

Village of Tangipahoa
Annual Financial Statements
As of and for the Year Then Ended June 30, 2010
With Supplemental Information Schedules

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2/16/11

MINDA B. RAYBOURN

*CERTIFIED PUBLIC ACCOUNTANT
LIMITED LIABILITY COMPANY*

**820 11TH AVENUE
FRANKLINTON, LOUISIANA 70438**

(985)839-4413

FAX (985)839-4402

Village of Tangipahoa

**Annual Financial Statements
As of and for the Year Ended June 30, 2010
With Supplemental Information Schedules**

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MEMBER
A.I.C.P.A.

MEMBER
L.C.P.A.

The Honorable Mayor Michael Jackson
And Members of the Board of Aldermen
Village of Tangipahoa, Louisiana

I have reviewed the accompanying statement of financial position of Village of Tangipahoa as of June 30, 2010 and the related statements of activities and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the Mayor and Board of Aldermen of the Village of Tangipahoa.

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

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

My review was made for purpose of expressing limited assurance that there are no material modifications that should be made to the financial statements in order for them to be conformity with generally accepted accounting principles. The information included in the accompanying Schedules I though 11 is presented only for supplementary analysis purposes. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, I do not express an opinion or any other form of assurance on the supplementary information.


Minda B. Raybourn, CPA

December 30, 2010

Required Supplemental Information (Part I)
Management's Discussion and Analysis

Village of Tangipahoa

Management's Discussion and Analysis As of and for the Year Ended June 30, 2010

Introduction

The Village of Tangipahoa (the Village) is pleased to present its Annual Financial Statements developed in compliance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - For State and Local Governments* (GASB 34), and related standards.

The Village's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Village's financial activity, (c) identify changes in the Village's financial position, (d) identify any significant variations from the Village's financial plan, and (e) identify individual fund issues or concerns.

Since Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the Village's financial statements on pages 11 through 20 of this report.

Financial Highlights

- At June 30, 2010, the Village's assets exceeded its liabilities by \$2,064,740 (net assets). Of this amount, \$174,419 (unrestricted net assets) may be used to meet the Village's ongoing obligations to its citizens.
- For the year ended June 30, 2010, the Village's total net assets increased by \$15,455.
- At June 30, 2010, the Village's governmental funds reported combined ending fund balances of \$45,643. Within the Sales Tax Fund, a total of \$38,094 is restricted for sewer, garbage, and streets and drainage expenditures.
- At June 30, 2010, the Village's proprietary funds reported combined ending net assets of \$1,399,573, a decrease of \$22,311 for the year. Of this amount, approximately 9%, or \$128,776, is available for spending at the Village's discretion (unrestricted net assets).

Overview of the Annual Financial Report

The financial statement focus is on both the Village as a whole and on the major individual funds. Both perspectives, government-wide and major funds, allow the user to address relevant questions, broaden a basis for comparison, and enhance the Village's accountability. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The MD&A is intended to serve as an introduction to the Village's basic financial statements, which consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Village of Tangipahoa

Management's Discussion and Analysis As of and for the Year Ended June 30, 2010

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances in a manner similar to a private-sector business. Governmental activities, which normally are supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for support are presented in separate columns along with a total column for the primary government. If the Village determines that presentation of a component unit (which are other governmental units for which the Village can exercise significant influences or for which the Primary Government financial statements would be misleading if component unit information is not presented) is necessary to allow the reader to determine the relationship of the component unit and primary government, the component unit information is presented in a separate column of the financial statements or in a separate footnote. For the current fiscal year, the Village of Tangipahoa has no component units.

The Statement of Net Assets presents information on the Village's assets and liabilities using the accrual basis of accounting, in a manner similar to the accounting used by private business enterprises. The difference between the assets and liabilities is reported as net assets. Over time, the increases or decreases in net assets and changes in the components of net assets may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The Statement of Activities presents information showing how the Village's net assets changed during the most recent fiscal year, focusing on both the gross and net costs of various activities, both governmental and business-type, that are supported by the Village's general tax and other revenues. This is intended to summarize and simplify the reader's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

In both of the government-wide financial statements, the Village's activities are divided into two types:

Governmental activities - Most of the Village's basic services are reported here, including general government, public safety, streets and sanitation, health and welfare, and culture and recreation. These activities are financed primarily by property taxes, franchise taxes, sales taxes, and fines.

Business-type activities - The Village charges a fee to customers to help it cover all of the cost of the services provided. The Village's water, natural gas, and sewer utility systems are reported in this section.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. The Village uses two categories of funds to account for financial transactions: governmental funds and proprietary funds. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar.

Village of Tangipahoa

Management's Discussion and Analysis As of and for the Year Ended June 30, 2010

Governmental funds are used to account for most of the Village's basic services. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances that are left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Village's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs.

Proprietary funds account for water, natural gas, and sewer utility services provided by the Village to its customers. Proprietary funds statements provide the same type of information as the government-wide financial statements, but the fund presentation provides more detail.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, there are differences in the information presented for government funds and for governmental activities in the government-wide financial statements. Review of these differences provides the reader of the financial statements insight on the long-term impact of the Village's more immediate decisions on the current use of financial resources. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Village of Tangipahoa

**Management's Discussion and Analysis
As of and for the Year Ended June 30, 2010**

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the Village's net assets for the current year as compared to the prior year. For more detailed information, see the Statement of Net Assets in this report.

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Assets:						
Current and Other Assets	\$ 113,684	\$ 91,488	\$ 199,935	\$ 190,760	\$ 313,619	\$ 282,248
Capital Assets	619,524	629,639	1,283,993	1,267,437	1,903,517	1,897,076
Total Assets	733,208	721,127	1,483,928	1,458,197	2,217,136	2,179,324
Liabilities:						
Current Liabilities	68,041	93,726	84,355	36,313	152,396	130,039
Total Liabilities	68,041	93,726	84,355	36,313	152,396	130,039
Net Assets:						
Invested in Capital Assets, Net of Related Debt	619,524	629,639	1,268,845	1,267,437	1,888,369	1,897,076
Restricted	-	-	1,952	967	1,952	967
Unrestricted	45,643	(2,238)	128,776	153,480	174,419	151,242
Total Net Assets	\$ 665,167	\$ 627,401	\$ 1,399,573	\$ 1,421,884	\$ 2,064,740	\$ 2,049,285

Approximately 91% of the Village's net assets reflects its investment in capital assets (land, buildings, equipment, infrastructure, and improvements) net of any outstanding related debt used to acquire those capital assets. These capital assets are used to provide services to citizens and do not represent resources available for future spending.

Less than one percent of the Village's net assets represent resources that are subject to external restriction on how they may be used. The Village's restricted net assets consist of cash reserves required by revenue bond agreements and cash for customer deposits net of corresponding liabilities.

Approximately 9% of the Village's net assets are unrestricted and may be used to meet the Village's ongoing obligations to its citizens.

At the end of the current fiscal year, the Village was able to report positive balances in all three categories of net assets for governmental and business-type activities. Overall net assets increased by \$15,455.

Village of Tangipahoa

**Management's Discussion and Analysis
As of and for the Year Ended June 30, 2010**

In order to further understand what makes up the changes in net assets, the following table provides a summary of the results of the Village's activities for the current year as compared to the prior year. An analysis of the primary sources of these changes follows the table.

**Changes in Net Assets
For the years ended June 30, 2010 and 2009**

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program Revenues:						
Charges for Services	\$ 47,505	\$ 51,419	\$ 211,639	\$ 203,504	\$ 259,124	\$ 254,923
Operating Grants and Contributions	94,734	33,746	27,446	38,000	122,180	71,746
Capital Grants and Contributions	-	493,364	-	-	-	493,364
General Revenues:						
Property Taxes	5,289	12,497	-	-	5,289	12,497
Sales Taxes	55,959	62,559	-	-	55,959	62,559
Franchise Taxes	8,625	10,067	-	-	8,625	10,067
Intergovernmental	4,392	4,289	48,147	19,851	52,539	24,140
Interest Income	50	375	47	370	97	745
Miscellaneous	2,454	827	-	214	2,454	1,041
Gain on Sale of Assets	-	-	-	-	-	-
Total Revenues	219,008	669,143	287,259	261,939	506,267	931,082
Expenses:						
General Government	42,468	40,682	-	-	42,468	40,682
Public Safety	121,406	65,906	-	-	121,406	65,906
Public Works	19,770	22,115	-	-	19,770	22,115
Sanitation	40,002	38,536	-	-	40,002	38,536
Health and Welfare	127	108	-	-	127	108
Water, Gas, and Sewer Utility	-	-	267,039	275,406	267,039	275,406
Total Expenses	223,773	167,347	267,039	275,406	490,812	442,753
Change in Net Assets Before Transfers	(4,765)	501,796	20,220	(13,467)	15,455	488,329
Transfers (Out) In	42,531	(16,056)	(42,531)	16,056	-	-
Change in Net Assets	37,766	485,740	(22,311)	2,589	15,455	488,329
Net Assets, Beginning	627,401	141,661	1,421,884	1,419,295	2,049,285	1,560,956
Net Assets, Ending	\$ 665,167	\$ 627,401	\$ 1,399,573	\$ 1,421,884	\$ 2,064,740	\$ 2,049,285

Village of Tangipahoa

Management's Discussion and Analysis As of and for the Year Ended June 30, 2010

Governmental Activities

The Village's governmental net assets increased by \$37,766 compared to the prior year ending net assets, to \$665,167. The most notable changes included an operating police grant for approximately \$63,000. Sales taxes were down \$6,600. Ad Valorem taxes were down \$7,200, after fire protection ad valorem taxes were not renewed. Operating expenses increased by thirty four percent, which was driven by increases in public safety expenses of approximately \$55,000, with salaries increasing by \$27,000 and professional fees increasing by \$21,000 in the police department for costs related to the police grant received.

