>

**Net Assets**

Invested in Capital Assets, Net of Related Debt	6,062,639
Unrestricted	<u>1,710,093</u>
Total Net Assets	<u>\$ 7,772,732</u>

See accompanying notes and accountant's review report.

**South Tangipahoa Parish Port Commission**  
**Statement of Revenues, Expenses and Changes in Net Assets**

**December 31, 2007**

**Statement B**

<b>Operating Revenues</b>	
Rental Revenue	\$ 208,870
Other Income	5,033
Total Operating Revenues	<u>213,903</u>
<b>Operating Expenses</b>	
Bookkeeping	4,400
Depreciation	287,083
Insurance	37,323
Legal	1,671
Marketing	14,512
Membership & Dues	3,050
Office Supplies	2,599
Payroll Tax	1,008
Professional	5,390
Property	7,843
Rents & Leases	12,815
Retirement	13,237
Review	2,500
Salaries	71,587
Site Repair	4,646
Utilities	23,825
Total Operating Expenses	<u>493,489</u>
<b>Operating Income (Loss)</b>	<u>(279,586)</u>
<b>Nonoperating Revenues (Expenses)</b>	
Interest Income	80,507
Total Nonoperating Revenues (Expenses)	<u>80,507</u>
<b>Change in Net Assets</b>	<u>(199,079)</u>
<b>Net Assets, Beginning</b>	7,961,735
<b>Prior Period Adjustment (Note 10)</b>	10,076
<b>Net Assets, Ending</b>	<u>\$ 7,772,732</u>

See accompanying notes and accountant's review report.

**South Tangipahoa Parish Port Commission  
Statement of Cash Flows**

**December 31, 2007**

**Statement C**

<b>Cash Flows From Operating Activities</b>	
Cash Received from Customers	\$ 214,992
Cash Payments to Suppliers for Goods and Services	(119,665)
Cash Payments to Employees for Services	<u>(81,914)</u>
Net Cash Provided (Used) by Operating Activities	<u>13,413</u>
<b>Cash Flows From Investing Activities</b>	
Purchase of Certificate of Deposit	(94,977)
Interest Earned	<u>73,265</u>
Net Cash Provided (Used) by Investing Activities	<u>(21,712)</u>
<b>Net Decrease in Cash</b>	(8,299)
<b>Cash, Beginning</b>	354,191
<b>Cash, Ending</b>	<u><u>\$ 345,892</u></u>
<b>Reconciliation of Cash and Cash Equivalents to the Statement of Net Assets</b>	
Cash and Cash Equivalents, Unrestricted	\$ <u>345,892</u>
Total Cash and Cash Equivalents	<u><u>\$ 345,892</u></u>
<b>Reconciliation of Change in Net Assets to</b>	
Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	\$ <u>(279,586)</u>
Adjustments to Reconcile Operating Loss to Net Cash	
Provided (Used) by Operating Activities:	
Depreciation	287,083
<b>Change in Assets and Liabilities:</b>	
Change in Trade Accounts Receivable	1,088
Change in Accounts Payable	1,918
Change in Payroll Tax Liabilities	796
Change in Accrued Vacation	<u>2,114</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 13,413</u></u>

See accompanying notes and accountant's review report.

## **South Tangipahoa Parish Port Commission**

### **Notes to the Financial Statements As of and for the Year Ended December 31, 2007**

#### **Nature of Business**

The South Tangipahoa Parish Port Commission (Commission) was established and provided for by R.S. 34:1951 of 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).

#### **1. Summary of Significant Accounting Policies**

##### **A. Financial Reporting Entity**

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

##### **B. 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. 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.

## **South Tangipahoa Parish Port Commission**

### **Notes to the Financial Statements As of and for the Year Ended December 31, 2007**

Proprietary 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 a proprietary fund's principal ongoing operations. The port facility is presently operated under a Marine Terminal Operators Agreement with a contract operator. Operating Revenues consist of rental revenue and grants. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. Nonoperating revenues consist of interest earned.

#### **C. 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.

#### **D. Investments**

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.

#### **E. 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 employee's service. A maximum of 300 hours is paid upon separation from services but no unused sick leave is paid upon separation of service.

The Executive Director receives annual and sick leave each of which is non-cumulative and non-vesting.

As of December 31, 2007, employees of the Commission have accumulated and vested \$6,149 of employee leave benefits, which was computed in accordance with GASB Codification Section C60.

#### **F. 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 the Financial Statements As of and for the Year Ended December 31, 2007

#### G. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amount 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 reported period. Actual results could differ from those estimates.

#### H. Fair Value of Financial Instruments

The Commissions financial instruments, none of which are held for trading purposes, include cash and certificates of deposit. The following methods and assumptions used by the Commission in estimating its fair value disclosures for financial instruments are:

Cash, cash equivalents and certificates of deposit: The carrying amounts reported in the statement of financial position approximate fair value because of the short maturities of those instruments.

