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Village of Tangipahoa
Tangipahoa, Louisiana

COMPILATION REPORT

YEAR ENDING
June 30, 1998

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 FEB 24 1999

VILLAGE OF TANGIPAHOA
LOUISIANA

FINANCIAL REPORT
YEAR ENDED June 30, 1998

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VILLAGE OF TANGIPAHOA
LOUISIANA

FINANCIAL REPORT
YEAR ENDED June 30, 1998

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VILLAGE OF TANGIPAHOA
LOUISIANA

FINANCIAL REPORT
YEAR ENDED June 30, 1998

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**TRANSMITTAL LETTER
ANNUAL FINANCIAL STATEMENTS**

June 30, 1998

Office of Legislative Auditor
Attention: Ms. JoAnne Sanders
1600 North Third
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Ms. Sanders:

In accordance with Louisiana Revised Statute 24:514, enclosed are the annual financial statements for the Village of Tangipahoa, Louisiana as of and for the fiscal year ended June 30, 1998. The report includes all funds under the control and oversight of the village.

The accompanying general purpose financial statements have been prepared in accordance with generally accepted accounting principles.

Sincerely,



Clarence James Fultz, Mayor
Village of Tangipahoa, Louisiana

Enclosure

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ACCOUNTANT'S COMPILATION REPORT

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

We have compiled the accompanying balance sheet of the Village of Tangipahoa, Louisiana as of June 30, 1998, and the related statements of revenues, expenditures and changes in fund balance for the year then ended in accordance with the Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.



Bruce Harrell & Company, CPAs
A Professional Accounting Corporation

December 16, 1998

**GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)**

Village of Tangipahoa

Exhibit A

BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP
June 30, 1998

	Governmental Fund Types		Proprietary Fund Type	Account Group	Total (Memo Only)
	General	Special Revenue	Enterprise	General Fixed Assets	
Assets					
Cash	\$ 15,977	\$ 40,665	\$ 36,495	\$ -	\$ 93,137
Investments	-	-	8,192	-	8,192
Taxes Receivable, Net	1,369	-	-	-	1,369
Accounts Receivable, Net	-	-	13,119	-	13,119
Accrued Interest Receivable	-	1,000	-	-	1,000
Inventory	-	-	915	-	915
Due From Other Funds	274	-	-	-	274
Due From Other Governments	1,531	11,163	-	-	12,694
Restricted Assets:					
Cash	-	-	8,829	-	8,829
Investments	-	-	2,500	-	2,500
Fixed Assets, Net	-	-	854,019	36,692	890,711
Total Assets	\$ 19,151	\$ 52,828	\$ 924,069	\$ 36,692	\$ 1,032,740
Liabilities					
Accounts Payable	\$ 722	\$ 15,146	\$ 3,579	\$ -	\$ 19,447
Other Accrued Expenses	758	823	159	-	1,740
Due to Other Funds	-	274	-	-	274
Payable From Restricted Assets:					
Customer Deposits	-	-	11,070	-	11,070
Total Liabilities	1,480	16,243	14,808	-	32,531
Fund Equity					
Contributed Capital, Net	-	-	796,747	-	796,747
Investment in General Fixed Assets	-	-	-	36,692	36,692
Retained Earnings:					
Unreserved	-	-	112,514	-	112,514
Fund Balance:					
Unreserved-Undesignated	17,671	36,585	-	-	54,256
Total Retained Earnings/ Fund Balance	17,671	36,585	112,514	-	166,770
Total Fund Equity	17,671	36,585	909,261	36,692	1,000,209
Total Liabilities and Fund Equity	\$ 19,151	\$ 52,828	\$ 924,069	\$ 36,692	\$ 1,032,740

See accountant's compilation report.

The accompanying notes are an integral part of this statement.

