

TANGIPAHOA PARISH GOVERNMENT

Amite, Louisiana

ANNUAL FINANCIAL REPORT

As of and for the Year Ended

December 31, 2010

TANGIPAHOA PARISH GOVERNMENT

Amite, Louisiana

**ANNUAL FINANCIAL REPORT
As of and for the Year Ended December 31, 2010**

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INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the fiduciary fund, the blended component units, and the aggregate remaining fund information of the Tangipahoa Parish Government, Louisiana (Parish) as of and for the year ended December 31, 2010, which collectively comprise the basic financial statements of the Parish's primary government as listed in the table of contents. These financial statements are the responsibility of the Tangipahoa Parish Government, Louisiana's management. My responsibility is to express opinions on these financial statements based on my audit.

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

The financial statements do not include the financial data for the Parish's legally separate component units, except for the blended component units reported in Note 1 of the Notes to the Financial Statements. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the Parish's primary government unless the Parish also issues financial statements for the financial reporting entity that include the financial data for its component units. The Parish has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net assets, revenues, and expenses of the aggregate discretely presented component units are unknown. In addition, the assets, liabilities, fund balances, revenues, and expenditures of the aggregate remaining fund information would have increased by an indeterminable amount.

In my opinion, because of the omission of the discretely presented component units, as discussed above, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the aggregate discretely presented component units of the Tangipahoa Parish Government, Louisiana, as of December 31, 2010, or the changes in financial position thereof for the year then ended.

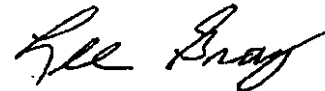
In addition, in my opinion, except for the effects of omitting the Parish's legally separate component units less the inclusion of the blended component units mentioned above in paragraph 3, the financial statements referred to previously present fairly, in all material respects, the financial position of the aggregate remaining fund information of the Tangipahoa Parish Government, Louisiana, as of December 31, 2010, and the changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Further, in my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the fiduciary fund, and the blended component units of the Tangipahoa Parish Government, Louisiana, as of December 31, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated June 24, 2011, on my consideration of the Tangipahoa Parish Government's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 6 through 12 and 57 through 62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Tangipahoa Parish Government's basic financial statements including certain blended component units mentioned above. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the financial data schedule - Section 8 Housing Choice Voucher program, required by U.S. Department of Housing and Urban Development, are not a required part of the basic financial statements of the Tangipahoa Parish Government, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Certified Public Accountant

June 24, 2011

Required Supplementary Information (Part I)

**TANGIPAOHA PARISH GOVERNMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended December 31, 2010**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Tangipahoa Parish Government's (Parish) financial performance provides an overview of the Parish's financial activities for the fiscal year ended December 31, 2010, with comparisons to the prior year, where appropriate.

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 Parish's financial statements, which begin on page 14.

FINANCIAL HIGHLIGHTS

The Parish's net assets increased approximately \$9.5 million as a result of this year's operations. Net assets of our governmental activities increased approximately \$9.5 million, 5.7%, and net assets of our business-type activities decreased approximately \$108,000 or 36%.

Total cost of all of the Parish's programs was in excess of \$38 million in 2010.

USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to Tangipahoa Parish Government's basic financial statements. This annual report consists of a series of financial statements. The Parish's basic financial statements comprise 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. The Statement of Net Assets and the Statement of Activities (on pages 14 and 15) provide information about the activities of the Parish as a whole and present a longer-term view of the Parish's finances. Fund financial statements start on page 17. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Parish's operations in more detail than the government-wide statements by providing information about the Parish's most financially significant funds.

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities

Our analysis of the Parish as a whole begins on page 6. One of the most important questions asked about the Parish's finances is "Is the Parish as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the Parish as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Parish's *net assets* and changes to them. You can think of the Parish's net assets, the difference between assets, what the citizens own, and liabilities, what the citizens owe, as one way to measure the Parish's financial health, or *financial position*. Over time, increases or decreases in the Parish's net assets are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Parish's property tax base and the condition of the Parish's capital assets (roads, bridges, buildings, and sewer lines) to assess the *overall health* of the Parish.

**TANGIPAHOA PARISH GOVERNMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended December 31, 2010**

In the Statement of Net Assets and the Statement of Activities, we divide the Parish into two kinds of activities:

- **Governmental activities:** most of the Parish's basic services are reported here, including road & bridge construction and maintenance, road lighting, landfill operations, health offices, animal control, low income housing (Section 8), rural fire protection, and general administration. The Parish's one per cent sales tax, property taxes, and state and federal grants finance most of these activities
- **Business-type activities:** the Parish charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Parish's water system is reported here. The new water system was donated to Tangipahoa Water District in 2010.

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. Some funds are required to be established by State law. However, the Parish establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The Parish's three kinds of funds, governmental, proprietary, and fiduciary, use different accounting approaches.

Governmental Funds: most of the Parish's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* 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 Parish's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Parish's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation beside the fund financial statements.

Proprietary funds: when the Parish charges customers for the full cost of the services it provides whether to outside customers or to other units of the Parish, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the Parish's enterprise funds (a component business type funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources are not available to support the Parish's own programs. The Tangipahoa Parish Government has only agency funds to report within the Fiduciary Fund category. Agency funds are reported on a full accrual basis and only present a statement of assets and liabilities.

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. The notes to the financial statements can be found on pages 27 through 55 of this report.

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 comparative summary of the Parish's net assets for the current and previous years. For more detailed information, see the Statement of Net Assets on page 14 of this report.

**TANGIPAHOA PARISH GOVERNMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended December 31, 2010**

**CONDENSED STATEMENT OF NET ASSETS
December 31, 2010, and 2009**

	Governmental Activities		Business-type Activity		Total	
	2010	2009	2010	2009	2010	2009
Assets						
Current Assets	\$ 26,120,125	\$ 22,162,009	\$ 22,873	\$ 20,153	\$ 26,142,998	\$ 22,182,162
Restricted Assets	266,418	312,677	-	-	266,418	312,677
Capital Assets	<u>164,415,964</u>	<u>157,837,986</u>	<u>189,580</u>	<u>279,955</u>	<u>164,605,544</u>	<u>158,117,941</u>
Total Assets	<u>190,802,507</u>	<u>180,312,672</u>	<u>212,453</u>	<u>300,108</u>	<u>191,014,960</u>	<u>180,612,780</u>
Liabilities						
Current Liabilities	4,811,779	4,753,917	22,257	1,471	4,834,036	4,755,388
Long-Term Liabilities	<u>8,826,437</u>	<u>7,971,105</u>	-	-	<u>8,826,437</u>	<u>7,971,105</u>
Total Liabilities	<u>13,638,216</u>	<u>12,725,022</u>	<u>22,257</u>	<u>1,471</u>	<u>13,660,473</u>	<u>12,726,493</u>
Net Assets						
Invested In Capital						
Assets Net of Debt	161,598,069	155,426,121	189,580	279,955	161,787,649	155,706,076
Restricted	1,301,835	1,170,804	-	-	1,301,835	1,170,804
Unrestricted	<u>14,264,387</u>	<u>10,990,725</u>	<u>616</u>	<u>18,682</u>	<u>14,265,003</u>	<u>11,009,407</u>
Total Net Assets	<u>\$177,164,291</u>	<u>\$167,587,650</u>	<u>\$ 190,196</u>	<u>\$298,637</u>	<u>\$177,354,487</u>	<u>\$167,886,287</u>

Approximately 91.21% of the Parish's net assets reflect its investment in capital assets (land, buildings, equipment, 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. Although, the Parish's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

Approximately .73% of the Parish's net assets represent resources that are subject to external restriction on how they may be used. The Parish's restricted net assets consist of cash restricted for the high deductible insurance and health reimbursement plan and cash required to be restricted by grant covenants.

Approximately 8.05% of the Parish's net assets are unrestricted and may be used to meet the Parish's ongoing obligations to its citizens.

At December 31, 2010, the Parish was able to report positive balances in all three categories of net assets, both for the Parish as a whole, as well as for separate governmental and business-type activities.

**TANGIPAHOA PARISH GOVERNMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended December 31, 2010**

The table below provides a comparative summary of the changes in net assets for the years ended December 31, 2010, and December 31, 2009. An analysis of the primary sources of these changes follows the table. For more detailed information see Exhibit A-2, the Statement of Activities.

**CONDENSED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For Years Ended December 31, 2010, and 2009**

	Governmental Activities		Business-type Activity		Total	
	2010	2009	2010	2009	2010	2009
Program Revenues:						
Charges for Services	\$ 6,715,127	\$ 6,279,191	\$ 18,347	\$ 16,022	\$ 6,731,474	\$ 6,295,213
Grants and Contributions						
Operating	5,327,819	6,671,479	-	-	5,327,819	6,671,479
Capital	2,661,159	3,229,884	451,476	45,475	3,112,635	3,275,359
Total Program Revenues	<u>14,704,105</u>	<u>16,180,554</u>	<u>467,823</u>	<u>61,497</u>	<u>15,171,928</u>	<u>16,242,051</u>
General Revenues:						
Taxes and Licenses	28,214,872	27,899,633	-	-	28,214,872	27,899,633
Investment Earnings	95,777	88,104	-	-	95,777	88,104
Donations	40,487	5,102	-	-	40,487	5,102
Miscellaneous	97,508	80,761	-	-	97,508	80,761
Gain on Sale of Capital Assets	15,036	361,643	-	-	15,036	361,643
Total General Revenues	<u>28,463,680</u>	<u>28,435,243</u>	<u>-</u>	<u>-</u>	<u>28,483,680</u>	<u>28,435,243</u>
Total Revenues	<u>43,167,785</u>	<u>44,615,797</u>	<u>467,823</u>	<u>61,497</u>	<u>43,635,608</u>	<u>44,677,294</u>
Expenses:						
General Government	5,633,328	6,119,552	-	-	5,633,328	6,119,552
Culture and Recreation	392,201	425,447	-	-	392,201	425,447
Public Safety	7,188,459	6,957,650	-	-	7,188,459	6,957,650
Public Works	19,327,919	22,700,701	-	-	19,327,919	22,700,701
Health and Welfare	5,789,647	4,862,839	-	-	5,789,647	4,862,839
Interest on long term debt	20,306	22,575	-	-	20,306	22,575
Waterworks & Sewer	-	-	55,768	71,385	55,768	71,385
Total Expenses	<u>38,351,860</u>	<u>41,088,764</u>	<u>55,768</u>	<u>71,385</u>	<u>38,407,628</u>	<u>41,160,149</u>
Increase in Net Assets						
Before Transfers	4,815,925	3,527,033	412,055	(9,888)	5,227,980	3,517,145
Transfers	4,760,716	3,686,928	(520,496)	-	4,240,220	3,686,928
Increase in Net Assets	<u>9,576,641</u>	<u>7,213,961</u>	<u>(108,441)</u>	<u>(9,888)</u>	<u>9,468,200</u>	<u>7,204,073</u>
Net Assets, January 1 (as restated)	<u>167,587,650</u>	<u>160,373,689</u>	<u>298,637</u>	<u>308,525</u>	<u>167,886,287</u>	<u>160,682,214</u>
Net Assets, December 31	<u>\$177,164,291</u>	<u>\$167,587,650</u>	<u>\$ 190,196</u>	<u>\$298,637</u>	<u>\$177,354,487</u>	<u>\$167,886,287</u>

**TANGIPAHOA PARISH GOVERNMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended December 31, 2010**

Governmental Activities

The Parish's governmental net assets increased by \$9.5 million. The increase in net assets is comprised primarily of an increase in charges for services and taxes and licenses and a decrease in public works expenditures.

Business Type Activities

The Parish's business type net assets decreased by approximately \$108,000 or 36% of the prior years net assets. The decrease in net assets are due primarily to the increased cost of operating the Fluker Chapel Water System and the donation of the system to Tangipahoa Water District.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Parish budget was amended quarterly to reflect changes in forecasted revenues and expenditures. The budget had very little change from 2009 to 2010.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Tangipahoa Parish's capital assets for its governmental and business type activities as of December 31, 2010, amount to \$164,605,544 (net of accumulated depreciation). Capital assets include land, buildings, improvements, water and sewer systems, vehicles, machinery and equipment, office equipment, roads, and bridges.

The total increase in the Parish's investment in capital assets for the current year was 4%, or \$6,487,603. Capital assets which includes infrastructure has been restated as follows: an increase of \$4,044 to correct infrastructure accumulated depreciation, a decrease of \$31,694 to correct equipment inventory, and an increase of \$150,247 to correct inventory of Rural Fire Protection District No. 2.

There was a 4.20%, or \$6,577,978 increase for governmental activities and a 32.28% or \$90,375 decrease for business activities.

**CONDENSED STATEMENT OF CAPITAL ASSET (NET OF DEPRECIATION)
For Years Ended December 31, 2010, and 2009**

	<u>Governmental Activities</u>		<u>Business-type Activity</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Land	\$ 3,376,110	\$ 3,299,110	\$ 1,000	\$ 1,000	\$ 3,377,110	\$ 3,300,110
Construction in Progress	3,627,257	962,626	-	45,475	3,627,257	1,008,101
Buildings	19,637,536	18,151,423	-	-	19,637,536	18,151,423
Water & Sewer Systems Infrastructure	124,269,820	122,171,907	188,580	233,480	124,269,820	122,171,907
Machinery & Equipment	13,505,241	13,252,920	-	-	13,505,241	13,252,920
Capital Assets (Net)	<u>\$164,415,964</u>	<u>\$157,637,986</u>	<u>\$ 189,580</u>	<u>\$279,955</u>	<u>\$164,605,544</u>	<u>\$158,117,941</u>

**TANGIPAHOA PARISH GOVERNMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended December 31, 2010**

Major capital asset events for year ended December 31, 2010, included the following:

1. The Parish completed renovations to the Clerk of Court's office, completed Cell 12 phase II and installed a gas collection system at the Tangipahoa Parish Regional Solid Waste Facility, Constructed a New Fire Station in Kentwood and Husser, and completed the 2010 three course surface treatment.
2. Construction continues on the following projects: Energy Efficiency Improvements at various parish owned buildings and municipal buildings, Club Deluxe Road Widening Project, Phase 15 Overlay, New Environmental Health Building, Outdoor Classroom at the Florida Parishes Arena, Shoreline Protection Project, Hurricane Hardening on: the Criminal Justice Building in Hammond, Hammond Fire Administration Building, Courthouse Annex Building, Hammond Westside School, Hammond Junior High School, and Amlte High School, New Library Administration Building, Roseland Water Main Project, and roadway improvements for economic development purposes.

Long-Term Debt

**CONDENSED STATEMENT OF LONG-TERM DEBT
For Years Ended December 31, 2010, and 2009**

	Governmental Activities		Business-type Activity		Total	
	2010	2009	2010	2009	2010	2009
General Obligation Bonds	\$ 320,000	\$ 360,000	-	-	\$ 320,000	\$ 360,000
Certificates of Indebtedness						
Rural Fire No. 2	1,697,895	1,251,865	-	-	1,697,895	1,251,865
Estimated Liability for Landfill Closure/ Postclosure Care Cost	5,503,489	5,256,808	-	-	5,503,489	5,256,808
EDAP Scarlano Bros.	800,000	800,000	-	-	800,000	800,000
Capital Assets (Net)	<u>\$8,321,384</u>	<u>\$7,668,673</u>	<u>-</u>	<u>-</u>	<u>\$8,321,384</u>	<u>\$7,668,673</u>

* The current portion of the debt listed above is \$354,155.

**TANGIPAHOA PARISH GOVERNMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended December 31, 2010**

THE PARISH AS A WHOLE

The Parish's combined net assets changed from a year ago, increasing from approximately \$167.5 million to \$177 million.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Parish looks forward to 2011 with a cautious optimistic economic outlook of continued expansion and growth within the local economy. The Parish continues to practice the conservative fiscal policy (pay as you go) from which much of the economic success in Tangipahoa parish has resulted. Consistent with a conservative approach to fiscal policy, the Parish budgeted little or no increase in revenues for 2011. However, actual sales tax collections through April 2011 have increased 4% over prior year collections for the same time period.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Parish's finances and to show the Parish's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Jeff McKneely, Assistant Director of Finance at (985) 748-3211 or Tangipahoa Parish Government, P.O. Box 215, Amite, LA 70422.

Basic Financial Statements

TANGIPAHOA PARISH GOVERNMENT
 Amite, Louisiana
 STATEMENT OF NET ASSETS
 December 31, 2010

EXHIBIT A-1

	Governmental Activities	Business-type Activity	Total
Assets			
Cash and cash equivalents	\$ 11,515,766	\$ 18,673	\$ 11,534,439
Receivables, net	14,299,774	4,200	14,303,974
Due from other governments	185,743	-	185,743
Security deposits	118,842	-	118,842
Restricted assets - cash	266,418	-	266,418
Capital assets (net)	<u>164,415,964</u>	<u>189,580</u>	<u>164,605,544</u>
Total Assets	<u>190,802,507</u>	<u>212,453</u>	<u>191,014,960</u>
Liabilities			
Accounts, salaries, and other payables	3,213,813	22,257	3,236,070
Due to other governments	1,243,811	-	1,243,811
Noncurrent liabilities:			
Due within one year	354,155	-	354,155
Due in more than one year	7,967,229	-	7,967,229
Postemployment healthcare benefits payable	<u>859,208</u>	<u>-</u>	<u>859,208</u>
Total Liabilities	<u>13,638,216</u>	<u>22,257</u>	<u>13,660,473</u>
Net Assets			
Invested in capital assets, net of related debt	161,598,069	189,580	161,787,649
Restricted for:			
Debt service	122,081	-	122,081
Other purposes	1,179,754	-	1,179,754
Unrestricted	<u>14,284,387</u>	<u>616</u>	<u>14,265,003</u>
Total Net Assets	<u>\$177,164,291</u>	<u>\$ 190,196</u>	<u>\$177,354,487</u>

The accompanying notes are an integral part of this statement.

TANGIPAHOA PARISH GOVERNMENT
 Amite, Louisiana
STATEMENT OF ACTIVITIES
 For the Year Ended December 31, 2010

		Program Revenues	
Expenses	Charges for Services	Operating Grants and Contributions	
Governmental Activities:			
General government	\$ 5,633,328	\$ 2,322,579	\$ 651,845
Culture and recreation	392,201	144,833	51,361
Public safety	7,188,459	733,949	-
Public works	19,327,919	3,316,205	944,438
Health and welfare	5,789,647	197,561	3,680,175
Interest on long-term debt	20,306	-	-
Total Governmental Activities	39,351,860	6,715,127	5,327,819
Business-type Activity:			
Waterworks	55,768	16,347	-
Total Business-type Activity	55,768	16,347	-
Total	\$ 38,407,628	\$ 6,731,474	\$ 5,327,819

General Revenues:

Taxes:

Sales taxes

Ad valorem taxes

Franchise taxes

Severance taxes

Alcoholic beverage taxes

Occupational licenses

State revenue sharing

2% Fire insurance rebate

Donations

Miscellaneous

Investment earnings

Gain from disposition of capital assets

Transfers and contributions

Total general revenues, transfers and contributions

Change in Net Assets

Net assets - beginning (as restated)

Net assets - ending

The accompanying notes are an integral part of this statement.