The estimated fair values of the Commissions financial instruments are as follows:

<u>Financial Assets</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Cash and Cash Equivalents	\$ 345,892	\$ 345,892
Certificates of Deposit	\$ 1,360,000	\$ 1,360,000

#### 2. Cash and Certificates of Deposits

At December 31, 2007, the Commission had cash and certificates of deposits in the amount of \$1,705,892. The cash and certificates of deposits are stated at cost which approximate market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

The deposits of the Commission are held by several financial institutions. At December 31, 2007, the Commission had \$345,892 (bank balance) in cash and \$1,360,000 (bank balance) in certificates of deposit. Of this amount, \$787,562 was insured by federal deposit insurance and \$543,330 was collateralized by securities. The remaining balance of \$375,000 was uncollateralized.

**South Tangipahoa Parish Port Commission**

**Notes to the Financial Statements  
As of and for the Year Ended December 31, 2007**

**3. Capital Assets**

Depreciation expense for the year ended December 31, 2007 was \$287,083.

A summary of capital assets at December 31, 2007 follows:

	Balance 12/31/06	Additions	Deletions	Balance 12/31/07
Land	\$ 303,000	\$ -	\$ -	\$ 303,000
Port Facility	8,966,430	-	-	8,966,430
Improvements & Equipment	282,575	-	-	282,575
Total	9,552,005	-	-	9,552,005
Accumulated Depreciation	(3,202,283)	(287,083)	-	(3,489,366)
Net capital assets	<u>\$ 6,349,722</u>	<u>\$ (287,083)</u>	<u>\$ -</u>	<u>\$ 6,062,639</u>

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

**4. 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, 2007.

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. The lease expense charged to Rent was \$9,600 at December 31, 2007.

**5. Employee Pension Plan**

**Plan Description:**

The Commission's secretary and executive director participate 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 requires 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) 992-0600.

## **South Tangipahoa Parish Port Commission**

### **Notes to the Financial Statements As of and for the Year Ended December 31, 2007**

#### **Contributions**

Regular employees hired before July 1, 2006 are required by state statute to contribute 7.5 percent of their annual covered salary. Regular employees hired after July 1, 2006 are required by state statute to contribute 8.0 percent of their annual covered salary. The Commission (as the employer) is required to contribute at an actuarially determined rate. At December 31, 2007, the current employer rate was 20.4 percent of annual covered payroll. The contribution requirements of plan members and the employer are established by, and may be amended by, state law. The contribution requirements are subject to change each year based on the results of the valuation for the prior fiscal year. The Commission's employer contributions to LASERS for the years ending December 31, 2007, 2006 and 2005 were \$13,237, \$7,424 and \$4,069 which were equal to the required contributions.

#### **6. 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.

#### **7. 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.

The original lease with the telecommunications company began 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 telecommunications 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 created. It is also agreed that on boards 5-8, the \$100 per month minimum per board will be waived the first 2 years.

## South Tangipahoa Parish Port Commission

### Notes to the Financial Statements As of and for the Year Ended December 31, 2007

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 trans-loading through the facility except Hunt Plywood business. Furthermore, 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.

Future minimum lease revenues are as follows:

Year	Associated Terminals	Associated Terminals	Bayou Sign Company	Total
2008	\$ 131,000	\$ 1,200	\$ 2,400	\$ 134,600
2009	5,500	100	2,400	8,000
2010	-	-	2,400	2,400
2011	-	-	2,400	2,400
	<u>\$ 136,500</u>	<u>\$ 1,300</u>	<u>\$ 9,600</u>	<u>\$ 147,400</u>

#### 8. Economic Dependency

The Commission's primary source of revenue is through lease agreements with Associated Terminals, LLC, Bayou Sign Company and telecommunication companies. For the fiscal year ending December 31, 2007, \$144,234, or 69% of the Commission's rental revenue was from a lease with Associated Terminals, LLC, \$55,836, or 27% of the Commission's rental revenue was from telecommunication companies and \$8,800, or 4% of the Commission's rental revenue was from a lease with Bayou Sign Company.

#### 9. Concentration of Credit Risk

Financial instruments that subject the Commission to potential concentration of credit risk consist principally of certificates of deposit. Statement of Financial Accounting Standards No. 105 identifies deposits maintained at financial institutions in excess of federally insured limits as concentrations of credit risk requiring disclosure, regardless of the degree of risk. At December 31, 2007, the Commission's uninsured certificate of deposit balances total \$375,000 (collected bank balances).

**South Tangipahoa Parish Port Commission**

**Notes to the Financial Statements  
As of and for the Year Ended December 31, 2007**

**10. Prior Period Adjustment**

	<u>Unrestricted Net Assets</u>
Net Assets, Beginning of Year, Before Prior Period Adjustments	\$ 7,961,735
• Record Interest Receivable at December 31, 2006	7,514
• Record Cash Account not Recorded in General Ledger	2,562
Net Assets, Beginning of Year, After Prior Period Adjustments	<u>\$ 7,971,811</u>

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MEMBER  
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Certified Public  
Accountants

### **Independent Accountant's Report on Applying Agreed-Upon Procedures**

To the Board of Commissioners  
South Tangipahoa Parish Port Commission  
Ponchatoula, Louisiana

I 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, 2007 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 and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I 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.