Village of Tangipahoa

Exhibit B

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
Year Ended June 30, 1998

	Governmental Fund Types		Total (Memo Only)
	General	Special Revenue	
Revenues:			
Taxes	\$ 16,013	\$ 43,261	\$ 59,274
Licenses and Permits	29,635	-	29,635
Intergovernmental	5,345	-	5,345
Fines and Forfeits	2,938	-	2,938
Park Grant	9,064	-	9,064
Police Grant	2,633	-	2,633
Computer Grant	1,350	-	1,350
Other	323	1,101	1,424
Intergovernmental - Grants	-	13,124	13,124
Total Revenues	<u>67,301</u>	<u>57,486</u>	<u>124,787</u>
Expenditures:			
General and Administrative	25,147	-	25,147
Public Safety-Police	21,874	-	21,874
Public Safety-Fire Protection	4,200	-	4,200
Transportation	10,731	-	10,731
Sanitation	-	25,728	25,728
Sewer Disposal Works	-	19,736	19,736
Health and Welfare -	-	-	-
Summer Food Program	-	14,881	14,881
Capital Outlay -	-	-	-
General and Administrative	4,109	-	4,109
Park Improvement	10,312	-	10,312
Police Equipment	1,558	-	1,558
Total Expenditures	<u>77,931</u>	<u>60,345</u>	<u>138,276</u>
Excess of Revenues (Expenditures)	<u>(10,630)</u>	<u>(2,859)</u>	<u>(13,489)</u>
Other Financing Sources (Uses)			
Operating Transfers In	15,809	13,665	29,474
Operating Transfers Out	-	(7,357)	(7,357)
Total Other Financing Sources (Uses)	<u>15,809</u>	<u>6,308</u>	<u>22,117</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	5,179	3,449	8,628
Fund Balance, Beginning of Year	<u>12,492</u>	<u>33,136</u>	<u>45,628</u>
Fund Balance, End of Year	\$ <u>17,671</u>	\$ <u>36,585</u>	\$ <u>54,256</u>

See accountant's compilation report.
The accompanying notes are an integral part of this statement.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL -
GENERAL AND SPECIAL REVENUE FUND TYPES
Year Ended June 30, 1998

	General Fund			Special Revenue Fund		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:						
Taxes	\$ 16,300	\$ 16,013	\$ (287)	\$ 42,600	\$ 43,261	\$ 661
Licenses and Permits	29,400	29,635	235	-	-	-
Intergovernmental	5,500	5,345	(155)	-	-	-
Fines and Forfeits	3,100	2,938	(162)	-	-	-
Park Grant	10,000	9,064	(936)	-	-	-
Police Grant	1,200	2,633	1,433	-	-	-
Computer Grant	-	1,350	1,350	-	-	-
Other	900	323	(577)	1,100	1,101	1
Intergovernmental - Grants	-	-	-	13,500	13,124	(376)
Total Revenues	<u>66,400</u>	<u>67,301</u>	<u>901</u>	<u>57,200</u>	<u>57,486</u>	<u>286</u>
Expenditures:						
General and Administrative	25,200	25,147	53	-	-	-
Public Safety - Police	23,000	21,874	1,126	-	-	-
Public Safety - Fire Protection	4,200	4,200	-	-	-	-
Highways and Streets	10,700	10,731	(31)	-	-	-
Sanitation	-	-	-	24,200	25,728	(1,528)
Sewer Disposal Works	-	-	-	20,000	19,736	264
Health and Welfare	-	-	-	13,500	14,881	(1,381)
Capital Outlay-						
General and Administrative	2,800	4,109	(1,309)	-	-	-
Park Improvement	12,900	10,312	2,588	-	-	-
Police Equipment	-	1,558	(1,558)	-	-	-
Total Expenditures	<u>78,800</u>	<u>77,931</u>	<u>869</u>	<u>57,700</u>	<u>60,345</u>	<u>(2,645)</u>
Excess of Revenues (Expenditures)	<u>(12,400)</u>	<u>(10,630)</u>	<u>1,770</u>	<u>(500)</u>	<u>(2,859)</u>	<u>(2,359)</u>
Other Financing Sources (Uses)						
Operating Transfer In	15,400	15,809	409	13,400	13,665	265
Operating Transfer Out	-	-	-	(7,500)	(7,357)	143
Total Other Financing Sources (Uses)	<u>15,400</u>	<u>15,809</u>	<u>409</u>	<u>5,900</u>	<u>6,308</u>	<u>408</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	<u>3,000</u>	<u>5,179</u>	<u>2,179</u>	<u>5,400</u>	<u>3,449</u>	<u>(1,951)</u>
Fund Balance, Beginning of Year	<u>12,492</u>	<u>12,492</u>	<u>-</u>	<u>33,136</u>	<u>33,136</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 15,492</u>	<u>\$ 17,671</u>	<u>\$ 2,179</u>	<u>\$ 38,536</u>	<u>\$ 36,585</u>	<u>\$ (1,951)</u>

See accountant's compilation report.
The accompanying notes are an integral part of this statement.