EXHIBIT A-2

Capital Grants and Contributions	Net (Expenses) Revenues and Changes In Net Assets		
	Governmental Activities	Business-type Activity	Total
\$ 783,985	\$ (1,874,919)	\$ -	\$ (1,874,919)
34,097	(161,910)	-	(161,910)
325,974	(6,128,536)	-	(6,128,536)
1,476,496	(13,590,780)	-	(13,590,780)
40,607	(1,871,304)	-	(1,871,304)
-	(20,306)	-	(20,306)
<u>2,661,159</u>	<u>(23,647,755)</u>	<u>-</u>	<u>(23,647,755)</u>
451,476	-	412,055	412,055
<u>451,476</u>	<u>-</u>	<u>412,055</u>	<u>412,055</u>
<u>\$ 3,112,635</u>	<u>(23,647,755)</u>	<u>412,055</u>	<u>(23,235,700)</u>
	15,235,439	-	15,235,439
	10,603,844	-	10,603,844
	496,565	-	496,565
	135,937	-	135,937
	41,445	-	41,445
	600,386	-	600,386
	900,272	-	900,272
	200,984	-	200,984
	40,487	-	40,487
	97,508	-	97,508
	95,777	-	95,777
	15,036	-	15,036
	<u>4,760,716</u>	<u>(520,496)</u>	<u>4,240,220</u>
	<u>33,224,396</u>	<u>(520,496)</u>	<u>32,703,900</u>
	9,576,641	(108,441)	9,468,200
	<u>167,587,650</u>	<u>298,637</u>	<u>167,886,287</u>
	<u>\$ 177,164,291</u>	<u>\$ 190,196</u>	<u>\$ 177,354,487</u>

TANGIPAHOA PARISH GOVERNMENT
Amite, Louisiana
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2010

EXHIBIT A-3

	General Fund	Road and Bridge Funds	Garbage District No. 1	Rural Fire Protection District No. 2	Health Unit	Section 8 Housing	Other Governmental Funds	Total Governmental Funds
Assets								
Cash and cash equivalents	\$ 35,701	\$ 4,345,709	\$ 468,348	\$ 934,967	\$ 1,892,978	\$ 2,522,055	\$ 1,208,430	\$ 11,408,188
Receivables, net	1,824,847	1,225,268	2,955,511	4,728,314	2,076,275	12,985	1,371,848	14,295,046
Due from other governments	185,743	-	-	-	-	-	-	185,743
Security Deposits DHAP IKE	-	-	-	-	-	118,842	-	118,842
Restricted asset - cash	88,038	108,970	23,245	-	19,979	-	13,043	253,275
Total Assets	\$ 2,234,329	\$ 5,679,947	\$ 3,447,102	\$ 5,663,281	\$ 3,969,232	\$ 2,653,882	\$ 2,591,319	\$ 26,259,092
Liabilities								
Accounts, salaries, and other payables	\$ 595,751	\$ 793,844	\$ 208,827	\$ 922,842	\$ 198,789	\$ 18,824	\$ 400,558	\$ 3,137,233
Due to other governments	44,393	-	95,125	177,708	-	785,531	141,056	1,243,811
Total Liabilities	640,144	793,844	303,952	1,100,550	198,789	804,355	541,614	4,381,044
Fund Balances/(Deficit)								
Unreserved, designated	999,825	108,970	23,245	1,549	19,979	-	13,043	1,168,611
Unreserved, reported in:								
General fund	594,380	-	-	-	-	-	-	594,380
Capital project funds	-	-	-	-	-	-	(14,590)	(14,590)
Debt service funds	-	-	-	-	-	-	122,081	122,081
Special revenue funds	-	4,777,133	3,122,105	4,561,184	3,770,464	1,849,527	1,829,173	20,009,586
Total Fund Balances	1,594,185	4,886,103	3,145,350	4,562,733	3,790,443	1,849,527	2,049,707	21,878,048
Total Liabilities and Fund Balances	\$ 2,234,329	\$ 5,679,947	\$ 3,447,102	\$ 5,663,281	\$ 3,969,232	\$ 2,653,882	\$ 2,591,319	\$ 26,259,092

The accompanying notes are an integral part of this statement.

**TANGIPAHOA PARISH GOVERNMENT
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
For the Year Ended December 31, 2010**

EXHIBIT A-4

Fund balances - total governmental funds **\$ 21,878,048**

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. 164,294,590

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds. (8,321,384)

Other postemployment obligations liability is not due and payable in the current period, and therefore, is not reported in the funds. (859,208)

The internal service fund is used by management to charge administration costs to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets. 172,245

Net assets of governmental activities **\$ 177,164,291**

The accompanying notes are an integral part of this statement.

TANGIPAHOA PARISH GOVERNMENT
 Amite, Louisiana
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
 For the Year Ended December 31, 2010

	<u>General Fund</u>	<u>Road and Bridge Funds</u>	<u>Garbage District No. 1</u>
Revenues			
Taxes:			
Sales	\$ 3,808,860	\$ 11,426,579	\$ -
Ad valorem	1,114,241	-	2,352,225
Franchise	496,565	-	-
Licenses, permits, and rent	1,355,883	-	-
Intergovernmental revenues:			
Federal funds:			
Federal grants	1,234,210	131,787	-
State funds:			
Parish transportation funds	-	830,680	-
State revenue sharing	87,140	-	242,188
Severance tax	135,937	-	-
State appropriations	100,000	-	-
State grants	101,811	-	-
Alcoholic beverage tax	41,445	-	-
Local funds:			
Tourist Commission	-	-	-
Fees, charges, and commissions for service	116,351	-	3,041,205
Fines and forfeitures	375	-	-
Interest	2,347	15,398	14,015
Other revenues	1,454,162	58,490	17,221
Total Revenues	10,049,136	12,462,934	5,666,854
Expenditures			
General government:			
Legislative	482,179	-	-
Judicial	3,669,986	-	-
Elections	151,066	-	-
Finance and administrative	842,775	-	-
Public safety	2,953,086	-	-
Public works	1,518,964	9,629,989	5,834,575
Health and welfare	527,981	-	-
Culture and recreation	-	-	-
Debt service:			
Principal	-	-	-
Interest and agent fees	-	-	-
Total Expenditures	10,146,017	9,629,989	5,834,575
Excess of Revenues Over (Under) Expenditures	(96,881)	2,832,945	(167,721)
Other Financing Sources (Uses)			
Operating transfers in (out)	(467,656)	-	-
Sale of fixed assets	2,958	147,129	13,414
Proceeds from volunteer fire departments	-	-	-
Co-operative endeavor agreement - library	-	-	-
Proceeds from debt issuance	-	-	-
Capital contribution	-	-	-
Total Other Financing Sources (Uses)	(464,698)	147,129	13,414
Net Change in Fund Balances	(561,579)	2,980,074	(154,307)
Fund Balances - Beginning of Year, Restated	2,155,764	1,906,029	3,299,657
Fund Balances - End of Year	\$ 1,594,185	\$ 4,886,103	\$ 3,145,350

The accompanying notes are an integral part of this statement. 19

EXHIBIT A-5

<u>Rural Fire Protection District No. 2</u>	<u>Health Unit</u>	<u>Section 8 Housing</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 15,235,439
4,407,816	1,951,196	-	778,366	10,603,844
-	-	-	-	496,585
-	-	-	275,000	1,630,683
-	30,161	2,963,124	2,162,549	6,521,840
-	-	-	-	830,680
441,653	129,291	-	-	900,272
-	-	-	-	135,837
200,984	-	-	256,387	557,351
-	-	-	128,480	230,091
-	-	-	-	41,445
-	-	-	50,000	50,000
-	-	-	591,899	3,749,455
-	-	-	282,683	283,058
21,092	18,093	15,204	9,387	93,536
6,865	-	3,600	243,802	1,784,140
<u>5,078,410</u>	<u>2,126,741</u>	<u>2,981,928</u>	<u>4,778,533</u>	<u>43,144,536</u>
-	-	-	-	482,179
-	-	-	252,689	3,922,875
-	-	-	-	151,066
-	-	-	-	842,775
5,399,934	-	-	784,748	9,137,768
-	-	-	2,531,286	19,514,814
-	1,706,561	2,838,688	710,307	5,783,517
-	-	-	544,363	544,363
-	-	-	40,000	40,000
-	-	-	20,306	20,306
<u>5,399,934</u>	<u>1,706,561</u>	<u>2,838,688</u>	<u>4,883,699</u>	<u>40,439,463</u>
<u>(321,524)</u>	<u>420,180</u>	<u>143,240</u>	<u>(105,166)</u>	<u>2,705,073</u>
-	-	-	467,656	-
39,234	-	-	102	202,837
186,554	-	-	-	186,554
-	-	-	198,459	198,459
650,000	-	-	-	650,000
-	-	-	41,758	41,758
<u>875,788</u>	<u>-</u>	<u>-</u>	<u>707,975</u>	<u>1,279,608</u>
554,264	420,180	143,240	602,809	3,884,681
<u>4,008,469</u>	<u>3,370,263</u>	<u>1,706,287</u>	<u>1,446,898</u>	<u>17,893,387</u>
<u>\$ 4,562,733</u>	<u>\$ 3,790,443</u>	<u>\$ 1,849,527</u>	<u>\$ 2,049,707</u>	<u>\$ 21,878,048</u>

**TANGIPAHOA PARISH GOVERNMENT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2010**

EXHIBIT A-6

Net change in fund balances - total governmental funds	\$	3,984,681
 Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is 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.		7,297,362
In the statement of activities, only the gain on the sale of equipment is reported, whereas in the governmental funds, the proceeds from the sale increases financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the equipment disposed of.		(676,415)
Bond proceeds and capital leases provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(406,030)
Internal service funds are used by management to charge the costs of certain activities, such as accounting services, to individual funds. The net revenue (expense) of certain internal funds is reported with governmental activities.		(63,470)
The net change in the liability for postemployment healthcare benefits is reported in the government-wide statements, but not in the governmental fund statements.		(312,806)
Municipal Solid Waste Landfill closure and postclosure care cost liabilities are not recorded by the governmental fund, but must be recorded as a general long-term liability in the governmental activities in the government-wide financial statements. This is the amount of the increase of the closure and postclosure care costs liability over the prior year.		<u>(246,681)</u>
Change in net assets of governmental activities	\$	<u>9,576,641</u>

The accompanying notes are an integral part of this statement.

TANGIPAHOA PARISH GOVERNMENT
 Amite, Louisiana
 STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 December 31, 2010

EXHIBIT A-7

	Business-type Activities - Fluker Chapel Waterworks Fund	Governmental Activities- Internal Service
Assets		
<u>Current Assets</u>		
Cash and cash equivalents	\$ 18,673	\$ 109,580
Receivables	4,200	4,728
Total Current Assets	22,873	114,308
<u>Restricted Assets</u>		
Cash and cash equivalents	-	13,143
<u>Noncurrent Assets</u>		
Capital assets (net of accumulated depreciation)	189,580	121,374
Total Assets	212,453	248,825
Liabilities		
<u>Current Liabilities</u>		
Accounts, salaries, and other payables	22,257	76,580
Total Liabilities	22,257	76,580
Net Assets		
Invested in capital assets, net of related debt	189,580	121,374
Restricted	-	13,374
Unrestricted	618	37,497
Total Net Assets	\$ 190,198	\$ 172,245

The accompanying notes are an integral part of this statement.

TANGIPAHOA PARISH GOVERNMENT
 Amite, Louisiana
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
 For the Year Ended December 31, 2010

EXHIBIT A-8

	<u>Business-type Activities - Fluker Chapel Waterworks Fund</u>	<u>Governmental Activities- Internal Service</u>
<u>Operating Revenues</u>		
Charges for services	\$ 16,347	\$ 1,344,281
Total Operating Revenues	16,347	1,344,281
<u>Operating Expenses</u>		
Personnel services	-	925,224
Materials and supplies	2,996	75,427
Professional services	2,382	194,561
Repairs and maintenance	-	8,051
Utilities	5,490	-
Other expenses	-	169,286
Depreciation	44,900	36,466
Total Operating Expenses	55,768	1,409,015
Operating (Loss)	(39,421)	(64,754)
<u>Nonoperating Revenues (Expenses)</u>		
Interest income	-	2,241
Miscellaneous revenue	-	5,972
Capital grants	451,476	-
Loss on disposition of capital assets	-	(6,929)
Total Nonoperating Revenues	451,476	1,284
Income (Loss) before transfers	412,055	(63,470)
<u>Transfers</u>		
Customer accounts receivable	(1,832)	-
Capital assets	(518,664)	-
Change in Net Assets	(108,441)	(63,470)
Total Net Assets - Beginning	298,637	235,715
Total Net Assets - Ending	\$ 190,196	\$ 172,245

The accompanying notes are an integral part of this statement.

TANGIPAHOA PARISH GOVERNMENT
 Amite, Louisiana
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
 For the Year Ended December 31, 2010

EXHIBIT A-9

	Business-type Activities - Fluker Chapel Waterworks Fund	Governmental Activities- Internal Service
<u>Cash Flows from Operating Activities</u>		
Receipts from customers and users	\$ 50,290	\$ 1,386,289
Payments to suppliers	(31,795)	(451,395)
Payments to employees	-	(915,411)
Net Cash Provided by Operating Activities	18,495	(517)
<u>Cash Flows from Noncapital Financing Activities</u>		
Restricted cash	-	3,017
Miscellaneous proceeds	-	5,972
Net Cash Provided (Used) by Noncapital Financing Activities	-	8,989
<u>Cash Flows from Capital and Related Financing Activities</u>		
Capital grants	451,476	-
Proceeds from sale of capital assets	-	2,225
Purchases of capital assets	-	(2,649)
Payment on construction in progress	(451,476)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(424)
<u>Cash Flows from Investing Activities</u>		
Interest received	-	2,241
Net Cash Provided by Investing Activities	-	2,241
Net (Decrease) in Cash and Cash Equivalents	18,495	10,289
Cash and Cash Equivalents, Beginning of Year	178	99,291
Cash and Cash Equivalents, End of Year	\$ 18,673	\$ 109,580
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</u>		
Operating Income (Loss)	\$ (39,421)	\$ (64,754)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	44,900	38,468
Decrease (Increase) in assets-		
Accounts receivable	33,943	22,028
Increase (Decrease) in liabilities-		
Accounts payable and other payables	(927)	5,743
Due to other funds	(20,000)	-
Total Adjustments	57,916	64,237
Net Cash Provided (Used) by Operating Activities	\$ 18,495	\$ (517)

The accompanying notes are an integral part of this statement.

TANGIPAHOA PARISH GOVERNMENT
Amite, Louisiana
STATEMENT OF FIDUCIARY NET ASSETS
PAYROLL LIABILITY FUND
December 31, 2010

EXHIBIT A-10

<u>Assets</u>	
Cash	\$ 478,113
Receivables	5,870
Due from other governments	<u>119,400</u>
Total Assets	<u>\$ 603,383</u>
<u>Liabilities</u>	
Accounts payable	<u>\$ 603,383</u>
Total Liabilities	<u>\$ 603,383</u>

The accompanying notes are an integral part of this statement.

Notes to the Financial Statements

TANGIPAHOA PARISH GOVERNMENT
Amite, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2010

INTRODUCTION

Tangipahoa Parish Government (parish) is the governing authority for the Parish of Tangipahoa, Louisiana. The Parish of Tangipahoa operates under a home rule charter and is governed by the "council-president" form of government. An elected council of ten members representing the various districts within the parish constitutes the legislative branch of the government and an elected president is the chief executive officer and head of the executive branch. The council and president serve four-year terms that expire in January 2012.

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

Tangipahoa Parish occupies approximately 818 square miles with a population of approximately 106,502. The parish government maintains approximately 1,200 miles of roads, 700 miles of which are paved and 500 of which are gravel. Parish government offices are located in the courthouse annex in Amite, Louisiana, with road maintenance facilities located at 2 locations within the parish.

In June 1999 the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. Certain of the significant changes in the Statement include the following:

- The financial statements now include:
 - A Management's Discussion and Analysis (MD&A) section providing an analysis of the parish's overall financial position and results of operations.
 - Financial statements prepared using full accrual accounting for all of the parish's activities, including current year infrastructure (roads and bridges).
 - A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including these notes to financial statements). The parish was required to implement the general provisions of Statement No. 34 in the year ended December 31, 2003, and was required to implement the provisions for retroactively reporting infrastructure per Statement No. 34 for the fiscal year ended December 31, 2007.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

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

Tangipahoa Parish Government
 Notes to the Financial Statements
 As of and for the Year Ended December 31, 2010

GASB Statement No. 14 established criteria for determining which component units should be considered part of Tangipahoa Parish Government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of Tangipahoa Parish Government to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on Tangipahoa Parish Government.
2. Organizations for which Tangipahoa Parish Government does not appoint a voting majority but are fiscally dependent on Tangipahoa Parish Government.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

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

Blended Component Units

Tangipahoa Parish Government, as the reporting entity, has chosen to issue financial statements of the primary government (Tangipahoa Parish Government) only, except for including the following blended component units whose accounting records are maintained by the Parish.

Special Revenue - Major Fund
 Rural Fire Protection District No. 2

General Fund - Non-major Funds
 Construction Board of Adjustment and Appeals
 Industrial Development Board of the Parish of Tangipahoa, Inc.
 Tangipahoa Parish Planning Commission

Component Units Omitted From Financial Statements

<u>Active Component Units</u>	<u>Fiscal Year End</u>	<u>Criteria Used</u>
Consolidated Gravity Drainage District Number 1	12/31	1
Coves of the Highland Community Development District	06/30	1
Fire Protection District Number 1	12/31	1
Gravity Drainage District Number 4	12/31	1
Gravity Drainage District Number 5	12/31	1
Hospital Service District Number 1	06/30	1
Hospital Service District Number 2	12/31	1
Mosquito Abatement District No. 1 of the Parish of Tangipahoa	12/31	1
Ponchatoula Area Recreation District Number 1	12/31	1
Recreation District Number 39A	12/31	1
Sewer District No. 1 of the Parish of Tangipahoa	12/31	1
Tangipahoa Communication District Number 1	12/31	1
Tangipahoa Parish Clerk of Court	06/30	2
Tangipahoa Parish Convention and Visitors Bureau	12/31	1
Tangipahoa Parish Economic Development District	12/31	1
Tangipahoa Parish Library Board of Control	12/31	1
Tangipahoa Parish Sheriff	06/30	2
Tangipahoa Voluntary Council on Aging	12/31	1
Tangipahoa Water District	12/31	1

Tangipahoa Parish Government
Notes to the Financial Statements
As of and for the Year Ended December 31, 2010

Component Units Omitted From Financial Statements, continued

<u>Inactive or Non-Funded Component Units</u>	<u>Fiscal Year End</u>	<u>Criteria Used</u>
Hammond Area Recreation District Number 1	12/31	1
Kentwood Area Recreation District	12/31	1
Loranger Recreation District Number 104	12/31	1
Recreation District Number 3	12/31	1
Recreation District Number 5 - Mid Parish	12/31	1
Recreation District Number 6	12/31	1

The component units listed herein are not included in the accompanying financial statements except for the blended component units. Their financial statements may be obtained by request to the Clerk of the Council of the Tangipahoa Parish Government at (985) 748-3211.

Considered in the determination of component units of the reporting entity were the Tangipahoa Parish School Board, Tax Assessor, and the District Attorney for the 21st Judicial District, Twenty-First Judicial District Children and Youth Planning Board, and the various municipalities in the parish. It was determined that these governmental entities are not component units of Tangipahoa Parish Government reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of Tangipahoa Parish Government.

B. 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 of the non-fiduciary activities of the primary government and selected blended 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.

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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of governmental and proprietary fund financial statements is on "major" funds. Fund statements present in separate columns the general fund, followed by major funds, with non-major funds aggregated and displayed in a separate column. The new model (GASB Statement 34) sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise funds combined) for the determination of major funds. In addition to the funds that meet the major fund criteria, any other governmental or enterprise fund that the government's officials believe is particularly important to financial statement users may be reported as a major fund.

C. 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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to 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. All other revenue items are considered to be measurable and available only when cash is received by the government.

The parish reports the following major governmental funds:

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

SPECIAL REVENUE FUNDS:

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

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

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

The Health Unit Fund accounts for the operations of the parish health units. Major sources of revenue are ad valorem taxes and state revenue sharing.

The Section 8 Fund accounts for the housing choice voucher program and other housing grants.

The parish reports the following major proprietary fund:

Enterprise fund - accounts for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The parish maintained one enterprise fund, the Fluker Chapel Waterworks Fund which provided water services. On November 22, 2010, the parish donated the water system and customers to the Tangipahoa

Tangipahoa Parish Government
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Parish Water District.

