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SOUTH TANGIPAHOA PARISH PORT COMMISSION

ANNUAL FINANCIAL STATEMENTS

As of December 31, 2006 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 7-25-07

PHIL HEBERT
CERTIFIED PUBLIC ACCOUNTANT
A PROFESSIONAL ACCOUNTING CORPORATION

South Tangipahoa Parish Port Commission

**Table of Contents
December 31, 2006**

	Statement	Page
Accountant's Review Report		3
Management's Discussion and Analysis		4
Financial Statements:		
Statement of Net Assets	A	7
Statement of Revenues, Expenses, and Changes in Net Assets	B	8
Statement of Cash Flows	C	9
Notes to the Financial Statements		10
Other Supplemental Information:		
Independent Accountant's Report on Applying Agreed Upon Procedures		15
Louisiana Attestation Questionnaire		19

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MEMBER
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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, 2006, 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 June 27, 2007 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

June 27, 2007

South Tangipahoa Parish Port Commission

Management's Discussion and Analysis As of and for the Year Ended December 31, 2006

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, 2006. 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, 2006, the Commission's assets exceeded its liabilities by \$7,965,770.
- At December 31, 2006, the Commission's net assets decreased by \$207,109. This was due primarily to depreciation expense of \$292,292.

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, 2006**

Financial Analysis of the Entity

Statement of Net Assets

	<u>12/31/06</u>	<u>12/31/05</u>
Assets:		
Current Assets	\$ 1,618,839	\$ 1,563,224
Capital Assets	6,349,722	6,642,014
Other Assets	2,100	2,100
Total Assets	<u>7,970,661</u>	<u>8,207,350</u>
Liabilities:		
Current Liabilities	<u>4,891</u>	<u>34,459</u>
Total Liabilities	<u>4,891</u>	<u>34,459</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	6,349,722	6,642,014
Unrestricted	1,616,048	1,530,865
Total Net Assets	<u>\$ 7,965,770</u>	<u>\$ 8,172,879</u>

Approximately 80% 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 20% 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 \$292,292 due to current year depreciation.

South Tangipahoa Parish Port Commission

**Management's Discussion and Analysis
As of and for the Year Ended December 31, 2006**

Statement of Activities

	<u>12/31/06</u>	<u>12/31/05</u>
Revenues:		
Operating Revenues	\$ 202,087	\$ 199,488
Other Revenues	<u>63,549</u>	<u>201,270</u>
Total Revenues	<u>265,636</u>	<u>400,758</u>
Expenses:		
Operating Expenses	<u>472,745</u>	<u>481,962</u>
Total Expenses	<u>472,745</u>	<u>481,962</u>
Net Increase in Net Assets	<u>\$ (207,109)</u>	<u>\$ (81,204)</u>

Other revenues decreased by \$137,721 from the prior year amounts. The decrease is due primarily to a decrease in insurance reimbursements of \$155,086 and an increase in interest revenue of \$17,365.

Operating expenses include depreciation expense of \$292,292 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 Don Boihem, President, 163 W. Hickory Street, Ponchatoula, Louisiana 70454 (985)386-9309.

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

Statement A

December 31, 2006

Assets

Cash and Cash Equivalents	\$ 351,629
Certificates of Deposit	1,265,023
Accounts Receivable	2,187
Utility Deposit	2,100
Land	303,000
Capital Assets, Net	<u>6,046,722</u>
Total Assets	<u><u>7,970,661</u></u>

Liabilities

Accounts Payable	3,121
Payroll Liabilities	1,770
Accrued Vacation	4,035
Total Liabilities	<u><u>8,926</u></u>

Net Assets

Invested in Capital Assets, Net of Related Debt	6,349,722
Unrestricted	<u>1,612,013</u>
Total Net Assets	<u><u>\$ 7,961,735</u></u>

See accompanying notes and accountant's report.