Village of Tangipahoa

Exhibit D

STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN UNRESERVED RETAINED EARNINGS
PROPRIETARY FUND TYPE
ENTERPRISE FUND
Years Ended June 30, 1998

Operating Revenues	
Charges for Services:	
Water Sales	\$ 45,016
Gas Sales	38,389
Sanitation Charges:	
Sewerage	15,967
Garbage	9,600
Delinquent Charges	5,010
Other Revenues	<u>1,011</u>
 Total Operating Revenues	 <u>114,993</u>
 Operating Expenses	
General & Administrative	55,441
Cost of Natural Gas Sold	17,449
Depreciation	<u>31,439</u>
Total Operating Expenses	<u>104,329</u>
 Net Operating Income	 <u>10,664</u>
 Nonoperating Revenues (Expenses)	
Interest Income	655
Utility System Bond Interest Expense	<u>(24)</u>
Total Nonoperating Revenues (Expenses)	<u>631</u>
 Income Before Operating Transfer	 11,295
 Operating Transfers In (Out)	
Special Revenue Fund	(13,665)
General Fund	<u>(8,452)</u>
 Net Profit (Loss)	 (10,822)
 Unreserved Retained Earnings, Beginning of Year	 87,777
Add: Amortization of Contributed Capital	26,872
(Increase) Decrease in Revenue Bond Contingency Reserves	<u>8,687</u>
 Unreserved Retained Earnings, End of Year	 \$ <u>112,514</u>

See accountant's compilation report.

The accompanying notes are an integral part of this statement.

Village of Tangipahoa

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPE
 ENTERPRISE FUND
 Year Ended June 30, 1998

Exhibit E

<i>Cash Flows from Operating Activities:</i>	
Operating Income (Loss)	\$ 10,664
Adjustments to Reconcile Net Operating Income to Cash Provided by Operating Activities:	
<i>Depreciation</i>	31,439
Changes in Accounts Receivable	(1,495)
Changes in Inventory	(359)
Changes in Accounts Payable	1,398
Changes in Other Accrued Expenses	(58)
Changes in Liabilities Payable from Restricted Assets	<u>720</u>
Net Cash Provided by Operating Activities	<u>42,309</u>
<i>Cash Flows from Noncapital Financing Activities:</i>	
Operating Transfers Out	<u>(22,117)</u>
Net Cash Provided by Noncapital Financing Activities	<u>(22,117)</u>
<i>Cash Flows from Capital and Related Financing Activities:</i>	
Repayment of Revenue Bonds	(1,000)
Interest Payments	(24)
Interest Income	<u>655</u>
Net Cash Used from Capital and Related Financing Activities	<u>(369)</u>
Net Cash Increase for Year	19,823
Cash at Beginning of Year	<u>36,193</u>
Cash at End of Year	\$ <u><u>56,016</u></u>

See accountant's compilation report.
 The accompanying notes are an integral part of this statement.

Village of Tangipahoa

NOTES TO FINANCIAL STATEMENTS

June 30, 1998

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF ACCOUNTING

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

B. REPORTING ENTITY

As the 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, 1998

C. 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 - account 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, 1998

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and 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. 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.

E. 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, 1998

F. 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.

G. 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.

II. 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.

I. RESTRICTED ASSETS

Cash held for customers' meter deposits has been set aside in separate cash accounts and is classified as restricted assets on the balance sheet.

J. 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, 1998

K. 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, 1998, 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.

L. 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 \$8,605 was set up to allow for the uncollectibility of certain receivables.

M. 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.

N. 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, 1998

2. CASH AND CASH EQUIVALENTS

At June 30, 1998, the village has cash and cash equivalents (book balance) totaling \$112,658, as follows:

	<u>1998</u>
Demand deposits	\$ 81,974
Time deposits	28,428
Treasury bills	2,256
Total	<u>\$112,658</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, 1998, the village has \$112,624, in deposits (collected bank balances). These deposits are secured from risk by \$110,368 of federal deposit insurance and \$2,256 in pledged securities.

