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TANGIPAHOA PARISH COUNCIL

Amite, Louisiana

ANNUAL FINANCIAL REPORT

December 31, 2001

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Release Date 10/30/02

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana

General Purpose Financial Statements
With Supplemental Information
And Independent Auditor's Reports
As of and for the Year Ended December 31, 2001

TABLE OF CONTENTS

	Page	Statement	Schedule
INDEPENDENT AUDITOR'S REPORT	1		
GENERAL PURPOSE FINANCIAL STATEMENTS			
Combined Balance Sheet - All Fund Types and Account Groups	3	A	
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types	7	B	
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - General and Special Revenue Funds	9	C	
Statement of Revenues, Expenses, and Changes in Retained Earnings - Budget (GAAP Basis) and Actual - Proprietary Fund Types - Enterprise and Internal Service Fund	13	D	
Combined Statement of Cash Flows - Proprietary Fund Types	15	E	
NOTES TO THE FINANCIAL STATEMENTS	16		
SUPPLEMENTAL INFORMATION SCHEDULES			
SPECIAL REVENUE FUNDS			
Combining Balance Sheet	53		1
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	54		2
Road and Bridge Funds -			
Combining Balance Sheet	56		3
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	57		4

Tangipahoa Parish Council
Table of Contents (Continued)

	Page	Statement	Schedule
Road Lighting District Funds -			
Combining Balance Sheet	58		5
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	59		6
State and Federal Funds -			
Combining Balance Sheet	60		7
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	61		8
DEBT SERVICE FUNDS			
Combining Balance Sheet	64		9
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	65		10
Road District Funds -			
Combining Balance Sheet	66		11
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	67		12
General Service District Funds -			
Combining Balance Sheet	68		13
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	69		14
Recreation District Funds -			
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	70		15
CAPITAL PROJECTS FUNDS			
Combining Balance Sheet	72		16
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	73		17
Schedule of Expenditures of Federal Awards	74		18
OTHER INDEPENDENT AUDITOR'S REPORTS AND FINDINGS			
Independent Auditor's Report on Compliance and on Internal Control Based on an Audit of the General Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*	76		

Tangipahoa Parish Council
Table of Contents (Continued)

	Page	Statement	Schedule
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	78		
Summary Schedule of Prior Year Audit Findings	80		
Schedule of Current Year Audit Findings	81		
Management's Corrective Action Plan for Current Year Audit Findings	85		
Management Letter	87		

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INDEPENDENT AUDITOR'S REPORT

To the Parish President and Members
of the Tangipahoa Parish Council
Amite, Louisiana

I have audited the accompanying general purpose financial statements of the Tangipahoa Parish Council, Louisiana as of and for the year ended December 31, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of the Tangipahoa Parish Council's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

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

The general purpose financial statements referred to above do not include financial data of the component units listed in the Notes to Financial Statements, Note 1 (B) Reporting Entity, pages 16-18, which should be included in order to conform with accounting principles generally accepted in the United States of America. I am unable to determine the amounts by which the assets and liabilities and revenues and expenditures would have been increased had the omitted component units been included, nor can I determine the amount of fund balances/retained earnings of the omitted component units.

In my opinion, except for the effects on the financial statements of the omission described in the preceding paragraph, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Tangipahoa Parish Council, Louisiana, as of December 31, 2001, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated May 29, 2002, on my consideration of the Tangipahoa Parish Council's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

My audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements of the Tangipahoa Parish Council, Louisiana. Also, the combining and individual fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Tangipahoa Parish Council, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

Lee Gray

Certified Public Accountant

May 29, 2002

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
December 31, 2001

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
ASSETS AND OTHER DEBITS				
Cash and cash equivalents	$ 834,748	$ 5,216,237	$ 35,889	$ 91
Restricted cash	0	0	0	0
Receivables	838,408	4,187,427	43,542	0
Due from other governments	157,169	31,225	0	0
Due from other funds	2,475	91,036	0	0
Property, plant, and equipment, net	0	0	0	0
Deposits with deferred compensation	0	0	0	0
Amount available in debt service fund	0	0	0	0
Amount to be provided for retirement of general long-term debt	0	0	0	0
Landfill closure and postclosure care costs	0	0	0	0
Total Assets	$ 1,832,800	$ 9,525,925	$ 79,432	$ 91
LIABILITIES				
Accounts payable	$ 244,673	$ 2,343,020	$ 1,696	$ 0
Current maturities	0	0	0	0
Accrued expenses	80,909	243,137	0	0
Due to other funds	14,701	105,001	0	0
Due to HUD	0	3,427	0	0
Due to plan participants	0	0	0	0
Judgement payable	0	0	0	0
Revenue bonds payable	0	0	0	0
Bonds payable	0	0	0	0
Lease-purchases payable	0	0	0	0
Certificates of indebtedness	0	0	0	0
Estimated liability for landfill closure care costs	0	0	0	0
Total Liabilities	340,283	2,694,584	1,696	0

Continued on the following page

The notes to the financial statements are an integral part of this statement.

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	ACCOUNT GROUPS		
ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY FUNDS	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	TOTAL (MEMORANDUM ONLY)
$ 195,808	$ 87,856	$ 152,787	$ 0	$ 0	$ 6,523,415
34,076	0	0	0	0	34,076
63,536	109	957	0	0	5,133,980
0	0	40,224	0	0	228,618
0	26,191	0	0	0	119,702
2,232,957	42,844	0	33,706,703	0	35,982,503
0	0	1,022,553	0	0	1,022,553
0	0	0	0	77,736	77,736
0	0	0	0	1,369,256	1,369,256
0	0	0	0	2,985,000	2,985,000
$ 2,526,376	$ 157,000	$ 1,216,522	$ 33,706,703	$ 4,431,991	$ 53,476,838
$ 14,033	$ 543	$ 193,969	$ 0	$ 0	$ 2,797,934
9,098	0	0	0	0	9,098
7,235	20,341	0	0	0	351,621
0	0	0	0	0	119,702
0	0	0	0	0	3,427
0	0	1,022,553	0	0	1,022,553
0	0	0	0	48,152	48,152
741,229	0	0	0	0	741,229
0	0	0	0	671,919	671,919
0	0	0	0	336,920	336,920
0	0	0	0	390,000	390,000
0	0	0	0	2,985,000	2,985,000
771,594	20,884	1,216,522	0	4,431,991	9,477,554

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
December 31, 2001

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
FUND EQUITY				
Contributed Capital	$ 0	$ 0	$ 0	$ 0
Investment in general fixed assets	0	0	0	0
Retained Earnings				
Reserved	0	0	0	0
Unreserved	0	0	0	0
Fund Balance				
Reserved for:				
Debt service	0	0	77,736	0
Unreserved-undesignated	1,392,517	6,778,524	0	0
Designated	100,000	52,817	0	91
Total Fund Equity	1,492,517	6,831,341	77,736	91
Total Liabilities and Fund Equity	$ 1,832,800	$ 9,525,925	$ 79,432	$ 91

(Concluded)

The notes to the financial statements are an integral part of this statement.

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	ACCOUNT GROUPS		
ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY FUNDS	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	TOTAL (MEMORANDUM ONLY)
$ 1,530,331	$ 0	$ 0	$ 0	$ 0	$ 1,530,331
0	0	0	33,706,703	0	33,706,703
34,076	0	0	0	0	34,076
190,376	136,116	0	0	0	326,491
0	0	0	0	0	77,736
0	0	0	0	0	8,171,041
0	0	0	0	0	152,908
1,754,783	136,116	0	33,706,703	0	43,999,285
$ 2,526,376	$ 157,000	$ 1,216,522	$ 33,706,703	$ 4,431,991	$ 53,476,838

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
For The Twelve Months Ended December 31, 2001

	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	TOTAL (MEMORANDUM ONLY)
REVENUES					
Taxes:					
Sales	$ 2,656,064	$ 7,960,792	$ 0	$ 0	$ 10,616,856
Ad valorem	489,549	3,330,784	43,062	0	3,863,395
Franchise	358,286	0	0	0	358,286
Licenses and permits	725,809	0	0	0	725,809
Intergovernmental revenues:					
Federal funds:					
Federal grants	53,767	842,612	0	0	896,379
State funds:					
Parish transportation funds	0	753,867	0	0	753,867
State revenue sharing	72,214	706,412	0	0	778,626
Severance tax	300,660	0	0	0	300,660
State grants	178,468	128,368	0	48,609	355,445
Alcoholic beverage tax	38,308	0	0	0	38,308
Fees, charges, and commissions for services	60,603	1,273,660	0	0	1,334,263
Fines and forfeitures	550	558,890	0	0	559,440
Interest	54,723	224,615	2,585	0	281,923
Other revenues	475,394	12,158	0	0	487,552
Total Revenues	5,464,395	15,792,158	45,647	48,609	21,350,809
EXPENDITURES					
General Government:					
Legislative	343,450	0	0	0	343,450
Judicial	1,663,120	567,100	0	0	2,230,220
Elections	105,407	0	0	0	105,407
Finance and Administrative	643,301	0	2,607	0	645,908
Public Safety	1,242,100	2,727,132	0	0	3,969,232
Public Works	1,170,398	10,433,351	6,084	148,519	11,758,352
Health and welfare	324,621	1,618,329	0	0	1,942,950
Debt Service:					
Principal	0	92,874	35,000	0	127,874
Interest and agent fees	0	12,723	45,450	0	58,173
Total Expenditures	5,492,397	15,451,509	89,141	148,519	21,181,566
Excess of Revenues Over (Under) Expenditures	(28,002)	340,649	(43,494)	(99,910)	169,243

Continued on the following page

The notes to the financial statements are an integral part of this statement.

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
For The Twelve Months Ended December 31, 2001

	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	TOTAL (MEMORANDUM ONLY)
OTHER FINANCING SOURCES (USES)					
Proceeds from certificates of indebtedness	$ 0	$ 196,000	$ 0	$ 0	$ 196,000
Sale of fixed assets	82,737	170,945	0	0	253,682
Operating transfers in	0	202,064	0	391	202,455
Operating transfers out	(202,454)	0	0	0	(202,454)
Total Other Financing Sources (Uses)	*(119,717)*	*569,009*	*0*	*391*	*449,683*
Excess of Revenues and Other Sources Over (Under) *Expenditures and Other Uses*	*(147,719)*	*909,658*	*(43,494)*	*(99,519)*	*618,926*
Fund Balances at Beginning of Year, as restated	1,640,238	5,921,683	121,230	99,610	7,782,761
Fund Balances at End of Year	$ 1,492,519	$ 6,831,341	$ 77,736	$ 91	$ 8,401,687

(Concluded)

The notes to the financial statements are an integral part of this statement.

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
GENERAL AND SPECIAL REVENUE FUNDS
For The Twelve Months Ended December 31, 2001

	GENERAL FUND		
	BUDGET	ACTUAL	Favorable (Unfavorable) VARIANCE
REVENUES			
Taxes:			
Sales	$ 2,650,000	$ 2,656,064	$ 6,064
Ad valorem	490,000	489,549	(451)
Franchise	350,000	358,286	8,286
Licenses and permits	744,300	725,809	(18,492)
Intergovernmental revenues:			
Federal funds:			
Federal grants	61,000	53,767	(7,233)
State funds:			
Parish transportation funds	0	0	0
State revenue sharing	75,000	72,214	(2,786)
Severance tax	350,000	300,660	(49,340)
State grants	70,000	178,468	108,468
Alcoholic beverage tax	25,000	38,308	13,308
Fees, charges, and commissions for services	66,000	60,603	(5,397)
Fines and forfeitures	1,000	550	(450)
Interest	50,000	54,723	4,723
Other revenues	467,000	475,394	8,394
Total Revenues	5,399,300	5,464,393	65,093
EXPENDITURES			
General Government:			
Legislative	406,000	343,450	62,550
Judicial	1,711,174	1,663,120	48,054
Elections	123,675	105,407	18,268
Finance and Administrative	547,780	643,301	(95,521)
Public Safety	1,270,840	1,242,100	28,740
Public Works	1,269,050	1,170,398	98,652
Health and welfare	374,300	324,621	49,679
Debt Service:			
Total Expenditures	5,702,819	5,492,397	210,422
Excess of Revenues Over (Under) Expenditures	(303,519)	(28,004)	275,515

Continued on the following page

The notes to the financial statements are an integral part of this statement.

SPECIAL REVENUE FUNDS *

	BUDGET	ACTUAL	Favorable (Unfavorable) VARIANCE
REVENUES			
Taxes:			
Sales	$ 8,040,000	$ 7,960,792	$ (79,208)
Ad valorem	3,324,430	3,330,784	6,354
Franchise	0	0	0
Licenses and permits	0	0	0
Intergovernmental revenues:			
Federal funds:			
Federal grants	825,000	842,612	17,612
State funds:			
Parish transportation funds	780,000	753,867	(26,133)
State revenue sharing	718,800	706,412	(12,388)
Severance tax	0	0	0
State grants	127,799	128,368	569
Alcoholic beverage tax	0	0	0
Fees, charges, and commissions for services	1,258,048	1,273,661	15,613
Fines and forfeitures	70,000	75,074	5,074
Interest	229,200	223,696	(5,504)
Other revenues	12,400	12,158	(242)
Total Revenues	15,385,677	15,307,423	(78,254)
EXPENDITURES			
General Government:			
Legislative	0	0	0
Judicial	19,400	16,542	2,858
Elections	0	0	0
Finance and Administrative	0	0	0
Public Safety	2,847,403	2,727,132	120,271
Public Works	12,222,296	10,433,351	1,788,945
Health and welfare	1,696,726	1,618,329	78,397
Debt Service:			
Principal	0	92,874	(92,874)
Interest and agent fees	15,000	12,723	2,277
Total Expenditures	16,800,825	14,900,950	1,899,875
Excess of Revenues Over (Under) Expenditures	(1,415,148)	406,473	1,821,621

Continued on the following page

* Excludes Criminal Court Special Revenue Fund

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
GENERAL AND SPECIAL REVENUE FUNDS
For The Twelve Months Ended December 31, 2001

	GENERAL FUND		
	BUDGET	ACTUAL	Favorable (Unfavorable) VARIANCE
OTHER FINANCING SOURCES (USES)			
Sale of fixed assets	$ 82,000	$ 82,736	$ 736
Operating transfers in	0	0	0
Operating transfers out	(210,000)	(202,454)	7,546
Total Other Financing Sources (Uses)	(128,000)	(119,718)	8,282
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(431,519)	(147,721)	283,798
Fund Balances at Beginning of Year	1,590,238	1,640,238	50,000
Fund Balances at End of Year	$ 1,158,719	$ 1,492,517	$ 333,798

(Concluded)

The notes to the financial statements are an integral part of this statement.