Additionally, the parish reports the following fund type:

Internal service fund accounts for services provided to other departments and agencies of the parish, or to other governments on a reimbursement basis. The internal service fund is the Administrative Fund, established by the parish to render administrative and accounting services to various funds. It receives a fee from each fund based on a combination of revenues received and services rendered for that fund.

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 parish 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 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 fees. 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 parish's policy to use restricted resources first, then unrestricted resources as they are needed.

D. DEPOSITS AND INVESTMENTS

The parish's cash and cash equivalents consist of cash on hand and demand deposits. Amounts in time deposits and those investments with original maturities of 90 days or less are considered to be cash equivalents. State law allows the parish to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

The parish had no investments at December 31, 2010.

E. RECEIVABLES

Receivables are shown net of an allowance for uncollectibles. Uncollectible amounts due for water charges are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivables. Uncollectible amounts for property taxes are recorded as a reduction of current revenues.

F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

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

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.

G. INVENTORIES

Inventories for supplies are immaterial and are recorded as expenditures/expenses when purchased.

H. PREPAID ITEMS

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.

I. RESTRICTED ASSETS

Certain resources of the parish are set aside for the payment of the high deductible insurance and health reimbursement plan are classified as restricted assets on the balance sheet because they are maintained in a separate bank account and their use is limited by the parish administration.

J. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets (roads and bridges), 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 parish maintains a threshold level of \$1,000 or more for capitalizing capital assets. Rural Fire Protection District No. 2 maintains a threshold level of \$1,000 or more for capitalizing capital assets.

For infrastructure that was acquired/built for the period July 1, 1980, to December 31, 2007, the parish has determined the value by using current replacement cost and deflating that cost by applying a CPI adjustment of 51.44% to approximate year of acquisition. There are three elements to the valuation: 1.) Land - Right of Way (ROW), 2.) Base, and 3.) Asphalt Surface.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset 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, if material, is included as part of the capitalized value of the assets constructed.

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

<u>Description</u>	<u>Estimated Lives</u>
Governmental activities -	
Roads and bridges	20 Years
Land improvements	10 Years
Buildings and building improvements	40 Years
Furniture and fixtures	5 Years
Vehicles	5 Years
Equipment	10-15 Years
Water Utility:	
Water system	20-40 Years
Storage tanks	20-40 Years

K. COMPENSATED ABSENCES

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

Parish government employees are entitled to certain compensated absences based on their length of employment and overtime worked. Vested compensated absences are recorded as expenditures when the liability is incurred. Effective July 1, 2009, any vacation leave exceeding 240 hours will be paid to the employee at the time of their anniversary date at a rate of 50% of their current pay rate. No employee will accrue vacation in excess of 240 hours. Sick leave has not been accrued as the employee's right to sick leave does not vest.

The cost of compensated absences is reported on the government-wide and the governmental fund financial statements.

L. LONG-TERM OBLIGATIONS

In the government-wide financial statements, and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, if any, as well as issuance costs, if any, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize both premiums and discounts, if any, as well as bond issuance costs, if any, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances, if any, are reported as other financing sources while discounts on debt issuances, if any, are reported as other financing uses.

Tangipahoa Parish Government recognizes landfill closure and postclosure costs in accordance with GASB-18. The measurement and recognition for landfill costs are reported in the government-wide financial statements.

Tangipahoa Parish Government
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M. 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.

N. ESTIMATES

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

O. INTERFUND TRANSACTIONS

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

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. For the purpose of the statement of activities, all interfund transfers between funds have been eliminated.

P. ELIMINATION AND RECLASSIFICATION

In the process of aggregating data for the statement of net assets and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

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Q. AD VALOREM TAXES

Ad valorem taxes are levied in October and billed to the taxpayers in November. Billed taxes become delinquent as of January of the following year at which time an enforceable lien is attached. The taxes are generally collected in December of the current year and January and February of the ensuing year. Ad valorem taxes and related state revenue sharing are recorded in the year the taxes are billed. The Tangipahoa Parish Sheriff / Tax Collector on behalf of the parish bills, collects, and remits the property taxes based on assessed values determined by the Tangipahoa Parish Assessor.

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

	Authorized Millage	Levied Millage	Expiration Year
Parishwide Taxes:			
General Fund, Cities	2.00	1.53	Continuous
General Fund, Rural	4.00	3.06	Continuous
Special Revenue Fund:			
Health Unit Maintenance	4.00	4.00	2016
District Taxes:			
Special Revenue Funds:			
Road Lighting District Number 1	2.00	2.00	2014
Road Lighting District Number 2	16.62	5.00	2016
Road Lighting District Number 3	15.00	15.00	2019
Road Lighting District Number 4	15.29	9.00	2016
Road Lighting District Number 5	15.00	15.00	2010
Road Lighting District Number 6	15.00	15.00	2018
Road Lighting District Number 7	10.00	10.00	2016
Garbage District Number 1	10.00	10.00	2012
Fire Protection District Number 2	10.00	10.00	2013
Fire Protection District Number 2	10.00	10.00	2015
Debt Service Funds:			
Road District Number 101	Variable	4.00	2015
Sub-Road District Number 1 of 101	Variable	5.00	2015

R. SALES TAXES

In July 2008, the voters of Tangipahoa Parish approved a renewal of a one percent parish wide general sales and use tax to be levied for Tangipahoa Parish Government. The proceeds of the tax are dedicated on the basis of 75 percent for road and bridge maintenance and improvements and the remaining 25 percent for general governmental purposes. The tax as renewed in 2008 is effective December 31, 2009, through December 31, 2013.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY
A. BUDGETS

The parish uses the following budget practices:

1. Preliminary budgets for the ensuing year are prepared by the assistant director of finance during October of each year. During November, the parish council reviews the proposed budgets and makes changes as it deems appropriate. The availability of the proposed budgets are then advertised in the official journal. Prior to meeting in December, the parish holds a public hearing on the proposed budgets in order to receive comments from residents. Changes are made to the proposed budgets based on the public hearings and the desires of the parish council as a whole. The budgets are then adopted during the Council's meeting and notice is published in the official journal.
2. Unexpended appropriations lapse at year-end and must be appropriated again in the next year's budget to be expended.
3. The parish adopts budgets for the General Fund, all special revenue funds, and the internal service proprietary fund using the same basis of accounting to reflect actual revenues and expenditures recognized on a generally accepted accounting principles basis. Budgetary control is at the functional level. Within functions, the parish president has the authority to make amendments as necessary.
4. During the year, the council receives quarterly budget comparison statements that are used to control the operations of the parish. The assistant director of finance presents necessary budget amendments to the council during the year when, in his judgement, actual operations differ materially from those anticipated in the original budget. During a regular meeting, the council reviews the proposed amendments, makes changes as it feels necessary, and formally adopts the amendments. The adoption of amendments is included in council minutes published in the official journal.

The original proposed budgets for the General Fund, the special revenue funds and the internal service proprietary fund were made available for public inspection on October 13, 2009, and were published in the official journal on October 28, 2009. A public hearing was held at the parish's headquarters on December 14, 2009. The original budgets were adopted on December 14, 2009.

The budgets of the parish were amended twice during the year with the final amendment taking place on December 13, 2010.

B. FUND DEFICITS

The following individual funds have a deficit in unreserved fund equity at December 31, 2010:

	<u>Deficit Amount</u>
Special Revenue Funds:	
Homeless Prevention	\$2,855
Jobs Task Force	\$5,957
Florida Parishes Arena	\$2,751
Capital Projects Funds:	
LCDBG American Truss	\$1,144
LCDBG Barrister Global	\$31,631

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3. DEPOSITS

At December 31, 2010, Tangipahoa Parish Government had deposits (book balances) totaling \$12,278,970 (including \$478,113 in the fiduciary fund) as follows:

Cash on hand	\$ 1,500
Interest-bearing demand deposits	12,264,264
Non interest-bearing demand deposits	<u>13,206</u>
 Total	 <u>\$ 12,278,970</u>

The deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Per GASB Statement 3, as amended by GASB 40, the Parish's deposits are exposed to custodial credit risk since the collateral pledged by the fiscal agent is not held in the Parish's name.

At December 31, 2010, Tangipahoa Parish Government had \$12,872,863 in deposits (collected bank balances) with a total of \$12,852,164 in interest bearing accounts and \$20,699 in non-interest bearing accounts. The total of \$12,872,863 is secured from risk by \$270,699 of federal deposit insurance and \$12,602,164 is uninsured but collateralized with securities held by the custodial bank in the name of the fiscal agent bank.

Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by Tangipahoa Parish Government that the fiscal agent has failed to pay deposited funds upon demand.

4. RECEIVABLES

The following is a summary of receivables at December 31, 2010:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Debt Service Funds</u>	<u>Total Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Agency Fund</u>
Taxes:							
Ad Valorem	\$1,121,862	\$ 9,463,098	\$ -	\$94,112	\$10,679,072	\$ -	\$ -
Sales and Use	299,205	897,818	-	-	1,196,821	-	-
Intergovernmental:							
State Revenue Sharing	57,966	540,904	-	-	598,870	-	-
Other	218,129	330,158	279,123	-	827,410	4,200	-
Accounts	-	442,748	-	-	442,748	-	-
Other	<u>227,685</u>	<u>346,837</u>	<u>153</u>	<u>-</u>	<u>574,675</u>	<u>-</u>	<u>5,870</u>
Total	<u>\$1,924,847</u>	<u>\$12,021,361</u>	<u>\$279,276</u>	<u>\$94,112</u>	<u>\$14,319,596</u>	<u>\$4,200</u>	<u>\$5,870</u>

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

The special revenue fund accounts receivable is net of \$24,550 allowance for doubtful accounts.

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5. INTERFUND TRANSFERS

Interfund transfers at December 31, 2010, consist of the following:

From the General Fund to the Animal Shelter Fund to subsidize operations.	\$400,000
From the General Fund to the Florida Parishes Arena Fund to subsidize operations.	100,000
From the Master Plan Fund to the General Fund to close fund and transfer excess funds back to General Fund.	32,344
From the Witness Fee Fund to the Criminal Court Fund for excess witness fees.	<u>6,462</u>
Total	<u>\$538,808</u>

6. CAPITAL ASSETS

The following is a summary of changes in capital assets for the fiscal year ended December 31, 2010:

	Balance 12-31-09**	Increase	Decreases	Balance 12-31-10
Governmental Activities:				
Capital assets not depreciated:				
Land	\$ 3,299,110	\$ 77,000	\$ -	\$ 3,376,110
Infrastructure (Land & Base)	63,490,452	1,697,120	-	65,187,572
Construction in progress	962,626	3,182,599	517,968	3,627,257
Total capital assets not depreciated	<u>67,752,188</u>	<u>4,956,719</u>	<u>517,968</u>	<u>72,190,939</u>
Capital assets depreciated:				
Buildings**	27,588,511	2,139,682	-	29,726,193
Infrastructure	99,019,897	4,036,752	459,022	102,597,627
Equipment**	23,632,236	3,062,073	2,617,216	24,077,093
Total capital assets depreciated	<u>150,238,644</u>	<u>9,238,507</u>	<u>3,076,238</u>	<u>156,400,913</u>
Less accumulated depreciation for:				
Buildings**	9,435,088	653,569	-	10,088,657
Infrastructure**	40,338,442	3,835,959	459,022	43,515,379
Equipment**	10,379,316	2,142,074	1,949,538	10,571,852
Total accumulated depreciation	<u>60,152,846</u>	<u>6,431,602</u>	<u>2,408,560</u>	<u>64,175,888</u>
Total capital assets depreciated, net	<u>90,085,798</u>	<u>2,806,905</u>	<u>667,678</u>	<u>92,225,025</u>
Total governmental activities capital assets, net	<u>\$ 157,837,986</u>	<u>\$ 7,763,624</u>	<u>\$ 1,185,646</u>	<u>\$ 164,415,964</u>

**Capital assets which includes infrastructure has been restated by \$4,044 to correct infrastructure accumulated depreciation, \$(31,694) to correct the TPG inventory, and \$150,247 to correct inventory of Rural Fire Protection No. 2.

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Notes to the Financial Statements
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Depreciation was charged to governmental functions as follows:

General government	\$ 321,892
Culture and recreation	81,755
Public safety	1,212,299
Public works	4,626,643
Health and welfare	150,384
Capital assets held by internal service funds - charged to general government	38,629
Total depreciation expense - governmental activities	<u>\$6,431,602</u>

The following is a summary of changes in capital assets for the business-type activity for the year ended December 31, 2010:

	Balance 12-31-09	Increase	Decreases	Balance 12-31-10
Business-Type Activities:				
Capital assets not depreciated:				
Land	\$ 1,000	\$ -	\$ -	\$ 1,000
Construction in progress	45,475	473,189	518,664	-
Total capital assets not depreciated	<u>46,475</u>	<u>473,189</u>	<u>518,664</u>	<u>1,000</u>
Capital assets depreciated:				
Water system	449,000	-	-	449,000
Total capital assets depreciated	<u>449,000</u>	<u>-</u>	<u>-</u>	<u>449,000</u>
Less accumulated depreciation for:				
Water system	215,520	44,900	-	260,420
Total accumulated depreciation	<u>215,520</u>	<u>44,900</u>	<u>-</u>	<u>260,420</u>
Total capital assets depreciated, net	<u>233,480</u>	<u>(44,900)</u>	<u>-</u>	<u>188,580</u>
Total business-type activities capital assets, net	<u>\$279,955</u>	<u>\$428,289</u>	<u>\$518,664</u>	<u>\$189,580</u>

Depreciation was charged to the business-type activity as follows:

Waterworks	<u>\$44,900</u>
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7. RESTRICTED ASSET - CASH

Governmental Activities/Funds

High Deductible Insurance and Health Reimbursement Plan

Tangipahoa Parish Government provides to its employees, as an employment benefit, a High Deductible Health Insurance Plan (through Blue Cross Blue Shield) which is supplemented by Individual Health Reimbursement Accounts (administered by Choice Care). In addition to paying the health insurance premium for the employee, the Parish is also responsible to pay a portion of the employee's deductible. In order to properly fund this deductible portion, the parish makes monthly deposits equal to 1/12th of the parish portion of the annual deductible into a separate bank account. These funds are then transferred to Choice Care as the employees use the funds for qualifying medical expenses. Any balances remaining after the close of the deductible year are carried over to offset future plan expenses. As of December 31, 2010, the combined cash balance of this fund was \$266,418, which is presented on the Statement of Net Assets as Restricted Assets - Cash.

Tangipahoa Parish Government
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8. COMPENSATED ABSENCES

At December 31, 2010, employees of Tangipahoa Parish Government have accumulated and vested \$405,978 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. Of this amount, \$62,457 is recorded as an obligation of the General Fund, and \$299,999 is recorded as an obligation of the Special Revenue Funds. The leave liability for employees of the Internal Service Fund in the amount of \$43,522 is accounted for within these funds.

9. LEASES

The parish has no material long-term, noncancellable operating lease commitments at December 31, 2010.

10. LONG-TERM DEBT

A. Summary of Changes in Long-Term Debt

The following is a summary of the long-term obligation transactions for the year ended December 31, 2010:

<u>Governmental Activities:</u>	<u>Balance 01/01/10</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/10</u>	<u>Due Within One Year</u>
General Obligation Bonds	\$ 360,000	\$ -	\$ 40,000	\$ 320,000	\$ 45,000
Certificates of Indebtedness - Rural Fire No. 2	1,251,885	650,000	203,970	1,697,885	309,155
Estimated Liability for Landfill Closure/ Postclosure Care Cost	5,256,808	246,681	-	5,503,489	-
EDAP Scariano Bros.	<u>800,000</u>	<u>-</u>	<u>-</u>	<u>800,000</u>	<u>-</u>
Total Governmental Activities	<u>\$7,668,873</u>	<u>\$896,681</u>	<u>\$243,970</u>	<u>\$8,321,384</u>	<u>\$354,155</u>

B. Bonds and Certificates of Indebtedness:

General obligation bonds are comprised of the following individual issues:

\$350,000 issue of 1996 to open, construct, and improve public roads, highways, and bridges within District No. 101, due in annual installments of \$10,000 to \$30,000 through March 1, 2016, with interest at 5.1 to 10.0 percent. Debt retirement payments are made from the Road District No. 101 Debt Service Fund.	\$160,000
\$350,000 issue of 1996 to open, construct, and improve public roads, highways, and bridges within Sub-Road District No. 1 of District No. 101, due in annual installments of \$10,000 to \$30,000 through March 1, 2016, with interest at 5.1 to 10.0 percent. Debt retirement payments are made from the Sub-Road District No. 1 of Road District No. 101 Debt Service Fund.	<u>160,000</u>
Total General Obligation Bonds	<u>\$320,000</u>

Tangipahoa Parish Government
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Certificates of Indebtedness, all in the name of Rural Fire Protection District No. 2 of Tangipahoa Parish, are comprised of the following individual issues at December 31, 2010:

	<u>Fire Department</u>	<u>Original Issue</u>	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Final Payment Due</u>	<u>Outstanding</u>
Series 2003B	Loranger	170,000	11/07/2003	3.75%	03/01/2013	\$ 66,000
Series 2006	Natalbany	217,000	07/28/2006	4.35%	03/01/2016	158,000
Series 2006	Natalbany	38,000	07/28/2006	0%	03/01/2011	8,000
Series 2006B	8 th Ward	153,000	12/19/2006	4.04%	03/01/2011	32,000
Series 2006B	8 th Ward	27,000	12/19/2006	0%	03/01/2011	6,000
Series 2007A	Natalbany	119,000	04/10/2007	4.16%	03/01/2016	89,000
Series 2007A	Natalbany	21,000	04/10/2007	0%	03/01/2012	9,000
Series 2007	Loranger	205,000	02/15/2007	3.98%	03/01/2016	147,000
Series 2007	Loranger	35,000	02/15/2007	0%	03/01/2011	8,000
Series 2006C	Wilmer	145,000	01/16/2007	4.11%	03/01/2016	112,000
Series 2006C	Wilmer	25,000	01/16/2007	0%	03/01/2011	7,000
Series 2007B	Manchac	180,000	11/20/2007	3.93%	03/01/2014	120,000
Series 2007A	Independence	250,000	11/20/2007	3.86%	03/01/2017	205,000
Series 2008A	Wilmer	92,885	03/09/2008	4.14%	03/01/2016	80,895
Series 2010A	Husser	300,000	02/05/2010	3.65%	01/01/2015	300,000
Series 2010B	Natalbany	350,000	02/05/2010	3.79%	03/01/2016	<u>350,000</u>

Total Certificates of Indebtedness \$1,697,895

General obligation bonds and certificates of indebtedness are payable from an annual ad valorem tax levy. In accordance with Louisiana Revised Statute 38:562, the parish is legally restricted from incurring long-term bonded debt in excess of 10 percent of the assessed value of taxable property in the parish. At December 31, 2010, the statutory limit is \$49,081,326.

C. Debt Service Requirements to Maturity

The annual debt service requirements, including principal and interest, are as follows:

General Obligation Bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 45,000	\$17,628	\$ 62,828
2012	50,000	15,000	65,000
2013	50,000	12,000	62,000
2014	55,000	8,850	63,850
2015	60,000	5,400	65,400
2016	<u>60,000</u>	<u>1,800</u>	<u>61,800</u>
	<u>\$320,000</u>	<u>\$60,878</u>	<u>\$380,878</u>

Tangipahoa Parish Government
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Certificates of Indebtedness:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 309,155	\$ 65,418	\$ 374,573
2012	291,655	51,656	343,311
2013	296,180	42,651	338,831
2014	287,725	29,705	317,430
2015	269,295	16,589	285,884
2016-2017	<u>243,885</u>	<u>6,520</u>	<u>250,405</u>
	<u>\$1,697,895</u>	<u>\$212,539</u>	<u>\$1,910,434</u>

D. EDAP Scarioano Bros.

See Note 25 for details regarding this loan / grant.