3. TAXES

For the Year Ended June 30, 1998, taxes were levied as follows:

In July, 1998, the Village of Tangipahoa levied an ad valorem tax of 15.97 mills on property with assessed valuations totaling \$587,780 and were dedicated as follows:

General Corporate Purposes	6.46 Mills
Tangipahoa Parish Rural Fire Protection District No. 2	9.51 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 \$9,386. 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>6/30/98</u>
Entergy, Inc.	\$ 5,202
Charter Communications	900
Video Poker	748
Total	<u>\$ 6,850</u>

Taxes receivable at June 30, 1998, consisted of Ad Valorem Tax of \$82, and Public Utility Franchise Tax of \$1,287.

Village of Tangipahoa

NOTES TO FINANCIAL STATEMENTS

June 30, 1998

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, 1998 were \$43,261.

4. ACCOUNTS RECEIVABLE

The utility department Enterprise Fund accounts receivable at June 30, 1998, consisted of the following:

	<u>6/30/98</u>
Current	\$ 7,689
31-60 Days	3,515
61-90 Days	1,762
Over 90 Days	8,786
Total	<u>21,752</u>
Less: Credit Balance Accounts	(28)
Allowance for Bad Debts	<u>(8,605)</u>
Accounts Receivable, Net	<u><u>\$ 13,119</u></u>

5. INTERFUND RECEIVABLES, PAYABLES

Individual fund interfund receivable and payable balances at June 30, 1998, 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, 1998

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	\$ 72	\$ -
State of Louisiana - Tobacco Tax	769	-
State of Louisiana - Beer Tax	690	-
State of Louisiana - Summer Feeding Program	-	7,744
Tangipahoa Parish School Board - Sales Tax	-	3,419
Total	<u>\$ 1,531</u>	<u>\$ 11,163</u>

7. RESTRICTED ASSETS

Restricted Assets were applicable to the following:

	Enterprise Fund
Customer Deposit Fund	\$ 11,329
Total	<u>\$ 11,329</u>

8. FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance 7/01/97	Additions	Deletions	Balance 6/30/98
Land	\$ 400	\$ -	\$ -	\$ 400
Buildings	3,360	-	-	3,360
Furniture & Fixtures	3,716	-	-	3,716
Vehicles	3,010	-	-	3,010
Equipment	20,539	5,667	-	26,206
Total	<u>\$ 31,025</u>	<u>\$ 5,667</u>	<u>\$ -</u>	<u>\$ 36,692</u>

Village of Tangipahoa

NOTES TO FINANCIAL STATEMENTS

June 30, 1998

8. FIXED ASSETS - (Continued)

A summary of proprietary fund type property, plant, and equipment at June 30, 1998 follows:

	Life Years	Cost	Accumulated Depreciation	Net	Depreciation This Year
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	6,678	5,755	276
Cathodic Protection	45	8,766	4,107	4,659	195
Total Natural Gas System		<u>36,338</u>	<u>25,924</u>	<u>10,414</u>	<u>471</u>
Water System:					
Well	45	24,693	18,943	5,750	549
Elevated Storage Tank	45	32,568	24,973	7,595	724
Lines & Meters	45	189,542	106,062	83,480	4,325
Water Well Work Over	20	10,501	7,350	3,151	525
Water Well	45	118,508	35,115	83,393	2,634
Water Line Extensions	45	79,204	37,108	42,096	1,760
Total Water System		<u>455,016</u>	<u>229,551</u>	<u>225,465</u>	<u>10,517</u>
Sewerage System:					
EPA Sewer	45	615,710	218,918	396,792	13,683
Sewer Addition	45	11,222	3,740	7,482	249
LCDBG Sewer	45	220,698	17,165	203,533	4,904
LCDBG Sewer	45	1,000	44	956	22
Total Sewerage System		<u>848,630</u>	<u>239,867</u>	<u>608,763</u>	<u>18,858</u>
Utility Building	30	7,661	5,109	2,552	255
Equipment	Var.	42,239	35,414	6,825	1,338
Total		<u>\$1,389,884</u>	<u>\$ 535,865</u>	<u>\$854,019</u>	<u>\$ 31,439</u>

All assets are depreciated under the straight-line method.

Village of Tangipahoa

NOTES TO FINANCIAL STATEMENTS

June 30, 1998

9. CONTRIBUTED CAPITAL (NET OF ACCUMULATED AMORTIZATION)

At June 30, 1998 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 - RECD (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	375,020
Net Contribution	<u>\$ 796,747</u>

10. INTERGOVERNMENTAL COOPERATIVE AGREEMENT

On December 12, 1984, the village entered into an agreement with the Tangipahoa Parish Council 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.

11. 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.

