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Village of Tangipahoa
Tangipahoa, Louisiana

FINANCIAL REPORT

YEAR ENDING
June 30, 1996

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

Release Date MAR 19 1997 J

VILLAGE OF TANGIPAHOA
LOUISIANA

FINANCIAL REPORT
YEAR ENDED June 30, 1996

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VILLAGE OF TANGIPAHOA
LOUISIANA

FINANCIAL REPORT
YEAR ENDED June 30, 1996

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VILLAGE OF TANGIPAHOA
LOUISIANA

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YEAR ENDED June 30, 1996

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor, C. James Fultz
and Members of the Board of Aldermen
Village of Tangipahoa, Louisiana

We have audited the accompanying general purpose financial statements of the Village of Tangipahoa, Louisiana, as of June 30, 1996, and for the year then ended as listed in the table of contents. These general purpose financial statements are the responsibility of the Village's, management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Village of Tangipahoa, Louisiana, as of June 30, 1996, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements, schedules, and supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Village of Tangipahoa, Louisiana.

Such information has been subjected to the auditing procedures applied in the audit of general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.



Bruce Harrell & Company, CPAs
A Professional Accounting Corporation
December 27, 1996

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INDEPENDENT AUDITOR'S REPORT ON SCHEDULE
OF FEDERAL FINANCIAL ASSISTANCE

The Honorable Mayor, C. James Fultz
and Members of the Board of Aldermen
Village of Tangipahoa, Louisiana

We have audited the general purpose financial statements of the Village of Tangipahoa, Louisiana, for the year ended June 30, 1996, and have issued our report thereon dated December 27, 1996. These general purpose financial statements are the responsibility of the Village of Tangipahoa, Louisiana, management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the Village of Tangipahoa, Louisiana, taken as a whole. The accompanying schedule of federal financial assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.



Bruce Harrell & Company, CPAs
A Professional Accounting Corporation

December 27, 1996

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

Village of Tangipahoa

Exhibit A

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP

June 30, 1996

	Governmental Fund Types		Proprietary Fund Type	Account Group	Total (Memo Only)
	General	Special Revenue	Enterprise	General Fixed Assets	
Assets					
Cash	\$4,174	\$48,631	\$11,307	-	\$64,112
Taxes Receivable, Net	1,443	-	-	-	1,443
Accounts Receivable, Net	-	-	12,107	-	12,107
Inventory	-	-	91	-	91
Due From Other Funds	274	-	-	-	274
Due From Other Governments	1,566	6,316	-	-	7,882
Restricted Assets:					
Cash	-	12,147	8,460	-	20,607
Investments	-	-	11,418	-	11,418
Fixed Assets, Net	-	-	913,565	30,951	944,516
Total Assets	\$7,457	\$67,094	\$956,948	\$30,951	\$1,062,450
Liabilities					
Accounts Payable	\$1,127	\$3,983	\$6,447	-	\$11,557
Other Accrued Expenses	-	789	220	-	1,009
Due to Other Funds	-	274	-	-	274
Payable From Restricted Assets:					
Customer Deposits	-	-	9,780	-	9,780
Accrued Revenue Bond Interest-					
Sewer System	-	-	572	-	572
Revenue Bonds Payable-Utility System	-	-	2,000	-	2,000
Revenue Bonds Payable-Sewer System	-	-	43,076	-	43,076
Total Liabilities	1,127	5,046	62,095	-	68,268
Fund Equity					
Contributed Capital, Net	-	-	850,491	-	850,491
Investment in General Fixed Assets	-	-	-	30,951	30,951
Retained Earnings:					
Reserved for Revenue Bond Retirement	-	-	4,033	-	4,033
Reserved for Revenue Bond Contingency	-	-	4,846	-	4,846
Unreserved	-	-	35,483	-	35,483
Fund Balance:					
Designated-Sewerage Disposal System	-	-	-	-	-
Designated-Garbage Disposal & Streets	-	-	-	-	-
Designated Bond Reserve Fund	-	5,947	-	-	5,947
Designated Depreciation and Contingency Fund	-	6,200	-	-	6,200
Unreserved-Undesignated	6,330	49,901	-	-	56,231
Total Retained Earnings/ Fund Balance	6,330	62,048	44,362	-	112,740
Total Fund Equity	6,330	62,048	894,853	30,951	994,182
Total Liabilities and Fund Equity	\$7,457	\$67,094	\$956,948	\$30,951	\$1,062,450

The accompanying notes are an integral part of this statement.

COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
Year Ended June 30, 1996

	<u>Governmental Fund Types</u>		<u>Total (Memo Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Revenues:			
Taxes	\$15,818	\$47,886	\$63,704
Licenses and Permits	15,164	-	15,164
Intergovernmental	7,553	-	7,553
Fines and Forfeits	813	-	813
Other	-	1,184	1,184
Intergovernmental - Grants	-	14,831	14,831
	<u>39,348</u>	<u>63,901</u>	<u>103,249</u>
Expenditures:			
General and Administrative	21,351	-	21,351
Public Safety-Police	23,908	-	23,908
Public Safety-Fire Protection	4,200	-	4,200
Transportation	8,985	-	8,985
Sanitation	-	10,242	10,242
Sewer Disposal Works	-	17,724	17,724
Health and Welfare - Summer Food Program	-	13,682	13,682
	<u>58,444</u>	<u>41,648</u>	<u>100,092</u>
Excess of Revenues (Expenditures)	<u>(19,096)</u>	<u>22,253</u>	<u>3,157</u>
Other Financing Sources (Uses)			
Sale of Fixed Assets	1,839	-	1,839
Operating Transfers In	14,201	9,680	23,881
Operating Transfers Out	-	(6,521)	(6,521)
	<u>16,040</u>	<u>3,159</u>	<u>19,199</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	<u>(3,056)</u>	<u>25,412</u>	<u>22,356</u>
Fund Balance, Beginning of Year	<u>9,386</u>	<u>36,636</u>	<u>46,022</u>
Fund Balance, End of Year	<u>\$6,330</u>	<u>\$62,048</u>	<u>\$68,378</u>

The accompanying notes are an integral part of this statement.

Village of Tangipahoa

Exhibit C

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL -
GENERAL AND SPECIAL REVENUE FUND TYPES
Year Ended June 30, 1996

	General Fund			Special Revenue Fund		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:						
Taxes	\$15,775	\$15,818	\$43	\$50,000	\$47,886	(\$2,114)
Licenses and Permits	14,850	15,164	314	-	-	-
Intergovernmental	5,050	7,553	2,503	-	-	-
Fines and Forfeits	800	813	13	-	-	-
Other	-	-	-	1,500	1,184	(316)
Intergovernmental - Grants	-	-	-	14,180	14,831	651
Total Revenues	36,475	39,348	2,873	65,680	63,901	(1,779)
Expenditures:						
General and Administrative	21,400	21,351	49	-	-	-
Public Safety - Police	22,275	23,908	(1,633)	-	-	-
Public Safety - Fire Protection	4,200	4,200	-	-	-	-
Highways and Streets	9,400	8,985	415	-	-	-
Sanitation	-	-	-	10,250	10,242	8
Sewer Disposal Works	-	-	-	21,475	17,724	3,751
Health and Welfare	-	-	-	13,975	13,682	293
Total Expenditures	57,275	58,444	(1,169)	45,700	41,648	4,052
Excess of Revenues (Expenditures)	(20,800)	(19,096)	1,704	19,980	22,253	2,273
Other Financing Sources (Uses)						
Sale of Fixed Assets	1,700	1,839	139	-	-	-
Operating Transfer In	14,000	14,201	201	15,500	9,680	(5,820)
Operating Transfer Out	-	-	-	(6,400)	(6,521)	(121)
Total Other Financing Sources (Uses)	15,700	16,040	340	9,100	3,159	(5,941)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(5,100)	(3,056)	2,044	29,080	25,412	(3,668)
Fund Balance, Beginning of Year	9,386	9,386	-	36,636	36,636	-
Fund Balance, End of Year	\$4,286	\$6,330	\$2,044	\$65,716	\$62,048	(\$3,668)

The accompanying notes are an integral part of this statement.