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

Statement B

December 31, 2006

Operating Revenues	
Rental Revenue	\$ 202,087
Total Revenues	<u>202,087</u>
 Operating Expenses	
Bookkeeping	3,025
Depreciation	292,292
Independent CPA Review	3,800
Insurance	19,208
Legal	180
Marketing	9,899
Miscellaneous	2,562
Office Supplies	1,982
Payroll Tax	985
Professional	16,073
Property	14,064
Rents	12,710
Retirement	7,424
Salaries	67,937
Site Repair	94
Utilities	20,510
Total Operating Expenses	<u>472,745</u>
 Operating (Loss)	 <u>(270,658)</u>
 Nonoperating Revenues (Expenses)	
Interest Income	63,549
Total Nonoperating Revenues (Expenses)	<u>63,549</u>
 Change in Net Assets	 (207,109)
Net Assets, Beginning	8,172,879
Prior Period Adjustment (Note 10)	(4,035)
Net Assets, Ending	<u><u>\$ 7,961,735</u></u>

See accompanying notes and accountant's report.

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

December 31, 2006

Statement C

Cash Flows From Operating Activities

Cash Received From Customers	\$ 207,756
Cash Received From Insurance	155,086
Cash Payments to Suppliers for Goods and Services	(135,404)
Cash Payments for Employees	<u>(74,617)</u>
Net Cash Provided by Operating Activities	<u>152,821</u>

Cash Flows From Investing Activities

Purchase of Certificate of Deposit	(105,000)
Interest Earned on Certificates of Deposit	<u>63,526</u>
Net Cash (Used) by Investing Activities	<u>(41,474)</u>

Net Increase in Cash

Cash, Beginning of Year	111,347
Cash, End of Year	<u>240,282</u>
	<u>\$ 351,629</u>

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

Cash and Cash Equivalents	<u>351,629</u>
Total Cash and Cash Equivalents	<u>351,629</u>

Reconciliation of Operating (Loss) to

Net Cash Provided by Operating Activities	
Operating (Loss)	\$ <u>(270,658)</u>
Adjustments to Reconcile Operating Loss to Net Cash	
Provided by Operating Activities:	
Depreciation	292,292
Change in Trade Accounts Receivable	5,669
Change in Insurance Claims Receivable	155,086
Change in Accounts Payable	(31,297)
Change in Payroll Tax Liabilities	<u>1,729</u>
Net Cash Provided by Operating Activities	<u>\$ 152,821</u>

See accompanying notes and accountant's report.

South Tangipahoa Parish Port Commission

Notes to the Financial Statements As of and for the Year Ended December 31, 2006

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 statement 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, 2006

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

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, 2006, no accrual for employee leave benefits was made as the amount is not material.

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.

G. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported 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.

South Tangipahoa Parish Port Commission

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2006**

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	\$ 351,629	\$ 351,629
Certificates of Deposit	\$ 1,265,023	\$ 1,265,023

2. Cash and Certificates of Deposits

At December 31, 2006, the Commission had cash and certificates of deposits in the amount of \$1,616,652. 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, 2006 the Commission had \$352,814 (bank balance) in cash and \$1,265,023 (bank balance) in certificates of deposit. Of this amount, \$875,023 was insured by federal deposit insurance and \$552,814 was secured by a pledge of security. The remaining balance of \$190,000 was unsecured.

South Tangipahoa Parish Port Commission

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2006**

3. Capital Assets

Depreciation expense for the year ended December 31, 2006 was \$292,292

A summary of capital assets at December 31, 2006 follows:

	Balance 12/31/05	Additions	Deletions	Balance 12/31/06
Land	\$ 303,000	\$ -	\$ -	\$ 303,000
Port Facility	8,966,430	-	-	8,966,430
Improvements & Equipment	282,575	-	-	108,701
Total	9,552,017	-	-	9,552,005
Accumulated Depreciation	(2,909,991)	(292,292)	-	(3,202,283)
Net capital assets	<u>\$ 6,642,014</u>	<u>\$ (292,292)</u>	<u>\$ -</u>	<u>\$ 6,349,722</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, 2006.