	SPECIAL REVENUE FUNDS *		
	BUDGET	ACTUAL	Favorable (Unfavorable) VARIANCE
OTHER FINANCING SOURCES (USES)			
Proceeds from certificates of indebtedness	$ 195,000	$ 196,000	$ 1,000
Sale of fixed assets	171,500	170,945	(555)
Operating transfers in	275,426	202,064	(73,363)
Operating transfers out	0	0	0
Total Other Financing Sources (Uses)	641,926	569,009	(72,917)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(773,222)	975,482	1,748,704
Fund Balances at Beginning of Year, as restated	5,915,158	5,922,210	7,052
Fund Balances at End of Year	$ 5,141,936	$ 6,897,692	$ 1,755,756

(Concluded)

* Excludes Criminal Court Special Revenue Fund

Tangipahoa Parish Council
Amite, Louisiana
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS -
BUDGET (GAAP BASIS) AND ACTUAL
PROPRIETARY FUND TYPE
For The Twelve Months Ended December 31, 2001

	ENTERPRISE FUND		
	BUDGET	ACTUAL	Favorable (Unfavorable) VARIANCE
OPERATING REVENUES			
Charges for services	$ 524,000	$ 505,696	$ (18,304)
OPERATING EXPENSES			
Personnel services	116,800	119,892	(3,092)
Materials and supplies	45,500	43,322	2,178
Professional services	71,260	88,856	(17,596)
Repairs and maintenance	195,950	177,698	18,252
Other expenses	39,450	38,927	523
Depreciation	90,000	97,125	(7,125)
Total Operating Expense	558,960	565,820	(6,860)
Net Operating Income(Loss)	(34,960)	(60,124)	(25,164)
NON-OPERATING REVENUES (EXPENSES)			
Interest income	9,000	7,806	(1,194)
State grant	10,000	10,000	0
Interest expense	(45,000)	(42,446)	2,554
Total Non-Operating Revenues (Expenses)	(26,000)	(24,640)	1,360
Net Income(Loss)	$ (60,960)	$ (84,764)	$ (23,804)
Amortization of Contributed Capital	0	63,363	0
Increase in Reserve for Contingencies	0	(4,990)	0
Retained Earnings - Unreserved, December 31, 2000	0	216,767	0
Retained Earnings - Unreserved December 31, 2001	$ (60,960)	$ 190,376	$ 0

continued on the following page

The notes to the financial statements are an integral part of this statement.

Tangipahoa Parish Council
Amite, Louisiana
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS -
BUDGET (GAAP BASIS) AND ACTUAL
PROPRIETARY FUND TYPE
For The Twelve Months Ended December 31, 2001

	INTERNAL SERVICE FUND		
	BUDGET	ACTUAL	Favorable (Unfavorable) VARIANCE
OPERATING REVENUES			
Charges for services	$ 575,140	$ 580,760	$ 5,620
Other revenue	0	1	1
Total Operating Revenues	575,140	580,761	5,621
OPERATING EXPENSES			
Personnel services	495,700	486,742	8,958
Materials and supplies	32,800	31,198	1,602
Professional services	14,000	12,617	1,383
Repairs and maintenance	7,500	7,632	(132)
Other expenses	45,300	33,069	12,231
Depreciation	19,000	22,378	(3,378)
Total Operating Expense	614,300	593,636	20,664
Net Operating Income (Loss)	(39,160)	(12,875)	26,285
NON-OPERATING REVENUES(EXPENSES)			
Loss on Disposition of Assets	0	(14,767)	(14,767)
Interest Income	15,000	14,951	(49)
Total Non-Operating Revenues(Expenses)	15,000	184	(14,816)
Net Income (Loss)	(24,160)	(12,691)	11,469
Retained Earnings Beginning of Year	148,805	148,806	1
Retained Earnings at End of Year	$ 124,645	$ 136,115	$ 11,470

(Concluded)

The notes to the financial statements are an integral part of this statement.

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana

SCHEDULE E

COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPES
For the Year Ended December 31, 2001

	Enterprise Fund	Internal Service Fund
Cash Flows from Operating Activities:		
Operating Income (Loss)	$ (60,124)	$ (12,875)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation	97,125	22,378
Changes in Assets and Liabilities:		
Accounts receivable	(531)	(109)
Due from other funds	-	13,301
Due from other governments	15,500	-
Due from others	37,720	-
Accounts payable	(28,753)	(795)
Accrued expenses	1,311	2,925
Due to other funds	(535)	-
Total Adjustments	121,837	37,700
Net Cash Provided by Operating Activities	61,713	24,825
Cash Flows from Non-Capital Financing Activities:		
State grant	10,000	-
Cash Flows from Capital and Capital-Related Financing Activities:		
Principal repayments and interest payments	(52,110)	-
Payments for capital additions	(90,222)	(44,146)
Reimbursed from letter of credit	88,610	-
Interest received	7,806	14,951
Net Cash Provided by (Used For) Capital and Capital-Related Financing Activities	(45,916)	(29,195)
Net Increase (Decrease) in Cash and Cash Equivalents	25,797	(4,370)
Cash and Cash Equivalents at Beginning of Year	204,087	92,226
Cash and Cash Equivalents at End of Year	$229,884	$ 87,856
From Combined Balance Sheet at December 31, 2001:		
Cash and Cash Equivalents	$195,808	
Restricted Cash	34,076	
	$229,884	

The notes to the financial statements are an integral part of this statement.

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 2001

INTRODUCTION

The Tangipahoa Parish Council is the governing authority for the Parish of Tangipahoa, Louisiana. The Parish of Tangipahoa operates under a home rule charter and is governed by the "council-president" form of government. An elected council of ten members representing the various districts within the parish constitute the legislative branch of the government and an elected president is the chief executive officer and head of the executive branch. The council and president serve four-year terms that expire in January 2004.

Louisiana Revised Statute 33:1236 gives the Tangipahoa Parish Council various powers in regulating and directing the affairs of the parish and its inhabitants. The more notable of those is the power to make regulations for its own government; to regulate the construction and maintenance of roads, bridges, and drainage systems; to regulate the sale of alcoholic beverages; and to provide for the health and welfare of the poor, disadvantaged, and unemployed in the parish. Funding to accomplish these tasks is provided by ad valorem and sales taxes, beer and alcoholic beverage permits, state revenue sharing, and various other state and federal grants.

Tangipahoa Parish occupies approximately 818 square miles with a population of approximately 100,588. The parish council maintains approximately 1200 miles of roads, 700 miles of which are paved and 500 of which are gravel. Parish council offices are located in the courthouse annex in Amite, Louisiana, with road maintenance facilities located at 2 locations within the parish.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Tangipahoa Parish Council have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Tangipahoa Parish Council is the financial reporting entity for Tangipahoa Parish. The financial reporting entity consists of (a) the primary government (Tangipahoa Parish Council), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Statement No. 14 established criteria for determining which component units should be considered part of the Tangipahoa Parish Council for financial reporting purposes. The basic criterion for including

a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and

   a. The ability of the Tangipahoa Parish Council to impose its will on that organization and/or

   b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Tangipahoa Parish Council.

2. Organizations for which the Tangipahoa Parish Council does not appoint a voting majority but are fiscally dependent on the Tangipahoa Parish Council.

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Tangipahoa Parish Council has determined that the following component units are part of the reporting entity:

Component Unit	Fiscal Year End	Criteria Used
Tangipahoa Communication District Number 1	12/31	1
Gravity Drainage District Number 1	12/31	1
Gravity Drainage District Number 4	12/31	1
Gravity Drainage District Number 5	12/31	1
Construction Board of Adjustments and Appeals	12/31	1
Fire Protection District Number 1	12/31	1
Hospital Service District Number 1	06/30	1
Hospital Service District Number 2	12/31	1
Industrial Development District Number 1	12/31	1
Industrial Development District Number 2	12/31	1
Tangipahoa Voluntary Council on Aging	12/31	1
Hammond Area Recreation District Number 1	12/31	1
Ponchatoula Area Recreation District Number 1	12/31	1
Recreation District Number 5	12/31	1
Recreation District Number 6	12/31	1
Recreation District Number 39A	12/31	1
Industrial Development Board of Tangipahoa Parish, Inc.	12/31	1
Tangipahoa Parish Library	12/31	1
Tangipahoa Parish Planning Commission	12/31	1
Tangipahoa Mosquito Abatement District No. 1	12/31	1
Tangipahoa Animal Control Advisory Board	12/31	1

Tangipahoa Parish Convention and Visitors Bureau	12/31	1
East Florida Parishes Retirement Committee	12/31	1
Kentwood Area Recreation District	12/31	1
Loranger Recreation District Number 104	12/31	1
Tangipahoa Water District	12/31	1
Tangipahoa Multi-Purpose Agriculture Facility Advisory Board	12/31	1
Mid Parish Little League Baseball Association	12/31	1

The Tangipahoa Parish Council has chosen to issue financial statements of the primary government (Tangipahoa Parish Council) and selected component units. The component units listed above are not included in the accompanying financial statements.

These general purpose financial statements include all funds, account groups, and governmental entities for which the Tangipahoa Parish Council maintains the accounting records. The governmental entities for which the Tangipahoa Parish Council maintains the accounting records include Rural Fire Protection District No. 2, Recreation Districts No. 1 and 2, Twenty-First Judicial District Criminal Court Fund, and Sewerage District No. 1.

These financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government (Tangipahoa Parish Council) and selected component units mentioned in the preceding paragraph.

Considered in the determination of component units of the reporting entity were the Tangipahoa Parish School Board, Tax Assessor, Clerk of Court, and Sheriff; the 21st Judicial District and the District Attorney's Office for the 21st Judicial District, and the various municipalities in the parish. It was determined that these governmental entities are not component units of the Tangipahoa Parish Council reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of the Tangipahoa Parish Council.

C. FUND ACCOUNTING

The Tangipahoa Parish Council uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the Tangipahoa Parish Council are classified into three categories: governmental, proprietary, and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds

Governmental funds are used to account for all or most of the Tangipahoa Parish Council's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

1. General Fund--the general operating fund of the Tangipahoa Parish Council; accounts for all financial resources, except those required to be accounted for in other funds.

2. Special Revenue Funds--account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

3. Debt Service Funds--account for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term obligations account group.

4. Capital Projects Funds--account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

Proprietary Funds

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary funds include:

1. Enterprise funds--account for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

   The enterprise fund is the Sewerage District No. 1 Fund, established by the parish governing authority under provisions of Louisiana Revised Statute 33:881. The district is governed by a five-member board of commissioners, which is appointed by the parish council. Financing is provided by user fees.

2. Internal service funds--account for the financing of goods or services provided by one department to other departments or governments on a cost-reimbursement basis. The internal service fund is the Administrative Fund, established by the council to render administrative and accounting services to various funds. It receives a fee from each fund based on a combination of revenues received and services rendered for that fund.

Fiduciary Funds

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the Tangipahoa Parish Council. Fiduciary funds include an agency fund which accounts for assets that the Tangipahoa Parish Council holds on behalf of others as their agent. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds and agency funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Revenues are recognized in the accounting period in which they become both available and measurable. Licenses and permits, charges for services, fines and forfeitures, and miscellaneous revenues are recorded as revenues when received in cash. General property taxes, self-assessed taxes, and investment earnings are recorded when earned (when they are measurable and available). The council considers revenues to be available if they are expected to be collected within 60 days of the end of the year, except property tax revenue, which is recognized when the taxes are levied.

Expenditures

Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for debt service, prepaid expenses, and other long-term obligations which are recognized when paid.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (and any other financing source/use) are accounted for as other financing sources (uses).

All proprietary funds are accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The proprietary funds use the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time liabilities are incurred. Under this basis of accounting and measurement focus, the council applies (a) all GASB pronouncements and (b) FASB Statements and Interpretations, APB Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, except those that conflict with a GASB pronouncement.

E. BUDGETS

The council uses the following budget practices:

1. Preliminary budgets for the ensuing year are prepared by the director of finance during October of each year. During November, the council reviews the proposed budgets and makes changes as it deems appropriate. The availability of the proposed budgets are then advertised in the official journal. Prior to meeting in December, the council holds a public hearing on the proposed budgets in order to receive comments from residents. Changes are made to the proposed budgets based on the public hearings and the desires of the council as a whole. The budgets are then adopted during the council's meeting and notice is published in the official journal.

2. Unexpended appropriations lapse at year-end and must be appropriated again in the next year's budget to be expended.

3. The council adopted modified accrual basis budgets for the General Fund and all special revenue funds, except for the Criminal Court Fund for which there was no budget adopted. The council adopted accrual basis budgets for the proprietary funds. Budgetary control is at the functional level. Within functions, the parish president has the authority to make amendments as necessary.

4. During the year, the council receives quarterly budget comparison statements that are used to control the operations of the parish. The director of finance presents necessary budget amendments to the council during the year when, in his judgement, actual operations differ materially from those anticipated in the original budget. During a regular meeting, the council reviews the proposed amendments, makes changes as it feels necessary, and formally adopts the amendments. The adoption of amendments is included in council minutes published in the official journal. The budget for 2001 was amended several times; the final amended budget of December 26, 2001, is reflected in the accompanying budget comparisons.

5. The following reconciles the revenues, expenditures, and other financing sources (uses) for the special revenue funds as shown on Statement B with the amount shown on Statement C:

	Revenues	Expenditures	Other Financing Sources (Uses)
Statement B	$ 15,792,158	$ 15,451,509	$ 569,009
Criminal Court Fund	(484,735)	(550,559)	-
Statement C	$ 15,307,423	$ 14,900,950	$ 569,009

F. ENCUMBRANCES

The Tangipahoa Parish Council does not use encumbrance accounting.

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in interest-bearing demand deposits. Cash equivalents include amounts invested in the Louisiana Asset Management Pool. Under state law, the Tangipahoa Parish Council 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. For purposes of the statement of cash flows (proprietary funds), cash and cash equivalents include cash in bank and amounts invested in the Louisiana Asset Management Pool.

H. INVESTMENTS

Investments are limited by R.S. 33:2955 and the Tangipahoa Parish Council's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

During the year ended December 31, 2001, the Tangipahoa Parish Council had funds invested with the Louisiana Asset Management Pool (LAMP). LAMP is a cash management pool initiated by the Louisiana State Treasurer's Office. Under state law, the Tangipahoa Parish Council may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

Investments in the deferred compensation agency fund are reported at market value.

I. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

J. INVENTORIES

Purchase of various operating supplies are regarded as expenditures at the time purchased and inventories of such supplies (if any) are not recorded at the close of the year.

K. PREPAID ITEMS

Purchase of items regarded as having a future economical use are expensed when purchased and prepaid amounts for such items are not recorded as assets at the close of the year.

L. RESTRICTED ASSETS

Certain proceeds of the Enterprise Fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

M. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. The cost of constructing and capping landfill cells is not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available, except for donated assets which are stated at their market value on the date donated.