11. LANDFILL CLOSURE AND POST-CLOSURE COSTS

State and federal laws and regulations require Tangipahoa Parish Government to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. In addition to operating expenses relating to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and postclosure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and postclosure care costs is based on the amount of the landfill used during the year. The estimated liability for landfill closure and postclosure care costs is \$5,503,489 as of December 31, 2010, which is based on 68.28 percent usage (filled) of the landfill. The percentage usage reflects an update in the engineering estimate of percentage usage, and the related estimated liability for landfill closure and postclosure costs required by the Louisiana Department of Environmental Quality (LDEQ) regulations for postclosure care of solid waste facilities. It is estimated that \$2,593,000 will be recognized as closure and postclosure care expenses between the date of the balance sheet and the date the landfill is expected to be filled to capacity (May 2021). The estimated total current cost of the landfill closure and postclosure care costs of \$8,060,000 is based on the amount that would be paid (with year 2010 dollars) if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31, 2010. However, the actual cost of closure and postclosure care may be higher due to inflation or deflation, changes in technology, or changes in landfill laws and regulations. In addition, total closure and postclosure costs, as well as estimates of percentage usage of the landfill, will change as any additional cells are permitted to accept additional waste. The aforementioned dollar amounts are based on information provided by Solo Environmental Consultants, LLC.

Tangipahoa Parish Government anticipates that the liability for closure and postclosure cost will be funded on a "pay-as-you-go basis", if allowed. The management of Tangipahoa Parish Government understands that it satisfies the Local Government financial test due to meeting the financial ratio thresholds.

12. PENSION PLAN

Plan Description. Substantially all full-time employees of the Tangipahoa Parish Government are members of the Parochial Employees' Retirement System of Louisiana (System), a multi-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. The System is composed of two (2) distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the parish are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A the eligibility provisions are as follows:

<u>Hired Prior to January 1, 2007</u>	<u>Hired January 1, 2007, and Later</u>
7 years and age 65	7 years and age 67
10 years and age 60	10 years and age 62
25 years and age 55	30 years and age 55
30 years and any age	

The retirement allowance is equal to three percent of the member's final average compensation multiplied by his years of creditable service. Final average compensation shall be defined as the average of the highest consecutive 36 months salary for members hired prior to January 1, 2007. For members hired January 1, 2007, and later, final average compensation shall be defined as the average of the highest consecutive 60 months salary.

Any employee who was a member of the supplemental plan only prior to the revision date (January 1, 1980) has the benefit earned for service credited prior to the revision date on the basis of one percent of final compensation plus two dollars per month for each year credited prior to the revision date, and three percent of final compensation for each year of service credited after the revision date. The retirement allowance may not exceed the greater of one hundred percent of a member's final salary or the final average compensation.

Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

Employers shall pay the actuarial cost of leave conversion at the time of retirement for those members enrolled January 1, 2007, and later.

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

Funding Policy. Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and Tangipahoa Parish Government is required to contribute at an actuarially determined rate. The current rate is 12.75 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and Tangipahoa Parish Government are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Tangipahoa Parish Government's contributions to the System under Plan A for the years ending December 31, 2010, 2009, and 2008 were \$1,314,450, \$1,011,051, and \$1,047,203 respectively, equal to the required contributions for each year.

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Part-time employees of the parish are members of the social security system. In addition to employee payroll deductions, parish funds are remitted to match the employee contributions. Aggregate contributions to the social security system for the year ended December 31, 2010, were \$77,518 of which \$38,759 was contributed by the parish.

13. DEFERRED COMPENSATION PLAN

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

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

Complete disclosures relating to the State of Louisiana Deferred Compensation Plan are included in the separately issued audit report for the State of Louisiana Deferred Compensation Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

During 2010, the parish contributed a total of \$69,541 to the State of Louisiana Deferred Compensation Plan.

14. POSTEMPLOYMENT HEALTH CARE BENEFITS

Plan Description. In accordance with Ordinance 08-26 adopted on May 8, 2006, employees who retire from the Parish with at least 7 years of service may qualify for participation in the Retirement Group Insurance Plan (RGIP). RGIP is a self-administered, single-employer, defined benefit plan. RGIP provides medical benefits to eligible retirees and their spouses. The participant must also have been covered under the Employee Group Insurance Plan for at least one year prior to retirement. A plan participant may only select coverage up to the extent that the participant had coverage under the Employee Group Insurance Plan prior to retirement. The participant may reduce coverage but may not increase coverage. RGIP does not issue a financial report; however, the entity is included in the Parish's annual financial report. You may obtain a copy of the annual financial report by contacting Jeff McKnealy, Assistant Director of Finance at (985) 748-3211 or Tangipahoa Parish Government, P.O. Box 215, Amite, LA 70422.

Funding Policy. The Parish's portion of the post-retirement benefit is as follows:

<u>Years of Service</u>	<u>Parish's Portion</u>
7 - 9	None
10 - 14	25% of the total premium up to \$350 per month
15 or more	50% of the total premium up to \$350 per month

Once the participant and spouse are eligible for Medicare, the participant can elect to move to the Parish Medicare Supplement Plan. If elected, the Parish will pay 100% of the premium up to \$350 per month.

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Annual Required Contribution (ARC). The Parish's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB Statement No. 45. The ARC is the sum of the Normal Cost plus the contribution to amortize the unfunded Actuarial Accrued Liability (UAAL). A level dollar, closed amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The total ARC for fiscal year beginning January 1, 2010 is \$357,132 as set forth as below:

Normal cost	\$ 180,571
Interest on normal cost and amortization	7,223
Amortization of the UAAL	<u>169,338</u>
Annual Required Contribution (ARC)	<u>\$ 357,132</u>

Net Post-employment Benefit Obligation. The following schedule shows the Parish's net OPEB obligation for fiscal year ending December 31, 2010:

Annual Required Contribution	\$ 357,132
Interest on net OPEB obligation	21,835
Less: ARC adjustment	<u>(30,353)</u>
Annual OPEB cost	348,614
Contributions made by employer	<u>(35,808)</u>
Increase in net OPEB obligation	312,806
Beginning net OPEB obligation, December 31, 2009	<u>546,402</u>
Ending net OPEB obligation, December 31, 2010	<u>\$ 859,208</u>

The following schedule shows the Parish's annual post employment benefits (OPEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (OPEB) liability (asset):

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Obligation</u>
2008	\$302,106	7.58%	\$279,276
2009	\$297,751	10.29%	\$546,402
2010	\$348,614	10.27%	\$859,208

Funded Status and Funding Progress. During the fiscal year 2010, the Parish did not establish or contribute to a postemployment benefits plan trust. Since there is no trust, the Parish's entire actuarial accrued liability of \$2,403,327 was unfunded.

The funded status of the plan, as determined by an actuary as of January 1, 2010, was as follows:

Actuarial accrued liability (AAL)	\$2,403,327
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>\$2,403,327</u>
Funded ratio	0%

Tangipahoa Parish Government
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Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Accrued Liabilities (UAAL)</u>	<u>Funded Ratio Percentage</u>
1/1/2008	N/A	\$2,309,241	\$2,309,241	0%
1/1/2009	N/A	N/A	N/A	N/A
1/1/2010	N/A	\$2,403,327	\$2,403,327	0%

Actuarial Methods and Assumptions. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets consistent with the long-term perspective of the calculations.

In the January 1, 2010, Parish actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4% investment rate of return and initial annual healthcare cost trend rate of 7.5% and 7.5% for pre-Medicare and Medicare eligible employees, respectively, scaling down to ultimate rates of 4% per year. The RP 2000 Mortality Table was used in making actuarial assumptions. Retirement rate assumptions differ by employment group and date of plan participation. The Parish's unfunded actuarial accrued liability is being amortized over 30 years using a level dollar basis. The remaining amortization period at December 31, 2010, is 27 years.

15. LITIGATION AND CLAIMS

At December 31, 2010, the parish is involved in litigation or is aware of various claims totaling an undetermined amount. Legal counsel for Tangipahoa Parish Government has determined that the losses (if any) cannot be reasonably estimated at this time; accordingly, no liability has been recorded in these financial statements.

Claims and litigation costs of \$13,195 were paid in the current year and recorded as a current year expenditure in the Road & Bridge and Garbage Maintenance.

Tangipahoa Parish Government
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16. COMPENSATION PAID PARISH PRESIDENT AND COUNCIL/BOARD MEMBERS

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

Compensation paid to the Parish President and Council members for the year ended December 31, 2010, is as follows:

Gordon Burgess, President	\$125,521
Ronald Bankston	19,200
Carlo Bruno	19,200
Thomas Toler	19,200
Bobby Cortez	19,200
Debbie Edwards	19,200
Carlos Notariano	19,200
Michael Petitto	19,200
Tennis Rick	19,200
Howard Ridgel	14,400
Lionel Wells	19,200
Margie Daly	<u>4,240</u>
	<u>\$316,961</u>

Tangipahoa Parish Government
Notes to the Financial Statements
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17. RESTATED FUND BALANCE / NET ASSETS

A. The following funds beginning unreserved fund balance has been restated to reflect the retroactive recording of prior period adjustments to the December 31, 2009, balance:

General Fund

Unreserved fund balance at December 31, 2009	\$1,295,811
Correct Hammond Chamber of Commerce accrual	<u>(9,270)</u>
Unreserved fund balance at December 31, 2009, as restated	<u>\$1,286,541</u>

Road and Bridge Fund

Unreserved fund balance at December 31, 2009	\$1,802,910
Correct accrued wages	<u>(33,784)</u>
Unreserved fund balance at December 31, 2009, as restated	<u>\$1,769,126</u>

Garbage District No. 1

Unreserved fund balance at December 31, 2009	\$3,218,243
Correct Waste Management receivable	<u>53,450</u>
Unreserved fund balance at December 31, 2009, as restated	<u>\$3,271,693</u>

Rural Fire Protection District No. 2

Unreserved fund balance at December 31, 2009	\$4,011,776
Write off Village of Tangipahoa receivable	<u>(4,781)</u>
Unreserved fund balance at December 31, 2009, as restated	<u>\$4,006,995</u>

Health Unit

Unreserved fund balance at December 31, 2009	\$3,377,924
Correct accrual of accounts payable	<u>(31,874)</u>
Unreserved fund balance at December 31, 2009, as restated	<u>\$3,346,050</u>

Section 8 Housing

Unreserved fund balance at December 31, 2009	\$1,871,474
January 2010 HAP revenue received in 2009	<u>(19,281)</u>
2009 unspent funds - Per HUD NRA reconciliation	<u>(141,554)</u>
Close out DHAP Katrina	<u>(7,218)</u>
Void March 2009 checks	<u>2,866</u>
Unreserved fund balance at December 31, 2009, as restated	<u>\$1,706,287</u>

Other Governmental Funds

Unreserved fund balance at December 31, 2009	\$1,445,738
Correct grant allocations	<u>\$1,160</u>
Unreserved fund balance at December 31, 2009, as restated	<u>\$1,446,898</u>

B. The beginning net assets of the Governmental Funds has been restated:

Net Assets at December 31, 2009	\$167,934,615
To correct infrastructure & capital assets	122,597
To correct OPEB obligation	<u>(279,276)</u>
Effect of prior period adjustments made to fund balance	<u>(190,286)</u>
Net Assets at December 31, 2009, as restated	<u>\$167,587,650</u>

18. DESIGNATED FUND BALANCES / RESTRICTED NET ASSETS

As of December 31, 2010, the following funds had fund balance designated and net assets restricted as explained below:

General Fund \$999,825; \$811,787 in compliance with Ordinance 99-30 establishing a reserve fund, \$88,038 for funding of the Healthcare Reimbursement Account, and \$100,000 to be used in accordance with L.R.S. 47:322.5.

Road and Bridge Fund \$108,970 for funding of the Healthcare Reimbursement Account.

Garbage District No. 1 Fund \$23,245 for funding of the Healthcare Reimbursement Account.

Rural Fire Protection District No. 2 Fund \$1,549 for hazmat expenditures.

Health Unit Fund \$19,979 for funding of the Healthcare Reimbursement Account.

Animal Shelter Fund \$13,043 for funding of the Healthcare Reimbursement Account.

At December 31, 2010, the Road Light 101 Sinking Fund had restricted net assets of \$62,021 for debt service.

At December 31, 2010, the Road Light 101 Sub-sinking Fund had restricted net assets of \$60,060 for debt service.

19. CONTRACT WITH SDT WASTE & DEBRIS SERVICES, L.L.C.

Tangipahoa Parish Government entered into an agreement with SDT Waste & Debris Services, L.L.C. on May 22, 2009, for the collection, transportation, and disposal of residential solid waste, a five year contract through April 30, 2014. SDT Waste & Debris Services, L.L.C. will pay a disposal cost of \$12 per ton for residential waste collected in unincorporated areas.

20. RISK MANAGEMENT

Tangipahoa Parish Government is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The parish attempts to minimize risk from significant losses through the purchase of commercial insurance. The parish's general liability policy does not cover the Section 8 program or Fire Protection District No. 2, nor does it cover road hazards.

21. CUSTODIAL CREDIT RISK - DEPOSITS

Custodial credit risk is the risk that in the event of a bank failure, the parish's deposits may not be returned to it. The parish does not have a deposit policy for custodial credit risk. As of December 31, 2010, \$12,602,164 of the parish's bank balances are exposed to custodial credit risk. The \$12,602,164 is uninsured but collateralized with securities held by the pledging institution's trust department or agent, but not in the parish's name.

22. OTHER MATTERS

INDUSTRIAL DEVELOPMENT BOARD In 2002, the parish purchased the Wal Mart Warehouse and Distribution Center land and a portion of the improvements thereon for \$3,995,000 these funds were received by the parish from the Louisiana Division of Administration Facility Planning and Control. The parish then conveyed title to the land and improvements to the Industrial Development Board of the Parish of Tangipahoa, Inc. The Industrial Development Board of the Parish of Tangipahoa, Inc. (Board) is a non-profit corporation formed under the provisions of L.R.S.-51:1151.

The Board issued \$40,000,000 of taxable revenue bonds. These bonds were purchased by Wal-Mart Stores, Inc.

The Board leased the land and improvements to Wal-Mart Stores East, Inc. for lease payments sufficient to pay the principal and interest on the bonds. The lease agreement also provides for the payment of \$550,000 to the Board in the initial year of the lease and a payment of \$275,000 in February of each year thereafter. The lease term is from October 1, 2003, through February 1, 2021. At the end of the lease term, or earlier if Wal-Mart Stores East, Inc. elects, the interest of the Board in the leased facility will be sold to Wal-Mart Stores East, Inc.

The Board also issued \$4,000,000 of taxable revenue bonds to finance the expansion of Elmer Candy Corporation. The Board acquired the expansion and then entered into a lease agreement with Elmer Candy Corporation for lease payments sufficient to pay the principal and interest on the bonds. Under the lease, \$833 is also payable monthly to the Tangipahoa Parish Government. The lease term is from October 1, 2002, through December 1, 2022. Elmer Candy Corporation has the option to purchase the leased facilities upon payment in full of the bonds.

Neither the outstanding bonds payable of \$40,229,752 nor the ownership of the Wal-Mart and Elmer facilities are reflected in the accompanying financial statements.

23. CHANGE IN AGENCY FUNDS

A summary of changes in agency fund deposits due others follows:

	<u>Balance</u> <u>01-01-10</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12-31-10</u>
Peyroll liability fund	<u>\$74,286</u>	<u>\$10,968,190</u>	<u>\$10,439,093</u>	<u>\$603,383</u>

24. COMMITMENTS AND CONTINGENCIES

The Parish is self insured for unemployment claims. A reserve of \$34,073 is recorded in the payroll liability fund at December 31, 2010. Unemployment expenses of \$13,348 were paid from the fund during the year ending December 31, 2010. \$14,380 of additional reserves were accrued during 2010.

The parish had seven active construction projects as of December 31, 2010. At year end the commitments with the contractors are as follows:

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Diamond B Construction Company, LLC - Phase 15 Overlay	\$831,238	\$4,803,012
Barriere Construction Co., LLC - Barrister Global access road	632,456	7,875
B & K Underground - Water main for Smitty's	62,766	15,692
Richard Owen Construction - Hammond Fire Admin bldg retrofit	-	28,000
Richard Owen Construction - Courthouse Annex retrofit	-	56,500
Wainwright Construction - Hammond Junior High retrofit	-	86,000
D & H Quality Construction - Amite High retrofit	-	45,900
Cuzan Services, LLC - Registrar of Voter renovations	-	189,000
Harper Metal Building Services, Inc. - new livestock facility	-	86,004

The parish had one professional services contract as of December 31, 2010. At year end the commitment with the contractor was as follows:

HDR Engineering, Inc. - Lake Ponchartrain Shoreline Protection	235,597	378,403
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The parish had one performance agreement contract as of December 31, 2010. At year end the commitment with the contractor was as follows:

Siemens Industry, Inc. - Performance based energy contract.	481,222	782,788
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25. EDAP LOAN - SCARIANO BROTHERS

The Tangipahoa Parish Government (herein referred to as the "Sponsoring Entity") entered into a cooperative endeavor agreement with the Louisiana Economic Development Corporation, acting through the Louisiana Department of Economic Development, and Scariano Brothers, LLC (herein referred to as the "Company") effective September 21, 2007. The purpose of this agreement was to establish a loan (which may be converted into a grant provided the Company's employment obligations are met and sufficient credits are applied to the loan) to provide funding for the costs in connection with the widening and strengthening of a public road, construction of a new access road, and installation of water and sewage infrastructure by the Tangipahoa Parish Government, the Sponsoring Entity, in cooperation with the Tangipahoa Economic Development Foundation in order to serve and accommodate the Company's new 44,000 square foot wholesale meat provisions distribution plant facility. The Company purchased the property and constructed the 44,000 square foot freezer storage facility on the property with an initial investment of \$4.4 Million. In addition to the Company's private investment, the Tangipahoa Parish Government invested \$40,000 into this project. In connection with its new operations and anticipated expansion, the Company will be retaining 12 existing jobs and creating or providing over a three year period 49 more jobs for local residents, at a total annual payroll level for all 61 employees of \$3,096,800.

This EDAP Award in the amount of \$800,000 is justified, starting as a loan which may be converted to a grant if the employment and payroll obligations undertaken in this agreement are reached by the Company, based on the Company's projected retention of 12 existing jobs and the creation over a three year period of 49 additional permanent full time jobs filled with employees, all at a total cumulative annual payroll level of \$3,096,800.

The Sponsoring Entity and the Company, as co-makers, signed a promissory note for the loan award amount, being the principal sum of \$800,000 bearing interest thereon at the current U.S. Treasury Rate for 5 year bank financing, being 5.37% per annum from its date until paid, but the co-makers will be given a "Jobs Credit" on this note in the amount of \$16,326.53 for each of the 49 additional permanent full time jobs that the Company creates and fills with an employee at its new western Tangipahoa Parish Louisiana distribution facility within the three year term herein agreed to, beginning as of January 1, 2008 and continuing through December 31, 2010, and retains this employment and annual payroll level agreed upon through December 31, 2011. In the event the Company meets these goals, this Award shall in effect be converted to a grant, the interest waived and no cash repayment will be required. However, in the event the full employment and payroll level is not met, the balance remaining on the promissory note, after appropriate "Job Credits" for those additional jobs that have been created and filled by the Company have been given, shall be repaid by the Company in full at its maturity date, being December 31, 2010 (being the termination of the three year employment period).

As of December 31, 2010, Clark Forrest with the Louisiana Department of Economic Development states that Scariano Brothers, LLC is on track to meeting the employment goals. However, the \$800,000 is still considered a non-interest bearing loan.

26. EDAP LOAN - LOUISIANA STATE CYPRESS, LLC

The Tangipahoa Parish Government (herein referred to as the "SPONSORING ENTITY") entered into a cooperative endeavor agreement with the Louisiana Economic Development Corporation, acting through the Louisiana Department of Economic Development (referred to as "LED"), and Louisiana State Cypress, LLC (herein referred to as the "COMPANY") effective November 2, 2005. This agreement was amended as of December 11, 2009, by LED and the SPONSORING ENTITY. However, the COMPANY ceased business operations in 2009 and is no longer a viable company, is no longer in business, and therefore no longer has any interest in the Award Agreement dated November 2, 2005, originally scheduled to terminate on December 31, 2009.