Village of Tangipahoa

Exhibit D

STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS
PROPRIETARY FUND TYPE
ENTERPRISE FUND
Years Ended June 30, 1996

Operating Revenues	
Charges for Services:	
Water Sales	\$41,455
Gas Sales	39,073
Sanitation Charges:	
Sewerage	15,704
Delinquent Charges	4,271
Other Revenues	<u>1,737</u>
Total Operating Revenues	<u>102,240</u>
Operating Expenses	
General & Administrative	55,542
Cost of Natural Gas Sold	17,293
Depreciation	<u>30,610</u>
Total Operating Expenses	<u>103,445</u>
Net Operating Income (Loss)	<u>(1,205)</u>
Nonoperating Revenues (Expenses)	
Interest Income	40
Utility System Bond Interest Expense	(119)
Sewer System Bond Interest Expense (GECC)	(2,485)
Paying Agent Fee	-
Total Nonoperating Revenues (Expenses)	<u>(2,564)</u>
Income (Loss) Before Operating Transfer	(3,769)
Operating Transfer Out-	
Special Revenue Fund	(9,680)
General Fund	<u>(7,680)</u>
Net (Loss)	(21,129)
Unrestricted Retained Earnings, Beginning of Year	28,661
Add: Amortization of Contributed Capital	26,872
(Increase) Decrease in Revenue Bond Contingency Reserves	<u>1,079</u>
Unrestricted Retained Earnings, End of Year	<u>\$35,483</u>

The accompanying notes are an integral part of this statement.

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPE
 ENTERPRISE FUND
 Year Ended June 30, 1996

Cash Flows from Operating Activities:	
Operating Income (Loss)	(\$1,205)
Adjustments to Reconcile Net Operating Income to Cash Provided by Operating Activities:	
Depreciation	30,610
Changes in Accounts Receivable	(2,105)
Changes in Inventory	655
Changes in Accounts Payable	949
Changes in Other Accrued Expenses	27
Changes in Liabilities Payable from Restricted Assets	666
Changes in Accrued Interest Payable	<u>(46)</u>
Net Cash Provided by Operating Activities	<u>29,551</u>
Cash Flows from Noncapital Financing Activities:	
Operating Transfers Out	<u>(17,360)</u>
Net Cash Provided by Noncapital Financing Activities	<u>(17,360)</u>
Cash Flows from Capital and Related Financing Activities:	
Repayment of Revenue Bonds	(4,416)
Interest Payments	(2,604)
Paying Agent Fee	-
Purchase of Fixed Assets	(6,908)
Interest Income	<u>40</u>
Net Cash Used from Capital and Related Financing Activities	<u>(13,888)</u>
Net Cash Decrease for Year	(1,697)
Cash at Beginning of Year	<u>32,882</u>
Cash at End of Year	<u><u>\$31,185</u></u>

The accompanying notes are an integral part of this statement.

Village of Tangipahoa

NOTES TO FINANCIAL STATEMENTS

June 30, 1996

INTRODUCTION

The Village of Tangipahoa was incorporated July 1, 1959, under the provisions of the Lawrason Act. The village operates under a Mayor-Board of Aldermen form of government.

The accounting and reporting policies of the Village of Tangipahoa conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:513 and 24:517 and to the guides set forth in the "Louisiana Governmental Audit Guide", and to the industry audit guide, "Audits of State and Local Governmental Units".

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

As the municipal governing authority, for reporting purposes, the Village of Tangipahoa is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (village), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which 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.

Governmental Accounting Standards Board (GASB) Statement No.14 established criteria for determining which component units should be considered part of the Village of Tangipahoa for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

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

Based on the previous criteria, the village has determined that no component units are part of the reporting entity:

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

Village of Tangipahoa

NOTES TO FINANCIAL STATEMENTS

June 30, 1996

B. FUND ACCOUNTING

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

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

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

Governmental Funds

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

1. General Fund - the general operating fund of the village and accounts for all financial resources, except those required to be accounted for in other funds.
2. Special Revenue Funds - accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Proprietary Fund

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their measurement focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. The Village has only one proprietary fund, and it is an enterprise fund.

1. Enterprise funds - account for operations (a) that are financed and operated in a manner similar to private business enterprise, where the intent of the governing body is that 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 any other purpose.

Village of Tangipahoa

NOTES TO FINANCIAL STATEMENTS

June 30, 1996

C. BASIS OF ACCOUNTING

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

Revenues

Sales taxes, licenses and permits, charges for services, fines and forfeits, and miscellaneous revenues are recorded as revenues when received in cash. Ad Valorem, public utility franchise, tobacco and beer tax revenues are recognized when they become measurable and available as net current assets.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except that accumulated unpaid vacation and sick pay are not accrued and principal and interest on general long-term debt is recognized when due. Purchases of various operating supplies are regarded as expenditures at the time purchased.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses). These amounts are recorded when the actual transfer is made.

All proprietary funds are accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. The proprietary fund uses the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time liabilities are incurred.

D. BUDGETS

The village uses the following budget practices:

The village adopts a budget for its general fund and special revenue funds. The proposed budget is submitted to the board of aldermen and made available for public inspection at least 15 days prior to the beginning of the budget year. All appropriations (unexpended budget balances) lapse at year end.

Village of Tangipahoa

NOTES TO FINANCIAL STATEMENTS

June 30, 1996

E. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those other investments with original maturities of 90 days or less. Under state law, the village may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the village may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days. However, if the original maturities are 90 days or less, they are classified as cash equivalents.

F. SHORT-TERM INTERFUND - RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods 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 or payables.

G. INVENTORIES

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

Inventory in the proprietary fund consists of natural gas storage and is recorded as an expense when consumed. Inventory is valued at the lower of cost (first-in, first-out) or market.

H. RESTRICTED ASSETS

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

I. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time of purchase or construction, and the related assets are capitalized (reported) in the general fixed assets account group. Interest costs incurred during construction are capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair market value on the date donated.

Fixed assets used in the proprietary fund operations are included in the balance sheet of the fund, net of accumulated depreciation. Depreciation of all exhaustible fixed assets used by the proprietary fund is charged as an expense against its operations. Depreciation has been provided over the estimated useful lives using the straight-line method.

Village of Tangipahoa

NOTES TO FINANCIAL STATEMENTS

June 30, 1996

J. ANNUAL VACATION AND SICK LEAVE

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

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

As of June 30, 1996, the General Fund, the Special Revenue Fund (Sales Tax Fund and Summer Food Service Program), and the Enterprise Fund reported no accrued annual vacation leave, since the amount, if any, would be immaterial.

In accordance with Financial Accounting Standards Board (FASB) Statement Number 43, no liability has been accrued for unused employee sick leave.

K. BAD DEBT

The Village of Tangipahoa does not have an allowance for uncollectible Ad Valorem taxes because the amounts, if any, are immaterial. Uncollectible amounts due for customers' utility receivables are recognized as bad debts through the allowance method. An allowance account of \$12,604 was set up to allow for the uncollectibility of certain receivables.

L. FUND EQUITY

Contributed Capital

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

Reserves

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

Designated Fund Balance

Designated fund balance represents tentative plans for future use of financial resources.