Fixed assets used in the proprietary fund operations are included on the balance sheet of the funds net of accumulated depreciation. Interest costs incurred during construction, if any, are capitalized. Depreciation of all exhaustible fixed assets used by proprietary fund operations is charged as an expense against operations. Depreciation has been provided over the estimated useful lives of the fixed assets principally using the straight-line method and is computed using the following useful lives:

Internal Service Fund:	
Office Equipment	5 Years
Enterprise Fund:	
Sewer Systems	20 - 40 Years
Equipment	5 - 10 Years

Depreciation of sewer utilities assets acquired by donation is treated as a reduction of contributed capital.

N. COMPENSATED ABSENCES

The Tangipahoa Parish Council has the following policy relating to vacation and sick leave:

Parish Council employees are entitled to certain compensated absences based on their length of employment and overtime worked. Vested compensated absences are recorded as expenditures when the liability is incurred. Sick leave has not been accrued as the employee's right to sick leave does not vest.

The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the governmental funds when leave is actually taken. The cost of leave privileges not requiring current resources, if any, is recorded in the general long-term obligations account group. Leave privileges associated with employees of the proprietary funds are recorded as a fund liability and salary expense.

O. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due. Long-term obligations expected to be financed from proprietary fund operations are accounted for in those funds.

The Tangipahoa Parish Council recognizes landfill closure and postclosure costs in accordance with GASB-18. The measurement and recognition for landfill costs are reported using governmental fund and account group accounting and reporting.

Long-term liabilities are recognized within the Enterprise Fund.

P. FUND EQUITY

Contributed Capital

Grants, entitlements, or shared revenues that are restricted for the acquisition or construction of capital assets are recorded as contributed capital. Contributed capital is amortized based on the depreciation recognized on that portion of the assets acquired from such contributions. This amortization is closed to the capital account and is reflected as an adjustment to net income.

Reserves

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

Designated Fund Balances

Designated fund balances represent tentative plans for future use of financial resources.

Q. INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

R. AD VALOREM TAXES

Ad valorem taxes and related state revenue sharing are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent after December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year.

S. SALES TAXES

On March 12, 1996, the voters of Tangipahoa Parish approved a renewal of a one per cent parish wide general sales and use tax to be levied for the Tangipahoa Parish Council. The proceeds of the tax are dedicated on the basis of 75 per cent for roads and bridge maintenance and improvements and the remaining 25 per cent for general governmental purposes. The tax as renewed in 1996 is effective through December 31, 2001. In March 2000 this tax was renewed for four additional years ending December 31, 2005.

T. TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

U. USE OF ESTIMATES

The preparation of financial statements in conformance with generally accepted accounting principles requires management to make estimates and assumptions that affect the recorded amount of the assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the report period. Actual results could differ from those estimates.

2. FUND DEFICITS

The following individual funds have a deficit in unreserved fund equity at December 31, 2001:

	Deficit Amount
Special Revenue Fund:	
Animal Shelter	$ (9,728)
Criminal Court Fund	(66,351)*

* On January 31, 2002, $658,351 was transferred from the Witness Fees Fund to the Criminal Court Fund in compliance with L.R.S. 15:255(G). This statute requires all surplus monies in the Witness Fees Fund at December 31 of each year to be transmitted to the Criminal Court Fund no later than January 31 of the following year. Surplus monies equal the fund balance at December 31 of each year less an amount equal to that year's expenditures.

3. REVENUES/EXPENDITURES - ACTUAL AND BUDGET

The following individual funds have budgeted revenues and other sources in excess of actual revenues and other sources for the year ended December 31, 2001:

	Budget	Actual	Unfavorable Variance	%
Special Revenue Funds:				
Road and Bridge	$ 6,062,000	$ 5,958,589	$ 103,411	1.71
Road and Bridge Contract	3,065,000	3,057,811	7,189	0.23
Health Unit	1,081,000	1,053,292	27,708	2.56
Capital Projects Fund:				
Multi-Purpose Agricultural Const.	45,000	44,944	56	0.13
Enterprise Fund:				
Sewerage District No. 1	543,000	523,502	19,498	3.59

The following individual funds have actual expenditures and other uses in excess of budgeted expenditures and other uses for the year ended December 31, 2001:

	Budget	Actual	Unfavorable Variance	%
Special Revenue Funds:				
Litter Abatement	$ 5,745	$ 5,883	$ 138	2.40
Road Lighting #5	2,052	2,069	17	0.82
Capital Projects Funds:				
EDAP Grant	103,000	103,575	575	0.56
Enterprise Funds:				
Sewerage District No. 1	603,960	608,266	4,306	0.71

The Local Government Budget Act requires a local government to adopt a budget for the General Fund and all Special Revenue Funds and to amend its operating budget when the total revenue and other sources fail to meet total budgeted revenues and other sources by 5% or more. Also, amendment is required when total expenditures and other uses exceed the total budgeted expenditures and other uses by 5% or more.

4. LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes for the year:

	Authorized Millage	Levied Millage	Expiration Year
Parishwide Taxes:			
General Fund	5.00	4.59	Continuous
Special Revenue Fund:			
Health Unit Maintenance	4.00	4.00	2006
District Taxes:			
Special Revenue Funds:			
Road Lighting District Number 1	2.00	0.10	2004
Road Lighting District Number 2	16.62	0.10	2006
Road Lighting District Number 3	15.00	0.10	2010
Road Lighting District Number 4	15.00	0.10	2007
Road Lighting District Number 5	15.00	15.00	2010
Garbage District Number 1	10.00	9.16	2002
Fire Protection District Number 2	20.00	19.14	2005
Debt Service Funds:			
Road District Number 101	Variable	3.50	2015
Sub-Road District Number 1 of 101	Variable	2.60	2015
General Service Sub-District Number 4A	Variable	1.50	2003
General Service Sub-District Number 5	Variable	0.10	2003
General Service Sub-District Number 8	Variable	0.10	2003

5. CASH AND CASH EQUIVALENTS

At December 31, 2001, the Tangipahoa Parish Council had cash and cash equivalents (book balances) totaling $6,557,491 as follows:

Cash on Hand	$ 100
Interest-Bearing Demand Deposits	482,067
Investment in Louisiana Asset Management Pool	6,001,191
Non Interest-Bearing Demand Deposits	74,133
Total	$ 6,557,491

The deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or 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.

At December 31, 2001, the Tangipahoa Parish Council has $1,390,699 in deposits (collected bank balances) with a total of $1,289,340 in interest bearing accounts and $101,359 in non-interest bearing accounts. The total of $1,289,340 deposited in interest-bearing accounts is secured from risk by $100,000 of federal deposit insurance and $1,189,340 of pledged securities held by the custodial bank in the name of the fiscal agent bank (Category 3), with the total of $101,359 in non-interest bearing accounts secured from risk by $100,000 of federal deposit insurance and $1,359 of pledged securities held by the custodial bank in the name of the fiscal agent bank (category 3).

The checking account of the Sewerage District No. 1 was under collateralized at times during the year.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Tangipahoa Parish Council that the fiscal agent has failed to pay deposited funds upon demand.

The investment in the Louisiana Asset Management Pool (LAMP) is stated at cost, which approximates market. The LAMP is a cooperative endeavor of local governmental entities created at the initiative of the Louisiana State Treasurer's Office for those entities to pool funds for investment.

The LAMP is designed to comply with the restrictions on investments by municipalities, parishes, and other types of political subdivisions imposed under La. R.S. 33:2955. The investment advisor is restricted to maintaining a dollar-weighted average portfolio maturity of not more than 90 days. LAMP is required to invest only in U.S. Government backed securities.

Total carrying amounts included within the primary governmental financial statements of the Tangipahoa Parish Council are not adjusted to reflect fair value of the LAMP pool, since the differences per governmental fund type are immaterial.

6. RECEIVABLES

The following is a summary of receivables at December 31, 2001:

	General Fund	Special Revenue Funds	Debt Service Funds	Proprietary Funds	Agency Funds
Taxes:					
Ad Valorem	$ 471,296	$ 3,187,823	$ 43,542	$ -	$ -
Sales and Use	78,700	228,700	-	-	-
State Revenue Sharing	49,015	427,448	-	-	-
Other	133,831	-	-	-	-
Accounts	-	198,612	-	63,536	-
Other	105,566	144,844	-	109	957
Total	$ 838,408	$ 4,187,427	$ 43,542	$ 63,645	$ 957

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

7. RESTRICTED ASSETS

Restricted assets in the Enterprise Fund at December 31, 2001, consisted of cash reserved for bond requirements totaling $34,076.

8. FIXED ASSETS

The changes in general fixed assets follow:

	Balance 01/01/01	Additions	Deletions	Balance 12/31/01
COUNCIL:				
Land	$ 2,186,941	$ 306,457	$ (88,380)	$ 2,405,018
Buildings	16,487,600	73,405	-	16,561,005
Cooling Tower	314,993	-	-	314,993
Machinery & Equipment	6,407,964	574,238	(337,818)	6,644,384
Garbage Carts	423,244	-	-	423,244
Office Furniture	334,849	75,578	(500)	409,927
Construction in Progress	3,293	481,611	(3,293)	481,611
Subtotal	26,158,884	1,511,289	(429,991)	27,240,182
CRIMINAL COURT:				
Furniture & Fixtures	166,347	-	-	166,347
RURAL FIRE DIST. NO. 2	4,361,761	583,409	-	4,945,170
CAPITAL PROJECTS FUND - LCDBG - SEWER:				
Booker II Land	23,405	-	-	23,405
Booker II Sewer System	731,690	-	-	731,690
Subtotal	755,095	-	-	755,095
CAPITAL PROJECTS FUND - EDAP GRANT-				
Water Well	496,335	103,574	-	599,909
Total	$ 31,938,422	$ 2,198,272	$ (429,991)	$ 33,706,703

A summary of proprietary property, plant, and equipment follows:

	Enterprise Fund	Internal Service Fund
Land	$ 54,981	$ -
Building	2,135	-
Sewerage Collection System	2,734,618	-
Furniture and Equipment	136,649	147,037
Construction in Progress - Sewer Improvements	137,754	-
Total Proprietary Property, Plant, and Equipment	3,066,137	147,037
Accumulated Depreciation	(833,180)	(104,193)
Net Proprietary Property, Plant, and Equipment	$ 2,232,957	$ 42,844

9. PENSION PLAN

Substantially all employees of the Tangipahoa Parish Council are members of the Parochial Employees' Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and B, with separate assets and benefit provisions. All employees of the Tangipahoa Parish Council are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials enrolled as of January 1, 1997, are eligible to participate in the System. As of January 1, 1997, elected officials, excepting coroners and justices of the peace, may no longer join the retirement system. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one percent of final average salary plus $24 for each year of supplemental-plan-only service earned before January 1, 1980, plus 3 percent of final-average salary for each year of service credited after the revision date. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and the Tangipahoa Parish Council is required to contribute at an actuarially determined rate. The current rate is 7.75 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Tangipahoa Parish Council are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Tangipahoa Parish Council's contributions to the System under Plan A for the years ending December 31, 2001, 2000, and 1999 were $384,043, $350,852, and $328,548 respectively, equal to the required contributions for each year.

Part-time employees of the council are members of the social security system. In addition to employee payroll deductions, council funds are remitted to match the employee contributions. Aggregate contributions to the social security system for the year ended December 31, 2001, were $19,206 of which $9,603 was contributed by the council.

10. DEFERRED COMPENSATION PLAN

The Tangipahoa Parish Council offers its employees two deferred compensation plans created in accordance with Internal Revenue Code 457. One plan, with Nationwide Retirement Solutions, Inc. (formerly Public Employees Benefits Service Corporation), is available to all council employees and permits them to defer a portion of their salaries until future years. No portion of this deferred compensation is paid by the council. The other plan, with State of Louisiana Deferred Compensation Plan, is available only to those employees who are not members of the Parochial Employees' Retirement System of Louisiana. This plan also permits eligible council employees to defer a portion of their salaries until future years. The council pays 7.5% of the eligible employees' salaries into this plan.

The deferred compensation of both plans is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the council (without being restricted to the provisions of benefits under the plans), subject only to the claims of the council's general creditors. Participants' rights under the plan are equal to those of general creditors of the council in an amount equal to the fair market value of the deferred account for each participant. The council believes that it is unlikely that plan assets will be needed to satisfy claims of general creditors that might arise.

As part of its fiduciary role, the council has an obligation of due care in selecting the third-party administrator. In the opinion of management, the council has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan.

In the Nationwide Retirement Solutions, Inc.'s plan at December 31, 2001, $24,771 was applicable to the council. The total of all plan assets as of December 31, 2001, was not available.

Of the $419,421,970 in the State of Louisiana Deferred Compensation Plan at December 31, 2001, $997,782 was applicable to the council while the remaining $418,424,188 represents the assets of the other jurisdictions participating in the plan.

11. COMPENSATED ABSENCES

At December 31, 2001, employees of the Tangipahoa Parish Council have accumulated and vested $253,194 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. Of this amount, $61,336 is recorded as an obligation of the General Fund, and $177,854 is recorded as an obligation of the Special Revenue Funds. The leave liability for employees of the Internal Service Fund and the Enterprise Fund, in the amounts of $12,001 and $2,003 respectively, are accounted for within these funds.

12. LEASES

The council records items under capital leases as assets and obligations in the accompanying financial statements. At December 31, 2001, the council has 2 capital leases in effect for equipment. The leases have an original recorded asset amount of $415,626. Lease obligations are retired from the Garbage District No. 1 Special Revenue Fund. Fire District No. 2 has 2 capital leases in effect for equipment. These leases have an original recorded asset amount of $188,656. Lease obligations are retired by the Independence Volunteer Fire Department through appropriations from Fire District No. 2. The following is a summary of future minimum lease payments, and the present value of the net minimum lease payments as of December 31, 2001:

	Council	Fire District No. 2	Total
Fiscal Year			
2002	$ 115,198	$ 28,783	$ 143,981
2003	115,199	24,756	139,955
2004	-	21,879	21,879
2005	-	21,879	21,879
2006	-	21,880	21,880
2007	-	21,880	21,880
Total Future Minimum Lease Payments	230,397	141,057	371,454
Amount Representing Interest	(11,913)	(22,621)	(34,534)
Present Value of Net Minimum Lease Payments	$ 218,484	$ 118,436	$ 336,920

The council has no material long-term, noncancellable operating lease commitments at December 31, 2001.

13. JUDGEMENT PAYABLE

On April 12, 1993, an agreement was reached with the Tangipahoa Parish Library and Fire Protection District No. 2 regarding the payment of state revenue sharing funds withheld from them by the council in the years 1986-1988.

The amount of $975,473, without past or future interest, is to be paid as follows:

The council will pay a minimum of $100,000 per year to Fire Protection District No. 2 and the Tangipahoa Parish Library Board of Control until the amount of $975,473 is paid in full. If more funds are available during any of these years, the council reserves the right to pay a higher figure at its discretion. When the $975,473 (plus interest in the event of default) is paid in full, the existing judgement against the council for this amount will be deemed fulfilled and canceled at that time.

Fire Protection District No. 2 shall be paid 63.8% of these funds. The District shall further allocate these funds to the various fire departments according to their regular contract percentage with Fire Protection District No. 2.