12. 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, 1998 were \$1,848 for the General Fund employees, \$1,441 for the Special Revenue Fund (sales tax) employee, and \$413 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.

13. LITIGATION

The Village of Tangipahoa has no pending litigation.

Village of Tangipahoa

NOTES TO FINANCIAL STATEMENTS

June 30, 1998

14. EXPENDITURE OF FEDERAL AWARDS

<u>FEDERAL GRANTOR/PASS THROUGH GRANTOR PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>DISBURSEMENTS/ EXPENDITURES</u>
U.S. DEPARTMENT of AGRICULTURE		
Passed through State Department Of Education, Food and Nutrition Services: 1998 Summer Food Service Program	10.559	\$ 14,881
TOTAL U.S. DEPARTMENT OF AGRICULTURE		<u>14,881</u>
U.S. DEPARTMENT OF JUSTICE		
Passed through La Commission on Law Enforcement and Administration of Criminal Justice: Local Law Enforcement Block Grant Program	16.592	1,203
Passed through La Commission on Law Enforcement and Administration of Criminal Justice: Aid to Criminal Justice Agencies	16.579	1,430
TOTAL U.S. DEPARTMENT OF JUSTICE		<u>2,633</u>
TOTAL FEDERAL AWARDS		<u>\$ 17,514</u>

FINANCIAL STATEMENTS
OF INDIVIDUAL FUNDS
AND ACCOUNT GROUPS

GENERAL FUND

The general operating fund of the village accounts for all financial resources, except those required to be accounted for in other funds.

Village of Tangipahoa

Exhibit F-1

General Fund
BALANCE SHEET
June 30, 1998

Assets		
Cash	\$	15,977
Taxes Receivable:		
Advalorem		82
Public Utility Franchise Tax		1,287
Due From Other Funds		274
Due From Other Governments:		
Louisiana Video Poker		72
Louisiana Tobacco Tax Distribution		769
Louisiana Beer Tax Distribution		<u>690</u>
Total Assets	\$	<u><u>19,151</u></u>
Liabilities and Fund Balance		
Liabilities:		
Accounts Payable	\$	722
Payroll Taxes Payable		<u>758</u>
Total Liabilities		<u>1,480</u>
Fund Balance:		
Unreserved - Undesignated		<u>17,671</u>
Total Liabilities and Fund Balance	\$	<u><u>19,151</u></u>

See accountant's compilation report.
The accompanying notes are an integral part of this statement.

Village of Tangipahoa

Exhibit F-2

General Fund
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended June 30, 1998

	Budget	Actual	Variance- Favorable (Unfavorable)
Revenues			
Taxes:			
Ad Valorem	\$ 8,800	\$ 8,917	\$ 117
Notice and Interest on Delinquent Ad Valorem Taxes	200	246	46
Public Utility Franchise	6,600	6,102	(498)
Video Poker Franchise	700	748	48
Licenses and Permits:			
Business Privilege Licenses	28,400	28,610	210
Building Permits	1,000	1,025	25
Intergovernmental:			
State of Louisiana			
Tobacco Tax Distribution	3,100	3,077	(23)
Beer Tax Distribution	2,400	2,268	(132)
Fines and Forfeits	3,100	2,938	(162)
Park Grant	10,000	9,064	(936)
Police Grant	1,200	2,633	1,433
Computer Grant	-	1,350	1,350
Other	900	323	(577)
Total Revenues	<u>66,400</u>	<u>67,301</u>	<u>901</u>
Expenditures			
Current:			
General & Administrative	25,200	25,147	53
Public Safety	23,000	21,874	1,126
Streets	10,700	10,731	(31)
Fire Protection District	4,200	4,200	-
Capital Outlay-			
General and Administrative	2,800	4,109	(1,309)
Park Improvement	12,900	10,312	2,588
Police Equipment	-	1,558	(1,558)
Total Expenditures	<u>78,800</u>	<u>77,931</u>	<u>869</u>
Excess of Revenues (Expenditures)	<u>(12,400)</u>	<u>(10,630)</u>	<u>1,770</u>
Other Financing Sources			
Operating Transfer In - Enterprise Fund	8,900	8,452	(448)
Special Revenue Fund	6,500	7,357	857
Total Other Financing Sources	<u>15,400</u>	<u>15,809</u>	<u>409</u>
Excess of Revenues and Other Financing Sources Over Expenditures	3,000	5,179	2,179
Fund Balance, Beginning of Year	<u>12,492</u>	<u>12,492</u>	<u>-</u>
Fund Balance, End of Year	\$ <u>15,492</u>	\$ <u>17,671</u>	\$ <u>2,179</u>

See accountant's compilation report.
 The accompanying notes are an integral part of this statement.