Business-Type Activities

The Village's business-type net assets decreased by \$22,311, or two percent of the prior year ending net assets, to \$1,399,573. Total operating revenues, before the deduction for cost of gas sold, increased ten percent or \$25,320, primarily due to an intergovernmental FEMA grant. Net Assets had a decrease in part due to the FEMA grant subsidizing operations and transfers out to other funds of \$42,531. The change in net assets is best summarized in *Statement H* which provides more detail of operating expenses. The Sewer Department showed the only operating loss at \$59,415 compared to \$44,398 in the prior year.

Village of Tangipahoa

Management's Discussion and Analysis As of and for the Year Ended June 30, 2010

Fund Financial Analysis

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Village's net resources available for spending at the end of the year.

At the end of the current year, the Village's governmental funds reported a combined ending fund balances of \$45,643. Within the Sales Tax Fund, a total of \$38,094 is restricted for sewer, garbage, and streets and drainage expenditures.

The general fund is the chief operating fund of the Village. At the end of the current year, the total fund balance for the general fund was \$7,450 all of which was unreserved. This change represents a decrease in unreserved fund balance, leaving a minimal general fund balance.

Proprietary Funds

The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Village of Tangipahoa

**Management's Discussion and Analysis
As of and for the Year Ended June 30, 2010**

General Fund Budgetary Highlights

The Village of Tangipahoa is required to demonstrate legal compliance by adopting and amending its budget in accordance with provisions of the Local Government Budget Act. State law requires that actual revenues and other sources not be less than 5% of budgeted revenues and other sources, and actual expenditures and other uses not be greater than 5% of budgeted expenditures and other uses.

There were no significant variations from the general fund's original and final amended budgets for the current fiscal year. However, the sales tax fund's actual revenues were fourteen percent below budgeted revenues and other sources.

Capital Assets and Debt Administration

Capital Assets

The Village's investment in capital assets for its governmental and business-type activities as of June 30, 2010 amounts to \$1,903,517 (net of depreciation). The total increase in the Village's investment in capital assets for the current fiscal year was \$6,441 (net of depreciation).

The following table provides a summary of the Village's capital assets (net of depreciation) at the end of the current year as compared to the prior year. For more detailed information, see Note 9 to the financial statements in this report.

**Capital Assets (Net of Depreciation)
2010 and 2009**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Capital Assets						
Land	\$ 400	\$ 400	\$ -	\$ -	\$ 400	\$ 400
Construction in Progress	599,805	599,805	15,148	-	614,953	599,805
Buildings and Improvements	9,989	9,989	10,046	10,046	20,035	20,035
Furniture and Fixtures	1,246	1,246	-	-	1,246	1,246
Vehicles	55,446	55,446	-	-	55,446	55,446
Equipment	54,951	54,951	80,777	70,984	135,728	125,935
Water Utility System	-	-	45,115	45,115	45,115	45,115
Gas Utility System	-	-	459,441	459,441	459,441	459,441
Sewer Utility System	-	-	1,761,565	1,707,723	1,761,565	1,707,723
Subtotal Capital Assets	721,837	721,837	2,372,092	2,293,309	3,093,929	3,015,146
Less: Accumulated Depreciation	<u>(102,313)</u>	<u>(92,198)</u>	<u>(1,088,099)</u>	<u>(1,025,872)</u>	<u>(1,190,412)</u>	<u>(1,118,070)</u>
Capital Assets, Net	<u>\$ 619,524</u>	<u>\$ 629,639</u>	<u>\$ 1,283,993</u>	<u>\$ 1,267,437</u>	<u>\$ 1,903,517</u>	<u>\$ 1,897,076</u>

Village of Tangipahoa

Management's Discussion and Analysis As of and for the Year Ended June 30, 2010

Other Factors Affecting the Village

The Village of Tangipahoa's management approach is conservative. When possible, the Mayor and Aldermen attempt to provide services for the Village based on existing revenues and to finance long-term projects only when absolutely necessary. The Village also attempts to keep utility rates at the minimum required to cover the costs of utility system operation.

The Village also recorded construction in progress of \$599,805 for construction of a water well and system improvements funded with Louisiana Community Development Block Grant (LCDBG) funds, with payments of \$51,751 remaining for construction retainage. On November 17, 2010, the Office of Community Development issued a Certificate of Completion for the LCDBG Project. The project has not become operational, but the funding for completion of this project has been awarded by the Office of Community Development, Disaster Recovery Unit, contingent on the approved completion of required documentation for the project.

Contacting the Village's Financial Management

This financial report is designed to provide the Village's citizens, taxpayers, creditors and investors with a general overview of the Village's finances and show the Village's accountability for the money it receives. Questions regarding this report or requests for additional information should be addressed to the Village of Tangipahoa at Post Office Box 156, Tangipahoa, Louisiana 70465, telephone (985) 229-8300.

Basic Financial Statements
Government-Wide Financial Statements

Village of Tangipahoa
Statement of Net Assets
As of June 30, 2010

	<u>Primary Government</u>		<u>Total</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ 47,336	\$ 122,426	\$ 169,762
Receivables, Net:			
Intergovernmental	9,468	9,000	18,468
Accounts	257	28,760	29,017
Other	1,796	-	1,796
Due From Other Funds	51,800	6,023	57,823
Inventory	-	118	118
Prepaid Insurance	3,027	5,936	8,963
Total Current Assets	<u>113,684</u>	<u>172,263</u>	<u>285,947</u>
Restricted Assets:			
Restricted Cash and Cash Equivalents	-	27,672	27,672
Total Restricted Assets	<u>-</u>	<u>27,672</u>	<u>27,672</u>
Capital Assets:			
Land	400	-	400
Construction in Progress	599,805	15,148	614,953
Capital Assets, Net	19,319	1,268,845	1,288,164
Total Capital Assets	<u>619,524</u>	<u>1,283,993</u>	<u>1,903,517</u>
Total Assets	<u>733,208</u>	<u>1,483,928</u>	<u>2,217,136</u>
Liabilities			
Current Liabilities:			
Accounts Payable	8,085	6,835	14,920
Other Accrued Payables	2,182	-	2,182
Due To Other Funds	6,023	51,800	57,823
Customer Deposits	-	25,720	25,720
Retainage Payable	51,751	-	51,751
Total Current Liabilities	<u>68,041</u>	<u>84,355</u>	<u>152,396</u>
Total Liabilities	<u>68,041</u>	<u>84,355</u>	<u>152,396</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	619,524	1,268,845	1,888,369
Restricted for:			
Customer Deposits	-	1,952	1,952
Unrestricted	45,643	128,776	174,419
Total Net Assets	<u>\$ 665,167</u>	<u>\$ 1,399,573</u>	<u>\$ 2,064,740</u>

See accompanying notes and accountant's report.

Village of Tangipahoa
Statement of Activities
For the year ended June 30, 2010

	Program Revenues				Net (Expenses) Revenues and Changes of Primary Government			
	Expenses	Charges for Services	Operating Grants & Contri- butions	Capital Grants & Contri- butions	Net (Expenses) Revenues	Governmental Activities	Business- Type Activities	Total
Governmental Activities								
General Government	\$ 42,468	\$ 30,772	\$ 62,696	\$ -	\$ 51,000	\$ 51,000	\$ -	\$ 51,000
Public Safety	121,406	16,733	32,038	-	(72,635)	(72,635)	-	(72,635)
Public Works	19,770	-	-	-	(19,770)	(19,770)	-	(19,770)
Sanitation	40,002	-	-	-	(40,002)	(40,002)	-	(40,002)
Health and Welfare	127	-	-	-	(127)	(127)	-	(127)
Total Governmental Activities	<u>223,773</u>	<u>47,505</u>	<u>94,734</u>	<u>-</u>	<u>(81,534)</u>	<u>(81,534)</u>	<u>-</u>	<u>(81,534)</u>
Business-type Activities								
Gas	64,264	76,454	-	-	12,190	-	12,190	12,190
Water	79,559	98,810	-	-	19,251	-	19,251	19,251
Sewer	123,216	36,355	27,446	-	(59,415)	-	(59,415)	(59,415)
Total Business-type Activities	<u>267,039</u>	<u>211,619</u>	<u>27,446</u>	<u>-</u>	<u>(27,974)</u>	<u>-</u>	<u>(27,974)</u>	<u>(27,974)</u>
Total	<u>\$ 490,812</u>	<u>\$ 259,124</u>	<u>\$ 122,180</u>	<u>\$ -</u>	<u>\$ (109,508)</u>			
General Revenues:								
Taxes:								
Property Taxes						5,289	-	5,289
Sales Taxes						55,959	-	55,959
Franchise Taxes						8,625	-	8,625
Intergovernmental						4,392	48,147	52,539
Interest Income						50	47	97
Miscellaneous						2,454	-	2,454
Operating Transfers In (Out)						42,531	(42,531)	-
Gain on Sale of Assets						-	-	-
Total General Revenues and Transfers						<u>119,300</u>	<u>5,663</u>	<u>124,963</u>
Change in Net Assets						<u>37,766</u>	<u>(22,311)</u>	<u>15,455</u>
Net Assets - Beginning						<u>627,401</u>	<u>1,421,884</u>	<u>2,049,285</u>
Net Assets - Ending						<u>\$ 665,167</u>	<u>\$ 1,399,573</u>	<u>\$ 2,064,740</u>

See accompanying notes and accountant's report.