Tangipahoa Parish Library Board of Control was to be paid 36.2% of the Judgement but in 1999 transferred the remaining balance due to the Tangipahoa Parish Council to be used in the purchase of a building that is financed by the Tangipahoa Parish Council.

The annual re-payment amount of $100,000 has been reduced to $63,800 due to the Fire Protection District No. 2 and shall be made in four (4) equal installments, payable on March 31, June 30, September 30, and December 31 of each year, beginning with March 31, 1993.

If the council defaults on any installment, legal interest from December 8, 1987, forward will be reinstated and will be due on the remaining principal owed under this agreement. Default is defined as being more than 15 days late with any one payment.

The 2001 repayment of $63,800 was recognized as an expenditure of the General Fund which left a balance of $48,152 at December 31, 2001, which is reported as general long-term debt.

14. PARISH JAIL AGREEMENT

Act 859 of the Regular Legislative Session of 1981 authorized the Louisiana State Bond Commission to issue $6,750,000 of general obligation bonds and reimbursable general obligation bonds to plan, acquire, and construct a new parish jail in Tangipahoa Parish. The Tangipahoa Parish Council, in agreement with the Louisiana State Bond Commission, agreed to provide 30 per cent ($2,025,000) of the bonded debt over a 20-year period at interest rates from 8.5 to 10.7 per cent.

On May 1, 1994, the Tangipahoa Parish Sheriff's Office paid off three of the four general obligation bonds for a total of $1,553,707.

The remaining bond is to be paid by the Sheriff's Office in annual installments.

15. REVENUE BONDS PAYABLE - SEWERAGE DISTRICT NUMBER 1

The following is a summary of bond transactions of the Sewerage District No. 1 of the Parish of Tangipahoa, Louisiana for the year ended December 31, 2001:

	1993 RUS $733,000 Sewer Revenue Bonds	1993 RUS $67,000 Sewer Revenue Bonds	Total
Bonds Payable, January 1, 2001	$ 695,501	$ 63,429	$ 758,930
Bond Retirements/Adjustments	(7,876)	(727)	(8,603)
Bonds Payable, December 31, 2001	$ 687,625	$ 62,702	$ 750,327

Bonds Payable at December 31, 2001, are comprised of the following individual Issues:

	Current Amount	Long-Term Amount	Total Principal Balance
1993 Revenue Bonds: $733,000 utility bonds sold to RUS; dated 03/03/93; due in monthly installments of $3,900 through 02/03/33; interest at 5.625%	$ 8,328	$ 679,297	$ 687,625
1993 Revenue Bonds: $67,000 utility bonds sold to RUS; dated 03/03/93; due in monthly installments of $356 through 02/03/33; interest at 5.625%	770	61,932	62,702
	$ 9,098	$ 741,229	$ 750,327

The annual requirements to amortize all debt outstanding as of December 31, 2001, including interest payments of $843,233 are as follows:

	1993 RUS $733,000 Revenue Bonds	1993 RUS $67,000 Revenue Bonds	Total
2002	$ 46,795	$ 4,277	$ 51,072
2003	46,795	4,277	51,072
2004	46,795	4,277	51,072
2005	46,795	4,277	51,072
2006	46,795	4,277	51,072
2007 - 2011	233,974	21,386	255,360
2012 - 2016	233,974	21,386	255,360
2017- 2021	233,974	21,386	255,360
2022- 2026	233,974	21,386	255,360
2027- 2031	233,974	21,386	255,360
2032- 2033	57,059	4,341	61,400
	$ 1,460,904	$ 132,656	$ 1,593,560

16. REVENUE BOND RESOLUTION COVENANTS

As of December 31, 2001, the Sewerage District No. 1 of the Parish of Tangipahoa, Louisiana (District), has two Rural Utilities Service (RUS) Revenue Bonds. The total authorized issue of $800,000 consists of two bonds issued on March 3, 1993, of $733,000 and $67,000, both issued at an annual interest rate of 5.625%. The original bond resolution specifies that the bonds shall be secured and payable in principal and interest exclusively by a pledge of the income and revenues derived or to be derived from the operation of the system. Other specific legal requirements and bond restrictions are summarized below:

a) Provides that all income and revenues derived by the issuer from the operation of the system shall be deposited in a separate and special bank account with the regularly designated fiscal agent bank of the issuer.

b) The issuer, the Sewerage District No. 1 of the Parish of Tangipahoa, Louisiana, covenants to fix, establish, and maintain such rates and collect such fees, rents, or other charges for the services and facilities of the System, and all parts thereof, and to revise the same from time to time whenever necessary, to pay the reasonable and necessary expenses of operating and maintaining the system in each year, all reserves or sinking funds required, and all other obligations or indebtedness payable out of the revenues of the System, and which will provide revenues in each year, after paying all reasonable and necessary expenses of operating and maintaining the System, at least equal to 120% of the largest amount of principal and interest maturing on the bonds in any future fiscal year and on any parity bonds issued thereafter.

For the fiscal year ending December 31, 2001, the bond debt coverage factor indicated net revenues (before interest expense and depreciation) were 107% of the required bond principal and interest payments.

c) The establishment and maintenance of a "Sewer Bond and Interest Sinking Fund" (the Sinking Fund) sufficient in amount to pay promptly and fully the principal and interest on the bonds.

The actual creation of a sinking fund was not required since the district pays required bond installments directly to Rural Utilities Service on a monthly basis.

d) The establishment of the "Sewer Revenue Bond Reserve Fund" (the Reserve Fund) by transferring from the Sewer Revenue Fund, the operating account of the district, monthly in advance on or before the 20th of each month a sum at least equal to five per cent (5%) of the amount to be paid each month for bond principal and interest payments. The amount to be transferred is $212.80 per month. Deposit of funds shall continue until such time as there has been accumulated in the Reserve Fund an amount of money equal to the highest combined principal and interest requirements of any succeeding twelve month period or $51,072. The money in the Reserve Fund is required to be retained solely for the purpose of paying the principal and interest on bonds payable, upon approval by the Rural Utilities Service office, for which there would otherwise be default.

For the fiscal year ending December 31, 2001, the district made the twelve required deposits of $212.80 per month, for a total balance of $17,024 at December 31, 2001.

e) The establishment and maintenance of the "Sewer Depreciation and Contingency Fund" (the Contingency Fund) is organized to care for depreciation, extensions, additions, improvements and replacements necessary to operate properly the System, by transferring from the Sewer Revenue Fund, the operating account of the district, monthly in advance on or before the 20th of each month the sum of $203 per month. Money in the Contingency Fund may also be used, upon approval, to pay the principal and interest on any bond for which there is not sufficient money in the Sinking Fund or the Reserve Fund.

For the fiscal year ending December 31, 2001, the district made the twelve required deposits of $203 per month, for a total balance of $17,052 at fiscal year end.

f) The district, in the bond resolution dated January 6, 1993, also obligated itself to abide by the following covenants:

1. The district will shut off service if the delinquent charge, with interest and penalties accrued thereon, is not paid within thirty days from the date on which such charges become delinquent.
2. A penalty of 10% will be charged on all delinquent accounts, and interest of not less than 5% per annum will be charged on delinquent accounts after 10 days from the date of delinquency.

3. The district will charge a residential rate of $16.50 per month, and a commercial rate of $30.00 per month.
4. The district agrees to maintain the System in first class repair and working order and condition.
5. The district will carry full insurance coverage on the System in the manner required by the Government, with a company licensed to do business under the laws of Louisiana.
6. The district will maintain separate and correct records and accounts, and will have the books audited no later than 150 days after the end of the fiscal year.
7. The district will not sell, lease or in any manner dispose of the System or any substantial part thereof, provided the district may dispose of property that in its judgement is worn-out, unserviceable, unsuitable, or unnecessary in the operation of the System.
8. The district will not, except as provided by this bond resolution, voluntarily create or cause to be created any debt, lien pledge, mortgage, assignment, or any other charges having priority or parity with the liens of the Bonds upon the income and revenues of the System pledged as security thereof.
9. That, to the extent permitted by law, the district will not grant a franchise to any utility for operation within the boundaries of the district.
10. In operation of the System, the district will require all officers and employees in a position of authority or in possession of money derived from operations of the System to be covered by a blanket fidelity bond or faithful performance bond.
11. That the district will take all action necessary to require connection to its sewer system to the extent permitted by law.
12. No free services or facilities will be furnished to any persons et al, or even to the issuer itself.

On October 29, 2001, USDA agreed in writing that as long as the district is not in default in the payment of principal and interest on the bonds that:

(i) the period within which the District will cause service to be shut off from the date of delinquency is extended from 30 days to 90 days;

(ii) the penalty on such delinquent charges is reduced from 10% to 5%; and

(iii) it is not necessary that interest be charged on the delinquent account.

Sewer District No. 1 has not complied with certain requirements of the Revenue Bond Resolution covenants and agreements as set-forth below:

1. In connection with items b) listed above, the district is not in full compliance with these requirements. The District incurred a loss of $84,764 for the fiscal year ended December 31, 2001, thereby not maintaining rates sufficient to pay the reasonable and necessary expenses of operating and maintaining the System. Also, the District's bond debt coverage factor was 107% rather than the required 120%.

2. The loan agreement requires the District to submit annual management reports to Rural Utilities Services (RUS) as follows:

   - Form RD 442-2, Statement of Budget, Income, and Equity
   - Form RD 442-3, Balance Sheet
   - Copy of the rate schedule in effect at the time of submission

   These annual management reports were not submitted to RUS as required.

17. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended December 31, 2001:

	Long-Term Obligations Payable 01/01/01	Additions	Deletions	Long-Term Obligations Payable 12/31/01
General Obligation Bonds	$ 719,030	$ -	$ (47,111)	$ 671,919
Capital Leases - Council	311,359	-	(92,875)	218,484
Capital Leases - Rural Fire No. 2	139,442	-	(21,006)	118,436
Certificates of Indebtedness - Rural Fire No 2	235,805	196,000	(41,805)	390,000
Judgements Payable	111,952	-	(63,800)	48,152
Estimated Liability for Landfill Closure/Postclosure Care Cost	2,830,000	155,000	-	2,985,000
	$ 4,347,588	$ 351,000	$ (266,597)	$ 4,431,991

General obligation bonds are comprised of the following individual issues:

$60,000 - issue of 1982 to construct a new parish jail facility, due in annual installments of $9,796 through December 1, 2002, with interest of 10.7 percent. Debt retirement payments are made by the Tangipahoa Parish Sheriff's Office.	$ 6,919
$350,000 issue of 1996 to open, construct, and improve public roads, highways, and bridges within District No. 101, due in annual installments of $10,000 to $30,000 through March 1, 2016, with interest at 5.1 to 10.0 percent. Debt retirement payments are made from the Road District No. 101 Debt Service Fund.	310,000

$350,000 issue of 1996 to open, construct, and improve public roads, highways, and bridges within Sub-Road District No. 1 of District No. 101, due in annual installments of $10,000 to $30,000 through March 1, 2016, with interest at 5.1 to 10.0 percent. Debt retirement payments are made from the Sub-Road District No. 1 of Road District No. 101 Debt Service Fund.	310,000
$200,000 issue of 1984 to construct and improve public roads, highways, and bridges within Sub-District No. 4A, due in annual installments of $5,000 through June 1, 2004, with interest ranging from 9.7 to 11.0 per cent. Debt retirement payments are made from the General Service Sub-District No. 4A Debt Service Fund.	15,000
$900,000 issue of 1984 to construct, maintain, and improve public roads, highways, and bridges within Sub-District No. 5, due in annual installments of $5,000 through June 1, 2004, with interest ranging from 9.7 to 11.0 per cent. Debt retirement payments are made from the General Service Sub-District No. 5 Debt Service Fund.	15,000
$900,000 issue of 1984 to construct maintain, and improve public roads, highways, and bridges within Sub-District No. 8, due in annual installments of $5,000 through June 1, 2004, with interest ranging from 9.7 to 11.0 per cent. Debt retirement payments are made from the General Service Sub-District No. 8 Debt Service Fund.	15,000
Total General Obligation Bonds	$ 671,919

At December 31, 2001, the council has accumulated $77,736 in debt service funds for future debt requirement. This equals the debt service reserved fund balances of $77,736. The annual requirements to amortize all obligations outstanding at December 31, 2001, including interest of $321,438 for bonded debt, and $34,534 for capital leases, and $59,971 for Rural Fire District No. 2 certificates of indebtedness are as follows:

	Rural Fire District No. 2 Certificates of Indebtedness	General Obligation Bonds	Capital Leases	Judgements Payable	Total
2002	$ 85,043	$ 86,110	$ 143,981	$ 48,152	$ 363,286
2003	85,422	80,646	139,955	-	306,023
2004	106,345	77,473	21,880	-	205,698
2005	85,912	60,155	21,880	-	167,947
2006	87,249	58,580	21,880	-	167,709
2007 - 2011	-	312,343	21,878	-	334,221
2012- 2016	-	318,050	-	-	318,050
	$ 449,971	$ 993,357	$ 371,454	$ 48,152	$ 1,862,934

General obligation bonds of $671,919 and certificates of indebtedness of $390,000 are payable from an annual ad valorem tax levy. In accordance with Louisiana Revised Statute 36:562, the council is legally restricted from incurring long-term bonded debt in excess of 10 per cent of the assessed value of taxable property in the parish. At December 31, 2001, the statutory limit is $36,184,039.

18. LANDFILL CLOSURE AND POST-CLOSURE COSTS

State and federal laws and regulations require the Tangipahoa Parish Council to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. In addition to operating expenses relating to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and postclosure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and postclosure care costs is based on the amount of the landfill used during the year. The estimated liability for landfill closure and postclosure care costs is $2,985,000 as of December 31, 2001, which is based on 84 percent usage (filled) of the landfill. The percentage usage reflects an update in the engineering estimate of percentage usage, and the related estimated liability for landfill closure and postclosure costs required by the Louisiana Department of Environmental Quality (LDEQ) regulations for postclosure care of solid waste facilities. It is estimated that $165,000 will be recognized as closure and postclosure care expenses between the date of the balance sheet and the date the landfill is expected to be filled to capacity (March 2004). The estimated total current cost of the landfill closure and postclosure care costs of $2,985,000 are based on the amount that would be paid (with year 2001 dollars) if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31, 2001. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. In addition, total closure and postclosure costs, as well as estimates of percentage usage of the landfill, will change as any additional cells are permitted to accept additional waste.

The Tangipahoa Parish Council anticipates that the liability for closure and postclosure cost will be funded on a "pay-as-you-go basis", if allowed. The management of the Tangipahoa Parish Council understands that it satisfies the Local Government financial test due to the fact that its Moody's current bond rating is Baa, which is investment grade.

19. CRIMINAL COURT FUND

Louisiana Revised Statute 15:571.11 requires that one-half of any balance remaining in the criminal court fund at year end be transferred to the parish General Fund. Since the Criminal Court Fund has a deficit fund balance of $66,351 as of December 31, 2001, no amount is due to the General Fund.