#### *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).

I scanned the detailed general ledger for January 1, 2007 through December 31, 2007. There were no expenditures that exceeded \$20,000.

#### *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.

I obtained a list of outside business interests of all board members and employees. I sent confirmations to board members to confirm immediate family members and business interest of immediate family members.

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

Management provided me 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).

#### *Budgeting*

5. Obtained a copy of the legally adopted budget and all amendments.

Management provided me with a copy of the original budget.

6. Trace the budget adoption and amendments to the minute book.

I traced the adoption of the original budget to the minutes of a meeting held on December 12, 2006. I traced the amendments to the minutes of a meeting dated August 14, 2007.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

I compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues for the year exceeded budgeted amounts. Actual expenditures for the year were less than the budgeted amount.

#### *Accounting and Reporting*

8. Randomly select 6 disbursements made during the period under examination and:

- a) trace payments to supporting documentation as to proper amount and payee;

I 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.

- b) determine if payments were properly coded to the correct fund and general ledger account; and

All of the payments were properly coded to the correct fund and general ledger account.

- c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting the six selected disbursements indicated approval from proper authorities.

*Meetings*

9. 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).

The agenda for the meetings are posted on the door of the office of the South Tangipahoa Parish Port Commission office. The announcements include the dates, times, places, and agendas as required by LSA-RS 42:1 through 42:12 (the open meetings law).

*Debt*

10. 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.

I examined bank deposits for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

*Advances and Bonuses*

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

The Commission has two paid employees, I examined checks written for the year and noted nothing that would constitute bonuses, advances, or gifts. Also, a reading of the minutes of the Commission for the year indicated no approval for these types of payments.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of 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.

Respectfully submitted,

*Phil Hebert*

Phil Hebert, CPA  
A Professional Accounting Corporation

May 26, 2008



**LOUISIANA COMPLIANCE QUESTIONNAIRE**  
**(For Audit Engagements of Government Entities)**  
\_\_\_\_\_ ( Date Transmitted)

Phil Hebert  
Certified Public Accountant  
A Professional Accounting Corporation  
P. O. Box 1151 (Auditors)  
Ponchatoula, LA

In connection with your audit of our financial statements as of December 31, 2007  
and for January 1, 2007 through December 31, 2007 (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, 2007 (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.

112,872 (As of 1/22/08) Donna Domiano - 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, 2007 through December 31, 2007

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:

Created as an economical development entity of the state to develop a port,  
harbor and terminal district for Southeast LA. Improve the local economy  
through new jobs created establishing competitive transportation rates and  
making possible additional financial transactions by and through local bus-  
iness and industry. Inter-modal transportation point use by public/private  
enterprises, combining barge-rail-truck offering competition in transportation  
and warehousing.

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

<u>Name</u>	<u>Title</u>	<u>Address</u>	<u>Phone</u>
Don Bankston	Member	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	Past-President	2200 West Church St, Hammond, LA 70454	985 549-6901
J. Parker Layrison	Secretary	125 East Pine St., Ponchatoula, LA 70454	985 370-9832
Mark Griggs	Member	389 Kathleen St., Ponchatoula, LA 70454	985 386-3784
Michael Williams	V. President	6 Audubon Place, Hammond, LA 70403	985 340-8015
Anthony Licciardi, Jr.	President	409 North Spruce St. Hammond, LA 70401	985 345-6260
<b><u>OFFICE STAFF:</u></b>			
Patrick J. Dufresne.	Exec. Director	163 W. Hickory St, Ponchatoula, LA 70454 261 W. 4 <sup>th</sup> St., Reserve, LA 70084	985-386-9309 Office 985 212-1856 Cell
Muller, Helen A.	Adm. Secretary	P. O. Box 697, Ponchatoula, LA 70454	985 386-9309
Carmack Blackmon,	Legal Counsel	P. O. Box 44034, Baton Rouge, LA 70804	225 388-9871

7. Expiration date of current elected/appointed officials' terms.

Mark Griggs- 7-1-2009

Paul Hook - 7-1-2010

Mike A. Williams - 7-1-2011

Don Bankston - 7-1-2010

Anthony "Tony" Licciardi-

Don Boihem - 7-1-2010

7-1-2011

J. ParkeyLayrisson - 7-1-2010

**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 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 [  ]

**C. Licensing Boards**

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

Yes [  ] No [  ]

**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 [  ]

**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.

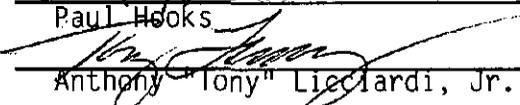
Yes [ ] No [ ]

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.

	Secretary	<u>2/13/08</u>	Date
J. Parker Layman			
	Treasurer	<u>2/12/08</u>	Date
Paul Hooks			
	President	<u>2-12-08</u>	Date
Anthony "Tony" Licciardi, Jr.			