Basic Financial Statements
Fund Financial Statements

Statement C

Village of Tangipahoa
Balance Sheet, Governmental Funds
As of June 30, 2010

	<u>General Fund</u>	<u>Sales Tax Fund</u>	<u>Capital Projects Fund (LCDBG)</u>	<u>Total Governmental Funds</u>
Assets				
Cash and Equivalents	\$ 13,688	\$ 33,598	\$ 50	\$ 47,336
Receivables, Net:				
Intergovernmental	1,047	4,496	3,925	9,468
Accounts	257	-	-	257
Franchise Taxes	1,796	-	-	1,796
Due From Other Funds	-	-	51,800	51,800
Prepaid Insurance	3,027	-	-	3,027
Total Assets	<u>\$ 19,815</u>	<u>\$ 38,094</u>	<u>\$ 55,775</u>	<u>\$ 113,684</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts Payable	\$ 4,160	\$ -	\$ 3,925	\$ 8,085
Retainage Payable	-	-	51,751	51,751
Other Accrued Liabilities	2,182	-	-	2,182
Due to Other Funds	6,023	-	-	6,023
Total Liabilities	<u>12,365</u>	<u>-</u>	<u>55,676</u>	<u>68,041</u>
Fund Balances:				
Unreserved Fund Balances	7,450	-	99	7,549
Reserved Fund Balances	-	38,094	-	38,094
Total Fund Balances	<u>7,450</u>	<u>38,094</u>	<u>99</u>	<u>45,643</u>
Total Liabilities and Fund Balances	<u>\$ 19,815</u>	<u>\$ 38,094</u>	<u>\$ 55,775</u>	<u>\$ 113,684</u>

See accompanying notes and accountant's report.

Village of Tangipahoa
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Financial Statement of Net Assets
As of June 30, 2010

Statement D

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Fund Balances, Total Governmental Funds (Statement C)	\$ 45,643
--------------------------------------------------------------	------------------

Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds.

Governmental capital assets net of depreciation	619,524
-------------------------------------------------	---------

Net Assets of Governmental Activities (Statement A)	\$ <u>665,167</u>
------------------------------------------------------------	--------------------------

See accompanying notes and accountant's report.

Village of Tangipahoa
Statement of Revenues, Expenditures and
Changes in Fund Balances
For the year ended June 30, 2010

	<u>General Fund</u>	<u>Sales Tax Fund</u>	<u>Capital Projects Fund (LCDBG)</u>	<u>Total Governmental Funds</u>
Revenues				
Taxes	\$ 13,914	\$ 55,959	\$ -	\$ 69,873
Licenses and Permits	30,772	-	-	30,772
Intergovernmental	4,392	-	-	4,392
Charges for Services	32,038	-	-	32,038
Fines and Forfeitures	16,733	-	-	16,733
Grants	62,696	-	-	62,696
Interest	-	50	-	50
Miscellaneous	2,454	-	-	2,454
Total Revenues	<u>162,999</u>	<u>56,009</u>	<u>-</u>	<u>219,008</u>
Expenditures				
General Government	42,815	-	-	42,815
Public Safety:				
Police	112,115	-	-	112,115
Fire	-	-	-	-
Public Works	58,601	-	-	58,601
Sanitation	-	127	-	127
Health and Welfare	-	-	-	-
Capital Outlays	-	-	-	-
Total Expenditures	<u>213,531</u>	<u>127</u>	<u>-</u>	<u>213,658</u>
Excess (Deficiency) of Revenues Over (Under) (Expenditures)	<u>(50,532)</u>	<u>55,882</u>	<u>-</u>	<u>5,350</u>
Other Financing Sources (Uses)				
Operating Transfers In	44,778	-	51,800	96,578
Operating Transfers (Out)	-	(54,047)	-	(54,047)
Total Other Financing Sources (Uses)	<u>44,778</u>	<u>(54,047)</u>	<u>51,800</u>	<u>42,531</u>
Net Change in Fund Balances	<u>(5,754)</u>	<u>1,835</u>	<u>51,800</u>	<u>47,881</u>
Fund Balances, Beginning	<u>13,204</u>	<u>36,259</u>	<u>(51,701)</u>	<u>(2,238)</u>
Fund Balances, Ending	<u>\$ 7,450</u>	<u>\$ 38,094</u>	<u>\$ 99</u>	<u>\$ 45,643</u>

See accompanying notes and accountant's report. 15

Village of Tangipahoa
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the year ended June 30, 2010

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total Governmental Funds, Statement E \$ 47,881

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Expenditures for capital assets	\$	-	
Less:			
Current year depreciation		(10,115)	(10,115)

Change in Net Assets of Governmental Activities, Statement B \$ 37,766

See accompanying notes and accountant's report.

Statement G

Village of Tangipahoa
Statement of Net Assets - Proprietary Funds
As of June 30, 2010

Assets

Current Assets:

Cash and Cash Equivalents	\$ 122,426
Receivables, Net:	
Accounts	28,760
Grants	9,000
Due From Other Funds	6,023
Inventory	118
Prepaid Insurance	5,936
Total Current Assets	<u>172,263</u>

Restricted Assets:

Restricted Cash and Cash Equivalents	27,672
Total Restricted Assets	<u>27,672</u>

Property, Plant, and Equipment

Construction in Progress	15,148
Property, Plant and Equipment, Net	1,268,845
Total Property, Plant, and Equipment	<u>1,283,993</u>

Total Assets

1,483,928

Liabilities

Current Liabilities (Payable From Current Assets):

Accounts Payable	6,835
Other Accrued Payables	-
Due To Other Funds	51,800
Total Current Liabilities (Payable From Current Assets)	<u>58,635</u>

Current Liabilities (Payable From Restricted Assets):

Customer Deposits	25,720
Total Current Liabilities (Payable From Restricted Assets)	<u>25,720</u>

Total Liabilities

84,355

Net Assets

Invested in Capital Assets, Net of Related Debt	1,268,845
Restricted for:	
Capital Projects and Debt Service	1,952
Unrestricted	128,776
Total Net Assets	<u>\$ 1,399,573</u>

See accompanying notes and accountant's report.

Village of Tangipahoa
Statement of Revenues, Expenses, and
Changes in Net Assets - Proprietary Funds
For the year ended June 30, 2010

	Business-Type Activities-			Total
	Enterprise Funds			
	Gas Utility	Water	Sewer	
	System	Utility	Utility	
	System	System	System	Total
Operating Revenues				
Gas Sales	\$ 60,402	\$ -	\$ -	\$ 60,402
Less Cost of Gas Sold	(15,641)	-	-	(15,641)
Gross Profit on Gas Sales	44,761	-	-	44,761
Water Sales	-	98,225	-	98,225
Sewer Service Charges	-	-	36,355	36,355
Connection Fees	4,669	-	-	4,669
Delinquent Charges	11,383	498	-	11,881
Federal Grants	-	48,147	-	48,147
State Grants	-	-	27,446	27,446
Other	-	87	-	87
Total Operating Revenues	60,813	146,957	63,801	271,571
Operating Expenses				
Billing Costs	873	873	873	2,619
Depreciation	2,529	9,068	50,630	62,227
Employee Benefits	872	869	2,206	3,947
Insurance	7,681	7,681	7,681	23,043
Repairs and Maintenance	892	2,768	6,894	10,554
Professional Fees	10,934	11,217	12,345	34,496
Salaries and Wages	11,357	11,357	27,833	50,547
Supplies	4,192	7,877	4,113	16,182
Utilities	-	3,130	2,140	5,270
Other	9,293	24,719	8,501	42,513
Total Operating Expenses	48,623	79,559	123,216	251,398
Operating Income (Loss)	12,190	67,398	(59,415)	20,173
Nonoperating Revenues (Expenses)				
Interest				47
Other Nonoperating Expenses				-
Total Nonoperating Revenues (Expenses)				47
Income (Loss) Before Transfers				20,220
Transfers				
Operating Transfers In				27,023
Operating Transfers Out				(69,554)
Change in Net Assets				(22,311)
Total Net Assets, Beginning				1,421,884
Total Net Assets, Ending				\$ 1,399,573

See accompanying notes and accountant's report. 18

**Village of Tangipahoa
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2010**

Statement 1

	<u>Enterprise Fund</u>
Cash Flows From Operating Activities	
Received From Customers	\$ 197,736
Received for Meter Deposit Fees	(1,425)
Other Receipts	83,230
Received for Interfund Services	49,883
Payments for Operations	(152,505)
Payments to Employees	(54,494)
Net Cash Provided (Used) by Operating Activities	<u>122,425</u>
Cash Flows From Noncapital Financing Activities	
Transfers From (To) Other Funds	(42,531)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(42,531)</u>
Cash Flows From Capital and Related Financing Activities	
(Payments for) Capital Acquisitions	(78,783)
(Payments for) other Nonoperating Activities	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(78,783)</u>
Cash Flows From Investing Activities	
Receipt of Interest	46
Net Cash Provided (Used) by Investing Activities	<u>46</u>
Net Cash Increase (Decrease) in Cash and Cash Equivalents	1,157
Cash and Cash Equivalents, Beginning of Year	148,941
Cash and Cash Equivalents, End of Year	<u>\$ 150,098</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Assets:	
Cash and Cash Equivalents, Unrestricted	\$ 122,426
Cash and Cash Equivalents, Restricted	27,672
Total Cash and Cash Equivalents	<u>\$ 150,098</u>

See accompanying notes and accountant's report.