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, 2006.

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, 2006

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, 2006, the current employer rate was 19.1 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 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, 2006, was \$7,424 and was equal to the required contribution for the year.

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, 2006

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:

<u>Year</u>	<u>Associated Terminals</u>	<u>Associated Terminals</u>	<u>Bayou Sign Company</u>	<u>Total</u>
2007	\$ 131,000	\$ 1,200	\$ 2,400	\$ 134,600
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>\$ 267,500</u>	<u>\$ 2,500</u>	<u>\$ 12,000</u>	<u>\$ 282,000</u>

8. 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, 2006, the Commission's uninsured certificate of deposit balances total \$190,000 (collected bank balances).

MEMBER
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MEMBER
Society of Louisiana
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, 2006 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, 2006 through December 31, 2006. There was only one expenditure that exceeded \$20,000. The expenditure was paid to TWA Erectors in the amount of \$33,100. The work was properly bid on May 23, 2006.

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 me 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 me 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).

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 13, 2005. The budget was not amended.

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 and signature from two commissioners.

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).

South Tangipahoa Port of Commission provided us with copies of the newspaper announcement. 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 type 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 Port of 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

June 27, 2007

LOUISIANA COMPLIANCE QUESTIONNAIRE
(For Audit Engagements of Government Entities)
March 13, 2007 (Date Transmitted)

Phil Hebert
Certified Public Accountant
A Professional Accounting Corporation
P. O. Box 1151 (Auditors)
Ponchatoula, LA 70454

In connection with your audit of our financial statements as of December 31, 2006 and for January 1, 2006 through December 31, 2006 (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, 2006 (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.

112,464 (As of 1/22/07) Donna Domian, Tangipahoa Prish 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, 2006 through December 31, 2006

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 Louisiana. Improve the local economy through new jobs created establishing competitive transportation rates and making possible additional financial transactions by and through local business and industry. Multi-transportation point used by public/private enterprises, combining barge-rail-truck 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 Mark M. Griggs - 7-1-2009
Mike A. Williams 7-1-2011 Tony Licciardi, Jr. 7-1-2011 J.Parker Layrisson 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).

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

<u>Name Commissioner</u>	<u>Title</u>	<u>Address</u>	<u>Phone</u>
Don Boihem	President-2007	2200 W. Church St., Hammond, LA 70401	985 549-6901
Don Bankston	Past-President	1500 J. W. Davis Dr. Hammond, LA 70403	985 542-6565
Mark Griggs	V. President	389 Kathleen St., Ponchatoula, LA 70454	985 386-3784
J. Parker Layrisson	Secretary	125 E. Pine St. Ponchatoula, LA 70454	985 370-9832
Paul Hooks	Treasurer	505 N. Wilson, Hammond, LA 70403	985 345-6844
Anthony Licciardi, Jr.	Member	409 N. Spruce St, Hammond, LA 70401	985 345-6260
Michael Williams	Member	6 Audubon Place, Hammond, LA 70403	985 340-8015

OFFICE STAFF:

Patrick J. Dufresne, Exec. Director	163 W. Hickory St., Ponchatoula, LA 70454	985 386-9309 (Office)
	161 West 4 th St., Reserve, LA 70084	985 212-1856 (Cell)
Helen A. Muller, 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

(Rev. 3/15/07)

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 [X] 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 [X] No []

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

Yes [X] 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 [X] 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 [X] 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.

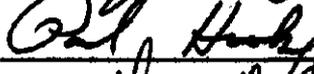
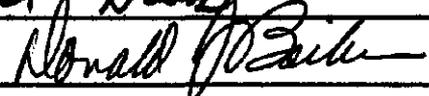
Yes [] No []

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.

<u></u>	Secretary	<u>3/20/07</u>	Date
<u></u>	Treasurer	<u>3/20/07</u>	Date
<u></u>	President	<u>3-20-07</u>	Date