M. TOTAL COLUMNS ON COMBINED STATEMENTS - OVERVIEW

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

Village of Tangipahoa

NOTES TO FINANCIAL STATEMENTS

June 30, 1996

2. CASH AND CASH EQUIVALENTS

At June 30, 1996, the village has cash and cash equivalents (book balance) totaling \$96,137, as follows:

	<u>1996</u>
Demand deposits	\$ 35,672
Interest-bearing demand deposits	24,920
Time deposits	31,512
Treasury bills	4,033
Total	<u>\$ 96,137</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 1996, the village has \$95,399, in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance.

3. TAXES

For the Year Ended June 30, 1996, taxes were levied as follows:

In July, 1995, the Village of Tangipahoa levied an ad valorem tax of 17.80 mills on property with assessed valuations totaling \$510,212 and were dedicated as follows:

General Corporate Purposes	7.80 Mills
Tangipahoa Parish Rural Fire Protection District No. 2	10.00 Mills

Property tax is attached as an enforceable lien on property as of December 31. Taxes are due December 31. The collection date is March 1.

Total ad valorem taxes levied were \$8,676. The Village of Tangipahoa does not have an allowance for uncollectible ad valorem taxes because the amounts, if any are immaterial.

The following public utilities were assessed a public utilities franchise tax for the privilege of providing services to the citizens of the Village of Tangipahoa. These taxes are dedicated for any general corporate purpose.

	<u>6/30/96</u>
Louisiana Power & Light Co., Inc.	\$ 5,028
Parish Cablevision	790
Video Poker	1,374
Total	<u>\$ 7,192</u>

Taxes receivable at June 30, 1996, consisted of Ad Valorem Tax of \$111, and Public Utility Franchise Tax of \$1,332.

Village of Tangipahoa

NOTES TO FINANCIAL STATEMENTS

June 30, 1996

3. TAXES - (Continued)

On May 3, 1972, the Village of Tangipahoa adopted Ordinance No. 62, authorizing the village to levy a one cent sales and use tax. The proceeds of this one cent sales and use tax, levied by the village, are for the purposes of purchasing and/or constructing sewers, drains, drainage canals, pumping plants, sewerage disposal works, and all facilities necessary or convenient for the completion and maintenance of an adequate sewerage disposal system. In addition, the proceeds are for the purposes of acquiring necessary property, appurtenances, or equipment, or for any one or more of any such purposes, or for any other lawful corporate purpose in connection with the acquisition, construction, and/or maintenance of such a sewerage system.

On April 10, 1985, the village adopted Ordinance No. 1 authorizing, effective May 1, 1985, the collection of an additional one percent (1%) sales tax. Up to 50% of the proceeds was restricted for the purpose of establishing the regular collection of garbage and refuse, and acquiring necessary equipment for the maintenance of such garbage system and the remainder of the proceeds is to be used for the purpose of constructing and improving streets and street lights and acquiring necessary equipment for the maintenance thereof.

Sales and use taxes collected for the year ended June 30, 1996 were \$47,886.

4. ACCOUNTS RECEIVABLE

The utility department Enterprise Fund accounts receivable at June 30, 1996, consisted of the following:

	<u>6/30/96</u>
Current	\$ 7,220
31-60 Days	3,295
61-90 Days	2,571
Over 90 Days	<u>11,660</u>
Total	24,746
Less: Credit Balance Accounts	35
Allowance for Bad Debts	<u>12,604</u>
Accounts Receivable, Net	<u><u>\$ 12,107</u></u>

5. INTERFUND RECEIVABLES, PAYABLES

Individual fund interfund receivable and payable balances at June 30, 1996, were as follows:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 274	\$ -
Special Revenue Fund	-	274
Total	<u><u>\$ 274</u></u>	<u><u>\$ 274</u></u>

Village of Tangipahoa

NOTES TO FINANCIAL STATEMENTS

June 30, 1996

6. DUE FROM OTHER GOVERNMENTS

Amounts due from other governmental units consisted of the following:

	General Fund	Special Revenue Fund
State of Louisiana - Video Poker	\$ 171	\$ -
State of Louisiana - Tobacco Tax	770	-
State of Louisiana - Beer Tax	625	-
State of Louisiana - Summer Feeding Program	-	3,324
Tangipahoa Parish School Board - Sales Tax	-	2,992
Total	<u>\$ 1,566</u>	<u>\$ 6,316</u>

7. RESTRICTED ASSETS

Restricted Assets (by designation)-Special Revenue Fund-Sales Tax and Enterprise Fund:

	Special Revenue Fund	Enterprise Fund
Bond Reserve Fund	\$ 5,947	\$ -
Bond Depreciation & Contingency Fund	6,200	4,846
Bond & Interest Redemption Fund	-	4,033
Customer Deposit Fund	-	9,749
LCDBG Fund	-	1,250
Total	<u>\$ 12,147</u>	<u>\$ 19,878</u>

8. FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance 7/01/95	Additions	Deletions	Balance 6/30/96
Land	\$ 400	\$ -	\$ -	\$ 400
Buildings	3,360	-	-	3,360
Furniture & Fixtures	4,196	-	-	4,196
Vehicles	4,310	-	1,300	3,010
Equipment	19,614	371	-	19,985
Total	<u>\$ 31,880</u>	<u>\$ 371</u>	<u>\$ 1,300</u>	<u>\$ 30,951</u>

Village of Tangipahoa

NOTES TO FINANCIAL STATEMENTS

June 30, 1996

8. FIXED ASSETS - (Continued)

A summary of proprietary fund type property, plant, and equipment at June 30, 1996 follows:

	<u>Life Years</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>	<u>Depreciation This Year</u>
Natural Gas System:					
System Purchased From Town of Kentwood	25	\$ 9,020	\$ 9,020	\$ -	\$ -
Repairs to Above	25	6,119	6,119	-	-
New Lines & Meters	45	12,433	6,126	6,307	276
Cathodic Protection	45	8,766	3,718	5,048	195
Total Natural Gas System		<u>36,338</u>	<u>24,983</u>	<u>11,355</u>	<u>471</u>
Water System:					
Well	45	24,693	17,846	6,847	549
Elevated Storage Tank	45	32,568	23,526	9,042	725
Lines & Meters	45	189,542	97,411	92,131	4,325
Water Well Work Over	20	10,501	6,300	4,201	525
Water Well	45	118,508	29,847	88,661	2,634
Water Line Extensions	45	79,204	33,588	45,616	1,760
Total Water System		<u>455,016</u>	<u>208,518</u>	<u>246,498</u>	<u>10,518</u>
Sewerage System:					
EPA Sewer	45	615,710	191,553	424,157	13,683
Sewer Addition	45	11,222	3,242	7,980	249
LCDBG Sewer	45	220,698	7,357	213,341	4,904
Total Sewerage System		<u>847,630</u>	<u>202,152</u>	<u>645,478</u>	<u>18,836</u>
Utility Building	30	7,661	4,596	3,065	255
Equipment	Var.	39,907	32,738	7,169	530
Total		<u>\$1,386,552</u>	<u>\$ 472,987</u>	<u>\$913,565</u>	<u>\$ 30,610</u>

All assets are depreciated under the straight-line method.

Village of Tangipahoa

NOTES TO FINANCIAL STATEMENTS

June 30, 1996

9. CHANGES IN LONG-TERM DEBT

The following is a summary of bond transactions for the year ended June 30, 1996:

	Utility Revenue 1963 Issue	Sewer System Revenue GECC	Total
Bonds Payable, July 1, 1995	\$ 3,000	\$ 46,492	\$ 49,492
Bonds Issued	-	-	-
Bonds Retired	1,000	3,416	4,416
Bonds Payable, June 30, 1996	<u>\$ 2,000</u>	<u>\$ 43,076</u>	<u>\$ 45,076</u>

Bonds Payable, June 30, 1996 are comprised of the following individual issues:

Utility Revenue Bonds - 1963 Issues:

\$88,000 Utility Revenue Bonds Numbers 1 through 88, Dated January 1, 1963, are due in annual installments of \$1,000 to \$6,000 through January 1, 1998; interest at 4 3/4%. These issues are secured by the income and revenues derived from the operation of the Village's utility system.