Village of Tangipahoa
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2010

Statement I

	<u>Enterprise Fund</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	\$ 20,173
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Depreciation	62,227
(Increase) decrease in Accounts Receivable	2,754
(Increase) decrease in Other Receivable	(9,000)
(Increase) decrease in Inventory	248
(Increase) decrease in Prepaid Insurance	(102)
(Increase) decrease in Due (to) and from Other Funds	49,883
Increase (decrease) in Accounts Payable	(2,075)
Increase (decrease) in Accrued Expenses	(258)
Increase (decrease) in Customer Deposits	(1,425)
Net Cash Provided (Used) by Operating Activities	\$ 122,425

(Concluded)

See accompanying notes and accountant's report.

Basic Financial Statements
Notes to the Financial Statements

Village of Tangipahoa
Notes to the Financial Statements
As of and for the Year Ended June 30, 2010

Introduction

The Village of Tangipahoa, Louisiana was incorporated in July 1, 1959 under the provisions of the Lawrason Act. The Village operates under a Mayor/Board of Aldermen form of government, with the Mayor and each of three aldermen elected at large for four-year terms. The Village is located approximately four miles south of Kentwood, Louisiana, on Highway 51 east of Interstate 55. The total population of the Village of Tangipahoa, Louisiana is 780, as reported by the U.S. Census Bureau, Census 2009. The Village provides police protection services, services to maintain or develop streets, drainage, sanitation, support of recreation activities, general and administrative services, and utilities services for area residents. The Village provides water to 315 customers, gas to 56 customers, and sewer utility services to 232 customers. The Village employs five full-time employees and one part time employee in addition to the Mayor and Board of Aldermen.

Governmental Accounting Standards Board (GASB) Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the Village is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As used in GASB Statement No. 14, fiscally independent means that the Village may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. There are no component units which the Village of Tangipahoa has an oversight relationship.

1. Summary of Significant Accounting Policies

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are presented as separate columns in the fund financial statements.

Village of Tangipahoa
Notes to the Financial Statements
As of and for the Year Ended June 30, 2010

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable, if any, due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Village reports the following major governmental funds:

The *General Fund* is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Special Revenue Funds* account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. For the fiscal year ending June 30, 2010, the Village elected to report all special revenue funds, including the *Sales Tax Fund* as major governmental funds.

The *Capital Project Fund* accounts for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in other governmental funds.

The Village reports the following major proprietary funds:

The *Enterprise Funds* account for operations (a) that are financed and operated in a manner similar to private business enterprise where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user fees, 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.

Village of Tangipahoa
Notes to the Financial Statements
As of and for the Year Ended June 30, 2010

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule, if applicable, are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are user charges for the services provided by the enterprise funds. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Deposits and Investments

The Village's cash and cash equivalents are considered to be cash on hand, demand deposits, time deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Village's investment policy allow the Village to invest in collateralized certificates of deposit, government-backed securities, commercial paper, the state-sponsored investment pool, and mutual funds consisting solely of government-backed securities.

Investments for the Village are reported at fair market value. The state investment pool, LAMP, operates in accordance with state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

D. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Village of Tangipahoa
Notes to the Financial Statements
As of and for the Year Ended June 30, 2010

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectible amounts.

Property taxes are levied on a calendar year basis and become due on January 1 of each year. The following is a summary of authorized and levied ad valorem taxes:

	Authorized Millage	Levied Millage
General Corporate Purposes	5.54 mills	5.16 mills

E. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out method. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

F. Restricted Assets

Cash held for customer's meter deposits is set aside in separate cash accounts and classified as a restricted asset on the balance sheet.

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The village maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Village of Tangipahoa
Notes to the Financial Statements
As of and for the Year Ended June 30, 2010

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings	15 - 30 Years
Improvements	20 - 45 Years
Vehicles and Equipment	5 - 15 Years
Infrastructure	20 - 45 Years
Gas System	20 - 45 Years
Water System	20 - 45 Years
Sewer System	20 - 45 Years

H. Compensated Absences

The Village has the following policy related to vacation and sick leave:

All regular employees of the Village of Tangipahoa earn one day of sick leave each month. Vacation and sick leave must be used in the year earned.

In accordance with GASB-16, *Accounting for Compensated Absences*, no liability has been accrued for unused employee sick leave.

I. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

J. Comparative Data/Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

K. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the village, which are either unusual in nature or infrequent in occurrence.

L. Estimates

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

Village of Tangipahoa
Notes to the Financial Statements
As of and for the Year Ended June 30, 2010

M. Reconciliations of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets is presented in Statement D of the basic financial statements. Explanation of certain differences between the governmental fund statement of revenues, expenses, and changes in fund balances and the government-wide statement of activities is presented in Statement F of the basic financial statements.

2. Stewardship, Compliance and Accountability

The Village uses the following budget practices:

1. The Village Clerk prepares a proposed budget and submits same to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving the increase in expenditures resulting from revenues exceeding estimated amounts require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for the general and enterprise funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets for enterprise funds are presented on the accrual basis of accounting. Other governmental funds are presented on the modified accrual basis of accounting. Accordingly, the budgetary comparison schedules present actual expenditures in accordance with the accounting principles generally accepted in the United States on a basis consistent with the legally adopted budgets as amended. All budgetary amounts presented reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

The sales tax fund had an unfavorable budget revenue variance in violation of the Local Government Budget Act, for the fiscal year ended June 30, 2010.

Village of Tangipahoa
Notes to the Financial Statements
As of and for the Year Ended June 30, 2010

3. Levied Taxes

On May 3, 1972, the Village adopted Ordinance 62 authorizing the Village to levy a one cent sales and use tax. The proceeds of this one cent sales and use tax, levied by the Village, are for the purposes of purchasing and or constructing sewers, drains, drainage canals, pumping plants, sewerage disposal works, and all facilities necessary or convenient for the completion and maintenance of an adequate sewerage disposal system. In addition, the proceeds are for the purposes of acquiring necessary property or equipment, or for any one or more of any such purposes, or for any lawful corporate purpose in connection with the acquisition, construction, and or maintenance of such a sewerage system.

On April 10, 1985, the Village adopted Ordinance 1 authorizing the collection of an additional one cent sales tax. Up to fifty percent of the proceeds was restricted for the purpose of establishing the regular collection of garbage and refuse, and acquiring necessary equipment for the maintenance of such garbage systems and the remainder of the proceeds is to be used for the purpose of constructing and improving streets and street lights and acquiring necessary equipment for the maintenance thereof.

On June 10, 2009, the Village adopted a resolution, and amended the resolution on February 10, 2010, levying an ad valorem tax of 5.16 mills on the assessed valuation of all property subject to taxation within the Village for the 2009 year. The millage of 5.16 is for "general corporate purposes".

For the year ending June 30, 2010, the Village assessed Entergy, Inc. and Charter Communications, Inc. public utilities franchise taxes totaling \$8,625 for the privilege of providing services to the Village's citizens.

4. Cash and Cash Equivalents

At June 30, 2010, the Village has cash and cash equivalents (book balances) as follows:

	June 30, 2010	June 30, 2009
Demand Deposits	\$ 137,450	\$ 138,850
Time Deposits	-	-
Louisiana Asset Management Pool	<u>59,984</u>	<u>59,887</u>
	<u>\$ 197,434</u>	<u>\$ 198,737</u>

These 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 June 30, 2010, the village has \$182,551 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance.

Village of Tangipahoa
Notes to the Financial Statements
As of and for the Year Ended June 30, 2010

5. Investments

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the Village or its agent in the Village's name
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Village's name
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Village's name

All investments held by the Village fall into category 1 credit risk, defined as "insured or registered, or securities held by the Village or its agent in the Village's name." In accordance with GASB 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, all investments are carried at fair market value, with the estimated fair market value based on quoted market prices.

All investments are stated on the balance sheet (carrying value) at market value. All investments are in the name of the Village and are held at the Village's office. Because these investments are in the name of the Village and are held by the Village or the Village's agent, the investments are considered insured and registered, Category (I), in applying the credit risk of GASB Codification Section 150.164.

Interest Rate Risk: The Village does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value arising from increasing interest rates.

