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SOUTH TANGIPAHOA PARISH PORT COMMISSION

ANNUAL FINANCIAL STATEMENTS

As of December 31, 2008 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 7/15/09

PHIL HEBERT
CERTIFIED PUBLIC ACCOUNTANT
A PROFESSIONAL ACCOUNTING CORPORATION

South Tangipahoa Parish Port Commission

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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, 2008, 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 9, 2009 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 9, 2009

South Tangipahoa Parish Port Commission

Management's Discussion and Analysis As of and for the Year Ended December 31, 2008

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, 2008. 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, 2008, the Commission's assets exceeded its liabilities by \$7,656,884.
- At December 31, 2008, the Commission's net assets decreased by \$115,848. This was due primarily to depreciation expense of \$286,559.

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, 2008

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>12/31/08</u>	<u>12/31/07</u>
Assets:		
Current Assets	\$ 1,884,756	\$ 1,721,747
Capital Assets	5,776,080	6,062,639
Construction in Progress	11,889	-
Other Assets	2,100	2,100
Total Assets	<u>7,674,825</u>	<u>7,786,486</u>
Liabilities:		
Current Liabilities	<u>17,941</u>	<u>13,754</u>
Total Liabilities	<u>17,941</u>	<u>13,754</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	5,776,080	6,062,639
Unrestricted	<u>1,880,804</u>	<u>1,710,093</u>
Total Net Assets	<u>\$ 7,656,884</u>	<u>\$ 7,772,732</u>

Approximately 75% 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 25% 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 \$286,559 due to current year depreciation.

Unrestricted Net Assets increased by \$170,711 from \$1,710,093 to \$1,880,804.

Total Net Assets decreased by \$115,848 from \$7,772,732 to \$7,656,884.

South Tangipahoa Parish Port Commission

**Management's Discussion and Analysis
As of and for the Year Ended December 31, 2008**

Statement of Activities

	<u>12/31/08</u>	<u>12/31/07</u>
Revenues:		
Operating Revenues	\$ 197,362	\$ 208,870
Other Revenues	168,415	85,540
Total Revenues	<u>365,777</u>	<u>294,410</u>
Expenses:		
Operating Expenses	<u>481,625</u>	<u>493,489</u>
Total Expenses	<u>481,625</u>	<u>493,489</u>
Net Decrease in Net Assets	<u>\$ (115,848)</u>	<u>\$ (199,079)</u>

Other revenues increased by \$82,875 from the prior year due primarily to a grant from the State of Louisiana of \$100,000 and an increase in interest revenue of \$17,020.

Operating expenses decreased by \$11,864 due primarily to an decrease in insurance expense of \$5,963 and property maintenance of \$6,923.

Operating expenses include depreciation expense of \$286,559 and \$287,083 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 Mike Williams, President, 163 W. Hickory Street, Ponchatoula, Louisiana 70454 (985)386-9309.

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

Statement A

December 31, 2008

Assets

Current Assets:

Cash and Cash Equivalents	\$ 828,779
Certificates of Deposit	1,034,459
Accounts Receivable	7,076
Interest Receivable	14,442
Utility Deposit	2,100
Construction in Progress	11,889
Land	303,000
Capital Assets, Net	<u>5,473,080</u>
Total Current Assets/Total Assets	<u>7,674,825</u>

Liabilities

Current Liabilities:

Accounts Payable	6,763
Payroll Liabilities	3,085
Accrued Vacation	<u>8,093</u>
Total Current Liabilities/Total Liabilities	<u>17,941</u>

Net Assets

Invested in Capital Assets, Net of Related Debt	5,776,080
Unrestricted	<u>1,880,804</u>
Total Net Assets	<u>\$ 7,656,884</u>

See accompanying notes and accountant's review report.

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

Statement B

December 31, 2008

Operating Revenues	
Rental Revenue	\$ 197,362
Grant Revenue	100,000
Other Income	4,928
Total Operating Revenues	<u>302,290</u>
Operating Expenses	
Bookkeeping	3,785
Depreciation	286,559
Insurance	31,360
Legal	2,028
Marketing	18,403
Membership & Dues	2,350
Office Supplies	2,755
Payroll Tax	1,015
Professional	5,727
Property	920
Rents & Leases	12,600
Retirement	13,610
Review	2,500
Salaries	71,917
Site Repair	2,509
Utilities	23,587
Total Operating Expenses	<u>481,625</u>
Operating Income (Loss)	<u>(179,335)</u>
Nonoperating Revenues (Expenses)	
Interest Income	63,487
Total Nonoperating Revenues (Expenses)	<u>63,487</u>
Change in Net Assets	(115,848)
Net Assets, Beginning	<u>7,772,732</u>
Net Assets, Ending	<u>\$ 7,656,884</u>

See accompanying notes and accountant's review report.