General Fund
STATEMENT OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 1998

	Budget	Actual	Variance- Favorable (Unfavorable)
General and Administrative:			
Mayor's Salary	\$ 2,400	\$ 2,400	\$ -
Mayor's Expense	200	-	200
Per Diem - Aldermen	2,200	2,160	40
Clerk's Salary	5,400	5,400	-
Clerk's Expense	200	240	(40)
Animal Shelter	1,400	1,248	152
Bank Charges	100	74	26
Coroner	1,300	1,162	138
Dues and Subscriptions	600	525	75
Insurance, All Departments	400	100	300
Maintenance & Repairs	400	1,354	(954)
Miscellaneous	600	527	73
Official Journal	300	255	45
Office Supplies & Postage	1,800	2,172	(372)
Payroll Taxes, All Departments	1,900	1,848	52
Professional Services	-	-	-
Tax Roll	300	285	15
Travel	400	322	78
Utilities and Telephone	5,300	5,075	225
Total General and Administrative	<u>25,200</u>	<u>25,147</u>	<u>53</u>
Public Safety -			
Police:			
Salaries	16,200	16,388	(188)
Auto Expense	2,900	2,778	122
Supplies	700	1,462	(762)
Telephone	1,100	1,156	(56)
Other	2,100	90	2,010
Total Police	<u>23,000</u>	<u>21,874</u>	<u>1,126</u>
Fire Protection	<u>4,200</u>	<u>4,200</u>	<u>-</u>
Streets:			
Salaries	2,900	2,775	125
Maintenance & Repairs	200	412	(212)
Streets & Traffic Lights	7,500	7,357	143
Other	100	187	(87)
Total Streets	<u>10,700</u>	<u>10,731</u>	<u>(31)</u>
Capital Outlay -			
General and Administrative	2,800	4,109	(1,309)
Park Improvement	12,900	10,312	2,588
Police Equipment	-	1,558	(1,558)
Total Capital Outlay	<u>15,700</u>	<u>15,979</u>	<u>(279)</u>
Total Expenditures	<u>\$ 78,800</u>	<u>\$ 77,931</u>	<u>\$ 869</u>

See accountant's compilation report.
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
BALANCE SHEET
June 30, 1998

	<u>Sales Tax</u>	<u>Summer Food Program</u>	<u>Total</u>
Assets			
Current Assets:			
Cash	\$ 14,168	\$ 6,497	\$ 20,665
Certificate of Deposit	20,000	-	20,000
Due From Other Governments	3,419	7,744	11,163
Accrued Interest Receivable	<u>1,000</u>	<u>-</u>	<u>1,000</u>
 Total Current Assets	 <u>38,587</u>	 <u>14,241</u>	 <u>52,828</u>
 Total Assets	 <u>\$ 38,587</u>	 <u>\$ 14,241</u>	 <u>\$ 52,828</u>
Liabilities and Fund Balance			
Current Liabilities:			
Accounts Payable	\$ 3,329	\$ 11,817	\$ 15,146
Payroll Taxes Payable	-	823	823
Due to General Fund	<u>-</u>	<u>274</u>	<u>274</u>
 Total Current Liabilities	 <u>3,329</u>	 <u>12,914</u>	 <u>16,243</u>
Fund Balance:			
Unreserved - Undesignated	<u>35,258</u>	<u>1,327</u>	<u>36,585</u>
 Total Fund Balance	 <u>35,258</u>	 <u>1,327</u>	 <u>36,585</u>
 Total Liabilities and Fund Balance	 <u>\$ 38,587</u>	 <u>\$ 14,241</u>	 <u>\$ 52,828</u>

See accountant's compilation report.
The accompanying notes are an integral part of this statement.