In accordance with GASB Codification Section 150.165, the investment in LAMP at June 30, 2010, is not categorized in the three risk categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a nonprofit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. The corporation is governed by a board of directors comprising the State Treasurer, representatives from various organizations of local government, the Government Finance Office Association of Louisiana, and the Society of Louisiana CPAs. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U. S. Treasury, the U. S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

Village of Tangipahoa
Notes to the Financial Statements
As of and for the Year Ended June 30, 2010

6. Receivables

The Governmental Fund receivables at June 30, 2010 consist of the following:

	<u>General Fund</u>	<u>Sales Tax Fund</u>	<u>Capital Projects Fund (LCDBG)</u>	<u>Total Governmental Funds</u>
Government Receivables				
Accounts	\$ 257	\$ -	\$ -	\$ 257
Franchise Taxes:				
Public Utility Franchise	1,796	-	-	1,796
Intergovernmental:				
Sales and Use Tax	-	4,496	-	4,496
State of Louisiana, Beer Tax	1,047	-	-	1,047
Louisiana Community Development Block Grant Program	-	-	3,925	3,925
Total Government Receivables	<u>\$ 3,100</u>	<u>\$ 4,496</u>	<u>\$ 3,925</u>	<u>\$ 11,521</u>

The Enterprise Fund accounts receivable at June 30, 2010 and 2009 consist of the following:

	<u>Year Ended June 30, 2010</u>	<u>Year Ended June 30, 2009</u>
Accounts Receivable		
Current	\$ 13,950	\$ 16,068
31 - 60 Days	9,278	8,516
61 - 90 Days	3,531	2,969
Over 90 Days	2,625	7,533
Subtotal	29,384	35,086
Less Allowance for Bad Debt	(3,200)	(6,218)
Accounts Receivables, Net	26,184	28,868
Accrued Billings	2,576	2,645
Total Accounts Receivable	<u>\$ 28,760</u>	<u>\$ 31,513</u>

Village of Tangipahoa
Notes to the Financial Statements
As of and for the Year Ended June 30, 2010

7. Interfund Receivables/Payables

The following is a detailed list of interfund balances reported in the fund financial statements on June 30, 2010:

Interfund Balances	<u>Due From</u>	<u>Due To</u>
	<u>Other Funds</u>	<u>Other Funds</u>
General Fund		
Sales Tax Fund	\$ -	\$ -
Enterprise Fund	-	6,023
Special Revenue Funds		
Sales Tax Fund		
General Fund	-	-
Enterprise Fund	-	-
Enterprise Fund		
General Fund	6,023	-
Sales Tax Fund	-	-
Total Interfund Balances	\$ <u>6,023</u>	\$ <u>6,023</u>

8. Restricted Assets

Restricted assets for the Enterprise Fund at June 30, 2010 and 2009 were as follows:

	<u>June 30,</u>	<u>June 30,</u>
	<u>2010</u>	<u>2009</u>
Restricted Cash and Cash Equivalents		
Customer Deposits	\$ <u>27,672</u>	\$ <u>28,112</u>
Total Restricted Assets	\$ <u>27,672</u>	\$ <u>28,112</u>

Village of Tangipahoa
Notes to the Financial Statements
As of and for the Year Ended June 30, 2010

9. Capital Assets

Capital assets and depreciation activity as of and for the year ended June 30, 2010 for governmental activities is as follows:

Governmental Activities Capital Assets:	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 400	\$ -	\$ -	\$ 400
Construction in Progress	599,805	-	-	599,805
Total Capital Assets Not Being Depreciated	600,205	-	-	600,205
Capital Assets Being Depreciated:				
Buildings and Improvements	9,989	-	-	9,989
Furniture and Fixtures	1,246	-	-	1,246
Vehicles	55,446	-	-	55,446
Equipment	54,951	-	-	54,951
Total Capital Assets Being Depreciated	121,632	-	-	121,632
Less Accumulated Depreciation for:				
Buildings and Improvements	6,768	99	-	6,867
Furniture and Fixtures	1,246	-	-	1,246
Vehicles	41,244	7,192	-	48,436
Equipment	42,940	2,824	-	45,764
Total Accumulated Depreciation	92,198	10,115	-	102,313
Total Capital Assets Being Depreciated, Net	29,434	(10,115)	-	19,319
Total Governmental Activities Capital Assets, Net	\$ 629,639	\$ (10,115)	\$ -	\$ 619,524
Depreciation was charged to governmental functions as follows:				
General Government				\$ 1,065
Public Safety				7,879
Public Works				1,171
				\$ 10,115

Construction in progress is for construction of a water well and system improvements funded with Louisiana Community Development Block Grant (LCDBG) funds. Total construction costs of \$599,805 in improvements were incurred at fiscal year end, with remaining payments of \$51,751 remaining for construction retainage. On November 17, 2010, the Office of Community Development issued a Certificate of Completion for the LCDBG Project. The project has not become operational, but the funding for completion of this project has been awarded by the Office of Community Development, Disaster Recovery Unit, contingent on the approved completion of required documentation for the project.

Village of Tangipahoa
Notes to the Financial Statements
As of and for the Year Ended June 30, 2010

Capital assets and depreciation activity as of and for the year ended June 30, 2010 for business-type activities is as follows:

Business - Type Activities Capital Assets:	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated:				
Land	\$ -	\$ -	\$ -	\$ -
Construction in Progress	-	15,148	-	15,148
Total Capital Assets Not Being Depreciated	<u>-</u>	<u>15,148</u>	<u>-</u>	<u>15,148</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	10,046	-	-	10,046
Vehicles and Equipment	70,984	9,793	-	80,777
Gas Utility System	45,115	-	-	45,115
Water Utility System	459,441	-	-	459,441
Sewer Utility System	1,707,723	53,842	-	1,761,565
Total Capital Assets Being Depreciated	<u>2,293,309</u>	<u>63,635</u>	<u>-</u>	<u>2,356,944</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	9,224	204	-	9,428
Vehicles and Equipment	60,879	5,166	-	66,045
Gas Utility System	31,614	739	-	32,353
Water Utility System	338,807	7,278	-	346,085
Sewer Utility System	585,348	48,840	-	634,188
Total Accumulated Depreciation	<u>1,025,872</u>	<u>62,227</u>	<u>-</u>	<u>1,088,099</u>
Total Capital Assets Being Depreciated, Net	<u>1,267,437</u>	<u>1,408</u>	<u>-</u>	<u>1,268,845</u>
Total Business - Type Activities Capital Assets, Net	<u>\$ 1,267,437</u>	<u>\$ 16,556</u>	<u>\$ -</u>	<u>\$ 1,283,993</u>

Construction in progress listed above is for Town Hall renovations.

10. Interfund Transfers

The following is a detailed list of interfund transfers reported in the fund financial statements on June 30, 2010:

Interfund Transfers	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund		
Sales Tax Fund	\$ 27,024	\$ -
Enterprise Fund	17,754	-
Special Revenue Funds		
Sales Tax Fund		
General Fund	-	27,024
Enterprise Fund	-	27,023
Capital Projects Fund		
Enterprise Fund	51,800	-
Enterprise Fund		
General Fund	-	17,754
Sales Tax Fund	27,023	-
Capital Projects Fund	-	51,800
Total Interfund Transfers	<u>\$ 123,601</u>	<u>\$ 123,601</u>

The primary reason for the interfund transfers is related to expenditures per the Village's sales tax issue for sewer services, garbage collection, and street lights.

Village of Tangipahoa
Notes to the Financial Statements
As of and for the Year Ended June 30, 2010

11. Accounts, Salaries, and Other Payables

The Governmental Fund payables at June 30, 2010 are as follows:

	General Fund	Special Revenue Funds	Capital Projects Fund	Enterprise Fund	Total
Current Payables					
Accounts	\$ 4,160	\$ -	\$ -	\$ 6,835	\$ 10,995
Customer Deposits	-	-	-	25,720	25,720
Payroll Taxes	2,182	-	-	-	2,182
Construction Payable	-	-	3,925	-	3,925
Retainage Payable	-	-	51,751	-	51,751
Other	-	-	-	-	-
Total Current Payables	\$ 6,342	\$ -	\$ 55,676	\$ 32,555	\$ 94,573

12. Intergovernmental Cooperative Agreement

On December 12, 1984, the Village entered into an agreement with the Tangipahoa Parish Council to allow the Parish Housing Choice Voucher Program to operate within its corporate limits. The U.S. Department of Housing and Urban Development (HUD) allows these programs to operate within communities without such programs. The Village has attempted to find such assistance through federal and state rental subsidy programs, but has been turned down for such assistance because of its small size.

13. Sanitation Contract

The Village contracts with Waste Management Inc. for the pickup and disposal of solid waste. Sales tax in the amount of one half of one percent is dedicated to pay for the cost of this contract.

14. Reserved and Designated Fund Balances/Net Assets

At June 30, 2010, the sales tax fund recorded a reserved fund balance of \$38,094, with \$12,678 reserved for sewer services and improvements, \$16,097 for the costs of garbage collection and \$9,319 for street repairs, maintenance, and improvements.

At June 30, 2010, the proprietary fund had restricted net assets of \$1,952, representing the Village's funds restricted for customers for meter deposits, net of the related liability.

15. Risk Management

The Village is exposed to various risks of loss related to theft, damage, or destruction of assets, torts, injuries, natural disasters, and many other unforeseeable events. The Village purchases commercial insurance policies and bonds for any and all claims related to the aforementioned risks. The Village's payment of the insurance policy deductible is the only liability associated with these policies and bonds. There has been no significant decrease in insurance coverage from the prior year, and the amount of settlements has not exceeded the insurance coverage for the past three fiscal years.