20. DUE TO/FROM OTHER FUNDS

As of December 31, 2001, interfund receivables and payables that resulted from various interfund transactions were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Garbage Maintenance Fund	$ 2,475
Garbage Maintenance Fund	Litter Abatement Grant	2,762
Administrative Fund	Animal Shelter Fund	26,191
Road and Bridge Fund	Road and Bridge Contract Fund	73,572
Health Unit Fund	General Fund	14,701
		$ 119,701

21. LITIGATION AND CLAIMS

At December 31, 2001, the council is involved in litigation or is aware of 50 claims totaling an undetermined amount. Legal counsel for the Tangipahoa Parish Council has determined that the losses (if any) cannot be reasonably estimated at this time; accordingly, no liability has been recorded in these financial statements.

It is likely that a judgement of $10,329 will be rendered against the parish as the result of a federal civil rights case. No liability for this amount has been recorded because the judgement has not yet been rendered.

The Tangipahoa Parish Council has filed suit to recover the purchase price of $506,853 for two Terex articulated dump trucks lease-purchased in 1998 by Garbage District No. 1. The suit claims the dump trucks were defective at the time of purchase. Also, a summary judgement has been requested by the parish to force the repurchase of the Terex trucks by the vendor at the guaranteed buyback prices of $220,000. No amount has been recorded as a receivable of the General Fund since the outcome of this matter is uncertain at this time.

All of the litigation costs incurred during the year have been recorded as a current-year expenditure in the General Fund.

22. AMOUNT PAID PARISH PRESIDENT AND COUNCIL/BOARD MEMBERS

The schedule of compensation paid is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

Compensation paid to the Parish President and Council members for the year ended December 31, 2001 is as follows:

Gordon Burgess, President	$	80,100
Ronald Bankston		14,400
Carlo Bruno		14,400
Guy Buckley, Jr.		14,400
Bobby Cortez		14,400
Debbie Edwards		14,400
Roger Faust		14,400
William Fleet		14,400
Carlos Notariano		14,400
Michael Petitto		14,400
Howard Ridgel		14,400
	$	224,100

Compensation paid to the board members of Sewerage District No. 1 of the Parish of Tangipahoa, Louisiana for the year ended December 31, 2001 is as follows:

James Harper, President	$	960
Mark Mobley		960
Mark Perrilloux		300
Louis Ruffino		600
Wesley Ridgdell		900
Sonny Thompson		240
	$	3,960

Compensation paid to the board members of Tangipahoa Parish Planning Commission for the year ended December 31, 2001 is as follows:

Lucy Bellavia	$	960
Charles Bollinger		720
Glen Graf		960
James Harper		960
Brian Maycaux		840
George Peltier		1,020
Bubba Perrilloux		660
Gene Simmons		960
Sal Tantillo		780
	$	7,860

23. CHANGES IN CONTRIBUTED CAPITAL

The following is a summary of changes in contributed capital of the Enterprise Fund for the year ended December 31, 2001:

Balance at January 1, 2001, net of amortization	$1,479,486
Additions:	
Payment from letter of credit	88,610
Assets donated from Tangipahoa Parish Council	25,598
Deductions:	
Depreciation on fixed assets acquired with capital grants	(63,363)
Balance at December 31, 2001, net of amortization	$1,530,331

24. RETAINED EARNINGS - RESERVED

Retained Earnings - Reserved is created in conjunction with the issuance of revenue bonds and is funded by transfers from the revenue account, based on assets held by the sewer district that are restricted for bond payments. The purpose of the reserved retained earnings is to service the revenue bonds. Reserved retained earnings totaled $34,076 at December 31, 2001.

25. RESTATED UNRESERVED FUND BALANCE

The beginning unreserved fund balance has been restated to reflect the retroactive recording of the following prior period adjustments to the December 31, 2000, balances:

	Special Revenue Fund
	Section 8 Housing
Unreserved fund balance at December 31, 2000	$50,107
Reduction in payable to HUD for prior year	1,059
Unreserved fund balance at December 31, 2000, as restated	$51,166

26. DESIGNATED FUND BALANCES

As of December 31, 2001, fund balance of $100,000 is designated in the general fund in compliance with Ordinance 99-30 establishing a Reserve Fund and $52,817 is designated in Rural Fire Protection District No. 2 special revenue fund for administrative costs to be retained in the year 2002.

27. CONTRACT WITH WASTE MANAGEMENT OF LOUISIANA, L.L.C.

The Tangipahoa Parish Council has entered into an agreement with Waste Management of Louisiana, L.L.C. for the collection, transportation, and disposal of residential solid waste from June 1, 1999, through May 31, 2004. Waste Management will pay an initial disposal cost of $12 per ton. Monthly residential rates are as follows:

Year one	$10.00
Year two	$11.50
Year three	$13.00
Year four	$13.65
Year five	$14.33

The council agreed to provide a credit of $5,000 per month to Waste Management to apply against disposal costs for the first twelve months of the contract. The council also purchased the garbage carts for use by Waste Management in its collection of waste.

In exchange for a $.50 reduction in the year three increase, the council is remitting $5,000 per month to Waste Management beginning in May 2001.

28. RISK MANAGEMENT

Tangipahoa Parish Council is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Council attempts to minimize risk from significant losses through the purchase of commercial insurance. However, the council does not have a general liability policy.

29. OTHER MATTERS

MULTIPURPOSE AGRICULTURAL FACILITY A cooperative endeavor agreement has been executed between the State of Louisiana and the Parish of Tangipahoa for the construction of the Tangipahoa Parish Multi-Purpose Livestock and Agricultural Facility in Amite, Louisiana. $2,085,000 is to be funded by the Louisiana Office of Facility Planning and Control with $576,537 of local matching funds. As part of the local match, 22.57 acres of land valued at $236,537 was donated by the Town of Amite City to the Tangipahoa Parish Council on May 31, 2001, with the provision that it be used to

provide a site for the Multi-Purpose Agricultural Facility. This donation also contains certain reversionary provisions. On December 27, 2001, the parish accepted a donation of four acres from a group of donors with the requirement that the parish construct a black top road with a 60 foot right of way on the southern border of the property donated by the Town of Amite City and also on the southern border of the property received in this donation with the additional requirement that the road be available for public and the donors' use.

AGREEMENT WITH WAL-MART STORES EAST, INC. A cooperative endeavor agreement has been executed between the State of Louisiana and the Parish of Tangipahoa for the purchase of the Wal-Mart Distribution Center in Robert, Louisiana. A cash line of credit of $4,000,000 was granted by the Louisiana Bond Commission for the project in January 2001. The Parish has not yet received the $4,000,000.

The Parish will enter into a cooperative endeavor agreement with the Industrial Development Board of Tangipahoa Parish, Inc. in which the Parish will convey the property to the Board in order that the Board may issue revenue bonds to finance the project. The Parish has approved the issuance by the Industrial Development Board of Tangipahoa Parish, Inc. of $40,000,000 of taxable revenue bonds in connection with the Wal-Mart project. The Board will then lease the property to Wal-Mart for payments sufficient to pay the revenue bonds as an inducement to Wal-Mart to locate the project in Tangipahoa Parish. The purpose of this agreement is to exempt the land and improvements from ad valorem taxes.

PURCHASE OF SCHOOL BOARD BUILDING On May 9, 2000, the Tangipahoa Parish Council notified the Tangipahoa Parish School Board of the Council's intent to purchase the School Board building located at 313 East Oak Street, Amite Louisiana, for the price of $500,000.

ASSET DONATION The Tangipahoa Parish Council has authorized the donation of the Booker II/Woodland Park Sewer System to Sewerage District No. 1 of Tangipahoa Parish, Louisiana, but the actual transfer has not yet taken place.

RURAL FIRE PROTECTION DISTRICT NO. 2 ACCOUNTS There are three bank accounts in the name of "Tangi Rural Fire Dist #2 - Hammond Sub District" which are not included in the accompanying financial statements. The total of these accounts at December 31, 2001 was $214,252. Two of the accounts are maintained by the secretary of Rural Fire Protection District No. 2, and the third is maintained by an employee of the City of Hammond Fire Department. The authorized check signers are the secretary and president of Rural Fire Protection District No. 2.

One of these accounts is used for payroll expenditures only, and the employer identification number used on the quarterly payroll forms 941 and the annual Form W-2 is not the employer identification number of Rural Fire Protection District No. 2 (which is also the employer identification number of the Tangipahoa Parish Council).

30. CHANGE IN AGENCY FUNDS

A summary of changes in assets and liabilities of Agency Funds follows:

	Balances at 01-01-01	Additions	Reductions	Balances at 12-31-01
Assets:				
Deferred Comp. Plans -				
Deposits	$ 926,453	$ 96,100	$ 0	$1,022,553
	926,453	96,100	$ 0	$1,022,553
Payroll Liability Fund -				
Cash	154,611	1,706,868	1,708,692	152,787
Receivables	890	17,891	17,824	957
Due from Other Funds	27,995	403,103	390,873	40,225
	183,496	2,127,862	2,117,389	193,969
Total Assets	$1,109,949	$2,223,962	$2,117,389	$1,216,522
Liabilities:				
Deferred Comp Plans -				
Due Plan Participants	$ 926,453	$ 96,100	$ 0	$1,022,553
Payroll Liability Fund -				
Payables	177,855	6,844,030	6,827,916	193,969
Due to Other Funds	5,641	0	5,641	0
	183,496	6,844,030	6,833,557	193,969
Total Liabilities	$1,109,949	$6,940,130	$6,833,557	$1,216,522

31. SUBSEQUENT EVENTS

Sewerage District No. 1 of the Parish of Tangipahoa, Louisiana, has submitted applications to Rural Utilities Service, United States Department of Agriculture, for a federal loan of $723,000 and a federal grant of $577,000 for the construction of sewerage treatment facilities totaling $1,300,000 in the southwest and northwest areas of the City of Hammond, Louisiana.

Also, the Tangipahoa Parish Council received $306,535 in 2002 from the United States Department of Commerce under the Coastal Impact Assistance Program to construct a sewer collection and treatment system for Manchac and do remedial sewer work on Creekwood and Kintally subdivisions.

Also, in 2002, the Lake Ponchartrain Basin Foundation awarded a $465,000 EPA grant to the Tangipahoa Parish Council for the construction of a sewer system in the Fluker community.

The Tangipahoa Parish Council has applied for two Louisiana Community Development Block grants for $743,000 and $631,395 for the construction of a water distribution system in the northwest Robert area and the installation of a wastewater collection and treatment facility in the East Natalbany area.

On May 4, 2002, the 10 mil ad valorem tax for Garbage District No. 1 was renewed for a period of ten years(2003-2012).

32. GASB 34 IMPLEMENTATION

The GASB issued Statement Number 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, in June of 1999. The date of implementation is effective in three phases based on a government's total annual revenues in the first fiscal year ending after June 15, 1999 (earlier application is encouraged). The Tangipahoa Parish Council's total annual revenues exceeded $10 million but were less than $100 million in the fiscal year ending December 31, 1999; therefore, the Tangipahoa Parish Council is (phase 2) required to implement the provisions for the pronouncement for financial statements for the period beginning after June 15, 2002. GASB Statement Number 34 establishes a new governmental financial reporting model that will feature, among other significant changes, management discussion and analysis, a unique combination of fund-based and government wide financial statements, required supplementary information, accounting for infrastructure assets, and accounting for the depreciation of infrastructure assets. The effects on the council's financial statements are not known at this time; however, the pronouncement will be implemented for the fiscal year ending December 31, 2003, if not implemented earlier.

33. COMMITMENTS AND CONTINGENCIES

In 2001, the Council entered into construction and architectural service contracts for the construction of a parish substation in Hammond, Louisiana at a cost of $1,766,167. At December 31, 2001, there was $1,338,361 remaining on these contracts.

The Council is self insured for unemployment claims. The basis for estimiting the liability for unpaid claims is .5 percent of salary expense. A liability of $88,065 is included in accounts payable of the trust and agency funds at December 31, 2001. Unemployment claims of $13,314 were paid during the year ended December 31, 2001.

SUPPLEMENTAL INFORMATION SCHEDULES

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended December 31, 2001

SPECIAL REVENUE FUNDS

ROAD AND BRIDGE FUNDS

The Road and Bridge Funds account for the construction of new roads and bridges and the maintenance of the existing roads and roadside areas within the respective road districts. Major sources of revenues are 75% sales tax and appropriations from the State of Louisiana Parish Transportation Fund.

ROAD LIGHTING DISTRICT FUNDS

The Road Lighting District Funds account for the costs of lighting streets and roads within the respective districts. The major source of revenue is ad valorem taxes.

GARBAGE DISTRICT NO. 1 FUND

The Garbage District No. 1 Fund accounts for the operation of the parish landfill. Major sources of revenue are ad valorem taxes and sanitation landfill user fees.

RURAL FIRE PROTECTION DISTRICT NO. 2 FUND

The Rural Fire Protection District No. 2 Fund accounts for the receipt of ad valorem taxes, state revenue sharing, and the two percent fire insurance rebate monies and the appropriation of these funds to the various fire departments in the district based on percentage of rural population they serve.

HEALTH UNIT FUND

The Health Unit Fund accounts for the parish's portion of the cost of acquiring and maintaining the health units in the parish. The major source of revenue is ad valorem taxes.

WITNESS FEES FUND

The Witness Fees Fund accounts for the fees paid to witnesses in district court and the Seventh Ward Court. The major source of revenue is court fines.

CRIMINAL COURT FUND

The Twenty-First Judicial District Criminal Court Fund is established under Section 571.11 of Title 15 of the Louisiana Revised Statutes of 1950, which provides that fines and forfeitures imposed by the district courts and district attorney conviction fees in criminal cases are to be transferred to the parish treasurer and deposited into a special Criminal Court Fund to be used for the expenses of the criminal court of the parish. Expenditures are made from the fund on motion of the district attorney and approval of the district judges. The statute also requires that one-half of the fund balance remaining in the Criminal Court Fund at December 31 of each year be transferred to the parish General Fund.

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
(Continued)
As of and for the Year Ended December 31, 2001

SPECIAL REVENUE FUNDS

ANIMAL SHELTER FUND

The Animal Shelter Fund accounts for the operation of the parish animal shelter. Major sources of revenue are adoption fees, fees charged to municipalities and the Health Unit Fund for animal control services and transfers from the general fund.

FEDERAL FUNDS

SECTION 8 HOUSING FUND

The Section 8 Housing Fund accounts for grants received from the United States Department of Housing and Urban Development for housing assistance programs for low-income persons.

STATE FUNDS

LITTER ABATEMENT FUND

The Litter Abatement Fund accounts for funds received from the Louisiana Department of Environmental Quality for the Louisiana Litter Abatement Grant.