\$ 2,000

Sewer system Revenue Bonds - FmHA Bonds:

\$83,000 Utility Revenue Bonds sold to Farmers Home Administration, dated 3/25/81, which were sold to GECC are due in annual installment of \$5,947 through October 1, 2006; interest at 5%.

\$43,076

The annual requirements to amortize all outstanding debt as of June 30, 1996; including interest of \$11,519 are as follows:

Year Ending June 30,	Utility Revenue 1963 Issue	Sewer System Revenue GECC	Total
1997	\$ 1,095	\$ 5,947	\$ 7,042
1998	1,047	5,947	6,994
1999	-	5,947	5,947
2000	-	5,947	5,947
2001	-	5,947	5,947
2002-2006	-	24,718	24,718
	<u>\$ 2,142</u>	<u>\$ 54,453</u>	<u>\$ 56,595</u>

Village of Tangipahoa

NOTES TO FINANCIAL STATEMENTS

June 30, 1996

**10. FLOW OF FUNDS, RESTRICTIONS ON USE -
UTILITY REVENUE BONDS - 1963 ISSUE**

Under the terms of the bond indenture on outstanding public utility revenue bonds, dated January 1, 1963, all income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from operation of the utility system are pledged and dedicated to the retirement of said bonds and are to be set aside into a separate account known as "Revenue Fund" and said shall be administered in the following priority:

Out of the revenue there shall be first set aside from time to time into an "Operation and Maintenance Fund" amounts sufficient to provide for the payment of the reasonable and necessary expenses of operating and maintaining the system.

Each month there will be set aside into a fund called the "Bond and Interest Redemption Fund" an amount constituting 1/12 of the next maturing installment of principal and 1/6 of the next maturing installment of interest on the outstanding bonds. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due and may be used only for such payment. At June 30, 1996 the "Bond and Interest Redemption Fund" had a balance of \$(47).

There shall also be set aside into a "Reserve Fund" an amount equal to 20% of the principal and interest payments required for the next ensuing fiscal year until the said reserve fund shall have reached a sum of \$9,000. After the reserve fund has accumulated \$9,000, no further payments into this fund shall be required. Such amounts may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not on deposit in the Bond and Interest Redemption Fund and as to which there would otherwise be default. At June 30, 1996 the "Reserve Fund" had a balance of \$4,080.

From the revenue remaining, on the last day of each month, after the above required payments have been made, there shall next be set aside into a "Contingency Fund" a sum equal to seven percent (7%) of the gross revenues of the system for such month. Money in the Contingency Fund shall be used for the payment of principal and interest on said bonds which would otherwise be in default and for making transfers to the Operations and Maintenance Fund to meet current liabilities of such fund. Money in this fund may also be used for replacements and extensions to the system. The balance in the Contingency Fund shall not be reduced below the sum of \$1,500 except in cases of actual emergency. At June 30, 1996 the "Contingency Fund" had a balance of \$4,846.

All the revenues remaining after required payments have been made into the above mentioned funds, shall be deposited into a "Surplus Revenue Fund".

SEWER REVENUE BONDS - 1981

The Village of Tangipahoa approved the issuance of \$83,000 sewerage system revenue bonds on August 1, and September 1, 1980. The governing authority of the village adopted a resolution on January 29, 1981, authorizing issuance of \$83,000 of the sewerage system revenue bonds. On March 25, 1981, the village sold the \$83,000 authorized bonds to Farmers Home Administration (FmHA) of the United States of America. The bonds were issued for twenty-five (25) years, payable with interest at the rate of five percent (5%) per annum. The bond and any installment may be paid prior to the due date and maturity thereof at a price of par and accrued interest to the date of prepayment. The proceeds of the bonds were restricted to use for construction and acquisition of a sanitary disposal works for the village subject to the provisions of the above resolution adopted March 25, 1981. As of June 30, 1982, Farmers Home Administration had advanced all of the bond proceeds to the village. FmHA sold the bonds to General Electric Capital Corporation during the fiscal year ended June 30, 1989.

Village of Tangipahoa

NOTES TO FINANCIAL STATEMENTS

June 30, 1996

Under the terms of the bond proceeds to the village, the bonds are payable as to principal and interest from the income and revenues derived from the operation of the combined sewerage system of the village after provision has been made for payment of the reasonable and necessary expenses of administering, operating and maintaining the system. The bonds are secured by an irrevocable pledge and dedication of the avails and proceeds of the one percent (1%) sales and use tax levied by the village. These bonds do not constitute an indebtedness or pledge of the general credit of the village within the meaning of any constitutional or statutory limitation of indebtedness.

The village, through its governing authority, obligates itself to fix, establish, maintain, levy and collect such rates, fees, rents or other charges and facilities of the sewer system, and all parts thereof and to revise the same from time to time whenever necessary as will always provide revenues in each year sufficient to meet debt service of at least 1.25 times the maximum principal and interest requirements on the bonds herein authorized, pay all maintenance and operating costs, meet annual requirements for reserves and capital additions, or other payments required for such year by this resolution, and all other obligations and indebtedness payable out of the revenues of the system during such year, and that such rates, fees, rents, and other charges shall not at any time be reduced so as to be insufficient to provide adequate revenues for such purposes. For the year ended June 30, 1996, the village had charged customers \$15,704, for use of the village's sewerage disposal system. During the current year, sewer fees and sales tax collections did meet the minimum revenue requirements for the fiscal year end June 30, 1996.

Each month there shall be set aside into a fund called "Bond and Interest Sinking (Redemption) Fund" a sum equal to one-twelfth (1/12) of the interest due on the next interest payment due and, in addition, a sum equal to one-twelfth (1/12) of the next principal payment due, together with such proportionate sum as may be required as the same respectfully become due on such dates. Money in the Sinking Funds shall be deposited as trust funds and shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due, and may be used only for such payments. FmHA set up a payment schedule whereby the village could make such payments directly to the holder. This eliminates the need of the "Bond and Interest Sinking Fund".

There shall also be set aside into a "Sewer System Revenue Bond Reserve Fund" a sum equal to 5% of the monthly bond payment after the construction becomes revenue producing until there is accumulated therein an amount equal to the highest annual debt service payment in any future year. Such amounts may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not on deposit in the Bond and Interest Sinking Fund as to which there would otherwise be default.

Funds will also be set into a "Depreciation and Contingency Fund" after completion of the project, at the rate of \$25 per month until the balance in this fund amounts to \$6,200. Money in this fund will be used for the making of extraordinary repairs or replacements to the system which are necessary to keep the system in operating condition, enhance its revenue-producing capacity or provide for a higher degree of service for which money is not available as a maintenance and operation expense. Money in this fund may also be used to pay principal and interest on the bonds falling due at any time there is not sufficient money for payments in the other bond funds.

All the sewer revenues received in any fiscal year and not required to be paid in such fiscal year into any of the noted funds shall be regarded as surplus and may be used for any lawful corporate purpose.