Village of Tangipahoa
Notes to the Financial Statements
As of and for the Year Ended June 30, 2010

16. Contingent Liabilities

At June 30, 2010, the Village was not involved in any outstanding litigation or claims.

17. Subsequent Events

Construction in progress is for construction of a water well and system improvements funded with Louisiana Community Development Block Grant (LCDBG) funds. Total construction costs of \$599,805 in improvements were incurred at fiscal year end, with remaining payments of \$51,751 remaining for construction retainage. On November 17, 2010, the Office of Community Development issued a Certificate of Completion for the LCDBG Project. The project has not become operational, but the funding for completion of this project has been awarded by the Office of Community Development, Disaster Recovery Unit, contingent on the approved completion of required documentation for the project.

Required Supplemental Information (Part II)

Village of Tangipahoa
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 General Fund - Detail
 For the year ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts GAAP Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Ad Valorem	\$ 12,400	\$ 5,500	\$ 5,289	\$ (211)
Franchise Taxes	11,300	10,400	8,625	(1,775)
Total Taxes	<u>23,700</u>	<u>15,900</u>	<u>13,914</u>	<u>(1,986)</u>
Licenses and Permits				
Licenses	33,600	28,600	28,735	135
Permits	3,300	2,100	2,037	(63)
Total Licenses and Permits	<u>36,900</u>	<u>30,700</u>	<u>30,772</u>	<u>72</u>
Intergovernmental				
State Grants	-	62,700	62,696	(4)
Louisiana Beer Tax Distribution	4,000	4,500	4,392	(108)
Total Intergovernmental	<u>4,000</u>	<u>67,200</u>	<u>67,088</u>	<u>(112)</u>
Miscellaneous Revenues				
Charges for Services	33,100	32,000	32,038	38
Fines and Forfeitures	7,200	17,000	16,733	(267)
Miscellaneous	1,000	2,500	2,454	(46)
Total Miscellaneous Revenues	<u>41,300</u>	<u>51,500</u>	<u>51,225</u>	<u>(275)</u>
Total Revenues	<u>105,900</u>	<u>165,300</u>	<u>162,999</u>	<u>(2,301)</u>

Continued
 See accountant's report.

Schedule 1

Village of Tangipahoa
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 General Fund - Detail
 For the year ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts GAAP Basis</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable)</u>
EXPENDITURES				
General Government				
Salaries	6,850	6,600	6,600	-
Benefits	-	-	1,412	(1,412)
Payroll Taxes	4,000	-	5	(5)
General and Administrative	6,200	5,500	5,960	(460)
Insurance	7,700	4,500	6,707	(2,207)
Other operating	7,150	6,900	5,661	1,239
Professional Fees	1,500	-	300	(300)
Repairs and Maintenance	800	1,000	943	57
Telephone	7,600	10,200	11,096	(896)
Utilities	4,000	4,000	4,131	(131)
Total General Government	<u>45,800</u>	<u>38,700</u>	<u>42,815</u>	<u>(4,115)</u>
Public Safety:				
Police				
Salaries	49,200	68,500	68,293	207
Payroll Taxes	4,100	4,500	4,465	35
General and Administrative	1,000	700	692	8
Insurance	5,500	5,200	828	4,372
Vehicle Expenses	8,800	10,300	10,973	(673)
Other operating	1,500	4,100	4,057	43
Professional Fees	1,000	21,800	21,837	(37)
Repairs and Maintenance	1,000	1,100	970	130
Telephone	2,200	-	-	-
Total Police	<u>74,300</u>	<u>116,200</u>	<u>112,115</u>	<u>4,085</u>
Fire				
Other operating	4,400	4,300	-	4,300
Total Fire	<u>4,400</u>	<u>4,300</u>	<u>-</u>	<u>4,300</u>
Total Public Safety	<u>78,700</u>	<u>120,500</u>	<u>112,115</u>	<u>8,385</u>

Continued
 See accountant's report.

Schedule 1

Village of Tungipahoa
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund - Detail
For the year ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> GAAP Basis	Variance
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
Public Works				
Salaries	7,800	8,000	8,047	(47)
Payroll Taxes	600	600	574	26
General and Administrative	500	500	-	500
Other operating	43,100	41,400	39,428	1,972
Repairs and Maintenance	500	500	19	481
Utilities	13,900	10,700	10,533	167
Total Public Works	<u>66,400</u>	<u>61,700</u>	<u>58,601</u>	<u>3,099</u>
Capital Outlays	<u>5,700</u>	<u>500</u>	<u>-</u>	<u>500</u>
Total Expenditures	<u>196,600</u>	<u>221,400</u>	<u>213,531</u>	<u>7,869</u>
Excess Revenues (Expenditures)	<u>(90,700)</u>	<u>(56,100)</u>	<u>(50,532)</u>	<u>5,568</u>
Other Financing Sources (Uses)				
Operating Transfers In	83,000	52,000	44,778	(7,222)
Operating Transfers (Out)	-	-	-	-
Total Other Financing Sources (Uses)	<u>83,000</u>	<u>52,000</u>	<u>44,778</u>	<u>(7,222)</u>
Net Change in Fund Balances	<u>(7,700)</u>	<u>(4,100)</u>	<u>(5,754)</u>	<u>(1,654)</u>
Fund Balances, Beginning	<u>13,204</u>	<u>13,204</u>	<u>13,204</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 5,504</u>	<u>\$ 9,104</u>	<u>\$ 7,450</u>	<u>\$ (1,654)</u>

Concluded
See accountant's report.

Schedule 2

Village of Tangipahoa
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Special Revenue Fund - Sales Tax Fund
For the year ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts GAAP Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Sales Taxes	\$ 65,000	\$ 65,000	\$ 55,959	\$ (9,041)
Interest	400	50	50	-
Total Revenues	<u>65,400</u>	<u>65,050</u>	<u>56,009</u>	<u>(9,041)</u>
Expenditures				
Sanitation				
General and Administrative	127	127	127	-
Total Expenditures	<u>127</u>	<u>127</u>	<u>127</u>	<u>-</u>
Excess Revenues (Expenditures)	<u>65,273</u>	<u>64,923</u>	<u>55,882</u>	<u>(9,041)</u>
Other Financing Sources (Uses)				
Operating Transfers In	-	-	-	-
Operating Transfers (Out)	(62,600)	(54,000)	(54,047)	(47)
Total Other Financing Sources (Uses)	<u>(62,600)</u>	<u>(54,000)</u>	<u>(54,047)</u>	<u>(47)</u>
Net Change in Fund Balances	<u>2,673</u>	<u>10,923</u>	<u>1,835</u>	<u>(9,088)</u>
Fund Balances, Beginning	<u>36,259</u>	<u>36,259</u>	<u>36,259</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 38,932</u>	<u>\$ 47,182</u>	<u>\$ 38,094</u>	<u>\$ (9,088)</u>

See accountant's report.

Other Supplemental Information

Schedule 3

Village of Tangipahoa
 Comparative Schedule of Net Assets
 Proprietary Fund Type
 As of June 30, 2010 and 2009

	Enterprise Funds	
	2010	2009
Assets		
Current Assets:		
Cash and Cash Equivalents	\$ 122,426	\$ 120,829
Receivables, Net :		
Accounts	28,760	31,513
Grants	9,000	-
Due From Other Governments	6,023	4,106
Inventory	118	366
Prepaid Insurance	5,936	5,834
Total Current Assets	<u>172,263</u>	<u>162,648</u>
Restricted Assets:		
Restricted Cash and Cash Equivalents	27,672	28,112
Total Restricted Assets	<u>27,672</u>	<u>28,112</u>
Property, Plant, and Equipment		
Property, Plant and Equipment, Net	1,268,845	1,267,437
Total Property, Plant, and Equipment	<u>1,283,993</u>	<u>1,267,437</u>
Total Assets	<u>1,483,928</u>	<u>1,458,197</u>
Liabilities		
Current Liabilities (Payable From Current Assets):		
Accounts Payable	6,835	8,910
Other Accrued Payables	-	258
Due To Other Governments	51,800	-
Total Current Liabilities (Payable From Current Assets)	<u>58,635</u>	<u>9,168</u>
Current Liabilities (Payable From Restricted Assets):		
Customer Deposits	25,720	27,145
Total Current Liabilities (Payable From Restricted Assets)	<u>25,720</u>	<u>27,145</u>
Total Liabilities	<u>84,355</u>	<u>36,313</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	1,268,845	1,267,437
Restricted for:		
Capital Projects and Debt Service	1,952	967
Unrestricted	128,776	153,480
Total Net Assets	<u>\$ 1,399,573</u>	<u>\$ 1,421,884</u>

See accountant's report.