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
December 31, 2001

	ROAD AND BRIDGE	ROAD LIGHTING DISTRICTS	GARBAGE DISTRICT NO. 1	RURAL FIRE PROTECTION DISTRICT NO. 2	HEALTH UNIT	WITNESS FEES	CRIMINAL COURT	ANIMAL SHELTER	STATE & FEDERAL	TOTAL
ASSETS AND OTHER DEBITS										
Cash and cash equivalents	$ 2,980,533	$ 105,158	$ 570,469	$ 237,892	$ 559,646	$ 672,028	$ 13,815	$ 21,423	$ 55,273	$ 5,216,237
Receivables	343,410	35,078	1,100,864	1,736,109	947,206	3,315	18,956	2,489	0	4,187,427
Due from other governments	0	0	0	27,373	0	0	0	(977)	4,829	31,225
Due from other funds	73,572	0	2,762	0	14,701	0	0	0	0	91,036
Total Assets	$ 3,397,516	$ 140,236	$ 1,674,096	$ 2,001,374	$ 1,521,553	$ 675,343	$ 32,771	$ 22,935	$ 60,102	$ 9,525,925
LIABILITIES										
Accounts payable	$ 178,579	$ 1,360	$ 71,790	$ 1,948,557	$ 38,694	$ 450	$ 99,123	$ 1,367	$ 87	$ 2,340,006
Accrued expenses	205,513	0	19,424	0	9,838	0	0	5,105	3,256	243,137
Due to other funds	73,572	0	2,475	0	0	0	0	26,191	2,762	105,001
Intergovernmental payable	0	0	0	0	0	0	0	0	3,015	3,015
Due to HUD	0	0	0	0	0	0	0	0	3,427	3,427
Total Liabilities	457,664	1,360	93,689	1,948,557	48,532	450	99,123	32,663	12,547	2,694,584
FUND EQUITY										
Unreserved-undesignated	2,939,852	138,876	1,580,407	0	1,473,021	674,893	(66,351)	(9,728)	47,555	6,778,524
Designated	0	0	0	52,817	0	0	0	0	0	52,817
Total Fund Equity	2,939,852	138,876	1,580,407	52,817	1,473,021	674,893	(66,351)	(9,728)	47,555	6,831,341
Total Liabilities and Fund Equity	$ 3,397,516	$ 140,236	$ 1,674,096	$ 2,001,374	$ 1,521,553	$ 675,343	$ 32,771	$ 22,935	$ 60,102	$ 9,525,925

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For The Twelve Months Ended December 31, 2001

	ROAD AND BRIDGE	ROAD LIGHTING DISTRICTS	GARBAGE DISTRICT NO. 1	RURAL FIRE PROTECTION DISTRICT NO. 2	HEALTH UNIT	WITNESS FEES	CRIMINAL COURT	ANIMAL SHELTER	STATE & FEDERAL	TOTAL
REVENUES										
Taxes:										
Sales	$ 7,960,792	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 7,960,792
Ad valorem	0	37,115	817,216	1,562,736	913,716	0	0	0	0	3,330,784
Intergovernmental revenues:										
Federal funds:										
Federal grants	38,768	0	83,746	0	0	0	0	0	720,098	842,612
State funds:										
Parish transportation funds	753,867	0	0	0	0	0	0	0	0	753,867
State revenue sharing	0	0	179,895	417,828	108,689	0	0	0	0	706,412
State grants	0	0	0	122,485	0	0	0	0	5,883	128,368
Fees, charges, and commissions for services	0	0	1,050,440	0	0	0	0	223,148	72	1,273,661
Fines and forfeitures	0	0	0	0	0	75,074	483,816	0	0	558,890
Interest	91,068	5,054	37,014	28,265	30,887	25,360	919	3,317	2,733	224,615
Other revenues	1,000	0	2,758	8,400	0	0	0	0	0	12,158
Total Revenues	8,845,495	42,169	2,171,069	2,139,714	1,053,292	100,434	484,735	226,465	728,787	15,792,158
EXPENDITURES										
General Government:										
Judicial	0	0	0	0	0	16,542	550,558	0	0	567,100
Public Safety	0	0	0	2,335,714	0	0	0	391,418	0	2,727,132
Public Works	8,393,668	28,695	2,010,988	0	0	0	0	0	0	10,433,351
Health and welfare	0	0	0	0	885,931	0	0	0	732,398	1,618,329
Debt Service:										
Principal	0	0	92,874	0	0	0	0	0	0	92,874
Interest and agent fees	0	0	12,723	0	0	0	0	0	0	12,723
Total Expenditures	8,393,668	28,695	2,116,584	2,335,714	885,931	16,542	550,558	391,418	732,398	15,451,508
Excess of Revenues Over (Under) Expenditures	451,826	13,474	54,484	(196,000)	167,361	83,892	(65,823)	(164,953)	(3,611)	340,650

Continued on the following page

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For The Twelve Months Ended December 31, 2001

	ROAD AND BRIDGE	ROAD LIGHTING DISTRICTS	GARBAGE DISTRICT NO. 1	RURAL FIRE PROTECTION DISTRICT NO. 2	HEALTH UNIT	WITNESS FEES	CRIMINAL COURT	ANIMAL SHELTER	STATE & FEDERAL	TOTAL
OTHER FINANCING SOURCES (USES)										
Proceeds from certificates of indebtedness	$ 0	$ 0	$ 0	$ 196,000	$ 0	$ 0	$ 0	$ 0	$ 0	$ 196,000
Sale of fixed assets	170,905	0	40	0	0	0	0	0	0	170,945
Operating transfers in	0	0	1,064	0	0	0	0	201,000	0	202,064
Total Other Financing Sources (Uses)	170,905	0	1,104	196,000	0	0	0	201,000	0	569,009
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	622,731	13,474	55,588	0	167,361	83,892	(65,823)	36,047	(3,611)	909,658
Fund Balances at Beginning of Year, as restated	2,317,120	125,402	1,524,819	52,817	1,305,660	591,001	(528)	(45,775)	51,166	5,921,683
Fund Balances at End of Year	$ 2,939,852	$ 138,876	$ 1,580,407	$ 52,817	$ 1,473,021	$ 674,893	$ (66,351)	$ (9,728)	$ 47,555	$ 6,831,341

(Concluded)

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
SPECIAL REVENUE - ROAD AND BRIDGE FUNDS
COMBINING BALANCE SHEET
December 31, 2001

	ROAD AND BRIDGE	ROAD AND BRIDGE CONTRACT	TOTAL
ASSETS			
Cash and cash equivalents	$ 1,162,796	$ 1,817,738	$ 2,980,533
Receivables	343,410	0	343,410
Due from other funds	73,572	0	73,572
Total Assets	$ 1,579,778	$ 1,817,738	$ 3,397,516
LIABILITIES			
Accounts payable	$ 24,504	$ 154,076	$ 178,579
Accrued expenses	205,513	0	205,513
Due to other funds	0	73,572	73,572
Total Liabilities	230,016	227,648	457,664
FUND EQUITY			
Unreserved-undesignated	1,349,761	1,590,090	2,939,852
Total Fund Equity	1,349,761	1,590,090	2,939,852
Total Liabilities and Fund Equity	$ 1,579,778	$ 1,817,738	$ 3,397,516

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
SPECIAL REVENUE - ROAD AND BRIDGE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For The Twelve Months Ended December 31, 2001

	ROAD AND BRIDGE	ROAD AND BRIDGE CONTRACT	TOTAL
REVENUES			
Sales tax	$ 4,960,792	$ 3,000,000	$ 7,960,792
Federal grants	38,768	0	38,768
Parish transportation funds	753,867	0	753,867
Interest	33,257	57,811	91,068
Other revenues	1,000	0	1,000
Total Revenues	5,787,684	3,057,811	8,845,495
EXPENDITURES			
Public Works	5,625,969	2,767,700	8,393,668
Total Expenditures	5,625,969	2,767,700	8,393,668
Excess of Revenues Over Expenditures	161,715	290,111	451,826
OTHER FINANCING SOURCES (USES)			
Sale of fixed assets	170,905	0	170,905
Total Other Financing Sources (Uses)	170,905	0	170,905
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	332,620	290,111	622,731
Fund Balances at Beginning of Year	1,017,141	1,299,979	2,317,120
Fund Balances at End of Year	$ 1,349,761	$ 1,590,090	$ 2,939,852

SCHEDULE 5

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
SPECIAL REVENUE - ROAD LIGHTING DISTRICT FUNDS
COMBINING BALANCE SHEET
December 31, 2001

	ROAD LIGHTING DISTRICTS					
	NO. 1	NO. 2	NO. 3	NO. 4	NO. 5	TOTAL
ASSETS						
Cash and cash equivalents	$ 13,175	$ 40,409	$ 11,069	$ 39,452	$ 1,053	$ 105,158
Receivables	141	135	49	151	34,601	35,078
Total Assets	$ 13,316	$ 40,544	$ 11,118	$ 39,603	$ 35,654	$ 140,236
LIABILITIES						
Accounts payable	$ 6	$ 6	$ 2	$ 6	$ 1,341	$ 1,360
Total Liabilities	6	6	2	6	1,341	1,360
FUND EQUITY						
Unreserved-undesignated	13,310	40,539	11,117	39,597	34,313	138,876
Total Fund Equity	13,310	40,539	11,117	39,597	34,313	138,876
Total Liabilities and Fund Equity	$ 13,316	$ 40,544	$ 11,118	$ 39,603	$ 35,654	$ 140,236

SCHEDULE 6

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
SPECIAL REVENUE - ROAD LIGHTING DISTRICT FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For The Twelve Months Ended December 31, 2001

	ROAD LIGHTING DISTRICTS					
	NO. 1	NO. 2	NO. 3	NO. 4	NO. 5	TOTAL
REVENUES						
Taxes:						
Ad valorem	$ 167	$ 139	$ 344	$ 84	$ 36,381	$ 37,115
Interest	624	1,900	617	1,912	1	5,054
Total Revenues	791	2,039	961	1,996	36,382	42,169
EXPENDITURES						
Public Works	1,818	8,477	4,642	11,689	2,069	28,695
Total Expenditures	1,818	8,477	4,642	11,689	2,069	28,695
Excess of Revenues Over (Under) Expenditures	(1,027)	(6,438)	(3,681)	(9,693)	34,313	13,474
Fund Balances at Beginning of Year	14,337	46,977	14,798	49,291	0	125,402
Fund Balances at End of Year	$ 13,310	$ 40,539	$ 11,117	$ 39,597	$ 34,313	$ 138,876

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
SPECIAL REVENUE - STATE & FEDERAL FUNDS
COMBINING BALANCE SHEET
December 31, 2001

	SECTION 8 HOUSING	LITTER ABATEMENT	TOTAL
ASSETS AND OTHER DEBITS			
Cash and cash equivalents	$ 52,511	$ 2,762	$ 55,273
Due from other governments	4,829	0	4,829
Total Assets	$ 57,339	$ 2,762	$ 60,102
LIABILITIES			
Accounts payable	$ 87	$ 0	$ 87
Accrued expenses	3,256	0	3,256
Due to other funds	0	2,762	2,762
Intergovernmental payable	3,015	0	3,015
Due to HUD	3,427	0	3,427
Total Liabilities	9,784	2,762	12,547
FUND EQUITY			
Unreserved-undesignated	47,555	0	47,555
Total Fund Equity	47,555	0	47,555
Total Liabilities and Fund Equity	$ 57,339	$ 2,762	$ 60,102

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
SPECIAL REVENUE - STATE & FEDERAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For The Twelve Months Ended December 31, 2001

	SECTION 8 HOUSING	LITTER ABATEMENT	TOTAL
REVENUES			
Intergovernmental revenues:			
Federal funds:			
Federal grants	$ 720,098	$ 0	$ 720,098
State grants	0	5,883	5,883
Fees, charges, and commissions for services	72	0	72
Interest	2,733	0	2,733
Total Revenues	722,904	5,883	728,787
EXPENDITURES			
General Government:			
Health and welfare	726,515	5,883	732,398
Total Expenditures	726,515	5,883	732,398
Excess of Revenues Over (Under) Expenditures	(3,611)	0	(3,611)
OTHER FINANCING SOURCES (USES)			
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(3,611)	0	(3,611)
Fund Balances at Beginning of Year(as restated)	51,166	0	51,166
Fund Balances at End of Year	$ 47,555	$ 0	$ 47,555

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended December 31, 2001

DEBT SERVICE FUNDS

ROAD DISTRICT NO. 101 FUND

The Road District No. 101 Fund accumulates monies to pay a bond issue dated December 15, 1976, of $275,000.The bonds were issued to open, construct, and improve public roads, highways, and bridges within the district. Financing is provided by an annual property tax and interest earned on deposits.

SUB-ROAD DISTRICT NO. 1 OF ROAD DISTRICT NO. 101 FUND

The Sub-Road District No. 1 of Road District No. 101 Fund accumulates monies to pay a bond issue dated December 15, 1976, of $275,000. The bonds were issued to open, construct, and improve public roads, highways, and bridges within the district. Financing is provided by an annual property tax and interest earned on deposits.

GENERAL SERVICE SUB-DISTRICT NO. 4A FUND

The General Service Sub-District No. 4A Fund accumulates monies to pay the June 1, 1984, bond issue of $200,000. The bonds were issued to construct, maintain, and improve public roads, highways, and bridges within the sub-district. Financing is provided by an annual property tax and interest earned on deposits.

GENERAL SERVICE SUB-DISTRICT NO. 5 FUND

The General Service Sub-District No. 5 Fund accumulates monies to pay the June 1, 1984, bond issue of $900,000. The bonds were issued to construct, maintain, and improve public roads, highways, and bridges within the sub-district. Financing is provided by an annual property tax and interest earned on deposits.

GENERAL SERVICE SUB-DISTRICT NO. 8 FUND

The General Service Sub-District No. 8 Fund accumulates monies to pay the June 1, 1984, bond issue of $900,000. The bonds were issued to construct, maintain, and improve public roads, highways, and bridges within the sub-district. Financing is provided by an annual property tax and interest earned on deposits.

RECREATION DISTRICT NO. 1 FUND

The Recreation District No. 1 Fund accumulates monies to pay the June 15, 1978, bond issue of $505,000. The bonds were issued to acquire land, buildings, equipment, and other facilities for recreational purposes within the district. Financing was provided by an annual property tax and interest earned on deposits.

This fund was closed out during the fiscal year ended December 31, 2001.

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended December 31, 2001

RECREATION DISTRICT NO. 2 FUND

The Recreation District No. 2 Fund accumulates monies to pay the June 15, 1979, bond issue of $570,000. The bonds were issued to acquire land, buildings, equipment, and other facilities for recreational purposes within the district. Financing was provided by an annual property tax and interest earned on deposits.

This fund was closed out during the fiscal year ended December 31, 2001.