Village of Tangipahoa

NOTES TO FINANCIAL STATEMENTS

June 30, 1996

11. CONTRIBUTED CAPITAL (NET OF ACCUMULATED AMORTIZATION)

At June 30, 1996 the following contributions toward the cost of the utility plant had been received:

U.S. Government - Federal Grants (Natural Gas & Water System)	\$ 175,141
U.S. Government - Environmental Protection Agency (Sewer Disposal System)	393,367
U.S. Government - Farmers Home Administration (Sewer Disposal System)	105,700
Municipality - Special Revenue Fund (Sewer Disposal System)	80,856
U. S. Department of Housing and Urban Development - 1982 Louisiana Community Development Block Grant:	
Water Well	118,209
Water Line Extension	76,532
Sewer Disposal System	221,962
Total Contributions	<u>1,171,767</u>
Less: Amortized Contributions	<u>321,276</u>
Net Contribution	<u>\$ 850,491</u>

12. INTERGOVERNMENTAL COOPERATIVE AGREEMENT

On December 12, 1984, the village entered into an agreement with Tangipahoa Parish Police Jury to allow the Parish Section 8 Program to operate within its corporate limits. The U.S. Department of Housing and Urban Development (HUD) allows these programs to operate within communities without such programs. The village has attempted to find such assistance through federal and state rental subsidy programs, but has been turned down for such assistance because of its small size and the cut back in federal funding for housing.

13. SANITATION CONTRACT

The village contracts with Waste Management, Inc. for the pickup and disposal of solid waste. Sales tax in the amount of ½ of 1% is dedicated to pay for the cost of this contract.

14. RETIREMENT COMMITMENTS

The Village of Tangipahoa's employees participate in the Federal Social Security Program. The village's contributions for the fiscal years ended June 30, 1996 were \$2,046 for the General Fund employees, \$1,102 for the Special Revenue Fund (sales tax) employee, and \$446 for the Enterprise Fund employees. Future deficits in the system will be financed by the United States Government and the village has no further liability in the system. Data concerning the actuarial status of the system is not available.

Village of Tangipahoa

NOTES TO FINANCIAL STATEMENTS

June 30, 1996

15. U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

1991 LCDBG Program Year - Contract # 101-2030

The Village of Tangipahoa was approved on October 11, 1991, for a Louisiana Community Development Block Grant (LCDBG) in the amount of \$226,500 for the replacement of three lift stations and upgrade of a sewer treatment pond. This contract became effective November 7, 1991. The grant is administered by the Louisiana Office of Administration. Construction was completed by May 31, 1995. A summary of the approved grant budget and activity are as follows:

	Grant Budget	Project Activity Through 6/30/96
1991 LCDBG	<u>\$226,500</u>	<u>\$221,962</u>
Program Cost:		
Public Works - Sewer Improvements	\$213,500	\$209,462
Administration	13,000	12,500
Total Program Cost	<u>\$226,500</u>	<u>\$221,962</u>

16. LITIGATION

The Village of Tangipahoa has no pending litigation.

FINANCIAL STATEMENTS
OF INDIVIDUAL FUNDS
AND ACCOUNT GROUPS

Village of Tangipahoa

Exhibit F-1

General Fund
BALANCE SHEET
June 30, 1996

Assets	
Cash	\$4,174
Taxes Receivable:	
Advalorem	111
Public Utility Franchise Tax	1,332
Due From Other Funds	274
Due From Other Governments:	
Louisiana Video Poker	171
Louisiana Tobacco Tax Distribution	770
Louisiana Beer Tax Distribution	<u>625</u>
Total Assets	<u><u>\$7,457</u></u>
Liabilities and Fund Balance	
Liabilities:	
Accounts Payable	\$1,127
Payroll Taxes Payable	<u>-</u>
Total Liabilities	<u>1,127</u>
Fund Balance:	
Unreserved - Undesignated	<u>6,330</u>
Total Liabilities and Fund Balance	<u><u>\$7,457</u></u>

The accompanying notes are an integral part of this statement.

General Fund
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**
 Year Ended June 30, 1996

Revenues	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Taxes:			
Ad Valorem	\$8,500	\$8,324	(\$176)
Notice and Interest on Delinquent Ad Valorem Taxes	275	302	27
Public Utility Franchise	5,600	5,818	218
Video Poker Franchise	1,400	1,374	(26)
Licenses and Permits:			
Business Privilege Licenses	14,000	14,388	388
Building Permits	850	776	(74)
Intergovernmental:			
State of Louisiana			
Tobacco Tax Distribution	1,500	3,077	1,577
Beer Tax Distribution	2,300	3,225	925
Police Grant	1,250	1,251	1
Fines and Forfeits	800	813	13
Other	-	-	-
Total Revenues	<u>36,475</u>	<u>39,348</u>	<u>2,873</u>
Expenditures			
Current:			
General & Administrative	21,400	21,351	49
Public Safety	22,275	23,908	(1,633)
Streets	9,400	8,985	415
Fire Protection District	4,200	4,200	-
Total Expenditures	<u>57,275</u>	<u>58,444</u>	<u>(1,169)</u>
Excess of Revenues (Expenditures)	<u>(20,800)</u>	<u>(19,096)</u>	<u>1,704</u>
Other Financing Sources			
Sale of Fixed Assets	1,700	1,839	139
Operating Transfer In - Enterprise Fund	7,600	7,680	80
Special Revenue Fund	6,400	6,521	121
Total Other Financing Sources	<u>15,700</u>	<u>16,040</u>	<u>340</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	<u>(5,100)</u>	<u>(3,056)</u>	<u>2,044</u>
Fund Balance, Beginning of Year	<u>9,386</u>	<u>9,386</u>	<u>-</u>
Fund Balance, End of Year	<u>\$4,286</u>	<u>\$6,330</u>	<u>\$2,044</u>

The accompanying notes are an integral part of this statement.

General Fund
STATEMENT OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended June 30, 1996

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
General and Administrative:			
Mayor's Salary	\$2,100	\$2,100	\$ -
Per Diem - Aldermen	1,860	1,860	-
Clerk's Salary	4,800	4,800	-
Clerk's Expense	240	240	-
Professional Services	-	-	-
Official Journal	600	598	2
Utilities and Telephone	5,800	5,525	275
Office Supplies & Postage	1,900	1,922	(22)
Insurance, All Departments	450	407	43
Payroll Taxes, All Departments	1,850	2,060	(210)
Other	1,800	1,839	(39)
	<u>21,400</u>	<u>21,351</u>	<u>49</u>
Public Safety -			
Police:			
Salaries	16,000	16,032	(32)
Auto Expense	3,500	4,241	(741)
Supplies	2,600	3,145	(545)
Other	175	490	(315)
	<u>22,275</u>	<u>23,908</u>	<u>(1,633)</u>
Total Police			
	<u>4,200</u>	<u>4,200</u>	<u>-</u>
Streets:			
Salaries	2,100	2,244	(144)
Maintenance & Repairs	800	161	639
Streets & Traffic Lights	6,500	6,521	(21)
Other	-	59	(59)
	<u>9,400</u>	<u>8,985</u>	<u>415</u>
Total Streets			
	<u>\$57,275</u>	<u>\$58,444</u>	<u>(\$1,169)</u>

The accompanying notes are an integral part of this statement.

SPECIAL REVENUE FUNDS

Sales Tax Fund - To account for the receipt and use of proceeds of the Village of Tangipahoa's 2% sales and use taxes. The proceeds from the 1% sales and use tax are dedicated to *purchasing and/or constructing sewers, drains, drainage canals, pumping plants, sewerage disposal works, and all facilities necessary or convenient for the implementation and maintenance of an adequate sewerage disposal system, the acquisition of necessary property, appurtenances or equipment, or for any other lawful corporate purpose in connection with acquisition, construction and/or maintenance of such a sewerage system.*

The proceeds from the other 1% sales and use tax are dedicated as follows for garbage collection and streets: up to 50% of the proceeds are restricted for the purpose of establishing the regular collection of garbage and refuse, and acquiring necessary equipment for the maintenance of such garbage system, and the remainder of the proceeds is to be used for the purpose of constructing and improving streets and streetlights, and acquiring necessary equipment for the maintenance thereof.

Summer Food Service Program Fund - To account for the village's administration of its participation in the Summer Food Service Program for children. Funding is received through Louisiana Department of Education, Bureau of Food and Nutrition Services.