Village of Tangipahoa
Comparative Schedule of Revenues, Expenses, and Changes in Net Assets
Proprietary Fund Type
For the years ended June 30, 2010 and 2009

	Enterprise Funds	
	2010	2009
Operating Revenues		
Gas Sales	\$ 60,402	\$ 55,911
Less Cost of Gas Sold	(15,641)	(22,664)
Gross Profit on Gas Sales	44,761	33,247
Water Sales	98,225	95,349
Sewer Service Charges	36,355	35,993
Connection Fees	4,669	4,210
Delinquent Charges	11,881	10,215
Grants	75,593	57,851
Other	87	2,040
Total Operating Revenues	<u>271,571</u>	<u>238,905</u>
Operating Expenses		
Billing Costs	2,619	1,890
Depreciation	62,227	59,331
Employee Benefits	3,947	4,014
Insurance	23,043	18,807
Professional Fees	34,496	31,547
Repairs and Maintenance	10,554	12,692
Salaries and Wages	50,547	44,737
Supplies	16,182	20,826
Utilities	5,270	21,628
Other	42,513	34,595
Total Operating Expenses	<u>251,398</u>	<u>250,067</u>
Operating Income (Loss)	<u>20,173</u>	<u>(11,162)</u>
Nonoperating Revenues (Expenses)		
Realized Gain on Sale of Capital Assets	-	-
Interest Income	47	370
Other Expense	-	(2,675)
Total Nonoperating Revenues (Expenses)	<u>47</u>	<u>(2,305)</u>
Income (Loss) Before Contributions	<u>20,220</u>	<u>(13,467)</u>
Transfers		
Operating Transfers In	27,023	45,741
Operating Transfers Out	(69,554)	(29,685)
Total Transfers	<u>(42,531)</u>	<u>16,056</u>
Change in Net Assets	(22,311)	2,589
Total Net Assets, Beginning	1,421,884	1,419,295
Total Net Assets, Ending	<u>\$ 1,399,573</u>	<u>\$ 1,421,884</u>

See accountant's report.

Schedule 5

Village of Tangipahoa
Comparative Schedule of Cash Flows
Proprietary Fund Type
For the year ended June 30, 2010

	Enterprise Funds	
	2010	2009
Cash Flows From Operating Activities		
Received From Customers	\$ 197,736	\$ 182,891
Received for Meter Deposit Fees	(1,425)	1,813
Other Receipts (Payments)	83,230	74,316
Received for Interfund Services	49,883	16,026
Payments for Operations	(152,505)	(165,849)
Payments to Employees	(54,494)	(48,751)
Net Cash Provided (Used) by Operating Activities	<u>122,425</u>	<u>60,446</u>
Cash Flows From Noncapital Financing Activities		
Transfers From (To) Other Funds	(42,531)	16,056
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(42,531)</u>	<u>16,056</u>
Cash Flows From Capital and Related Financing Activities		
(Payments for) Capital Acquisitions	(78,783)	(4,774)
(Payments for) other Nonoperating Activities	-	(2,675)
Net Cash (Used) by Capital and Related Financing Activities	<u>(78,783)</u>	<u>(7,449)</u>
Cash Flows From Investing Activities		
Receipt of Interest	46	369
Net Cash Provided by Investing Activities	<u>46</u>	<u>369</u>
Net Cash Increase (Decrease) in Cash and Cash Equivalents	1,157	69,422
Cash and Cash Equivalents, Beginning of Year	148,941	79,519
Cash and Cash Equivalents, End of Year	<u>\$ 150,098</u>	<u>\$ 148,941</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Assets:		
Cash and Cash Equivalents, Unrestricted	\$ 122,426	\$ 120,829
Cash and Cash Equivalents, Restricted	27,672	28,112
Total Cash and Cash Equivalents	<u>\$ 150,098</u>	<u>\$ 148,941</u>

(Continued)

See accountant's report.

Schedule 5

Village of Tangipahoa
Comparative Schedule of Cash Flows
Proprietary Fund Type
For the year ended June 30, 2010

	<u>Enterprise Funds</u>	
	<u>6/30/10</u>	<u>6/30/09</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)		
by Operating Activities		
Operating Income (Loss)	\$ 20,173	\$ (11,162)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided		
by Operating Activities:		
Depreciation	62,227	59,331
(Increase) decrease in Accounts Receivable	2,754	(4,362)
(Increase) decrease in Other Receivable	(9,000)	-
(Increase) decrease in Inventory	248	5
(Increase) decrease in Prepaid Insurance	(102)	(1,249)
(Increase) decrease in Due (to) and from Other Funds	49,883	16,026
Increase (decrease) in Accounts Payable	(2,075)	-
Increase (decrease) in Accrued Expenses	(258)	44
Increase (decrease) in Customer Deposits	(1,425)	1,813
Net Cash Provided (Used) by Operating Activities	<u>\$ 122,425</u>	<u>\$ 60,446</u>

(Concluded)

See accountant's report.

Village of Tangipahoa
Schedule of Revenues, Expenses and Changes in Net Assets
Budget (GAAP Basis) and Actual, Proprietary Fund Type, Gas Utility System
For the year ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2009 Actual</u>
Operating Revenues				
Gas Sales	\$ 60,000	\$ 60,402	\$ 402	\$ 55,911
Less Cost of Gas Sold	<u>(15,400)</u>	<u>(15,641)</u>	<u>(241)</u>	<u>(22,664)</u>
Gross Profit on Gas Sales	44,600	44,761	161	33,247
Connection Fees	-	4,669	4,669	4,210
Delinquent Charges	11,800	11,383	(417)	10,147
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>214</u>
Total Operating Revenues	<u>56,400</u>	<u>60,813</u>	<u>4,413</u>	<u>47,818</u>
Operating Expenses				
Billing Costs	900	873	27	630
Depreciation	2,800	2,529	271	2,025
Employee Benefits	900	872	28	945
Insurance	7,500	7,681	(181)	6,269
Professional Fees	12,300	10,934	1,366	9,527
Repairs and Maintenance	1,000	892	108	384
Salaries and Wages	11,300	11,357	(57)	12,001
Supplies	4,200	4,192	8	4,623
Other	<u>10,800</u>	<u>9,293</u>	<u>1,507</u>	<u>15,017</u>
Total Operating Expenses	<u>51,700</u>	<u>48,623</u>	<u>3,077</u>	<u>51,421</u>
Operating Income (Loss)	<u>4,700</u>	<u>12,190</u>	<u>7,490</u>	<u>(3,603)</u>
Nonoperating Revenues (Expenses)				
Interest Income	50	47	(3)	370
Interest Expense	-	-	-	-
Other Expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>(345)</u>
Total Nonoperating Revenues (Expenses)	<u>50</u>	<u>47</u>	<u>(3)</u>	<u>25</u>
Income (Loss) Before Transfers	<u>4,750</u>	<u>12,237</u>	<u>7,487</u>	<u>(3,578)</u>
Transfers				
Operating Transfers In	-	-	-	15,708
Operating Transfers Out	<u>(76,800)</u>	<u>(69,554)</u>	<u>7,246</u>	<u>(29,685)</u>
Change in Net Assets	<u>\$ (72,050)</u>	<u>\$ (57,317)</u>	<u>\$ 14,733</u>	<u>\$ (17,555)</u>

See accountant's report.

Village of Tangipahoa
Schedule of Revenues, Expenses and Changes in Net Assets
Budget (GAAP Basis) and Actual, Proprietary Fund Type, Water Utility System
For the year ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2009 Actual</u>
Operating Revenues				
Water Sales	\$ 98,600	\$ 98,225	\$ (375)	\$ 95,349
Connection Fees	-	-	-	-
Delinquent Charges	-	498	498	68
Federal Grants	-	48,147	48,147	19,851
Other	4,400	87	(4,313)	552
Total Operating Revenues	<u>103,000</u>	<u>146,957</u>	<u>43,957</u>	<u>115,820</u>
Operating Expenses				
Billing Costs	900	873	27	630
Depreciation	12,000	9,068	2,932	9,394
Employee Benefits	900	869	31	945
Insurance	7,500	7,681	(181)	6,269
Professional Fees	13,300	11,217	2,083	10,826
Repairs and Maintenance	3,000	2,768	232	631
Salaries and Wages	11,300	11,357	(57)	12,001
Supplies	8,800	7,877	923	10,472
Utilities	11,000	3,130	7,870	-
Other	11,600	24,719	(13,119)	11,798
Total Operating Expenses	<u>80,300</u>	<u>79,559</u>	<u>741</u>	<u>62,966</u>
Operating Income (Loss)	<u>22,700</u>	<u>67,398</u>	<u>44,698</u>	<u>52,854</u>
Nonoperating Revenues (Expenses)				
Interest Income	-	-	-	-
Interest Expense	-	-	-	-
Other Expense	-	-	-	(907)
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(907)</u>
Income (Loss) Before Transfers	<u>22,700</u>	<u>67,398</u>	<u>44,698</u>	<u>51,947</u>
Transfers				
Operating Transfers In	-	-	-	-
Operating Transfers Out	-	-	-	-
Change in Net Assets	<u>\$ 22,700</u>	<u>\$ 67,398</u>	<u>\$ 44,698</u>	<u>\$ 51,947</u>

See accountant's report.