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
December 31, 2001

	ROAD DISTRICTS	GENERAL SERVICE DISTRICTS	TOTAL
ASSETS			
Cash and cash equivalents	$ 16,352	$ 19,537	$ 35,889
Receivables	38,307	5,235	43,542
Total Assets	$ 54,659	$ 24,773	$ 79,432
LIABILITIES			
Accounts payable	$ 1,490	$ 206	$ 1,696
Total Liabilities	1,490	206	1,696
FUND EQUITY			
Reserved for:			
Debt service	53,169	24,567	77,736
Total Fund Equity	53,169	24,567	77,736
Total Liabilities and Fund Equity	$ 54,659	$ 24,773	$ 79,432

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
DEBT SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For The Twelve Months Ended December 31, 2001

	ROAD DISTRICTS	GENERAL SERVICE DISTRICTS	RECREATION DISTRICTS	TOTAL
REVENUES				
Taxes:				
Ad valorem	$ 39,273	$ 3,788	$ 0	$ 43,061
Interest	1,228	1,181	176	2,585
Total Revenues	40,501	4,969	176	45,646
EXPENDITURES				
General Government:				
Finance and Administrative	2,301	307	0	2,608
Public Works	0	0	6,084	6,084
Debt Service:				
Principal	20,000	15,000	0	35,000
Interest and agent fees	38,985	6,465	0	45,450
Total Expenditures	61,286	21,772	6,084	89,142
Excess of Revenues Over (Under) Expenditures	(20,785)	(16,803)	(5,908)	(43,496)
Fund Balances at Beginning of Year	73,953	41,368	5,909	121,230
Fund Balances at End of Year	$ 53,168	$ 24,565	$ 1	$ 77,734

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
DEBT SERVICE - ROAD DISTRICT FUNDS
COMBINING BALANCE SHEET
December 31, 2001

	NO. 101	NO 101-1	TOTAL
ASSETS			
Cash and cash equivalents	$ 9,237	$ 7,115	$ 16,352
Receivables	22,259	16,048	38,307
Total Assets	$ 31,495	$ 23,163	$ 54,659
LIABILITIES			
Accounts payable	$ 865	$ 625	$ 1,490
Total Liabilities	865	625	1,490
FUND EQUITY			
Reserved for:			
Debt service	30,630	22,539	53,169
Total Fund Equity	30,630	22,539	53,169
Total Liabilities and Fund Equity	$ 31,495	$ 23,163	$ 54,659

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
DEBT SERVICE - ROAD DISTRICT FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For The Twelve Months Ended December 31, 2001

	NO. 101	NO. 101-1	TOTAL
REVENUES			
Taxes:			
Ad valorem	$ 22,964	$ 16,310	$ 39,274
Interest	661	567	1,228
Total Revenues	23,625	16,877	40,502
EXPENDITURES			
General Government:			
Finance and Administrative	1,338	963	2,301
Debt Service:			
Principal	10,000	10,000	20,000
Interest and agent fees	19,750	19,235	38,985
Total Expenditures	31,088	30,198	61,286
Excess of Revenues Over (Under) Expenditures	(7,463)	(13,321)	(20,784)
Fund Balances at Beginning of Year	38,093	35,860	73,953
Fund Balances at End of Year	$ 30,630	$ 22,539	$ 53,169

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
DEBT SERVICE - GENERAL SERVICE DISTRICT FUNDS
COMBINING BALANCE SHEET
December 31, 2001

	NO. 4A	NO. 5	NO. 8	TOTAL
ASSETS				
Cash and cash equivalents	$ 4,829	$ 7,993	$ 6,715	$ 19,537
Receivables	2,679	1,063	1,493	5,235
Total Assets	$ 7,508	$ 9,056	$ 8,208	$ 24,773
LIABILITIES				
Accounts payable	$ 106	$ 43	$ 58	$ 206
Total Liabilities	106	43	58	206
FUND EQUITY				
Reserved for:				
Debt service	7,403	9,014	8,150	24,567
Total Fund Equity	7,403	9,014	8,150	24,567
Total Liabilities and Fund Equity	$ 7,508	$ 9,056	$ 8,208	$ 24,773

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
DEBT SERVICE - GENERAL SERVICE DISTRICT FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For The Twelve Months Ended December 31, 2001

	NO. 4A	NO. 5	NO. 8	TOTAL
REVENUES				
Taxes:				
Ad valorem	$ 2,500	$ 1,172	$ 117	$ 3,789
Interest	287	515	379	1,181
Total Revenues	2,787	1,687	496	4,970
EXPENDITURES				
General Government:				
Finance and Administrative	162	77	68	307
Debt Service:				
Principal	5,000	5,000	5,000	15,000
Interest and agent fees	2,154	2,156	2,156	6,466
Total Expenditures	7,316	7,233	7,224	21,773
Excess of Revenues Over (Under) Expenditures	(4,529)	(5,546)	(6,728)	(16,803)
Fund Balances at Beginning of Year	11,931	14,559	14,878	41,368
Fund Balances at End of Year	$ 7,402	$ 9,013	$ 8,150	$ 24,565

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
DEBT SERVICE - RECREATION DISTRICT FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For The Twelve Months Ended December 31, 2001

	NO. 1	NO. 2	TOTAL
REVENUES			
Interest	$ 88	$ 88	$ 176
Total Revenues	88	88	176
EXPENDITURES			
Public Works	3,024	3,060	6,084
Total Expenditures	3,024	3,060	6,084
Excess of Revenues Over (Under) Expenditures	(2,936)	(2,972)	(5,908)
Fund Balances at Beginning of Year	2,936	2,972	5,908
Fund Balances at End of Year	$ 0	$ 0	$ 0

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended December 31, 2001

CAPITAL PROJECTS FUNDS

EDAP GRANT FUND

The EDAP grant fund accounts for the construction of a water well at the Wal Mart Distribution Center in Robert. The major source of revenue is a state grant with the remainder coming from Wal Mart Stores East, Inc.

MULTIPURPOSE AGRICULTURAL FACILITY FUND

The Multipurpose agricultural facility fund accounts for the planning and construction of a multipurpose agricultural facility in Amite. The major source of revenue is a state capital outlay appropriation.

BOOKER SEWER CONSTRUCTION FUND

The Booker sewer construction fund accounts for the planning and construction of a sewerage system in the Booker Road area. The major source of revenue is a state LCDB Grant.

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
December 31, 2001

	EDAP GRANT	TOTAL
ASSETS AND OTHER DEBITS		
Cash and cash equivalents	$ 91	$ 91
Total Assets	$ 91	$ 91
FUND EQUITY		
Designated	91	91
Total Fund Equity	91	91
Total Liabilities and Fund Equity	$ 91	$ 91

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
CAPITAL PROJECTS FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For The Twelve Months Ended December 31, 2001

	EDAP GRANT	MULTIPURPOSE AGRICULTURAL FACILITY	BOOKER SEWER	TOTAL
REVENUES				
State grants	$ 3,665	$ 44,944	$ 0	$ 48,609
Total Revenues	3,665	44,944	0	48,609
EXPENDITURES				
Public Works	103,575	44,944	0	148,519
Total Expenditures	103,575	44,944	0	148,519
Excess of Revenues Over (Under) Expenditures	(99,910)	0	0	(99,910)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	0	0	390	390
Total Other Financing Sources (Uses)	0	0	390	390
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(99,910)	0	390	(99,520)
Fund Balances at Beginning of Year	100,001	0	(390)	99,611
Fund Balances at End of Year	$ 91	$ 0	$ 0	$ 91

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana

SCHEDULE 18

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2001

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Federal Emergency Management Agency:			
Passed through			
Louisiana Military Department			
State and Local Assistance Program	83.544	Various	137,422
Hazard Mitigation Grant	83.548	LA-OEP-FY01 HAZ	4,278
Total U.S. Federal Emergency Management Agency			141,700
Environmental Protection Agency:			
Passed through			
Louisiana State Police			
Chemical Emergency Preparedness and Prevention Technical Assistance Grant	86.810	CX826862-01	4,000
U.S. Department of Housing and Urban Development:			
Direct Program:			
Section 8 Housing Choice Vouchers	14.871	-	726,515
Passed through Louisiana Department of Social Services, Office of Community Planning and Development:			
Emergency Shelter Grant Program	14.231	CFMS#547087	30,581
Total U.S. Department of Housing and Urban Development			757,096
Total Expenditures of Federal Awards			$902,796

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Tangipahoa Parish Council and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.*

OTHER INDEPENDENT AUDITOR'S REPORTS AND FINDINGS

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL BASED ON AN AUDIT OF THE GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Parish President and Members
of the Tangipahoa Parish Council
Amite, Louisiana

I have audited the general purpose financial statements of the Tangipahoa Parish Council as of and for the year ended December 31, 2001, and have issued my report thereon dated May 29, 2002, which was qualified because the financial statements do not include the financial data of all component units of the Tangipahoa Parish Council, Louisiana. Except as discussed in the preceding sentence, I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

COMPLIANCE

As part of obtaining reasonable assurance about whether the Tangipahoa Parish Council's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion.

The results of my tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as item number 01-1.

I also noted certain immaterial instances of noncompliance that I have reported to the management of the Tangipahoa Parish Council in a separate letter dated May 29, 2002.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing my audit, I considered the Tangipahoa Parish Council's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect the Tangipahoa Parish Council's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings as item numbers 01-1 and 01-2.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, I consider both to be material weaknesses.

I also noted other matters involving the internal control over financial reporting that I have reported to the management of the Tangipahoa Parish Council in a separate letter dated May 29, 2002.

This report is intended for the information and use of the governing council, management, the Legislative Auditor, and the federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Lee Berry

Certified Public Accountant

May 29, 2002

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Parish President and Members
of the Tangipahoa Parish Council
Amite, Louisiana

Compliance

I have audited the compliance of the Tangipahoa Parish Council with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2001. The Tangipahoa Parish Council's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal programs is the responsibility of the Tangipahoa Parish Council's management. My responsibility is to express an opinion on the Tangipahoa Parish Council's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Tangipahoa Parish Council's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination of the Tangipahoa Parish Council's compliance with those requirements.

In my opinion, the Tangipahoa Parish Council complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended December 31, 2001.

Tangipahoa Parish Council
Independent Auditor's Report on Compliance
and on Internal Control over Compliance - OMB Circular A-133

The management of the Tangipahoa Parish Council is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered the Tangipahoa Parish Council's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended for the information and use of the governing body, management, the Legislative Auditor, and the federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.. However, this report is a matter of public record and its distribution is not limited.

Lee Gray

Certified Public Accountant

May 29, 2002

TANGIPAHOA PARISH COUNCIL

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended December 31, 2001

SECTION 1.	**INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS**	
00-1	Failure to comply with the Local Governmental Budget Act	Resolved
00-2	Failure to comply with Revenue Bond Resolution Requirements See specific items below.	
00-2a	Separate bank account	Resolved
00-2b	Cut-off of past due customers	Resolved
00-2b	Assessment of penalties and interest	Resolved
00-2b	Incomplete accounting records	Resolved
00-2c	Fidelity bonds on billing agents	Partially resolved - see current year finding 01-1a
00-2d	Submission of management reports to Rural Utilities Service	Unresolved - see current year finding 01-1b
SECTION 2.	**INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS**	
00-3	Section 8 Housing Program grant funds - failure to comply with recordkeeping requirements	Resolved
SECTION 3.	**MANAGEMENT LETTER**	
00-4	Intergovernmental agreements with Other Entities - Rural Fire Protection District No. 2	Unresolved - see current year finding 01-3.
00-5	Changes to Annual Contract - Rural Fire Protection District No. 2	Resolved
00-6	Inability to Determine Ownership of Sewer Improvements - Sewerage Dist No. 1 of the Parish of Tangipahoa, LA	No longer applicable

TANGIPAHOA PARISH COUNCIL

Schedule of Current Year Audit Findings
Year Ended December 31, 2001

SECTION I - SUMMARY OF AUDITOR'S RESULTS

I have audited the financial statements of the Tangipahoa Parish Council as of and for the year ended December 31, 2001, and have issued my report thereon dated May 29, 2002. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. My audit of the financial statements as of December 31, 2001, resulted in a qualified opinion.

Financial Statements

Type of auditor's report issued:	qualified	
Internal control over financial reporting: Material weaknesses identified?	_X_ yes	____ no
Reportable conditions identified not considered to be material weaknesses?	____ yes	_X_ none reported
Noncompliance material to financial statements noted?	_X_ yes	____ no

Federal Awards

Internal control over major programs: Material weaknesses identified?	____ yes	_X_ no
Reportable conditions identified not considered to be material weaknesses?	____ yes	_X_ none reported
Type of auditor's report issued on compliance for major programs:	unqualified	
Any audit findings disclosed that are required to be reported in accordance with Section 510 (a) of Circular A-133?	____ yes	_X_ no

Major programs:
CFDA Number 14.871
U.S. Department of Housing and Urban Development
Section 8 Housing Choice Voucher Program

Dollar threshold used to distinguish between type A and type B programs: $300,000

Auditee qualified as low-risk auditee? _____ yes __X__ no

SECTION II - FINANCIAL STATEMENT FINDINGS

This section is used to identify the reportable conditions, material weaknesses, and instances of noncompliance related to the financial statements required to be reported under *Government Auditing Standards*

Finding No. 01-1

Condition - Failure to comply with requirements of the Revenue Bond Resolution covenants and loan agreement.

Cause - The Sewerage District No. 1 of the Parish of Tangipahoa, Louisiana has not complied with all of the Revenue Bond Resolution covenants.

Criteria - The Reserve Bond Resolution set forth requirements that Sewerage District No. 1 agreed to comply with in connection with revenue bonds issued on March 3, 1993.

Effect - The District failed to comply with the following bond requirements:

a) The Bond Resolution requires the District to cover all officers and employees in a position of authority or in possession of money to be covered by a fidelity bond or faithful performance bond.

The District's management is unable to provide assurances that all billing agents are covered by the required fidelity bonds.

b) The loan agreement requires the District to include certain information in its annual audit report or to submit annual management reports to Rural Utilities Service (RUS) as follows:

- Form RD 442-2, Statement of Budget, Income, and Equity
- Form RD 442-3, Balance Sheet
- A copy of the rate schedule in effect at the time of submission

The required information was not available to the auditor to include in the audit report; therefore, the annual management reports should have been submitted to RUS.

However, the 2001 management reports were not submitted to RUS as required.

c) The Sewerage District No. 1 is required under its Bond Resolution with RUS (Rural Utilities Service) to maintain rates which will always provide revenues in each year sufficient to pay the reasonable and necessary expenses of operating and maintaining the System, the principal and interest maturing on the bonds, all reserves or sinking funds required for such year and all other obligations and indebtedness of the System. However, the District's statement of revenues and expenses for the fiscal year ended December 31, 2001 reflected a loss of $84,764.

d) The Sewerage District No. 1 is required under its Bond Resolution with RUS (Rural Utilities Service) to provide revenues in each year, after paying all reasonable and necessary expenses of operating and maintaining the System, at least equal to 120% of the largest amount of principal and interest maturing on the bonds in any future fiscal year and on any parity bonds issued thereafter. However, the bond debt coverage factor for the fiscal year ended December 31, 2001, indicated net revenues were 107% of the required bond principal and interest payments.