The original Award and the Award Agreement originally provided for the full dollar amount of \$235,000, but only the sum of \$207,041.94 was expended and drawn on the Award Agreement by the SPONSORING ENTITY, and the dollar amount of the Award has therefore been reduced by the mutual agreement of the parties to the amount actually drawn; and, until the present time there has been a default and deficiency in meeting the employment and payroll Performance Objectives as required in the original Award Agreement; however, allowing appropriate credits for the jobs and payroll accomplishments actually achieved by the COMPANY prior to its termination of operations

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Notes to the Financial Statements
As of and for the Year Ended December 31, 2010

leaves an uncredited balance on the reduced Award amount in the sum of \$123,156.18; because of said default and deficiency in meeting the required employment and payroll Performance Objectives the State has not received its full anticipated "payback" (to be generated through taxes payable to the State from payroll and other anticipated business operations and activities of the COMPANY which were to be accomplished during the term of the Agreement) leaving an unpaid deficiency due to the State equal to the dollar amount of the uncredited balance on the reduced Award amount; but instead of requiring the SPONSORING ENTITY to repay the State the full dollar amount of the uncredited balance on the reduced Award amount in cash in full at this time, LED is willing, on the request of the SPONSORING ENTITY, to extend the term of the Award Agreement and to extend the employment and payroll Performance Objectives and allow the SPONSORING ENTITY some additional time either: (a) to find a new Company to substitute as the party at interest herein to reach the previously provided or some other satisfactory employment and payroll Performance Objectives that are satisfactory to LED; or (b) to repay to LED the dollar amount of the uncredited balance on the reduced Award amount shown above.

The new termination date of the Award Agreement has been changed and extended to December 31, 2012.

In the event the SPONSORING ENTITY is unable to find a new Company to substitute as the party at interest herein to assume the obligations of the original COMPANY and to reach the previously provided or some other satisfactory employment and payroll Performance Objectives that are satisfactory to LED, by the date of December 31, 2012, then the SPONSORING ENTITY shall repay to LED on that date the full dollar amount of the uncredited balance on the reduced Award amount shown above, being the full sum of \$123,156.18.

The COMPANY also known as "Debtor" borrowed certain sums from Texans Credit Union, a Texas state chartered credit union, (the "TCU Obligation") which are guaranteed by Louisiana State Market Commission, an agency of the State of Louisiana, (hereinafter the "COMMISSION").

The "TCU Obligation" is a certain promissory note dated June 29, 2007, payable to the order of Texans Credit Union (TCU) in the principal amount of \$3,150,000.00 bearing interest at the rate of 7.0% per annum from date until paid. The total due on this note was \$3,002,494.06 in principal, \$65,643.48 in interest through April 24, 2009, totaling (\$3,068,137.40). The TCU Obligation is secured by a Loan Guaranty Agreement dated June 29, 2007, by the COMMISSION as guarantor for the full amount of the obligation.

Wishing to be fully released from the TCU Obligation, the COMPANY "Debtor" made a Dation En Paiement to the COMMISSION, whereby Debtor did transfer, convey, deliver, grant, assign and set over unto the COMMISSION certain moveable and immovable property containing 32.98 acres owned by the COMPANY "Debtor".

The COMPANY "Debtor" and the "COMMISSION" signed and accepted the Dation En Paiement on April 24, 2009. On April 21, 2011, the sponsoring entity was notified by LED that a termination for cause notification had been issued and that the award agreement would be terminated on June 1, 2011. Therefore, the Parish would not be required to pay back the \$123,156.18.

27. LCDBG - AMERICAN TRUSS

The Tangipahoa Parish Government (herein referred to as "CONTRACTOR") entered into an agreement with the Division of Administration (herein referred to as "DIVISION") acting through the Louisiana Community Development Block Grant Program on August 11, 2009, and entered into an agreement with American Truss, LLC (herein referred to as "DEVELOPER") on September 18, 2009. The CONTRACTOR was allowed to utilize \$557,742 of Louisiana Community Development Block Grant (LCDBG) funds for the purpose of providing infrastructure including roadway improvements for the sole purpose of facilitating the operation of the DEVELOPER located near Hammond, Louisiana.

As part of the agreement the DEVELOPER was to provide a total of ~~fifty-three~~ (53) full time job equivalents. At least ~~fifty-one~~ percent (51%) of the jobs were to be filled with persons who at the time of their employment will be persons of low to moderate income families. There is a contract provision that requires funds that were paid out to the CONTRACTOR be reimbursed to the DIVISION in the event that any activities authorized by the agreement are not performed in accordance with the agreement.

Tangipahoa Parish Government
Notes to the Financial Statements
As of and for the Year Ended December 31, 2010

As of April 1, 2011, the DEVELOPER has ceased operations having never met its employment requirement. Per Julie Bordelon with Bordelon, Foreman, & Associates, Inc., as of June 21, 2011, the DEVELOPER has filed bankruptcy. The DIVISION has not decided whether or not the Parish will be liable for the repayment of the LCDBG grant funds.

28. SUBSEQUENT EVENTS

Subsequent to December 31, 2010, the following events occurred:

Tangipahoa Parish Government

- Council approved change order No. 2 for Barrister Global Project with an increase of \$88,972 for a new contract price of \$ 729,303.68.
- Council approved change order No. 1 for Harper Metal Buildings with a decrease of \$2,650 for a new total contract of \$83,354.
- Council adopted TP Ord. No. 11-12 authorizing Tangipahoa Parish President, Gordon Burgess, to execute all documents in regards to the Act of Donation of the transfer of the 2010 Model Hovercraft, trailer, and 2010 Ford F250 to the Tangipahoa Parish Sheriff's Office.
- Council approved low bid of \$184,783 by Wainwright Construction for the Hammond Substation Windretrofit.
- Council approved low bid by Louisiana Machinery on the 36-month municipal lease for \$188,321.80 for the purchase of 1 new and current model Track Type Dozer with Waste Handling Package.
- Council approved the purchase of 2 Chevrolet pickup trucks off of state contract from Gerry Lane for purchase price of \$36,624.
- Council approved change order no. 2 for Harper Metal Building for a new contract price of \$85,934.12 for the new open livestock facility at the Florida Parishes Arena.
- Council approved the purchase of one JD 75 D Excavator with Bucket off of state contract from Doggett Machinery Services for the purchase price of \$76,640.05 to be paid out of the Road & Bridge fund.
- Council approved amended change order No. 1 in the amount of \$13,080 for the HMGP Project at the Hammond Criminal Justice Leon Ford Building for a new contract price of \$93,029.

Fire No. 2

- Fire Board approved a resolution authorizing and approving issuance and delivery of not to exceed \$175,000 certificates of indebtedness, series 2011, of Rural Fire Protection District No. 2 of the Parish of Tangipahoa, State of Louisiana (Independence Volunteer Fire Department), for the purpose of (I) providing funds to finance the purchase of a new fire truck and miscellaneous fire fighting equipment on behalf of Independence Volunteer Fire Department, Inc., (II) providing a reserve for the certificates, if required and (III) paying the costs of issuance thereof.
- Fire Board approved the 2011 Fire District No. 2 salaries for Carla Tate, Secretary and Virginia Baker, Treasurer at \$500 per month.
- Fire Board approved the purchase of one 2011 Crown Victoria for the chief's vehicle (Ponchatoula Fire Department) off state contract Gateway Ford for the purchase price of \$25,528.
- Fire Board approved the Manchac Fire Department to purchase 10 water pumps for the river.

Tangipahoa Parish Government
Notes to the Financial Statements
As of and for the Year Ended December 31, 2010

- Fire Board approved the Manchac Fire Department to purchase of (5) sets of bunker gear costing approximately \$1,600 each from Ferrara Fire.
- Fire Board authorized the repair of a 1981 Tanker. An estimate received for \$8,000 but additional repairs would be needed and would cost in excess of \$10,000. The board authorized repairs to be done without any additional quotes up to \$12,000.
- Fire Board authorized the Treasurer to advance and wire a loan payment of \$56,000 to Iberia Bank on behalf of the Natabany Fire Department. The Fire Board later approved to withhold the loan payment funds in (2) payments.
- Fire Board approved the Ponchatoula Fire Department to replace the existing Tanker by purchasing a Tanker off of state contract for \$220,000.
- Fire Board approved the sale of the Independence Fire - 1994 Ford Rescue Truck to Livingston Parish for the price of \$10,000.

Required Supplementary Information (Part II)

Tangipahoa Parish Government
 Amite, Louisiana
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
 For the Year Ended December 31, 2010

EXHIBIT B-1

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Sales	\$ 3,900,000	\$ 3,800,000	\$ 3,808,880	\$ 8,880
Ad valorem	1,100,000	1,100,000	1,114,241	14,241
Franchise	520,000	500,000	498,565	(3,435)
Licenses, permits, and rent	1,433,850	1,341,425	1,358,883	14,458
Intergovernmental revenues:				
Federal funds:				
Federal grants	1,575,000	1,084,000	1,209,182	145,182
FEMA	-	25,000	25,057	57
State funds:				
State revenue sharing	85,000	85,000	87,140	2,140
Severance tax	325,000	120,000	135,937	15,937
State appropriations	40,000	170,000	100,000	(70,000)
State grants	200,000	200,000	101,811	(98,389)
Alcoholic beverage tax	40,000	40,000	41,445	1,445
Fees, charges, and commissions for services	82,000	98,500	116,351	17,851
Fines and forfeitures	-	1,000	375	(625)
Interest	34,000	3,000	2,347	(653)
Other revenues	1,383,000	1,415,000	1,454,182	39,182
Total Revenues	10,717,850	9,982,925	10,049,138	86,211
Expenditures				
General government:				
Legislative	493,650	495,850	482,179	13,871
Judicial	3,584,050	3,654,450	3,689,888	(15,538)
Elections	187,700	157,100	151,088	6,034
Finance and administrative	1,237,754	1,473,754	842,775	630,879
Public safety	2,482,800	2,683,550	2,953,088	(269,538)
Public works	2,485,800	2,595,720	1,518,864	1,076,756
Health and welfare	473,800	512,600	527,861	(15,381)
Total Expenditures	10,905,454	11,573,024	10,146,017	1,427,007
(Deficiencies) of Revenues Over Expenditures	(187,604)	(1,610,099)	(98,881)	1,513,218
Other Financing Sources (Uses)				
Sale of fixed assets	1,000	3,000	2,958	(42)
Operating transfers in	-	30,000	32,344	2,344
Operating transfers out	-	-	(500,000)	(500,000)
Total Other Financing Sources (Uses)	1,000	33,000	(464,698)	(497,698)
Net Change in Fund Balance	(188,604)	(1,577,099)	(581,579)	1,015,520
Fund Balance, Beginning of Year, Restated	2,788,855	2,155,764	2,155,764	-
Fund Balance at End of Year	\$ 2,602,251	\$ 578,665	\$ 1,594,185	\$ 1,015,520

See auditor's report.

Tangipahoa Parish Government
 Amite, Louisiana
BUDGETARY COMPARISON SCHEDULE
ROAD AND BRIDGE FUNDS
 For the Year Ended December 31, 2010

EXHIBIT B-2

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Sales	\$ 12,300,000	\$ 11,300,000	\$ 11,426,579	\$ 126,579
Intergovernmental revenues:				
Federal funds	-	84,000	76,729	(7,271)
FEMA	-	55,000	55,058	58
State funds:				
Parish transportation funds	740,000	820,000	830,680	10,680
Municipal reimbursements	-	45,000	45,052	52
Interest	30,000	14,000	15,398	1,398
Other revenues	-	12,000	13,438	1,438
Total Revenues	13,070,000	12,330,000	12,462,934	132,934
Expenditures				
Public works	13,110,560	12,384,450	9,629,989	2,754,481
Total Expenditures	13,110,560	12,384,450	9,629,989	2,754,481
(Deficiencies) of Revenues Over Expenditures	(40,550)	(54,450)	2,832,945	2,887,395
Other Financing Sources				
Sale of fixed assets	-	148,000	147,129	(871)
Total Other Financing Sources	-	148,000	147,129	(871)
Net Change in Fund Balance	(40,550)	93,550	2,980,074	2,888,524
Fund Balance, Beginning of Year, Restated	813,811	1,906,029	1,906,029	-
Fund Balance at End of Year	\$ 773,261	\$ 1,999,579	\$ 4,886,103	\$ 2,888,524

See auditor's report.

Tangipahoa Parish Government
 Amite, Louisiana
 BUDGETARY COMPARISON SCHEDULE
 GARBAGE DISTRICT NO. 1
 For the Year Ended December 31, 2010

EXHIBIT B-3

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Ad valorem	\$ 2,300,000	\$ 2,200,000	\$ 2,352,225	\$ 152,225
State funds:				
State revenue sharing	220,000	220,000	242,188	22,188
Fees, charges, and commissions for services	2,830,000	3,071,500	3,041,205	(30,295)
Interest	40,000	20,000	14,015	(5,985)
Other revenues	-	14,000	17,221	3,221
Total Revenues	5,390,000	5,525,500	5,666,854	141,354
Expenditures				
Sanitation	8,082,200	8,435,200	8,834,576	800,625
Debt service:				
Principal	80,000	-	-	-
Interest and agent fees	15,000	-	-	-
Total Expenditures	8,177,200	8,435,200	8,834,575	800,625
(Deficiencies) of Revenues Over Expenditures	(787,200)	(909,700)	(167,721)	741,979
Other Financing Sources				
Sale of fixed assets	-	13,500	13,414	(86)
Total Other Financing Sources	-	13,500	13,414	(86)
Net Change in Fund Balance	(787,200)	(896,200)	(154,307)	741,893
Fund Balance at Beginning of Year	2,545,324	3,269,657	3,269,657	-
Fund Balance at End of Year	\$ 1,758,124	\$ 2,403,457	\$ 3,145,350	\$ 741,893

See auditor's report.

Tangipahoa Parish Government
Amite, Louisiana
BUDGETARY COMPARISON SCHEDULE
RURAL FIRE PROTECTION DISTRICT NO. 2
For the Year Ended December 31, 2010

EXHIBIT B-4

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Ad valorem	\$ 4,200,000	\$ 4,100,000	\$ 4,407,818	\$ 307,818
State funds:				
State revenue sharing	400,000	400,000	441,853	41,853
State appropriations	200,000	200,000	200,984	984
Interest	50,000	20,000	21,092	1,092
Other revenues	8,400	11,150	8,885	(4,285)
Total Revenues	4,858,400	4,731,150	5,078,410	347,260
Expenditures				
Public safety	4,858,400	6,189,400	5,399,934	789,466
Total Expenditures	4,858,400	6,189,400	5,399,934	789,466
(Deficiencies) of Revenues Over Expenditures	-	(1,458,250)	(321,524)	1,138,728
Other Financing Sources				
Sale of fixed assets	-	29,000	39,234	10,234
Proceeds from volunteer fire departments	-	197,000	188,554	(10,446)
Bond proceeds	-	618,000	650,000	32,000
Total Other Financing Sources	-	844,000	875,788	31,788
Net Change in Fund Balance	-	(614,250)	554,264	1,168,514
Fund Balance at Beginning of Year, Restated	4,132,888	4,008,469	4,008,469	-
Fund Balance at End of Year	\$ 4,132,888	\$ 3,394,219	\$ 4,562,733	\$ 1,168,514

See auditor's report.

Tangipahoa Parish Government
 Amite, Louisiana
BUDGETARY COMPARISON SCHEDULE
HEALTH UNIT
 For the Year Ended December 31, 2010

EXHIBIT B-5

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Taxes:				
Ad valorem	\$ 1,900,000	\$ 1,850,000	\$ 1,851,196	\$ 101,196
Federal funds:				
Federal grants	-	-	30,161	30,161
State funds:				
State revenue sharing	120,000	120,000	129,291	9,291
Rental fees	2,000	2,000	-	(2,000)
Interest	35,000	17,000	16,093	(907)
Total Revenues	<u>2,057,000</u>	<u>1,989,000</u>	<u>2,126,741</u>	<u>137,741</u>
<u>Expenditures</u>				
Health and Welfare	<u>1,690,750</u>	<u>1,808,250</u>	<u>1,708,561</u>	<u>99,689</u>
Total Expenditures	<u>1,690,750</u>	<u>1,808,250</u>	<u>1,708,561</u>	<u>89,689</u>
Net Change in Fund Balance	366,250	182,750	420,180	237,430
Fund Balance at Beginning of Year, Restated	<u>3,183,734</u>	<u>3,370,263</u>	<u>3,370,263</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 3,549,984</u>	<u>\$ 3,553,013</u>	<u>\$ 3,790,443</u>	<u>\$ 237,430</u>

See auditor's report.

Tangipahoa Parish Government
 Amite, Louisiana
BUDGETARY COMPARISON SCHEDULE
SECTION 8
 For the Year Ended December 31, 2010

EXHIBIT B-6

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grants	\$ 1,247,590	\$ 2,131,445	\$ 2,963,124	\$ 831,679
Interest	538	15,000	15,204	204
Other Revenues	6,179	6,179	3,600	(2,579)
Total Revenues	<u>1,254,305</u>	<u>2,152,624</u>	<u>2,981,928</u>	<u>829,304</u>
Expenditures				
Health and Welfare	<u>2,551,747</u>	<u>3,006,347</u>	<u>2,838,888</u>	<u>167,859</u>
Total Expenditures	<u>2,551,747</u>	<u>3,006,347</u>	<u>2,838,888</u>	<u>167,859</u>
Net Change in Fund Balance	(1,297,442)	(853,723)	143,240	986,963
Fund Balance at Beginning of Year, Restated	<u>1,831,328</u>	<u>1,708,287</u>	<u>1,708,287</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 333,884</u>	<u>\$ 852,564</u>	<u>\$ 1,849,527</u>	<u>\$ 986,963</u>

See auditor's report.

Other Supplementary Information

TANGIPAHOA PARISH GOVERNMENT
 Amite, Louisiana
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2010

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Housing and Urban Development:</u>			
Direct Program:			
Section 8 Housing Choice Vouchers	14.871	-	1,639,320
Passed through Louisiana Division of Administration, Office of Community Planning and Development			
Louisiana Community Development Block Grant	14.228	FY 2008 LCDBG	1,180,999
Homeless Prevention and Repld Re-housing Program	14.257		<u>183,547 *</u>
Total U.S. Department of Housing and Urban Development			<u>3,003,866</u>
<u>U.S. Department of Environmental Protection Agency:</u>			
Direct Program:			
Lake Pontchartrain Sewer System Engineer	66.606	58542-S10-2	4,200
Lake Pontchartrain Sewer System Evaluation	66.606	58542-S10	<u>21,000</u>
Total U.S. Department of Environmental Protection Agency			<u>25,200</u>
<u>U.S. Department of Homeland Security:</u>			
Passed through U.S. Department of Housing and Urban Development			
Disaster Housing Assistance Program	97.109	-	1,199,368
Passed through Louisiana Governor's Office of Homeland Security and Emergency Preparedness			
Emergency Management Performance Grant Program	97.042	2008	6,831
Emergency Management Performance Grant Program	97.042	2010	64,167
Citizens Corp	97.053	2008	8,973
Citizens Corp	97.053	2009	417
Interoperable Emergency Communications Grant Program	97.055	2008-IO-T8-0011	12,000
Interoperable Emergency Communications Grant Program	97.055	2009-IP-T9-0003	11,784
Interoperable Emergency Communications Grant Program	97.055	2010-EP-T0-0039	14,444
State Homeland Security Program	97.067	2008	84,398
State Homeland Security Program	97.067	2009	150,106
Hazard Mitigation Grant Program-Generator Grant	97.039	FEMA-1603-DR-LA-0079	127,010
Hazard Mitigation Grant Program-Health Unit	97.039	1603-105-0002	4,021
Hazard Mitigation Grant Program-Criminal Justice Building	97.039	1603-105-0016	9,080
Hazard Mitigation Grant Program-Sumner High Gym	97.039	1603-105-0013	144,463
Hazard Mitigation Grant Program-Hammond Fire Admin	97.039	1603-105-0018	5,629
Hazard Mitigation Grant Program-Courthouse Annex	97.039	1603-105-0003	9,919
Hazard Mitigation Grant Program-Hammond Westalde	97.039	1603-105-0012	67,326
Hazard Mitigation Grant Program-Hammond Jr High	97.039	1603-105-0009	10,793
Hazard Mitigation Grant Program-Amite High Gym	97.039	1603-105-0015	<u>3,840</u>
Total U.S. Department of Homeland Security (Continued)			<u>1,934,569</u>

TANGIPAHOA PARISH GOVERNMENT
 Amite, Louisiana
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2010

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Health and Human Services:</u>			
Passed through Louisiana Department of Health and Hospitals			
Maternal and Child Health Federal Consolidated Programs	93.110	-	23,154
Community Readiness Initiative Grant	93.283	-	20,138
Community Readiness Initiative Grant	93.283	-	2,829
Strategic Prevention Framework State Incentive Grant	93.243	-	<u>491,148</u>
 Total U.S. Department of Health and Human Services			 <u>537,067</u>
<u>U.S. Department of Transportation:</u>			
Passed through State of Louisiana Department of Transportation & Development			
Public Transportation Operating Assistance Program	20.509	-	265,720 *
Intersection Safety Improvements	20.600	737-53-0013	71,548
 Passed through Louisiana Department of Public Safety and Corrections			
Highway Safety Grant	20.607	-	<u>32,757</u>
 Total U.S. Department of Transportation			 <u>370,025</u>
<u>U.S. Department of the Interior:</u>			
Direct Program:			
Coastal Impact Assistance Program	15.426	MO9AF16181	256,369
Partners for Fish and Wildlife	15.631	FWS-40181	<u>1,361</u>
 Total U.S. Department of Interior			 <u>257,730</u>
<u>U.S. Department of the Energy:</u>			
Direct Program:			
Energy Efficiency and Conservation Block Grant Program	81.128	SC0003003	356,023 *
 Passed through Louisiana Department of Natural Resources			
Energy Efficiency and Conservation Block Grant Program	81.128	EEA-1050	<u>4,328</u>
 Total U.S. Department of Energy			 <u>360,351</u>
Total Expenditures of Federal Awards			<u>6,488,808</u>

* This program contains Recovery Act funding.