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

December 31, 2008

Statement C

Cash Flows From Operating Activities

Cash Received from Customers	\$ 296,313
Cash Payments to Suppliers for Goods and Services	(106,801)
Cash Payments to Employees for Services	<u>(84,079)</u>
Net Cash Provided (Used) by Operating Activities	<u>105,433</u>

Cash Flows From Investing Activities

Construction in Progress	(11,889)
Redemption of Certificate of Deposit	340,000
Renewal of Certificate of Deposit	(14,459)
Interest Earned	<u>63,802</u>
Net Cash Provided (Used) by Investing Activities	<u>377,454</u>

Net Increase in Cash

Cash, Beginning	482,887
Cash, Ending	<u>345,892</u>
	<u>\$ 828,779</u>

Reconciliation of Cash and Cash Equivalents to the Statement of Net Assets

Cash and Cash Equivalents, Unrestricted	\$ 828,779
Total Cash and Cash Equivalents	<u>\$ 828,779</u>

Reconciliation of Change in Net Assets to

Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	\$ (179,335)

Adjustments to Reconcile Operating Loss to Net Cash
Provided (Used) by Operating Activities:
Depreciation

286,559

Change in Assets and Liabilities:

Change in Trade Accounts Receivable	(5,977)
Change in Accounts Payable	1,723
Change in Payroll Tax Liabilities	519
Change in Accrued Vacation	<u>1,944</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 105,433</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, 2008

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, 2008

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, 2008, employees of the Commission have accumulated and vested \$8,093 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, 2008**

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	\$ 828,779	\$ 828,779
Certificates of Deposit	\$ 1,034,459	\$ 1,034,459

2. Cash and Certificates of Deposits

At December 31, 2008, the Commission had cash and certificates of deposits in the amount of \$1,863,238. 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, 2008, the Commission had \$828,779 (bank balance) in cash and \$1,034,459 (bank balance) in certificates of deposit. Of this amount, \$1,360,672 was insured by federal deposit insurance and \$239,526 was collateralized by securities.

South Tangipahoa Parish Port Commission

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2008**

3. Capital Assets

Depreciation expense for the year ended December 31, 2008 was \$286,559.

A summary of capital assets at December 31, 2008 follows:

	Balance 12/31/07	Additions	Deletions	Balance 12/31/08
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	(3,489,366)	(286,559)	-	(3,775,925)
Net capital assets	<u>\$ 6,062,639</u>	<u>\$ (286,559)</u>	<u>\$ -</u>	<u>\$ 5,776,080</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, 2008.

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, 2008.

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, 2008

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, 2008, the current employer rate was 18.5 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, 2008, 2007 and 2006 were \$13,610, \$13,237 and \$7,424 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, 2008

The Commission renewed the lease with Associated Terminals, LLC for five additional years effective January 1, 2009. 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 entered into a lease agreement with Bayou Diesel, LLC effective November 1, 2008. The leased premises consist of four (4) acres situated within the Port Manchac Distribution Center, Manchac, Louisiana, including, but not necessarily limited to, a 30,000 square foot warehouse, adjacent land and access to the rail. This lease is made for a term of thirty (30) years with an option to renew for four additional five (5) year periods. Lessee shall pay the lessor monthly rent as follows:

- 1) For the first nine (9) months the sum of seven thousand five hundred dollars
- 2) For month ten (10) the sum of eight thousand dollars
- 3) For month eleven (11) the sum of eight thousand dollars
- 4) For month twelve (12) the sum of nine thousand dollars
- 5) Commencing with month thirteen (13) the lessee shall pay the lessor for the term of this lease the sum of ten thousand dollars monthly

Future minimum lease revenues are as follows:

Year	Associated Terminals	Bayou Diesel, LLC	Total
2009	\$ 12,000	\$ 97,500	\$ 109,500
2010	\$ 12,000	120,000	132,000
2011	\$ 12,000	120,000	132,000
2012	\$ 132,000	120,000	252,000
2013	\$ 132,000	120,000	252,000
2014 - 2018	-	600,000	600,000
2019 - 2023	-	600,000	600,000
2024 - 2028	-	600,000	600,000
2029 - 2033	-	600,000	600,000
2034 - 2038	-	576,000	576,000
Total	\$ 300,000	\$ 3,553,500	\$ 3,853,500

South Tangipahoa Parish Port Commission

Notes to the Financial Statements As of and for the Year Ended December 31, 2008

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, 2008, \$120,774, or 61% of the Commission's rental revenue was from a lease with Associated Terminals, LLC, \$67,763, or 34% of the Commission's rental revenue was from telecommunication companies, and \$5,825, or 3% 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, 2008, the Commission's certificate of deposit balances are fully secured (collected bank balances).

10. Cooperative Endeavor Agreement

The Commission has entered into a cooperative endeavor agreement with the Louisiana Department of Economic Development effective December 1, 2008. Seven hundred fifty thousand dollars has been allocated for this project. Reimbursements under this agreement will be allowed only for expenditures occurring between December 31, 2008 and December 31, 2009.

The program objectives are as follows:

- 1) Roadway, driveway, parking area and truck dock pavement improvement
- 2) Installation and construction of fire protection for warehouse including sprinkler system (tanks)
- 3) Rail loading rack
- 4) Security fence surrounding storage tanks in rear of building
- 5) Modular office space

The program goal is to attract industry to the port which will increase jobs at the port as well as cargo transported through the port.

11. Subsequent Event

In April 2009, the Commission requested proposals from interested and qualified Contractors for the excavation, removal, hauling, and final disposal of metal containers of chipped battery casing possibly containing high levels of lead. The work shall be in strict accordance with all Local, State, and Federal regulations including Louisiana Department of Environmental Quality and EPA regulations for the excavation, removal, hauling, and final disposal. The estimated cost is approximately \$98,000.

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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, 2008 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, 2008 through December 31, 2008. There were no expenditures that exceeded \$20,000. The Port did bid a water treatment project that exceeded \$100,000 in accordance with LSA-RS 38:2211-2251. The bid was awarded to the lowest bidder in December 2008.

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.

There were only two employees paid during the period.

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 11, 2007. I traced the amendments to the minutes of a meeting dated September 16, 2008.

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,

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