Village of Tangipahoa

Exhibit G-1

Special Revenue Funds
COMBINING BALANCE SHEET
June 30, 1996

	<u>Sales Tax</u>	<u>Summer Food Program</u>	<u>Total</u>
Assets			
Current Assets:			
Cash	\$38,888	\$1,890	\$40,778
Certificate of Deposit	7,853	-	7,853
Due From Other Governments	2,992	3,324	6,316
Total Current Assets	<u>49,733</u>	<u>5,214</u>	<u>54,947</u>
Restricted Assets:			
Cash Restricted for:			
Bond Reserve Fund	5,947	-	5,947
Depreciation and Contingency Fund	6,200	-	6,200
Total Restricted Assets	<u>12,147</u>	<u>-</u>	<u>12,147</u>
Total Assets	<u>\$61,880</u>	<u>\$5,214</u>	<u>\$67,094</u>
Liabilities and Fund Balance			
Current Liabilities:			
Accounts Payable	\$1,684	\$2,299	\$3,983
Payroll Taxes Payable	-	789	789
Due to General Fund	-	274	274
Total Current Liabilities	<u>1,684</u>	<u>3,362</u>	<u>5,046</u>
Fund Balance:			
Designated Bond Reserve Fund	5,947	-	5,947
Designated Depreciation and Contingency Fund	6,200	-	6,200
Unreserved - Undesignated	48,049	1,852	49,901
Total Fund Balance	<u>60,196</u>	<u>1,852</u>	<u>62,048</u>
Total Liabilities and Fund Balance	<u>\$61,880</u>	<u>\$5,214</u>	<u>\$67,094</u>

The accompanying notes are an integral part of this statement.

Special Revenue Funds
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE**
 Year Ended June 30, 1996

	Sales Tax	Summer Food Program	Total
Revenues:			
Sales Taxes, Net Penalties and Interest on Delinquent Taxes	\$47,886	\$ -	\$47,886
Interest on Investments	1,184	-	1,184
Intergovernmental - Grants	-	14,831	14,831
Total Revenues	49,070	14,831	63,901
Expenditures:			
Sanitation - Garbage Collection	10,242	-	10,242
Sewerage Disposal Works:			
Salary - Maintenance and Repair	12,000	-	12,000
Payroll Taxes	918	-	918
Sewer System Supplies and Expense	1,920	-	1,920
Other	1,465	-	1,465
Utilities (Lift Station)	1,421	-	1,421
Total Sewerage Disposal Works	17,724	-	17,724
Health and Welfare - Summer Food Program			
Food Cost	-	5,472	5,472
Disposal	-	240	240
Salaries	-	4,324	4,324
Payroll Taxes	-	184	184
Rent	-	1,249	1,249
Bus Service	-	725	725
Utilities	-	400	400
Professional Services	-	200	200
Other	-	888	888
Total Health and Welfare	-	13,682	13,682
Total Expenditures	27,966	13,682	41,648
Excess (Deficiency) of Revenues Over Expenditures	21,104	1,149	22,253
Other Financing Sources (Uses)			
Operating Transfer In - Enterprise Fund	9,680	-	9,680
Operating Transfer Out - General Fund	(6,521)	-	(6,521)
Total Other Financing Sources (Uses)	3,159	-	3,159
Excess of Revenues and Other Financing Sources Over Expenditures and Other Uses	24,263	1,149	25,412
Fund Balance, Beginning of Year	35,933	703	36,636
Fund Balance, End of Year	\$60,196	\$1,852	\$62,048

The accompanying notes are an integral part of this statement.

Village of Tangipahoa

Exhibit G-3

Special Revenue Fund

Sales Tax

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 1996

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:			
Taxes:			
Sales Taxes, Net			
Penalties and Interest on Delinquent Taxes	\$50,000	\$47,886	(\$2,114)
Interest on Investments	<u>1,500</u>	<u>1,184</u>	<u>(316)</u>
Total Revenues	<u>51,500</u>	<u>49,070</u>	<u>(2,430)</u>
Expenditures			
Sanitation:			
Garbage Collection	10,250	10,242	8
Sewerage Disposal Works:			
Salary - Maintenance and Repair	12,000	12,000	-
Payroll Taxes	925	918	7
Professional Services	3,750	-	3,750
Sewer System Supplies and Expense	2,000	1,920	80
Utilities (Lift Station)	1,400	1,421	(21)
Other	<u>1,400</u>	<u>1,465</u>	<u>(65)</u>
Total Expenditures	<u>31,725</u>	<u>27,966</u>	<u>3,759</u>
Excess of Revenues (Expenditures)	<u>19,775</u>	<u>21,104</u>	<u>1,329</u>
Other Financing Sources (Uses)			
Operating Transfer In - Enterprise Fund	15,500	9,680	(5,820)
Operating Transfer Out - General Fund	<u>(6,400)</u>	<u>(6,521)</u>	<u>(121)</u>
Total Other Financing Sources (Uses)	<u>9,100</u>	<u>3,159</u>	<u>(5,941)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	28,875	24,263	(4,612)
Fund Balance, Beginning of Year	<u>35,933</u>	<u>35,933</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$64,808</u></u>	<u><u>\$60,196</u></u>	<u><u>(\$4,612)</u></u>

The accompanying notes are an integral part of this statement.

Special Revenue Fund
 Summer Food Service Program
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**
 Year Ended June 30, 1996

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:			
Grants	\$14,180	\$14,831	\$651
Total Revenues	<u>14,180</u>	<u>14,831</u>	<u>651</u>
Expenditures:			
Food Cost	5,500	5,472	28
Disposal	250	240	10
Salaries	4,500	4,324	176
Payroll Tax	200	184	16
Rent	1,250	1,249	1
Bus Service	725	725	-
Professional Services	200	200	-
Utilities	400	400	-
Other	950	888	62
Total Expenditures	<u>13,975</u>	<u>13,682</u>	<u>293</u>
Excess of Revenues (Expenditures)	205	1,149	944
Fund Balance, Beginning of Year	<u>703</u>	<u>703</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$908</u></u>	<u><u>\$1,852</u></u>	<u><u>\$944</u></u>

The accompanying notes are an integral part of this statement.

ENTERPRISE FUND

To account for the provision of natural gas, water, sewer, and sewer disposal services to customers and residents of the village. All activities necessary to provide such services are accounted for in this fund, including but not limited to administration, maintenance, financing and related debt service, and billing and collections.

Village of Tangipahoa

Exhibit H-1

Enterprise Fund
Utility Fund
BALANCE SHEET
June 30, 1996

Assets:	
Cash	\$11,307
Accounts Receivable (net of allowances for uncollectibles)	12,107
Inventory	<u>91</u>
Total Current Assets	<u>23,505</u>
Restricted Assets:	
Bond and Interest Redemption Fund - Cash	(47)
Bond Reserve Fund - Certificate of Deposit	4,080
Bond Contingency Fund:	
Cash	8
Certificate of Deposit	4,838
Customer Deposits:	
Cash	7,249
Certificate of Deposit	2,500
LCDBG - Cash	<u>1,250</u>
Total Restricted Assets	<u>19,878</u>
Property, Plant and Equipment:	
Building	7,661
Utility Plant, In Service	1,338,984
Equipment	<u>39,907</u>
Total Property, Plant & Equipment	1,386,552
Less: Accumulated Depreciation	<u>(472,987)</u>
Net Property, Plant & Equipment	<u>913,565</u>
Total Assets	<u><u>\$956,948</u></u>

Continued on the following page.