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

(Concluded)

Tangipahoa Parish Government
Amite, Louisiana

EXHIBIT C-1

FINANCIAL DATA SCHEDULE
BALANCE SHEET
SECTION 8 HOUSING CHOICE VOUCHER PROGRAM
December 31, 2010

Line Item #	Account Description	Housing Choice Voucher 14.871	Disaster Voucher Program 14.DVP	HOME Investment Partnerships Program 14.239	Disaster Housing Assistance Program 97.109	Disaster Housing Assistance Program DH.IKE	TOTAL
ASSETS:							
CURRENT ASSETS:							
111	Cash-unrestricted	\$ 175,871	\$ -	\$ 2,337	\$ 1,030	\$ 1,667,456	\$ 1,846,694
113	Cash-other restricted	303,702	-	-	384,450	4,111	692,263
100	Total Cash	<u>479,573</u>	<u>-</u>	<u>2,337</u>	<u>385,480</u>	<u>1,671,567</u>	<u>2,538,957</u>
121	Accounts receivable - PHA projects	9,419	-	-	-	-	9,419
122	Accounts receivable - HUD other projects	3,566	-	-	-	-	3,566
125	Accounts receivable - miscellaneous	-	-	-	-	118,842	118,842
150	TOTAL CURRENT ASSETS	<u>492,558</u>	<u>-</u>	<u>2,337</u>	<u>385,480</u>	<u>1,790,409</u>	<u>2,670,784</u>
190	TOTAL ASSETS	<u>\$ 492,558</u>	<u>\$ -</u>	<u>\$ 2,337</u>	<u>\$ 385,480</u>	<u>\$ 1,790,409</u>	<u>\$ 2,670,784</u>
LIABILITIES AND EQUITY:							
LIABILITIES:							
CURRENT LIABILITIES							
311	Bank overdraft	\$ -	\$ 16,902	\$ -	\$ -	\$ -	\$ 16,902
312	Accounts payable ≤ 90 days	1,127	-	-	-	784	1,911
313	Accounts payable > 90 days	5,881	-	-	-	440,375	446,256
321	Accrued wage/payroll taxes payable	12,786	-	-	1,030	3,087	16,913
331	Accounts payable - HUD PHA programs	141,554	-	-	-	-	141,554
342	Deferred revenue	-	-	-	-	187,721	187,721
310	TOTAL CURRENT LIABILITIES	<u>161,358</u>	<u>16,902</u>	<u>-</u>	<u>1,030</u>	<u>641,967</u>	<u>821,257</u>
300	TOTAL LIABILITIES	<u>161,358</u>	<u>16,902</u>	<u>-</u>	<u>1,030</u>	<u>641,967</u>	<u>821,257</u>
EQUITY:							
509.2	Fund Balance Reserved	-	-	-	384,450	-	384,450
511.2	Unreserved, Designated Fund Balance	308,101	-	-	-	4,111	312,212
512.2	Unreserved, Undesignated Fund Balance	23,089	(16,902)	2,337	-	1,144,331	1,152,865
513	TOTAL EQUITY/NET ASSETS	<u>331,200</u>	<u>(16,902)</u>	<u>2,337</u>	<u>384,450</u>	<u>1,148,442</u>	<u>1,848,527</u>
600	TOTAL LIAB and EQUITY/NET ASSETS	<u>\$ 492,558</u>	<u>\$ -</u>	<u>\$ 2,337</u>	<u>\$ 385,480</u>	<u>\$ 1,790,409</u>	<u>\$ 2,670,784</u>

Tangipahoa Parish Government
Amite, Louisiana

EXHIBIT C-2

FINANCIAL DATA SCHEDULE
REVENUE AND EXPENSES
SECTION 8 HOUSING CHOICE VOUCHER PROGRAM
December 31, 2010

Line Item #	Account Description	Housing Choice Voucher 14,871	Disaster Voucher Program 14,0VP	HOME Investment Partnerships Program 14,239	Disaster Housing Assistance Program 97,109	Disaster Housing Assistance Program DH, IKE	TOTAL
	REVENUE:						
70600	HUD PHA operating grants	\$ 1,729,591	\$ -	\$ -	\$ -	\$ -	\$ 1,729,591
70800	Other government grants	-	1,149	-	31,000	1,189,017	1,231,168
71100	Investment income - unrestricted	965	18	27	378	4,058	5,442
71400	Fraud recovery	-	-	-	-	3,800	3,600
71500	Other revenue	24,390	-	-	-	-	24,390
72000	Investment income - restricted	9,762	-	-	-	-	9,762
70000	TOTAL REVENUE	\$ 1,764,708	\$ 1,165	\$ 27	\$ 31,378	\$ 1,206,673	\$ 3,003,951
	EXPENSES:						
91100	Administrative salaries	109,811	-	-	35,577	95,314	240,702
91200	Auditing fees	10,000	-	-	2,000	15,000	27,000
91310	Bookkeeping fee	6,548	12	-	2,460	14,352	23,372
91500	Employee benefit contributions - administrative	40,247	-	-	18,823	50,419	107,289
91600	Office expenses	9,596	-	-	794	5,913	16,303
91800	Travel	3,562	-	-	2,832	7,241	13,635
92100	Tenant services - salaries	-	-	-	-	110,220	110,220
93200	Electricity	1,842	-	-	-	-	1,842
94200	Ordinary maintenance & operations - materials & other	2,452	-	-	-	2,508	4,960
98110	Property insurance	1,101	-	-	-	-	1,101
98130	Workmen's compensation	307	-	-	100	590	997
96200	Other general expenses	1,657	-	-	-	12,040	13,697
98900	TOTAL OPERATING EXPENSES	187,123	12	-	60,388	313,597	561,118
97000	EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) OPERATING EXPENSES	1,577,585	1,153	27	(29,008)	893,078	2,442,833
97300	Housing assistance payments	1,452,197	2,085	-	-	823,288	2,277,570
97350	HAP portability in	22,023	-	-	-	-	22,023
90000	TOTAL EXPENSES	1,881,343	2,097	-	60,388	1,136,885	2,880,711
10000	EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES	103,365	(932)	27	(29,008)	69,788	143,240
11030	Beginning equity	388,670	(15,970)	2,310	417,810	1,076,654	1,871,474
11040	Prior period adjustments	(160,835)	-	-	(4,352)	-	(165,187)
	TOTAL EQUITY	\$ 331,200	\$(18,902)	\$ 2,337	\$ 384,450	\$ 1,148,442	\$ 1,849,527
11170	Administrative fee equity	23,099	5,318	2,337	-	1,144,331	1,175,085
11180	Housing assistance payments equity	308,101	(22,220)	-	384,450	4,111	674,442
	TOTAL EQUITY	\$ 331,200	\$(18,902)	\$ 2,337	\$ 384,450	\$ 1,148,442	\$ 1,849,527
11190	Unit months available	3,822	6	-	-	2,017	5,845
11210	Number of unit months leased	3,138	6	-	-	2,017	5,159

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Other Independent Auditor's Reports and Findings



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the fiduciary fund, the blended component units, and the aggregate remaining fund information of the Tangipahoa Parish Government, Louisiana as of and for the year ended December 31, 2010, which collectively comprise the Tangipahoa Parish Government's basic financial statements and have issued my report thereon dated June 24, 2011. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

The financial statements do not include financial data for the Parish's legally separate component units, except for the blended component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the Parish's primary government unless the Parish also issues financial statements for the financial reporting entity that include the financial data for its component units. The Parish has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net assets, revenues, and expenses of the aggregate discretely presented component units are unknown. In addition, the assets, liabilities, fund balances, revenues, and expenditures of the aggregate remaining fund information would have increased by an indeterminable amount.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Tangipahoa Parish Government's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Tangipahoa Parish Government's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Tangipahoa Parish Government's internal control over financial reporting.

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of current year findings, I identified certain deficiencies in internal control over financial reporting that I consider to be material weaknesses and other deficiencies that I consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. I consider the deficiencies described in the accompanying schedule of current year findings to be material weaknesses. See findings 10-01 and 10-03.

Tangipahoa Parish Government
Independent Auditor's Report on Internal Control
and on Compliance and Other Matters

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. I consider the deficiencies described in the accompanying schedule of current year findings to be significant deficiencies. See findings 10-02 and 10-04.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Tangipahoa Parish Government's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of current year findings as items 10-05 and 10-06.

Tangipahoa Parish Government's response to the findings identified in my audit are described in the accompanying schedule of management's corrective action plan. I did not audit Tangipahoa Parish Government's response and, accordingly, I express no opinion on it.

This report is intended solely for the information and use of the governing council, management, the Legislative Auditor, and the federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.


Certified Public Accountant

June 24, 2011



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**INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE
A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

I have audited Tangipahoa Parish Government's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Tangipahoa Parish Government's major federal programs for the year ended December 31, 2010. Tangipahoa Parish Government's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Tangipahoa Parish Government's management. My responsibility is to express an opinion on Tangipahoa Parish Government's compliance based on my audit.

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

As described in Item 10-07 in the accompanying schedule of current year findings, Tangipahoa Parish Government did not comply with the requirement regarding the C- Cash Management compliance requirement that is applicable to its Strategic Prevention Framework- State Incentive Grant. Compliance with such requirement is necessary, in my opinion, for Tangipahoa Parish Government to comply with the requirements applicable to that program.

In my opinion, except for the noncompliance described in the preceding paragraph, Tangipahoa Parish Government complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010.

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

Internal Control Over Compliance

Management of Tangipahoa Parish Government is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered Tangipahoa Parish Government's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Tangipahoa Parish Government's internal control over compliance.

My consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, I identified certain deficiencies in internal control over compliance that I consider to be a material weakness and another deficiency that I consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. I consider the deficiency in internal control over compliance described in the accompanying schedule of current year findings as item 10-07 to be a material weakness.

A significant deficiency in internal over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. I consider the deficiency in internal control over compliance described in the accompanying schedule of current year findings as item 10-08 to be a significant deficiency.

Tangipahoa Parish Government's responses to the findings identified in my audit are described in the accompanying schedule of current year findings. I did not audit Tangipahoa Parish Government's responses and, accordingly, I express no opinion on the responses.

This report is intended solely for the information and use of the governing council, management, the Legislative Auditor, and the federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.


Certified Public Accountant

June 24, 2011

TANGIPAHOA PARISH GOVERNMENT

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended December 31, 2010**

SECTION 1. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS	
09-01 Internal Control Over Financial Reporting	Partially Resolved - See current year finding 10-01.
09-02 Noncompliance With Local Government Budget Act	Resolved.
09-03 Noncompliance With Local Depository Law	Resolved.
SECTION 2. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
09-04 Collection Efforts for Possible Overpaid Rent Subsidies	Resolved.
SECTION 3. MANAGEMENT LETTER	
None	

TANGIPAOA PARISH GOVERNMENT
SCHEDULE OF CURRENT YEAR AUDIT FINDINGS
Year Ended December 31, 2010

SECTION I - SUMMARY OF AUDITOR'S RESULTS

I have audited the financial statements of Tangipahoa Parish Government (Parish) as of and for the year ended December 31, 2010, and have issued my report thereon dated June 24, 2011. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. My audit of the financial statements as of December 31, 2010, resulted in:

- An unqualified opinion has been expressed on the financial statements of the governmental activities, the business-type activities, each major fund, the fiduciary fund, and the blended component units, except for the effects of omitting the Parish's legally separate component units less the blended component units.
- Because of the omission of the discretely presented component units, less the blended component units, the financial statements do not present fairly the financial position of the aggregate discretely presented component units.

Report on Internal Control and Compliance Material to the Financial Statements

Internal control

Material weaknesses identified? yes no

Significant deficiencies identified not considered to be material weaknesses? yes no

Compliance

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

Material weaknesses identified? yes no

Significant deficiencies identified not considered to be material weaknesses? yes no

Type of auditor's report issued on compliance for major programs: qualified

Any audit findings disclosed that are required to be reported in accordance with Section 510 (a) of Circular A-133? yes no

Management Letter

Was a management letter issued? yes no

Tangipahoa Parish Government
Schedule of Current Year Findings - Continued

Major programs:

CFDA Number 14.228
U.S. Department of Housing and Urban Development
Local Community Development Block Grant Program

CFDA Number 14.257
U.S. Department of Housing and Urban Development
Homelessness Prevention and Rapid Re-Housing Program

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

CFDA Number 15.426
U.S. Department of Interior
Coastal Impact Assistance Program

CFDA Number 81.128
U.S. Department of Energy
Energy Efficiency and Conservation Block Grant Program

CFDA Number 93.243
U.S. Department of Health and Human Services
Strategic Prevention Framework State Incentive Grant

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

Auditee qualified as low-risk auditee? yes no

SECTION II - FINANCIAL STATEMENT FINDINGS

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements required to be reported under *Government Auditing Standards (GAGAS)*.

10-01 Internal Control Over Financial Reporting
(Repeated from prior year)

Tangipahoa Parish Government (Parish) management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting includes the controls themselves, monitoring, and actions taken to correct deficiencies as identified. A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

MY TESTS IDENTIFIED THE FOLLOWING DEFICIENCIES:

1. On December 30, 2010, the Parish completed a comprehensive review and update to the internal control document. As of June 23, 2011, this document has not been given to employees or reviewed with employees as to their duties. In addition this document has not been brought before the Council for adoption to be considered an official policy of the Parish.

It is recommended that Administration hold a training class as soon as possible for accounting personnel to learn their duties and responsibilities. It is further recommended that this document be brought in front of the Council for adoption to make it an official policy of the Parish.

2. **Grant Revenues and Receivables**

The following deficiencies in internal control over grant monitoring were noted during my audit of the Parish:

- Tangipahoa Parish Government received a grant award under the Coastal Impact Assistance Program in the amount of \$699,400. The grant award states that the Parish must file form SF-425 Federal Financial Report. This report was not filed until the reporting requirement was brought to management's attention by the auditor. As of December 31, 2010, an accounts receivable and an accounts payable in the amount of \$83,225 had not been booked. On January 18, 2011, the Parish received an invoice from the engineer that incorrectly stated that services were performed from November 21, 2011, through December 25, 2011. It was determined by the auditor that the Parish overcharged the grant \$8,153 in administrative fees for 2010.

- Tangipahoa Parish Government was under a contract with the State of Louisiana Department of Health and Hospitals Office of Addictive Disorders for a Strategic Prevention Framework- State Incentive Grant from January 1, 2010, until September 30, 2010. Under the contract, the Parish received a grant award in the amount of \$868,609. During the year, the contract was extended until September 30, 2011, and it was given a revised budget of \$918,609. The Project Director of the Strategic Prevention Framework Grant was responsible for monitoring the grant, requesting reimbursement for program expenses, and reviewing the requests for reimbursement. On May 4, 2011, the Project Director emailed her contact with the State and informed the State that there was an overpayment from the agency of approximately \$48,500. The Project Director was unable to provide documentation backing up the \$48,500 when requested by the auditor. On June 8, 2011, the Project Director provided the auditor with documentation identifying the overpayment from the State agency in the amount of \$46,954. Upon completion of audit procedures, it was determined that the actual overpayment from the State was \$80,180. The Project Director without proper authorization from management began reducing the subsequent requests for reimbursement only by the amount paid to a particular vendor to begin repaying the balance owed the State agency.

On March 22, 2010, three laptops were purchased by the Parish for the Strategic Prevention Framework grant in the amount of \$4,305. It was discovered by the auditor that reimbursement for the laptops had not been requested. Several errors were noted regarding the requests for reimbursement of payroll expenses resulting in \$3,638 of payroll expenses not being properly requested for reimbursement. Employee Benefits were calculated using the 2009 retirement contribution rather than the 2010 contribution resulting in \$1,543 of employee benefits not being requested for reimbursement.

It is recommended that the Grant Consultant thoroughly read all grant contracts and determine reporting requirements. He should prepare a checklist for use to document the filing of all required financial reports. Furthermore, no grant requests for reimbursement or advance payments should be made without the Head Accountant's review and approval.

Tangipahoa Parish Government
Schedule of Current Year Findings - Continued

3. Coding of Disbursements

During my audit of Fund #510, Fluker Chapel Water Works it was determined that transactions for this fund were being coded to an old Fluker Chapel fund, Fund #336. This fund was not to be used any more after 2009. Upon review of the general ledger by the accounting staff the initial error was corrected. However, the errors continued for the entire year with accounting staff simply making reclassification entries. Steps were never taken to prevent coding entries to the "closed" fund.

It is recommended that the accounting staff contact the computer software company to see how to deactivate a fund and prevent any item from being coded to that fund. If the software cannot perform this function, a request to the software company should be made to add this feature and in the mean time a written memo should be sent to all accounting staff as to which funds are not allowed to be used anymore.

10-02 Internal Control Over Financial Reporting -
Tangipahoa Parish Rural Fire Protection District No. 2 (Fire No. 2)

1. The Kentwood Fire Department entered into a contract on October 27, 2009, with Devier Construction, LLC to construct a new fire station for \$1,048,000. The owner on the contract is listed as Tangipahoa Parish Rural Fire Protection District 2/ Kentwood Fire Department. The fire chief from Kentwood signed the contract as the "Owner". The notice to proceed was issued on December 7, 2009, by the architect.

No documents were ever sent to the office of Fire No. 2. On June 14, 2011, these documents were received only after the auditor requested them.

Several areas of internal control weakness were noted regarding this project. They are as follows:

- a) The owner of the new fire station is Tangipahoa Parish Rural Fire Protection District No. 2 not Kentwood Fire Department.
- b) The contract should have been signed by the President of Fire No. 2, not the Fire Chief of Kentwood.
- c) No one at Fire No. 2 determined that all filings with the Clerk of Court had been made regarding the contract.
- d) No one at Fire No. 2 reviewed the invoices for this project to ensure that they were in compliance with the contract.
- e) As a result of Fire No. 2 not handling this construction contract, Fire No. 2 failed to realize that this contract was still ongoing at December 31, 2010, and did not report it as construction in progress. Instead, it has been listed on the capital assets as completed at December 30, 2010, for \$944,513. The amended construction contract amount at December 31, 2010, was \$1,050,333. The \$2,710 change order was never approved by Fire No. 2. Fire No. 2 has failed to accumulate the architect fees and other costs to be capitalized upon completion.