Recommendation -

a. Evidence of fidelity bond coverage has been obtained for all but two of the billing agents. Management should obtain evidence of the proper coverage from these two agents.

b. The District's management should provide the required management reports to Rural Utilities Service.

c. The District's management should raise sewer rates as necessary to provide sufficient revenues or reduce expenses of operating and maintaining the System.

d. The District's management should evaluate the revenues and expenditures of the District to ensure that net revenues are 120% of the required bond principal and interest payments.

Finding No. 01-2

Rural Fire Protection District No. 2

Condition - *Failure to include checking accounts in the general ledger of Rural Fire Protection District No. 2.*

Cause - Rural Fire Protection Distirct No. 2 (RFPD No. 2) maintained three bank accounts for Hammond's share of RFPD No. 2's funds. These accounts, although in the name of "Tangi Rural Fire Dist #2 - Hammond Sub District", were omitted from the centralized recordkeeping system of RFPD No. 2.

Criteria - All accounts in the name of RFPD No. 2 should be included in the general ledger and procedures of RFPD No. 2.

Effect - The total of these accounts at December 31, 2001 was $214,252. Two of the accounts are maintained by the secretary of Rural Fire Protection District No. 2, and the third is maintained by an employee of the City of Hammond Fire Department. The authorized signers are the secretary and president of Rural Fire Protection District No. 2. One of these accounts is for payroll expenditures only, and the employer identification number used on the quarterly payroll forms 941 and the annual forms W-2 is not the identification number used by the Rural Fire Protection District No. 2 (which is also the employer identification number of the Tangipahoa Parish Council).

Recommendation - The Rural Fire Protection District No. 2 should review the necessity of these three accounts. If they are deemed necessary they should be incorporated into the accounting system of the Tangipahoa Parish Council.

SECTION III - FEDERAL FINANCIAL ASSISTANCE

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance required to be reported by OMB Circular A-133.

None Reported

TANGIPAHOA PARISH COUNCIL

MANAGEMENT'S CORRECTIVE ACTION PLAN
For Current Year Audit Findings for the Year Ended December 31, 2001

SECTION 1. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS	
Finding Reference No.	**Management's Corrective Action Plan**
01-1 Failure to comply with Revenue Bond Resolutions See specific items below.	
01-1a Fidelity bonds on billing agents	Sewerage District #1 will submit a corrective action plan in a separate document at a later date.
01-1b Submission of management reports to Rural Utilities Service	Sewerage District #1 will submit a corrective action plan in a separate document at a later date.
01-1c Sewerage District No. 1 had expenses in excess of revenues for the fiscal year ended December 31, 2001.	Sewerage District #1 will submit a corrective action plan in a separate document at a later date.
01-1d Sewerage District No. 1 bond resolution to provide net operating income of at least 120% of bond maturities in any future fiscal year.	Sewerage District #1 will submit a corrective action plan in a separate document at a later date.
01-2 Checking accounts omitted from the general ledger of Rural Fire District No. 2.	The parish administration will meet with the fire board to resolve these issues.

SECTION 2. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
Finding Reference No.	**Management's Corrective Action Plan**
None	

Tangipahoa Parish Council
Management's Corrective Action Plan
For the Year Ended December 31, 2001 - continued

SECTION 3. MANAGEMENT LETTER	
Finding Reference No.	**Management's Corrective Action Plan**
01-3 Intergovernmental agreements with Other Entities - Rural Fire Protection Dist. No. 2	Rural Fire Protection District No. 2 will execute agreements with the Village of Tangipahoa and the Village of Tickfaw and request payment from Tickfaw.
01-4 Donation of the Booker II/Woodland Park Sewerage System to Sewer Dist. No. 1	The Parish President will execute the formal act of donation once it is completed.
01-5 Establishment of written rules and regulations regarding the use of the Chemekete Facility	The Parish will adopt formal written rules and regulations regarding the use of the Camp Chemekete Facility.
01-6 Outstanding checks for Hancock Bank - 21st Judicial District Court account.	The parish will void all old outstanding checks.
01-7 Invitation of bids for the selection of fiscal agency	The parish will solicit bids for a fiscal agent.

Date Submitted: 5-29-02

Auditee: Gordon A. Burgess

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May 29, 2002

MANAGEMENT LETTER

To the Parish President and
Members of the Tangipahoa Parish Council
Amite, Louisiana

Dear Tangipahoa Parish President and Tangipahoa Parish Council:

In connection with my audit of the financial statements of the Tangipahoa Parish Council as of and for the year ended December 31, 2001, I noted several matters which need to be brought to your attention. These matters and my recommendations concerning them are listed below:

Finding 01-3 Rural Fire Protection District No. 2 – Intergovernmental Agreements with Other Entities
(Repeated from prior year)

Rural Fire Protection District No. 2 is receiving $4,200 annually from the Village of Tangipahoa for fire protection services without a formal intergovernmental agreement. This payment is based on a motion made at a June 11, 1990, Fire Board meeting that does not clearly state the terms of this payment.

Fire protection services are also rendered to the Village of Tickfaw under a similar arrangement. Although an intergovernmental agreement does exist between Rural Fire Protection District No. 2 and the Village of Tickfaw, it does not contain the signature of the Mayor of the Village of Tickfaw.

Any services provided by one governmental entity to another should be supported by a properly enacted written agreement.

Also, the Village of Tickfaw owes Rural Fire Protection District No. 2 $7,350 at December 31, 2001, for three quarters of 2000 and four quarters of 2001.

It is recommended that a formal intergovernmental agreement be drawn up between Rural Fire Protection District No. 2 and the Village of Tangipahoa. A new agreement should also be drawn up with the Village of Tickfaw with proper signatures of both parties included.

Also, payment should be obtained from the Village of Tickfaw for $7,350 for 2000 and 2001 services rendered.

Finding 01-4 Donation of Booker II/Woodland Park Sewerage System to Sewer District No. 1

Tangipahoa Parish Council Ordinance 00-18 authorized the Parish President to execute the conveyance of the Booker II/Woodland Park Sewerage System to Sewer District No. 1. However, the formal act of donation has not been completed.

It is recommended that the formal act of donation be completed as soon as possible.

Finding 01-5 Establishment of Written Rules and Regulations for Camp Chemekete Property

Tangipahoa Parish Council accepted a donation of a building and land from the Chemekete Recreational Club, Inc. but has not established written rules and regulations for its use. The donation contains a stipulation that TPC can use this property ". . . for the betterment of the citizens and public organizations of Tangipahoa Parish, such as, but not limited to, youth groups and senior citizen groups, and . . . that the employees and the families of Entergy Louisiana, Inc. and its successor(s) be entitled to use the property free of charge as a camp for recreational purposes one weekend each and every month of May, October, and December . . ."

After discussion with Grover Austin, Assistant Legislative Auditor, it is recommended that TPC establish written rules and regulations regarding the use of the Chemekete facility. Incorporate the Act of Donation into these rules and regulations to explain why a for-profit entity is allowed to use a public facility free of charge. Be sure the written rules and regulations for use meet the donation's requirements.

Finding 01-6 Outstanding Checks in the Hancock Bank – 21st Judicial District Court Account

There are outstanding checks from as far back as 1992 reflected in the Hancock Bank - 21st Judicial District Court account.

Checks outstanding for at least three years should be voided with the resulting voided amounts remitted to the Louisiana Department of Revenue.

Finding 01-7 Bid Requirement for the Selection of a Fiscal Agency

The Tangipahoa Parish Council did not entertain bids for the selection of its fiscal agency as required by LRS 39:1214. The exemption to this requirement under LRS 39:1217.1 for parishes with a population of less than one hundred thousand no longer applies to Tangipahoa Parish as its population under the 2000 US Census is 100,588.

It is recommended that the Tangipahoa Parish Council comply with the fiscal agency requirements of LRS 39:1214.

I thank you and your staff for the helpful cooperation I received during my audit.

Sincerely,

Lee Gray

Certified Public Accountant

SEWERAGE DISTRICT NO. 1
O F
tangipahoa parish

15481 W. CLUB DELUXE ROAD
HAMMOND, LA. 70403
(985) 542-8877
FAX (985) 542-8574

02 OCT 17 AM 11:05

October 10, 2002

Mr. Bruce Bordelon
USDA-RECD
P.O. Box 248
Amite, Louisiana 70422

Dear Mr. Bordelon:

We concur with Finding No. 01-1-A & it is now resolved.

We concur with Finding No. 01-1-B & it is now resolved, with Parish Government completing documents, and will continue to do so in the future.

We did not concur with Finding No. 01-01-C&D, per enclosed letters.

If I can be of any further assistance, please contact me or Wesley Ridgedell at (985) 543-4175.

Sincerely,

James P. Harper, Chairman
Sewerage District of Tangipahoa

JPH/la

LONNIE L. BEWLEY
O. RAY CORNELIUS
MEREDITH L. HATHORN
DAVID E. HENDERSON
ARNOLD B. JUDELL
HUGH MARTIN
ANNE J. NEVEU
ALAN L. OFFNER
JERRY R. OSBORNE
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FAX (225) 923-2477

DUDLEY C. FOLEY, JR.
JOHN W. COX
WILLIAM H. BECK, JR.
OF COUNSEL

OUR FILE NO.

15,464

SENDER'S E-MAIL ADDRESS:
AOFFNER@FOLEYJUDELL.COM

September 25, 2002

Mr. Bruce P. Bordelon
Rural Development Specialist
USDA Service Center, Room 3
805 West Oak Street
Amite, LA 70422

Re: Sewerage District No. 1 of the Parish of Tangipahoa, State of Louisiana

Dear Bruce:

At the request of Sewerage District No. 1 of the Parish of Tangipahoa, State of Louisiana, we take this opportunity to address items 2.c) and 2.d) of your letter of September 12, 2002, addressed to the District.

With regard to 2.c), please note that the District had estimated that its charges for services would produce $524,000 in fiscal year 2001, but, in fact, the charges only produced $505,696. Had the District received the projected $524,000, the District's net revenues would have been greater by $18,304, resulting in coverage of 143% instead of the 107%. The District has been attempting to determine the reason charges for services were less than anticipated in fiscal year 2001. In addition, the District, with the assistance of Rural Development, will begin a major capital improvement program for its wastewater treatment facilities in the very near future. This will allow the District to add additional customers, and, in addition, the District, with advice and approval of Rural Development, will revise its user fee charges.

With regard to item 2.d), please note that the calculation which shows a loss of $84,764 in the District's statement of revenues and expenses for fiscal year 2001 did not subtract depreciation (a non-cash item) from total expenses. We understand that Rural Development's policy is to subtract depreciation in making such calculation, and, if this is done, the District has net income of $12,361 rather than a loss of $84,764. We request that you would confirm Rural Development's policy in this matter.

We hope the information set forth in this letter is helpful to you. Please do not hesitate to call if you have any questions or comments.

RECEIVED
SEP 30 2002
TANGIPAHOA PARISH HEALTH UNIT
HAMMOND

With best wishes, we are

Yours very truly,

Alan L. Offner

ALO: mal
Cc: Mr. James Harper, President
Ms. Linda Alesi, Secretary
Mr. Douglas T. Curet, Attorney
Mr. Robert G. Barrilleaux, Engineer

TANGIPAHOA PARISH GOVERNMENT

P. O. BOX 215 • AMITE, LOUISIANA 70422
(985) 748-3211 FAX (985) 748-7576
WEB PAGE: www.tangicouncil.com
E-MAIL: tangicon@i-55.com

GORDON BURGESS
PARISH PRESIDENT

PRESTON K. WIER
DIRECTOR OF FINANCE

VINCE J. GENNARDO
DIRECTOR OF PUBLIC WORKS

MARGIE ALLEN
CLERK OF COUNCIL

September 25, 2002

James Harper
Tangipahoa Parish Sewerage District #1
15481 Club Deluxe Road
Hammond LA 70403

Dear Mr. Harper,

During fiscal year ended December 31, 2001, there were errors made in the classification of certain professional services billed to the Sewer District by Robert G. Barrilleaux and Associates, Inc. The services were actually for the Fluker Chapel project in the amount of $11,526. The *error has been corrected in 2002. The expenditure has been properly accounted for in the Fluker* Chapel Grant Fund and the money has been transferred from the Fluker Chapel Grant Fund to the Tangipahoa Parish Sewerage District #1 account.

In addition there was miss classification of certain new construction as repairs and maintenance. These items classified as repairs and maintenance expense totaled $40,630 and should instead have been capitalized and depreciated.

Consequently, I propose that the Statement of Revenues, Expenses, and Changes in Retained Earnings For the Twelve Months Ended December 31, 2001, should be restated to reflect these changes. (See attached document)

Sincerely,

Jeff McKneely,
Asst. Director of Finance

COUNCIL

GUY F. BUCKLEY, JR. DISTRICT 1
ROGER FAUST DISTRICT 2
MICHAEL PETITTO DISTRICT 3
CARLO BRUNO DISTRICT 4
H.G. "BUDDY" RIDGEL DISTRICT 5
RONNIE BANKSTON DISTRICT 6
WILLIAM "BILL" FLEET DISTRICT 7
CARLOS NOTARIANO DISTRICT 8
DEBBIE EDWARDS DISTRICT 9
BOBBY CORTEZ DISTRICT 10

Tangipahoa Parish Sewerage District #1
Statement of Revenues, Expenses, and Changes in Retained Earnings - As Audited with Adjustments
For the Twelve Months Ended, December 31, 2001

	As Audited	Adjustments	As Adjusted
Operating Revenue	505,696		505,696
Operating Expenses			
Personnel Services	119,892		119,892
Materials and Supplies	43,322		43,322
Professional Services	88,856	(11,526) (a)	77,330
Repairs and Maintenance	177,698	(40,630) (b)	137,068
Other Expense	38,927		38,927
Depreciation	97,125	4,063 (c)	101,188
Total Expenses	565,820	(48,092)	517,728
Net Operating Income (Loss)	(60,124)		(12,032)
Non Operating Revenues (Expenses)	(24,640)		(24,640)
Net Income (Loss)	(84,764)		(36,672)
Increase in Reserves	(4,990)		(4,990)
Amortization of Contributed Capital	63,363		63,363
Change in Retained Earnings	(26,391)		21,701
Beginning Retained Earnings	216,767		216,767
Ending Retained Earnings	190,376		238,468

(a) Payments to RGB & Assoc. should have been coded to Fluker Chapel Grant

11/08/01	1,400
12/31/01	10,126
	11,526

(b) New construction coded by mistake to repairs & maintenance

Kintally	10/04/01	19,350
Kintally	11/29/01	2,150
El Rancho	04/12/01	3,880
Velma	11/08/01	3,900
North Puma & University	05/23/01	11,350
		40,630

(c) Depreciation on item (b) 4,063