Village of Tangipahoa

Exhibit H-1
(Continued)

Enterprise Fund
Utility Fund
BALANCE SHEET
June 30, 1996

Liabilities and Fund Equity

Liabilities:

Current Liabilities (payable from current assets):

Accounts Payable	\$6,447
Sales Tax Payable	<u>220</u>

Total Current Liabilities (payable from current assets)	<u>6,667</u>
---	--------------

Current Liabilities (payable from restricted assets):

Revenue Bonds Payable - Utility System	1,000
Revenue Bonds Payable - Sewer System	3,600
Accrued Revenue Bond Interest - Sewer System (GECC)	572
Customers' Deposits	<u>9,780</u>

Total Current Liabilities (payable from restricted assets)	<u>14,952</u>
--	---------------

Long-Term Liabilities:

Revenue Bonds Payable - Utility System	1,000
Revenue Bonds Payable - Sewer System	<u>39,476</u>

Total Long-Term Liabilities	<u>40,476</u>
-----------------------------	---------------

Total Liabilities	<u>62,095</u>
-------------------	---------------

Fund Equity:

Contributed Capital	1,171,767
Less: Accumulated Amortization	<u>(321,276)</u>

Net Contributed Capital	<u>850,491</u>
-------------------------	----------------

Retained Earnings:

Reserved for Revenue Bond Retirement	4,033
Reserved for Revenue Bond Contingencies	4,846
Unreserved	<u>35,483</u>

Total Retained Earnings	<u>44,362</u>
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Total Fund Equity	<u>894,853</u>
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Total Liabilities and Fund Equity	<u><u>\$956,948</u></u>
-----------------------------------	-------------------------

(Concluded)

The accompanying notes are an integral part of this statement.

Village of Tangipahoa

Exhibit H-2

Enterprise Fund
Utility Fund

STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS - BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 1996

	Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:			
Charges for Services:			
Gas Sales	\$33,000	\$39,073	\$6,073
Less: Cost of Gas Sold	17,000	17,293	(293)
Gross Profit From Gas Sales	16,000	21,780	5,780
Water Sales	40,000	41,455	1,455
Sanitation Charges - Sewerage	21,000	15,704	(5,296)
Delinquent Charges	4,000	4,271	271
Other Revenues	1,800	1,737	(63)
Total Operating Revenues	82,800	84,947	2,147
General Administrative Expenses:			
Salaries - Clerk	4,800	4,800	-
Insurance	11,000	12,181	(1,181)
Office Supplies and Postage	5,500	4,080	1,420
Payroll Taxes	475	446	29
Professional Services	5,000	9,050	(4,050)
Electrical Power	7,000	6,766	234
Operating Supplies, Repairs and Maintenance	9,500	9,786	(286)
Truck and Tractor Expense	4,500	4,697	(197)
Bad Debts	2,000	3,159	(1,159)
Other	1,200	577	623
Total General Administrative Expenses	50,975	55,542	(4,567)
Depreciation	28,000	30,610	(2,610)
Total Operating Expenses	78,975	86,152	(7,177)
Net Operating Income (Loss)	3,825	(1,205)	(5,030)
Nonoperating Revenues (Expenses)			
Interest Income	500	40	(460)
Utility System Bond Interest Expense	(200)	(119)	81
Sewer System Bond Interest Expense	(2,250)	(2,485)	(235)
Paying Agent Fee	65	-	(65)
Total Nonoperating Revenues (Expenses)	(1,885)	(2,564)	(679)
Income (Loss) Before Operating Transfers	1,940	(3,769)	(5,709)
Operating Transfer Out -			
Special Revenue Fund (Sales Tax)	(15,500)	(9,680)	5,820
General Fund	(7,600)	(7,680)	(80)
Net Income (Loss)	(21,160)	(21,129)	31
Unreserved Retained Earnings, Beginning of Year	28,661	28,661	-
Add: Amortization on Contributed Capital	26,872	26,872	-
Decrease in Reserve for Retained Earnings	1,079	1,079	-
Unreserved Retained Earnings, End of Year	\$35,452	\$35,483	\$31

The accompanying notes are an integral part of this statement.

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPE
 Year Ended June 30, 1996

Cash Flows from Operating Activities:	
Operating Income (Loss)	(\$1,205)
Adjustments to Reconcile Net Operating Income to Cash Provided by Operating Activities:	
Depreciation	30,610
Changes in Accounts Receivable	(2,105)
Changes in Inventory	655
Changes in Accounts Payable	949
Changes in Other Accrued Expenses	27
Changes in Liabilities Payable from Restricted Assets	666
Changes in Accrued Interest Payable	<u>(46)</u>
Net Cash Provided by Operating Activities	<u>29,551</u>
Cash Flows from Noncapital Financing Activities:	
Operating Transfers	<u>(17,360)</u>
Net Cash Provided by Noncapital Financing Activities	<u>(17,360)</u>
Cash Flows from Capital and Related Financing Activities:	
Repayment of Revenue Bonds	(4,416)
Interest Payments	(2,604)
Purchase of Fixed Assets	(6,908)
Interest Income	<u>40</u>
Net Cash Used from Capital and Related Financing Activities	<u>(13,888)</u>
Net Cash (Decrease) for Year	(1,697)
Cash at Beginning of Year	<u>32,882</u>
Cash at End of Year	<u><u>\$31,185</u></u>

The accompanying notes are an integral part of this statement.

Enterprise Fund

Utility Fund

**SCHEDULE OF CHANGES IN ASSETS RESTRICTED
FOR REVENUE BOND DEBT SERVICE
Year Ended June 30, 1996**

	Bond and Interest Redemption	Bond Payment Reserve	Bond Contingencies	Total
Cash and Investments, July 1, 1995	(\$71)	\$5,183	\$4,846	\$9,958
Cash Receipts:				
Interest Earned on Investments	24	16	-	40
Total Cash Available	(47)	5,199	4,846	9,998
Cash Disbursements:				
Principal Payments	-	1,000	-	1,000
Interest Payments	-	119	-	119
Total Cash Disbursements	-	1,119	-	1,119
Cash and Investments (Overdraft), June 30, 1996	(\$47)	\$4,080	\$4,846	\$8,879

The accompanying notes are an integral part of this statement.

Village of Tangipahoa

Schedule H-5

Enterprise Fund

Utility Fund

SCHEDULE OF NATURAL GAS SALES AND PURCHASES

Years Ended June 30, 1996, 1995, 1994, and 1993

	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>
Gas Sales:				
Volume (M. C. F.)	6,578	3,199	3,961	3,857
Amount (Dollars)	\$38,186	\$30,784	\$28,622	\$28,910
Gas Purchases:				
Volume (M. C. F.)	5,518	5,423	5,073	5,580
Amount (Dollars)	<u>\$17,506</u>	<u>\$13,070</u>	<u>\$19,788</u>	<u>\$14,802</u>
 Gross Profit on Gas Sales	 <u>\$20,680</u>	 <u>\$17,714</u>	 <u>\$8,834</u>	 <u>\$14,108</u>
 Percent of Sales	 54.16%	 57.54%	 30.86%	 48.80%
Unaccounted for Gas Purchases:				
Volume (M. C. F.)	(1,060)	2,224	1,112	1,723
Cost to Village	(\$3,363)	\$5,360	\$4,338	\$4,571
Percent of Purchases	-19.21%	41.01%	21.92%	30.88%
 Numbers of Meters in Service at End of Period	 <u>81</u>	 <u>80</u>	 <u>103</u>	 <u>96</u>
Average Sales for Period:				
Volume (M. C. F.)	\$81.21	\$39.99	\$38.46	\$40.18
Amount (Dollars)	<u>\$471.43</u>	<u>\$384.80</u>	<u>\$277.88</u>	<u>\$301.15</u>
Amounts per M. C. F.:				
Gas Sales	\$5.81	\$9.62	\$7.23	\$7.50
Gas Purchases	<u>(3.17)</u>	<u>(2.41)</u>	<u>(3.90)</u>	<u>(2.65)</u>
	2.64	7.21	3.33	4.85
Unaccounted for Gas	<u>0.51</u>	<u>(1.68)</u>	<u>(1.10)</u>	<u>(1.19)</u>
 Gross Profit Per M. C. F. Sold	 <u>\$3.15</u>	 <u>\$5.53</u>	 <u>\$2.23</u>	 <u>\$3.66</u>

The accompanying notes are an integral part of this statement.