Tangipahoa Parish Government
Schedule of Current Year Findings - Continued

- f) Part 1 of the 2010 Fire Contract states that all real property must be titled in the name of Tangipahoa Parish Rural Fire District No. 2. The deed for the two acres that were purchased as the site to construct the new fire station appears to not be in the name of Fire No. 2. It is in the name of Tangipahoa Parish Rural Fire Protection District 2, Kentwood Fire Department with a permanent mailing address of 310 Avenue G, Kentwood, Louisiana. The deed was signed by the Fire Chief of Kentwood Fire Department and not by the President of Fire No. 2's board. Per Louisiana law a political subdivision can not make permanent improvements to real property that it does not own or hold title to. The new fire station will be the property of Fire No. 2, therefore this entire project should have been managed by Fire No. 2 instead of Kentwood Fire Department. All invoices should have been paid by Fire No. 2 with subsequent requests for reimbursement from Kentwood Fire Department.
- 2) Per the minutes of December 14, 2009, Loranger Volunteer Fire had been approved to purchase a new rescue truck from Wheels Unlimited for \$114,900 with a \$20,000 trade for a net purchase price of \$94,900. During the audit, it was determined that the \$20,000 was in fact a sale to Curtis Roller. Fire No. 2 wrote the check to Wheels Unlimited for \$114,900. The \$20,000 was received by Fire No. 2 and subsequently paid to Loranger Volunteer Fire Department. The \$20,000 payment to Loranger Volunteer Fire Department appears to have been made in error. This information had to be obtained from Loranger Volunteer Fire Department. The actual title was never held at Fire No. 2. The sold vehicle had not been removed from the capital assets until the auditor brought the matter to their attention.

The decentralized accounting of Fire No. 2 does not seem to be working. For several years, there have been findings regarding Fire No. 2's internal control.

It is recommended that the accounting function of Fire No. 2 be handled 100% by the Tangipahoa Parish Government's Administrative Fund or a full time administrator who will oversee the day to day operations which includes the accounting function be hired by Fire No. 2. All capital purchases, contracts, debt service payments, sale of equipment and purchases of \$1,000 or more must either go through the newly hired administrator or the Tangipahoa Parish Government's Administrative Fund.

10-03 Internal Control Over Landfill Receivables

During the audit, the following items were noted:

- 1) At December 31, 2010, Able Waste, LLC owed the Parish \$11,211 of that amount \$5,434 was over sixty days past due. As of May 19, 2011, this amount was still owed to the Parish. Upon inquiry of landfill personnel, it was determined that this account has been handed over to the Parish attorney.
- Had the landfill adhered to its own sixty day cut off policy, the balance due to the Parish would not be so large.
- 2) In May 2010, Waste Management notified the landfill that the amount shown by the Parish owed by Waste Management was incorrect. Waste Management stated that they owed \$55,339 more than they were being billed. Waste Management prepared a worksheet that began with January 20, 2005, thru April 30, 2010, billing. The Parish reviewed the Waste Management spreadsheet, performed limited tests, and finally decided that it must have been a computer error. The Assistant Finance Director authorized landfill personnel to have the landfill accounting software company override the balance for Waste Management to agree with the balance per Waste Management.

**Tangipahoa Parish Government
Schedule of Current Year Findings - Continued**

On October 31, 2010, the Assistant Finance Director approved the journal entry to adjust the general ledger by \$53,450 to agree with the landfill accounts receivable aging report.

Waste Management was actually incorrect. Waste Management actually had an overpayment of \$52,270 at December 31, 2004. Because Waste Management never paid on time and their payments did not match invoices, the Parish just kept applying the overpayment in the system.

As a result of this, the landfill accounts receivable as of December 31, 2010, are overstated by \$52,270.

It is recommended that the account history for Waste Management be reconstructed beginning with 2004 coming forward to present. This reconstruction should show actual sales per the invoice to the actual collections and totaled by year. Once the actual amount of overpayment is determined, a credit memo should be issued immediately to Waste Management.

10-04 Internal Control Over Landfill Construction Contracts

Two construction contracts at the landfill for the Tangipahoa Parish Government (Parish) were not managed correctly.

- 1) The Parish entered into a contract with Tri Con Works, LP for the gas collection system on May 21, 2010. The contract amount was \$569,372. During 2010 Tri Con was only paid \$480,926. There were no change orders available for inspection to verify that the contract price had been amended. Final payment was made to Tri Con Works, LP on October 20, 2010.

The Parish failed to issue a Notice of Acceptance, therefore it was not recorded with the Clerk of Court and no Clear Lien certificate was obtained.

Per the Parish engineer, this project was completed in 2010 as evidenced by the asset being placed in service on December 21, 2010, in the capital asset software.

- 2) The Parish entered into a contract with Environmental Specialties International, Inc. for a geosynthetic liner and electrical system in Cell 12, Phase II of the landfill on September 24, 2010. The contract price was \$577,225. The contractor was paid \$589,419 on December 13, 2010. This was for request No. 1, No. 2, and retainage.

There was no change order in the file nor authorization per the Council in the minutes to substantiate the \$12,194 increase in contract price.

No Notice of Acceptance was issued or recorded with the Clerk of Court and no Clear Lien Certificate was obtained.

Per the Parish engineer, this project was completed in 2010 as evidenced by the asset being placed in service on December 13, 2010, in the capital asset software.

Tangipahoa Parish Government
Schedule of Current Year Findings - Continued

After the contracts were awarded they were managed by landfill personnel, the parish engineer, and the director of public works instead of the Purchasing Department of the Parish. The Accounting Department did not question whether the clear lien certificates had been obtained before issuing final payments to the contractors, and by failing to file the Notice of Acceptance with the Clerk of Court the Parish exposed themselves to unnecessary liability for unpaid claims to subcontractors.

It is recommended that all contracts, no exceptions, be handled by the Purchasing Department of the Parish. Final payments should only be made to contractors after the Clear Lien Certificate has been obtained. A copy of the Clear Lien Certificate should be attached to the request for final payment.

10-05 Performance-Based Energy Efficiency Contracts

The Tangipahoa Parish Government entered into a Performance Contracting Agreement with Siemens Industry, Inc.- Building Technologies Division on March 4, 2010, for \$1,264,010. This contract was let by a request for qualifications and did not go before the Council for approval. The Parish only received \$484,000 of grant money to apply towards this contract.

Louisiana Revised Statutes 33:4547.1 states that a performance based energy efficiency contract shall be considered a contract for services and shall be exempt from R.S. 38 :2212 (bid law) but shall be subject to the provisions of this Chapter.

Under section E of this Chapter, it states that prior to award of any performance-based energy efficiency contract, the political subdivision shall select an energy efficiency independent third-party evaluation consultant to review and evaluate the submitted proposals. The energy efficiency independent third-party evaluation consultant shall submit the results of his evaluation in an open meeting to the political subdivision for its review. The political subdivision shall require that the consultant selected pursuant to section E participate on its behalf in the negotiation of the contract.

Under section F.(1) of this Chapter, the performance-based energy efficiency contract shall contain the following clause:

"The continuation of this contract is contingent upon the appropriation of funds by the political subdivision to fulfill the requirements of the contract. If the political subdivision fails to appropriate sufficient monies to provide for the continuation of the contract, the contract shall terminate on the last day of the fiscal year for which funds have been appropriated. Such termination shall be without penalty or expense to the political subdivision except for payments which have been earned prior to the termination date."

It appears that the contract uses stipulated savings instead of guaranteed savings. In that case, the contract must contain a mechanism to require a reimbursement for any deficiency and/or default. This clause could not be located in the current contract.

The Parish did not hire an energy efficiency independent third-party evaluation consultant nor did the Administration go in front of the Council in an open meeting to discuss the scope of the project resulting in the Parish violating RS 33:4547.1. Furthermore, as a result of not having an energy efficiency independent third-party evaluation consultant it appears that the contract may be invalid.

It is my recommendation that an energy efficiency independent third-party evaluation consultant be hired immediately to review the existing contract with Siemens for validity.

Tangipahoa Parish Government
Schedule of Current Year Findings - Continued

10-06 Personal Use of Public Property

Louisiana Constitution Article VII Sec 14A prohibits the personal use of public property without adequate compensation.

It has been determined that real property belonging to the Tangipahoa Parish Council - President Government (Parish) has been allowed to be used by Robert L. Graves (Nationwide Marketing, LTD.) for many years without compensation as an equipment junk yard. The last rent received for this property was \$1,200 on March 9, 2006.

The property used by Robert L. Graves is a tract of property located at the corner of New Genessee Road and Jacobs Lane at a point south of Tickfaw in Tangipahoa Parish, Louisiana.

The Parish obtained a Judgment of Eviction on October 4, 2010, giving Robert L. Graves until December 3, 2010, to remove all of his movable property from the Parish's property. On March 16, 2011, the Parish obtained a warrant of eviction directing the Tangipahoa Parish Sheriff to evict Robert L. Graves from the aforesaid property of the Parish and to remove all moveable property as identified on a list prepared by the Parish. This list contained 225 items which included 127 motor vehicles. All items have been removed from the Parish's property as of June 2011.

I recommend that you request an opinion from the Louisiana Attorney General to determine the following:

- a) What are the consequences of allowing a person to use the public land for years without any compensation to the Parish?
- b) Is the Parish liable for the cost of -
 - Removal of the seized items and transporting them to a private site
 - Storage of the seized items
- c) Does the Parish now own the seized items?

SECTION III - FEDERAL FINANCIAL ASSISTANCE

This section identifies the audit findings required to be reported by Circular A-133, Section .510(a) (e.g., significant deficiencies, material weaknesses, and instances of noncompliance).

10-07 Overpayment of Federal Award by State Agency

Program CFDA No.: 93.243 CFDA Program Title: Strategic Prevention State Framework Incentive Grant

CONDITION:

The Director of the Strategic Prevention Framework Project is responsible for monitoring compliance, preparing the request for reimbursement of program expenses, and reviewing the submitted requests. These requests are not being reviewed by the Parish's Grant Consultant nor a member of the accounting staff. The Director of the Strategic Prevention Framework Project has no accounting background.

Tangipahoa Parish Government
Schedule of Current Year Findings - Continued

CRITERIA:

Part 3 of the OMB A-133 Compliance Supplement June 2010 requires that funds which are provided on a cost reimbursement basis must be paid for with the entity's funds before reimbursement is requested under the Cash Management compliance requirement. On Page 1 of Attachment II of the contract between the State of Louisiana Department of Health and Hospitals Office of Addictive Disorders Headquarters and Tangipahoa Parish Government, the Parish agreed to request reimbursement of expenses incurred in performance of the contract only after the Parish paid the expense.

Tangipahoa Parish Government management is responsible for establishing and maintaining adequate internal control over compliance with the requirements of laws, regulations, contracts, and grant applicable to federal programs.

EFFECT:

The Parish received \$80,180 of grant funds in error.

CAUSE:

The majority of the overpayment was caused by the requesting reimbursement of expenses in the month they were incurred and again when the expenses were paid. Clerical errors were also noted on the requests for reimbursement.

RECOMMENDATION:

A thorough review of the request for reimbursement by a member of the accounting staff should be conducted monthly.

10-08 Internal Control over Monitoring Davis-Bacon Act

Program CFDA No.: 81.128 CFDA Program Title: Energy Efficiency and Conservation Block Grant

CONDITION:

Tangipahoa Parish Government is not effectively monitoring the wage rates paid to laborers on the federally financed construction project referenced above.

CRITERIA:

Part 3 of the OMB A-133 Compliance Supplement requires that wage rates paid to laborers on federally financed construction projects are at least equal to locally established rates.

EFFECT:

The effect of this condition is unknown.

Tangipahoa Parish Government
Schedule of Current Year Findings - Continued

CAUSE:

The Parish maintains a file folder containing all certified payrolls for this grant. However, it appears that there is no reconciling of the contractor's request for payments with the certified payrolls. The auditor was unable to determine which certified payrolls belonged to the request for contractor payments. This grant project affects various locations throughout the Parish. The file folder does not have the various locations separated. The auditor had selected a request for contractor payment to test for compliance with the Davis-Bacon Act. Since the folder did not reconcile certified payrolls with request for contractor payments, the auditor was unable to perform the test. The reconciliation was not possible because the contractor is not providing the Parish with the necessary information nor is the Parish requesting the information.

RECOMMENDATION:

Tangipahoa Parish Government should begin reconciling the certified payrolls with the contractor's request for payment.

TANGIPAHOA PARISH GOVERNMENT

**MANAGEMENT'S CORRECTIVE ACTION PLAN
For Current Year Audit Findings for the Year Ended December 31, 2010**

SECTION 1. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS	
Finding Reference No.	Management's Corrective Action Plan
10-01 Internal Control Over Financial Reporting	Item 1 - Tangipahoa Parish Government has finalized its review of and update of the internal control document. It will be presented for adoption by the governing authority. Once adopted, it will be implemented. Item 2 - Auditor's recommendations have been implemented. Item 3 - Auditor's recommendations have been implemented.
10-02 Internal Control Over Financial Reporting - Tangipahoa Parish Rural Fire Protection District No. 2	The Tangipahoa Parish Rural Fire Protection District No. 2 has appointed a committee to determine which corrective action plan will be adopted.
10-03 Internal Control Over Landfill Receivables	Auditor's recommendations have been implemented.
10-04 Internal Control Over Landfill Construction Contracts	Auditor's recommendations have been implemented.
10-05 Performance-Based Energy Efficiency Contracts	Tangipahoa Parish Government will implement auditor's recommendation.
10-06 Personal Use of Public Property	Tangipahoa Parish Government will seek legal opinion and proceed accordingly.

SECTION 2. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
Finding Reference No.	Management's Corrective Action Plan
10-07 Overpayment of Federal Award by State Agency	Auditor's recommendations have been implemented.
10-08 Internal Control Over Monitoring Davis-Bacon Act	Auditor's recommendations have been implemented.

Date Submitted 6-30-11

Auditee: Gordon A. Buzen

TANGIPAHOA PARISH GOVERNMENT

Amite, Louisiana

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

As of and for the Year Ended

December 31, 2010



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

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

I have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of Tangipahoa Parish Government and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Tangipahoa Parish Government's compliance with certain laws and regulations during the year ended December 31, 2010, included in the agreed-upon procedures as required by the Legislative Auditor, State of Louisiana for the fiscal year ended December 31, 2010. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Financial Management

1. Determine if management (chief executive and board members) was presented with timely and accurate monthly financial statements, including budget-to-actual comparisons on funds (General Fund, Special Revenue Fund, Utility Fund, etc.) of the entity, during the year under examination.

Per Jeff McKneely, the Assistant Finance Director, the Parish President and the Council are provided monthly financial statements at the second meeting of the month. These statements are not recorded in the minute books nor published with the official minutes. A review of the financial statements prepared by the Assistant Finance Director revealed that the financial statements only contained a comparison of the budget amounts (original and amended) with actual revenues, expenditures, and changes in fund balance on a cash basis. Balance sheets were not prepared. These financial statements are incorrectly entitled "QUARTERLY BUDGET REPORT BY FUND" followed by "PERIOD ENDING 00/00/2010" although they are monthly reports.

I reviewed the financial statements for three months and determined that they were prepared and submitted to the Parish President and the Council on a timely basis.

Financial Management

Concluded

2. If management was deficit spending during the period under examination, determine if there is a formal/written plan to eliminate the deficit spending and whether management is monitoring the plan.

Per the Assistant Finance Director, there is no deficit spending by the Parish. A review of the trial balances, minutes, and budgets did not reveal deficit spending.

3. Determine if there are adequate written policies and procedures for the financial/business functions of the entity (e.g., budgeting, receipts, purchasing, disbursements, payroll, etc.).

For the FYE 12-31-2010, there were not adequate written policies and procedures for the financial/business functions of the Parish. This matter was identified as a material weakness in the audit for FYE 12-31-2010. See Audit Finding 10-01.

On December 30, 2010, the Parish completed a comprehensive review and update to the 2009 Internal control document. As of August 8, 2011, this document has not been given to employees or reviewed with employees as to their duties. In addition, this document has not been brought before the Council for adoption to be considered an official policy of the Parish.

Per the Head Accountant, a training class will be held on September 8, 2011.

Credit Cards

1. Obtain from management a listing of all active credit cards (and bank debit cards if applicable) for the period under examination, including the card numbers and the names of the persons who maintained possession of the cards.

[Note: There are three types of credit cards: (1) general (e.g., VISA, MasterCard, etc.), (2) store (e.g., Wal Mart, Office Depot, Sam's Club, etc.); and (3) gasoline (e.g., Fuelman, Exxon, etc.)].

The Parish does not have a general credit card. The Parish has one store credit card, Walmart Community Card. The Parish also has one gasoline card, Fueltrac.

2. Obtain and evaluate the adequacy of the entity's written policies and procedures for credit cards (and debit cards if applicable).

Per the Assistant Finance Director, there are no written policies and procedures for the use of credit cards by the Parish.

Credit Cards

Continued

3. Obtain the monthly statements for all credit cards (general, stores, and gasoline) used during the period under examination and select for detailed review, the two largest (dollar amount) statements for each card. (Note: For a debit card, select the two monthly bank statements with the largest dollar amount of debit charges):

All credit card statements were examined for January 1, 2010, through December 31, 2010. The statements with the highest balances were selected. For the Walmart credit card, the June 16 and October 16, 2010, statements were selected. For the Fueltrac card, the November and December 2010 statements were selected.

- A. Obtain the entity's supporting documentation for the purchases/charges shown on the selected monthly statements:

- Determine if each purchase is supported by:
 - An original itemized receipt (i.e., identifies precisely what was purchased)

All Walmart purchases examined were supported by an original itemized receipt.

The Parish's purchasing agent maintains a file folder with original fuel receipts and was able to provide the auditor with original receipts when requested.

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating)

It was noted on three of the Walmart receipts examined that the business purpose was not documented on the receipt.

Nine of the Walmart receipts examined were for food items provided at meetings held by the Tangipahoa Parish Government. The list of individuals participating was not included with the original receipt or the credit card statement. Of the nine meetings, the Parish was able to provide the auditor with a list of those in attendance for five of the meetings; the business purpose was also documented on those five receipts.

It is not deemed necessary to document a business purpose on the fuel purchases made using the Fueltrac card. Each Parish vehicle is provided with its own Fueltrac card, and drivers are issued a PIN number. The Fueltrac statements provide detailed Vehicle and Driver Reports. Fuel is necessary for the Parish to conduct business on a daily basis.

Credit Cards

Continued

- Other documentation as may be required by policy (e.g., purchase order, authorization, etc.)

The Parish does not have a written credit card policy; therefore, there was no other documentation required to be attached to the credit card statements.

- Determine if each purchase is:

- Reasonable in amount

All purchases examined on the Walmart and Fueltrac statements appeared to be reasonable in amount.

- For an appropriate and necessary business purpose relative to the entity

Two of the Walmart receipts examined did not have a business purpose documented on the receipt. Upon auditor inquiry it was discovered that the Tangipahoa Parish Government participated in a barbecue cook-off at the Tangipahoa Parish Fair and charged related expenses to the Walmart credit card on September 28 and October 1, 2010, totaling \$131.43. There is not a documented appropriate and necessary reason for the Parish to have participated in that event.

All of the Fueltrac purchases examined appeared to be reasonable and necessary.

- Determine if any purchases were made for personal purposes, and if so, determine the date(s) of reimbursement.

There were no personal purchases made on the Walmart or Fueltrac cards.

- Determine if any purchases effectively circumvented the entity's normal procurement/purchasing process and/or the Louisiana Public Bid Law (i.e., large or recurring purchases requiring the solicitation of bids or quotes).