Village of Tangipahoa
Schedule of Revenues, Expenses and Changes in Net Assets
Budget (GAAP Basis) and Actual, Proprietary Fund Type, Sewer Utility System
For the year ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2009 Actual</u>
Operating Revenues				
Sewer Charges	\$ 36,300	\$ 36,355	\$ 55	\$ 35,993
Connection Fees	-	-	-	-
Delinquent Charges	-	-	-	-
State Grants	75,600	27,446	(48,154)	
Other	-	-	-	1,274
Total Operating Revenues	<u>111,900</u>	<u>63,801</u>	<u>(48,099)</u>	<u>37,267</u>
Operating Expenses				
Billing Costs	1,000	873	127	630
Depreciation	48,650	50,630	(1,980)	47,912
Employee Benefits	2,200	2,206	(6)	2,124
Insurance	7,500	7,681	(181)	6,269
Professional Fees	14,800	12,345	2,455	11,194
Repairs and Maintenance	21,600	6,894	14,706	11,677
Salaries and Wages	27,800	27,833	(33)	20,735
Supplies	4,200	4,113	87	5,731
Utilities	2,100	2,140	(40)	5,613
Other	10,300	8,501	1,799	7,780
Total Operating Expenses	<u>140,150</u>	<u>123,216</u>	<u>16,934</u>	<u>119,665</u>
Operating Income (Loss)	<u>(28,250)</u>	<u>(59,415)</u>	<u>(31,165)</u>	<u>(82,398)</u>
Nonoperating Revenues (Expenses)				
Interest Income	-	-	-	-
Interest Expense	-	-	-	-
Other Expense	-	-	-	(1,423)
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,423)</u>
Income (Loss) Before Transfers	<u>(28,250)</u>	<u>(59,415)</u>	<u>(31,165)</u>	<u>(83,821)</u>
Transfers				
Operating Transfers In	27,000	27,023	23	30,033
Operating Transfers Out	-	-	-	-
Change in Net Assets	<u>\$ (1,250)</u>	<u>\$ (32,392)</u>	<u>\$ (31,142)</u>	<u>\$ (53,788)</u>

See accountant's report.

Village of Tangipahoa
Comparative Schedule of Gas Sales and Purchases
Proprietary Fund Type
For the year ended June 30, 2010

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Gas Sales						
Volume (MCF)	2,284	2,201	2,302	2,440	2,123	2,614
Amount (Dollars)	\$ 60,402	\$ 55,911	\$ 45,225	\$ 49,290	\$ 41,193	\$ 37,296
Gas Purchases						
Volume (MCF)	2,942	2,861	3,218	3,265	3,172	3,353
Amount (Dollars)	<u>15,641</u>	<u>22,664</u>	<u>27,463</u>	<u>27,222</u>	<u>37,436</u>	<u>25,139</u>
Gross Profit (Loss) on Gas Sales	\$ 44,761	\$ 33,247	\$ 17,762	\$ 22,068	\$ 3,757	\$ 12,157
Gross Profit (Loss) Percent on Sales	74%	59%	39%	45%	9%	33%
Unaccounted for Gas Purchases						
Volume (MCF)	658	660	916	825	1,049	739
Cost to Village	\$ 3,498	\$ 5,228	\$ 7,817	\$ 6,878	\$ 12,380	\$ 5,541
Percent of Purchases	22%	23%	28%	25%	33%	22%
Meters in Service						
	56	57	58	59	55	56
Average Sales Per Customer						
Volume (MCF)	41	39	40	41	39	47
Dollar Amount	\$ 1,079	\$ 981	\$ 780	\$ 835	\$ 749	\$ 666
Dollars Per MCF						
Gas Sales	\$ 26.45	\$ 25.40	\$ 19.65	\$ 20.20	\$ 19.40	\$ 14.27
Gas Purchases	(5.32)	(7.92)	(8.53)	(8.34)	(11.80)	(7.50)
Unaccounted for Gas Purchases	<u>(1.19)</u>	<u>(1.83)</u>	<u>(2.43)</u>	<u>(2.11)</u>	<u>(3.90)</u>	<u>(1.65)</u>
Gross Profit	<u>\$ 19.94</u>	<u>\$ 15.65</u>	<u>\$ 8.69</u>	<u>\$ 9.75</u>	<u>\$ 3.70</u>	<u>\$ 5.12</u>

See accountant's report.

Schedule 10

Village of Tangipahoa
Utility Rate Schedule
Proprietary Fund Type
For the year ended June 30, 2010

Gas

\$ 14.500 - Flat Fee for First 500 MCF
\$ 0.0235 Per MCF over 500

Water

\$ 26.50 - Flat Monthly Fee

Sewer

\$ 13.50 - Flat Monthly Fee

Garbage

\$ 10.00 - Flat Monthly Fee

Schedule of Number of Customers
Proprietary Fund Type
For the year ended June 30, 2010

Gas	56
Water	315
Sewer	232
Garbage	251
Total	<u>854</u>

See accountant's report.

Schedule 11

Village of Tangipahoa
 Schedule of Compensation Paid to Board Members
 For the year ended June 30, 2010

<u>Name and Title / Contact Number</u>	<u>Address</u>	<u>Term Expires</u>	<u>Compensation Received</u>
Michael Jackson, Mayor (985) 981-3294	P.O. Box 156 Tangipahoa, LA 70465	12/31/2012	\$ 3,000
Eddie Myers (985) 229-2692	P.O. Box 128 Tangipahoa, LA 70465	12/31/2012	1,200
Mary McLeary Downs, Alderwoman (985) 229-5327	P.O. Box 14 Tangipahoa, LA 70465	12/31/2012	1,200
Dawn Gray (985) 747-0832	P.O. Box 410 Tangipahoa, LA 70465	12/31/2012	1,200
Richard F. Banks, Police Chief	P.O. Box 131 Tangipahoa, LA 70465	12/31/2012	16,800
			<u>\$ 23,400</u>

See accountant's report.

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

MINDA B. RAYBOURN

Certified Public Accountant

820 11TH AVENUE
FRANKLINTON, LOUISIANA 70438
(985)839-4413
FAX (985)839-4402

MEMBER
A.I.C.P.A.

MEMBER
L.C.P.A.

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

The Honorable Michael Jackson
And Members of the Board of Aldermen
Village of Tangipahoa, Louisiana

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the Village Of Tangipahoa, and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village's compliance with certain laws and regulations during the period ended June 30, 2010 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representations regarding the sufficiency of the procedures described below neither for the purpose for which this report has been requested nor for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LAS-RS 38:2211-2251 (the public bid law).

The Village did have one purchase that exceeded \$15,000. The Village did not have any public works purchases that exceeded 100,000. The Village did comply with LAS-RS 38:2211-2251(the public bid law).

Code of Ethics for Public Officials and Public Employees

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

Management provided me with the required list of board members, their immediate family members, and their outside business interests. I scanned cash disbursements journals for any related-party transactions, There were none that came to my attention.

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

The Village provided me with a list of all employees paid during the fiscal year ended June 30, 2010 along with a copy of their W-2's.

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

There were no employees names included on the list of immediate family members provided by the board members.

Accounting and Reporting

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

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

I examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

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

The six payments I examined were coded to the correct general ledger accounts and proper fund.

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

Inspection of documentation supporting the six selected disbursements indicates approval to purchase from proper authorities.

Meetings

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

The Village's mayor and board of aldermen meet monthly. The notice of meeting and agenda is posted on the door of the Town Hall two days prior to each meeting. Management has asserted that the agenda was properly posted. I examined copies of meeting notices containing date, time, place and business to be conducted, which are filed with the minutes of each meeting.

Debt

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

I inspected copies of all bank deposits for the period under examination and did not detect any deposits, which appeared to be proceeds of bank loans, bonds or like indebtedness.

Advances and Bonuses

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

I scanned cash disbursement records and minutes for evidence of any payments, which may constitute employee bonuses, employee advances, or gifts to Board members, none were noted. I compared the yearly earnings report to the W-2's.

Budgeting

12. Examine the minutes and compare the actual and amended budgets to determine that the Village complied with the local Government Budget Act (LRS- RS 39:1301-1315).

I examined the minutes and compared the actual and amended budgets to determine if the Village was in compliance with the Local Government Budget Act.

Description of Findings:

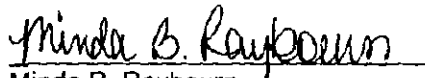
In the Special Revenue Fund actual revenue was 14 percent less than amended revenue budget (\$9, 041). The Village was not in compliance with Local Government Act.

Corrective Action Planned (Response by Mangement)

We amended our budget during the year, but failed to take into consideration year-end adjustments that had to be made, prior to compiling the financial statements. We will review our budget/actual expenditures schedule during the year and have our accountant (Bruce Harrell & Co. CPAs) prepare adjustments prior to preparing the final amended budget.

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

This report is intended solely for the use of management of the village of Tangipahoa, the Legislative Auditor, State of Louisiana and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.



Minda B. Raybourn
Certified Public Accountant

December 30, 2010

LOUISIANA ATTESTATION QUESTIONNAIRE

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)**

DECEMBER 20, 2010 (Date Transmitted)

VILLAGR OF TANGIPAHOA

MINDA B. RAYBOURN (Auditors)

In connection with your review of our financial statements as of June 30, 2010 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes [] No []

Code of Ethics for Public Officials and Public Employees

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

Yes [] No []

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

Yes [] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes [] No []

Accounting and Reporting

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

Yes [] No []

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes [] No []

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes [] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes [] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes [] No []

Advances and Bonuses

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

Yes [] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

Frederic M. Zuffi Secretary 12/22/10 Date

Treasurer _____ Date

Michael D. [Signature] President 12/24/10 Date