GENERAL FIXED ASSETS

To account for fixed assets not used in proprietary fund operations.

STATEMENT OF GENERAL FIXED ASSETS
June 30, 1996

General Fixed Assets, at Cost:	
Land - City Hall Site	\$400
Buildings	3,360
Furniture and Fixtures	4,196
Equipment and Vehicles	<u>22,995</u>
 Total General Fixed Assets	 <u><u>\$30,951</u></u>
 Investments in General Fixed Assets From:	
General Fund	\$26,435
Special Revenue Funds:	
Sales Tax Fund	3,564
Federal Revenue Sharing Fund	<u>952</u>
 Total Investment in General Fixed Assets	 <u><u>\$30,951</u></u>

The accompanying notes are an integral part of this statement.

STATEMENT OF CHANGES IN
GENERAL FIXED ASSETS
Year Ended June 30, 1996

	<u>Total</u>	<u>Land</u>	<u>Building</u>	<u>Furniture/ & Fixtures</u>	<u>Equipment & Vehicles</u>
General Fixed Assets, July 1, 1995	\$31,880	\$400	\$3,360	\$4,196	\$23,924
Additions	371	-	-	-	371
Deductions	<u>1,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,300</u>
General Fixed Assets, June 30, 1996	<u>\$30,951</u>	<u>\$400</u>	<u>\$3,360</u>	<u>\$4,196</u>	<u>\$22,995</u>

The accompanying notes are an integral part of this statement.

SUPPLEMENTAL INFORMATION SCHEDULES

SCHEDULE OF INSURANCE
Year Ended June 30, 1996

The Village of Tangipahoa has the following insurance policies in effect as of June 30, 1996:

<u>Insurance Coverage Description</u>	<u>Policy Coverage Period</u>
\$100,000 Position Schedule Bond- Minnie Lou Hutchinson, Clerk/Tax Collector (GECC listed as additional insured) Renewed	10/01/95-10/01/96
Fidelity Schedule Bond For \$10,000, Minnie Lou Hutchinson, Renewed	07/01/95-07/01/96
\$100,000 Position Schedule - Fidelity Bond for Clerk/Treasurer (GECC listed as additional insured) Policy # 18-208-880	10/01/95-10/01/96
Commercial General Liability Premises/Completed Operations \$500,000 Combined Single Limit Per Occurrence and Aggregate. Medical payments of \$1,000 per person, \$10,000 aggregate.	05/01/96-05/01/97
Law Enforcement Officials, Comprehensive Liability. Limits of \$500,000 Combined Single Limit.	05/01/96-05/01/97
Public Officials Errors & Omissions Liability. Limits of \$500,000 Combined Single Limit. Deductible of \$1,000 per Occurrence.	05/01/96-05/01/97
Automobile Liability Limits of \$500,000 Combined Single Limits.	05/01/96-05/01/97
Commercial Property Coverage for City Hall Offices. Building Limits of \$11,232; Business Personal Property Coverage of \$5,000.	01/23/96-01/23/97

The accompanying notes are an integral part of this statements.

Village of Tangipahoa

Schedule J-2

SCHEDULE OF ELECTED OFFICIALS
Year Ended June 30, 1996

Per Diem Payments	Term	Amount Received FYE 6/30/96
James Fultz, Mayor Post Office Box 217 Tangipahoa, LA 70465 (504)229-6663	01/01/93 to 12/31/96	\$2,100
Brenda Nevels, Mayor Pro-Tem Post Office Box 133 Tangipahoa, LA 70465 (504)229-2422	01/01/93 to 12/31/96	720
Eddie Meyers, Alderman Post Office Box 28 Tangipahoa, LA 70465 (504)229-2692	01/01/93 to 12/31/96	720
Gary Callihan, Alderman Post Office Box 922 Kentwood, LA 70444 (504)229-3453	01/01/93 to 01/31/96	120
Harold Wickham, Alderman 70258 Coleman Street Tangipahoa, LA 70465 (504)229-8911	02/01/96 to 12/31/96	300
Darrel Martin, Police Chief Post Office Box 248 Tangipahoa, LA 70465 (504)229-7724	01/01/93 to 12/31/96	10,200
		<u>\$14,160</u>

The accompanying notes are an integral part of this statements.

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

Village of Tangipahoa
Tangipahoa, Louisiana

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

For the Year Ended June 30, 1996

<u>Federal Grantor/Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Program or Award Amount</u>
<u>U. S. Department of Agriculture</u>		
Passed through State Department of Education, Food and Nutrition Services:		
1995 Summer Food Service Program	10.559	\$12,000
1996 Summer Food Service Program	10.559	<u>12,000</u>
 Total Federal Financial Assistance		 <u><u>\$24,000</u></u>

The accompanying notes are an integral part of this statement.

Schedule K-1

<u>Cash/ Accrued or (Deferred) Revenue at July 1, 1995</u>	<u>Receipts or Revenue Recognized</u>	<u>Disbursements/ Expenditures</u>	<u>Cash/ Accrued or (Deferred) Revenue at June 30, 1996</u>
\$703 <u>1,971</u>	\$8,307 <u>6,524</u>	\$7,039 <u>6,643</u>	\$1,971 <u>1,852</u>
<u><u>\$2,674</u></u>	<u><u>\$14,831</u></u>	<u><u>\$13,682</u></u>	<u><u>\$3,823</u></u>

The accompanying notes are an integral part of this statement.

BRUCE HARRELL & CO.
CERTIFIED PUBLIC ACCOUNTANTS
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Society of Louisiana CPAs

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

To the Honorable Mayor, C. James Fultz
and Members of the Board of Aldermen
Village of Tangipahoa, Louisiana

We have audited the general purpose financial statements of the Village of Tangipahoa, Louisiana, for the year ended June 30, 1996, and have issued our report thereon dated December 27, 1996.

We have conducted our audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the Village of Tangipahoa, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the Village of Tangipahoa, Louisiana, for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide *assurance on the internal control structure. Accordingly, we do not express such an opinion.*

BRUCE HARRELL & CO.
CERTIFIED PUBLIC ACCOUNTANTS
A Professional Accounting Corporation

To the Honorable Mayor, C. James Fultz
and Members of the Board of Aldermen
Page 2

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the village's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

Due to lack of personnel, the Village of Tangipahoa is not able to have proper segregation of duties.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe that none of the reportable conditions described above is a material weakness.

This report is intended for the information of management, the Louisiana Legislative Auditor and the Federal Cognizant Agency. This restriction is not intended to limit the distribution of this report, which is a matter of public record.


Bruce Harrell & Company, CPAs
A Professional Accounting Corporation

December 27, 1996

BRUCE HARRELL & CO.
CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor, C. James Fultz
and Members of the Board of Aldermen
Village of Tangipahoa, Louisiana

We have audited the general purpose financial statements of the Village of Tangipahoa, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated December 27, 1996.

We conducted our audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standard require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Village of Tangipahoa, Louisiana, is the responsibility of the Village of Tangipahoa, Louisiana, management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the Village of Tangipahoa's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under *Governmental Auditing Standards*.

This report is intended for the information of management, the Louisiana Legislative Auditor and the Federal Cognizant Agency. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



Bruce Harrell & Company, CPAs
A Professional Accounting Corporation
December 27, 1996