There were no purchases that were made using the Walmart and Fueltrac card that appeared to have circumvented the entity's normal procurement/purchasing process and/or the Louisiana Public Bid Law.

Credit Cards

Concluded

- B. Determine if there was any duplication of expenses by comparing all travel and related purchases to the appropriate person's expense reimbursement report(s).

There were no travel and related purchases made using the Walmart card for the months selected.

Two employees with Parish vehicles that made fuel purchases using the Fueltrac card were selected for testing. Neither employee was reimbursed mileage for the months selected for testing.

- C. Determine if each monthly credit card statement (including supporting documentation) was reviewed and approved, in writing, by someone other than the person making the purchases. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality.)]

All credit card statements are approved for payment by the Assistant Finance Director. Per inquiry with Tangipahoa Parish Government staff, all Walmart and Fueltrac statements are reviewed by the assistant purchasing agent.

- D. Determine if finance charges and/or late fees were assessed on the monthly statements.

There were no finance charges and/or late fees assessed on the Walmart or Fueltrac statements examined.

Travel and Expense Reimbursement

1. Obtain and evaluate the adequacy of the entity's written policies and procedures for travel and expense reimbursement.

For FYE 12-31-2010, there were no written policies and procedures for travel and expense reimbursement. There was a training/seminar request form that was created in April 2010 whose use appears to be sporadic. There is an unwritten policy for mileage and meal reimbursements, the Federal IRS tables will be used.

On February 3, 2011, the Head Accountant issued a department wide memo regarding the required use of the Professional Development Training/Seminar Request, Travel Reimbursement Request, and Routine Mileage Reimbursement forms.

Travel and Expense Reimbursement

Continued

2. Obtain a listing of all travel and related expense reimbursements during the period under examination and select for review, the one person who was reimbursed the most money:

One person was selected for Travel and one person was selected for Lodgings and Meals.

- A. Obtain all of the expense reimbursement reports of the selected person, including the supporting documentation, and choose the three largest expense reports to review in detail (Note: Choose 100% for review if there are less than three expense reports.):

There were 3 expense reports selected for Travel and 3 expense reports selected for Lodgings and Meals.

- Determine if each expenditure is:
 - Reimbursed in accordance with written policy (e.g., rates established for meals, mileage, lodging, etc.)

All three travel disbursements were paid in accordance with Federal mileage rates for 2010.

For the lodging and meals disbursements, there were no disbursements subject to Federal per diem.

- Reasonable in amount

All six disbursements appeared to be reasonable in amount.

- For an appropriate and necessary business purpose relative to the travel

All six disbursements appeared to be appropriate and necessary relative to travel.

- Determine if each expenditure is supported by:
 - An original itemized receipt (i.e., identifies precisely what was purchased)
[Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) generally does not require a receipt.]

An original receipt is not required for the three travel (mileage reimbursement) disbursements.

Of the three lodging and meals disbursements, one reimbursement request failed to have the actual detailed itemized bill for the hotel stay. The reservation confirmation showing the advance payment was used instead.

Travel and Expense Reimbursement

Continued

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

All three travel disbursements failed to provide sufficient details on the request for reimbursement. The parish engineer put "General Engineering" in the column for "Territory Traveled". In the absence of specific details, the reviewer is unable to determine if the mileage driven is reasonable.

For two of the lodging and meals disbursements, none of the hotel bills stated the conference or training class attended. There was no additional documentation attached to provide the business/public use. Once asked this information was provided.

One of the lodging and meals disbursements was a hotel charge in the name of a parish employee. The hotel is located in Tangipahoa Parish. The hotel bill did not indicate what the stay was for. Upon inquiry of the Head Accountant, it was determined that the hotel was for an entertainer coming in town for the TRACC Save A Life Tour event.

One of the lodging and meals disbursements was to a local restaurant. On the invoice was listed the names of who was in attendance however, the purpose of the meal was not indicated. Upon inquiry of the Assistant Finance Director this was for the continuation of a staff meeting.

- Other documentation as may be required by policy (e.g., authorization for travel, conference brochure, certificate of attendance, etc.).

This section is not applicable to the six disbursements selected since the Parish has no policies regarding travel and related expenses.

- Determine if any of the expenditures were for personal purposes (e.g., extended hotel stays before or after training class, meals for spouses, entertainment, etc.).

None of the six disbursements selected for testing were for personal purposes.

- Determine if each expense report (including documentation) was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

The April 7, 2010, travel reimbursement request had an odometer reading error which resulted in the miles driven being overstated. A simple review of the request would have caught the error. The parish engineer was overpaid \$8.00.

Travel and Expense Reimbursement

Concluded

The June 24, 2010, travel reimbursement request had a mathematical error which resulted in the parish engineer being overpaid \$5.00. It is apparent that no one recalculated the miles driven.

The three lodging and meal reimbursement requests were made by the Assistant Finance Director. No one is reviewing the requests before payment other than the Assistant Finance Director. The Parish President should be approving all reimbursement requests made by the Assistant Finance Director before payment.

- B. Determine if there was any duplication of expenses by comparing the expense reports to charges/purchases made on credit card(s).

None of the six disbursements selected for testing were duplicated.

Contracts

1. Obtain and evaluate the adequacy of the entity's written policies and procedures for contracts/contracting, including leasing.

The Parish does not have written policies and procedures for contracts/contracting which includes leases.

The Parish uses a checklist for construction contracts to insure that the State law has been followed. This checklist was created by the Parish auditor.

2. Determine if the entity has centralized control and oversight of contracts to ensure that services/deliverables received and payments made comply with the terms and conditions of the contracts.

The purchasing department of the Parish is responsible for all contracts of the Parish.

During the Parish's annual financial statement audit for FYE 12-31-2010, three construction contracts were not managed by the purchasing department either in their entirety or partially. As a result of this, these contracts were in noncompliance. See Audit Findings 10-02 and 10-04.

Contracts

Continued

3. Review accounting records (e.g., general ledgers, accounts payable reports, etc.) for the period under examination to identify individuals/businesses being paid for contracted services (e.g., professional, technical, etc.). Select the five "vendors" that were paid the most money during the period and determine if there is a formal/written contract that supports the services arrangement and payments.

<i>Ponchatoula Volunteer Fire Department, Inc.</i>	<i>\$824,786</i>
<i>Natalbany Volunteer Fire Department, Inc.</i>	<i>\$667,395</i>
<i>Hammond Rural Fire Department</i>	<i>\$666,773</i>

There was a formal contract to support the payment for fire protection services.

<i>James Construction Group, LLC</i>	<i>\$404,614</i>
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James Construction provided sail removal, hauling, and depositing services at the landfill. The only contract on file at the Parish with James Construction is dated July 22, 2008, for these services. The contract itself does not indicate an end date but the quotation provided to the Parish states "We have assumed this contract will last several months".

<i>Solo Environmental Consultants, LLC</i>	<i>\$365,181</i>
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There is no contract between the Parish and Solo. However, I was provided a fee schedule for 2010 from Solo. Solo provides engineering services at the landfill. These services are required by the Department of Environmental Quality.

4. Obtain a listing of all active contracts and the expenditures made during the period under examination. Select for detailed review, the largest (dollar amount) contract in each of the following categories that was entered into during the period.

(1) Services

*Hammond Rural Fire Department
Fire Protection Services
\$815,081.83
Date of Contract: February 22, 2010*

(2) Materials and supplies

*Ballard Petroleum, Inc.
Fuel
\$700,225.77
Bid awarded on December 28, 2009*

Contracts

Continued

(3) Public works

Diamond B Construction Company, LLC

Phase 15 Road Overlay Project

\$5,634,250.30

Date of Contract: June 3, 2010

A. Obtain the selected contracts and the related paid invoices and:

- Determine if the contract is a related party transaction.

There were no related party transactions for the three contracts selected.

- Determine if the transaction is subject to the Louisiana Public Bid Law:

- If yes, determine if the entity complied with all requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder, etc.)

The fuel contract and the public works construction contract were let in accordance with the competitive bidding requirements of the Louisiana Public Bid Law.

- If no, determine if the entity provided an open and competitive atmosphere (a good business practice) for the transaction/work.

This section is not applicable to the fire protection services contract.

- Determine if the contract was awarded under the *request for proposals* (RFP) method. If so, obtain all proposals and the evaluation/scoring documents to determine if the contract was awarded to the most responsible offer or whose proposal was the most advantageous taking into consideration price and other evaluation factors set forth in the *request for proposals*.

This section is not applicable to the three contracts selected.

- Determine if the procurement was made "off" state contract (as opposed to following the competitive bidding requirements of the Louisiana Public Bid Law). If so, determine if the board formally adopted the use of the Louisiana Procurement Code (R.S. 39:1551-1755), the set of laws that govern most state agencies' purchases of certain services, materials and supplies, and major repairs.

This section is not applicable to the three contracts selected.

Contracts

Continued

- Determine if the procurement related to homeland security and was made from federal General Services Administration (GSA) supply schedules. If so, determine if the entity (1) utilized a Louisiana licensed distributor; (2) used the competitive ordering procedures of the federal GSA; and (3) received prior approval from the director of the State Office of Homeland Security and Emergency Preparedness, or his designee.

This section is not applicable to the three contracts selected.

- Determine if the entity "piggybacked" onto another agency's contract. If so, determine if there is documentation on file that clearly demonstrates the contract was a previously bid, viable contract and the price paid by the entity was the same as that contract's bid price.

This section is not applicable to the three contracts selected.

- Determine if the contract was amended. If so, determine whether the original contract contemplated or provided for such an amendment. Furthermore, determine if the amendment is outside the scope of the original contract, and if so, whether it should have been separately bid and contracted.

During the FYE 12-31-2010, there were no amendments to the three contracts selected.

- Determine if the invoices received and payments made during the period complied with the terms and conditions of the contract.

All invoices received and paid during the FYE December 31, 2010, for the three selected contracts were paid in accordance with the terms of the contract/bid.

- Determine if there is written evidence that the entity's legal advisor reviewed the contract and advised entering into the contract.

Legal counsel was not asked to review or provide advice regarding the fire protection services contract.

Since the fuel was bid and the amount for the product was set by the bid, there was no need for legal counsel to review or advise on the matter.

Legal counsel was not asked to review the public works construction contract. However, legal counsel was present at all public meetings regarding the awarding of the contract.

Contracts

Concluded

- Determine if there is documentation of board approval, if required.

The fire protection services contract was approved by the Fire District No. 2 of Tangipahoa Parish board on April 26, 2010.

The fuel bid that was awarded to Ballard Petroleum on December 28, 2009, by the Council.

The Phase15 road overlay contract with Diamond B Construction Company, LLC was awarded on April 26, 2010, by the Council.

Payroll and Personnel

1. Obtain and evaluate the adequacy of the entity's written policies and procedures for payroll and personnel.

Tangipahoa Parish Government's policies and procedures for payroll and personnel regarding the earning and use of leave and sick time appear to be adequate. However, the internal controls over accounting for payroll are not adequate. This matter was identified as a material weakness in the audit for FYE 12-31-10. See Audit Finding 10-01.

2. Obtain a listing of employment contracts/agreements in force during the period under examination. Select the largest (dollar amount) employment contract and determine if all payments issued during the period under examination were done in strict accordance with the terms and conditions of the contract.

Per the Assistant Finance Director, he has no knowledge of any employment contract or agreement.

3. Select the attendance and leave records for one pay period and:

- Determine if all employees are documenting their daily attendance and leave (e.g., vacation, sick, etc.). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

Suzanne Elliott with the Legislative Auditor, allowed me to pull a sample instead of having to test all parish employees which is in excess of 200 employees a pay period. I used a sample size of 40.

Tangipahoa Parish Government elected officials are not eligible to earn leave therefore, they were not chosen in the sample.

Payroll and Personnel

Continued

Of the 40 employees selected, 37 employees are documenting their daily attendance by punching a time card. Two employees do not punch a time card because they are supervisors and their work day often begins at various locations within the parish. One employee does not punch a time card because that particular parish office does not have a time clock. This employee is writing in her hours worked on the time card.

Of the 40 employees selected, all employees are documenting their vacation and sick time taken. The employee fills out a request for leave form which is then approved by a supervisor. At the end of a pay period, the hours per the time card are then transferred to a time sheet. Leave and sick hours are then documented on the time sheet. This time sheet is then turned into the supervisor for approval and then sent to the payroll clerk for payment.

- Determine if supervisors are approving, in writing, the attendance and leave of all employees.

Of the 40 employees selected, 38 employees had their attendance approved in writing by their supervisor. This is done by the employee's supervisor signing the payroll time sheet. The Clerk of the Council and the Assistant Finance Director did not get their time sheets approved by their supervisor.

Of the 40 employees selected, all 40 employees had their leave approved by their supervisor. Each employee submits a leave request form to their supervisor for approval of the leave.

- Determine if the entity is maintaining accurate written leave records (e.g., hours earned, hours used, and balance available) on all eligible employees.

Based on the procedures applied, all 40 employees had accurate written leave records. The payroll software calculates the leave and the payroll clerk also keeps manual leave records. Manual leave records are kept as a back up to the computer generated records.

4. Select the five highest paid employees and determine if changes made to their hourly pay rates/salaries during the period under examination were approved in writing and in accordance with policy.

There was no across the board pay raises in 2010. The 2009 rates were approved in writing by the parish president. All five of the highest paid employees were paid in accordance with parish policy and their pay rates were approved in writing.

Tangipahoa Parish Government
Independent Accountant's Report
on Applying Agreed-Upon Procedures

Payroll and Personnel

Concluded

5. Select the five largest termination payments (e.g., vacation, sick, compensatory time, etc.) made during the period under examination. Determine if the payments were supported by adequate documentation, made in strict accordance with policy and/or contract, and properly approved.

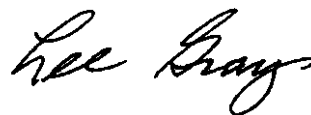
Of the five largest termination payments, three out of five payments included vacation time as well as time worked for the payroll period. The five payments were supported by adequate documentation and paid in accordance with parish policy.

6. Determine if any employees were also being paid as contract labor during the period of the examination.

I reviewed the 1099s issued for 2010. One employee of the parish was issued a 1099 for the year 2010. This was not for contract labor. The employee owns a rental home that participates in the Section 8 housing for rental properties.

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



Certified Public Accountant

August 23, 2011

TANGIPAHOA PARISH GOVERNMENT

Management's Corrective Action Plan for
Current Year Agreed Upon Procedures Findings

For the Year Ended December 31, 2010

<u>Agreed- Upon Procedure Number</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>
Financial Management		
FM - 1	The monthly financial statements are incorrectly titled. Balance sheets were not presented.	The parish has contacted the software company to correct the title. The parish is not required to provide balance sheets on a monthly basis.
FM - 3	Inadequate policies and procedures over financial / business functions.	As outlined in the independent accountants report, the parish has completed a comprehensive review of the plan. It will be adopted by the parish governing authority and implemented by management.
Credit Cards		
CC - 2	No written policies and procedures for credit cards.	The parish will adopt written policies and procedures for credit cards.
CC - 3-A	Three Walmart receipts did not state the business purpose.	As part of its written policies, the parish will require the business purpose to be documented on all receipts.
CC - 3-A	Nine Walmart receipts were for food items. Only five receipts stated the business purpose and who was in attendance.	As part of its written policies, the parish will require the business purpose and who was in attendance to be documented on all food receipts.
CC - 3-A	Two Walmart receipts were for food items. The business purpose was not evident on the receipts. It was determined that these items were used for a barbecue cook-off at the Tangipahoa Parish Fair. There is no evidence that these two expenditures were appropriate and necessary for business purposes.	As part of its written policies, the parish will require the business purpose and who was in attendance to be documented on all food receipts. The parish will also document how expenditures are for an appropriate and necessary for business purpose.

TANGIPAHOA PARISH GOVERNMENT

Management's Corrective Action Plan for
Current Year Agreed Upon Procedures Findings

For the Year Ended December 31, 2010

<u>Agreed- Upon Procedure Number</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>
<i>Travel and Expense Reimbursement</i>		
TER - 1	No written policies and procedure for travel and expense reimbursement.	The parish will reduce its policies and procedures for travel and expense reimbursement to writing.
TER - 2-A	One lodging and meals disbursement failed to have the actual detailed itemized bill from the hotel. The reservation confirmation was attached instead.	The parish will require a detailed itemized bill for lodging and meal reimbursements.
TER - 2-A	All three travel disbursements failed to provide sufficient details for mileage reimbursement.	The parish will require sufficient documentation for mileage reimbursement.
TER - 2-A	Two of the three lodging and meals disbursements failed to state which conference or training class was attended.	The parish will require conference or training information to be included for lodging and meal reimbursement.
TER - 2-A	One of the lodging and meal disbursement was a hotel charge for a hotel located in Ponchatoula, LA. The hotel invoice was in the name of a parish employee. There was no documentation attached to prove that this was not a personal charge. Upon inquiry, this information was provided.	The parish will require business purpose to be documented for lodging and meal reimbursement.

TANGIPAHOA PARISH GOVERNMENT

Management's Corrective Action Plan for
Current Year Agreed Upon Procedures Findings

For the Year Ended December 31, 2010

<u>Agreed- Upon Procedure Number</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>
<i>Travel and Expense Reimbursement continued</i>		
TER - 2-A	One of the lodging and meal disbursement was to a local restaurant. The attendees were listed on the receipt, however, the purpose of the meeting was not. It was later determined this was a parish staff meeting.	As part of its written policies, the parish will require the business purpose and who was in attendance to be documented on all meal disbursements.
TER - 2-A	The April 7, 2010, travel reimbursement request was not properly reviewed. An odometer reading error resulted in the parish engineer being overpaid \$8.00.	Accounts Payable clerk will review all travel reimbursement request for accuracy.
TER - 2-A	The June 24, 2010, travel reimbursement request was not properly reviewed. A mathematical error resulted in the parish engineer being overpaid \$5.00.	Accounts Payable clerk will review all travel reimbursement request for accuracy.
TER - 2-A	All three lodging and meal reimbursement requests were made by the Assistant Finance Director. No one other than the Assistant Finance Director reviewed or approved the requests for payment.	The Parish President or his designee will approve request for reimbursement by the Asst. Director of Finance.

TANGIPAHOA PARISH GOVERNMENT

Management's Corrective Action Plan for
Current Year Agreed Upon Procedures Findings

For the Year Ended December 31, 2010

<u>Agreed- Upon Procedure Number</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>
Contracts		
C - 1	No written policies and procedures for contracts / contracting.	The Parish will adopt written policies and procedures for contracts/contracting.
C - 2	Three construction contracts were not managed by the purchasing department as required resulting in noncompliance. This was addressed in the annual audit of the financial statements as Audit Findings 10-02 and 10-04.	This has been resolved as a result of the previous audit. All contracts are now reviewed and approved by the parish purchasing agent.
C - 4-A	Per management, legal counsel was not requested to review or advise on the fire protection services contract or the public works construction contracts.	When required, the parish will have all contracts reviewed by legal counsel.
Payroll and Personnel		
PP - 1	Inadequate written internal controls over financial reporting for payroll. This matter was identified as a material weakness in the annual financial audit for FYE 12-31-10. See Audit Finding 10-01.	As outlined in the independent accountants report, the parish has completed a comprehensive review of the plan. It will be adopted by the parish governing authority and implemented by management.
PP - 3	One employee does not punch a time card because that parish office does not have a time clock. Instead they manually record their time on a time card.	The parish will provide a time clock at the location and require the employee to punch a time card.

TANGIPAHOA PARISH GOVERNMENT

Management's Corrective Action Plan for
Current Year Agreed Upon Procedures Findings

For the Year Ended December 31, 2010
Continued

<u>Agreed- Upon Procedure Number</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>
<i>Payroll and Personnel continued</i>		
PP - 3	The Clerk of the Council and the Assistant Finance Director did not have their time sheets approved by their supervisor before payment was made.	The Clerk of the Council will have her time approved by the Council Chairman or his designee. The Assistant Director of Finance will have his time approved by the Parish President.

Contact Person: Gordon Burgess, Parish President