Village of Tangipahoa

Exhibit G-2

Special Revenue Funds
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE
 Year Ended June 30, 1998

	Sales Tax	Summer Food Program	Total
Revenues:			
Sales Taxes, Net of Penalties and Interest on Delinquent Taxes	\$ 43,261	\$ -	\$ 43,261
Interest on Investments	1,101	-	1,101
Intergovernmental - Grants	-	13,124	13,124
Total Revenues	<u>44,362</u>	<u>13,124</u>	<u>57,486</u>
Expenditures:			
Sanitation - Garbage Collection	<u>25,728</u>	<u>-</u>	<u>25,728</u>
Sewerage Disposal Works:			
Salary - Maintenance and Repair	13,200	-	13,200
Payroll Taxes	1,010	-	1,010
Sewer System Supplies and Expense	1,770	-	1,770
Other	2,458	-	2,458
Utilities (Lift Station)	1,298	-	1,298
Total Sewerage Disposal Works	<u>19,736</u>	<u>-</u>	<u>19,736</u>
Health and Welfare - Summer Food Program			
Food Cost	-	4,772	4,772
Disposal	-	232	232
Salaries	-	5,491	5,491
Payroll Taxes	-	431	431
Rent	-	900	900
Bus Service	-	1,350	1,350
Professional Services	-	-	-
Utilities	-	450	450
Insurance	-	73	73
Travel	-	183	183
Capital Expenditures	-	999	999
Other	-	-	-
Total Health and Welfare	<u>-</u>	<u>14,881</u>	<u>14,881</u>
Total Expenditures	<u>45,464</u>	<u>14,881</u>	<u>60,345</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,102)</u>	<u>(1,757)</u>	<u>(2,859)</u>
Other Financing Sources (Uses)			
Operating Transfer In - Enterprise Fund	13,665	-	13,665
Operating Transfer Out - General Fund	(7,357)	-	(7,357)
Total Other Financing Sources Uses	<u>6,308</u>	<u>-</u>	<u>6,308</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Uses	5,206	(1,757)	3,449
Fund Balance, Beginning of Year	<u>30,052</u>	<u>3,084</u>	<u>33,136</u>
Fund Balance, End of Year	<u>\$ 35,258</u>	<u>\$ 1,327</u>	<u>\$ 36,585</u>

See accountant's compilation report.
 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, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:			
Taxes:			
Sales Taxes, Net			
Penalties and Interest on Delinquent Taxes	\$ 42,600	\$ 43,261	\$ 661
Interest on Investments	<u>1,100</u>	<u>1,101</u>	<u>1</u>
Total Revenues	<u>43,700</u>	<u>44,362</u>	<u>662</u>
Expenditures			
Sanitation:			
Garbage Collection	24,200	25,728	(1,528)
Sewerage Disposal Works:			
Salary - Maintenance and Repair	13,200	13,200	-
Payroll Taxes	1,000	1,010	(10)
Professional Services	500	-	500
Sewer System Supplies and Expense	2,100	1,770	330
Utilities (Lift Station)	1,400	1,298	102
Other	<u>1,800</u>	<u>2,458</u>	<u>(658)</u>
Total Expenditures	<u>44,200</u>	<u>45,464</u>	<u>(1,264)</u>
Excess of Revenues (Expenditures)	<u>(500)</u>	<u>(1,102)</u>	<u>(602)</u>
Other Financing Sources (Uses)			
Operating Transfer In - Enterprise Fund	13,400	13,665	265
Operating Transfer Out - General Fund	<u>(7,500)</u>	<u>(7,357)</u>	<u>143</u>
Total Other Financing Sources Uses	<u>5,900</u>	<u>6,308</u>	<u>408</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	5,400	5,206	(194)
Fund Balance, Beginning of Year	<u>30,052</u>	<u>30,052</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 35,452</u>	<u>\$ 35,258</u>	<u>\$ (194)</u>

See accountant's compilation report.
The accompanying notes are an integral part of this statement.

Village of Tangipahoa

Exhibit G-4

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, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:			
Grants	\$ 13,500	\$ 13,124	\$ (376)
Total Revenues	<u>13,500</u>	<u>13,124</u>	<u>(376)</u>
Expenditures:			
Food Cost	5,200	4,772	428
Disposal	350	232	118
Salaries	5,000	5,491	(491)
Payroll Tax	385	431	(46)
Rent	1,400	900	500
Bus Service	750	1,350	(600)
Professional Services	200	-	200
Utilities	115	450	(335)
Insurance	100	73	27
Travel	-	183	(183)
Capital Expenditures	<u>1,000</u>	<u>999</u>	<u>1</u>
Total Expenditures	<u>14,500</u>	<u>14,881</u>	<u>(381)</u>
Excess of Revenues (Expenditures)	(1,000)	(1,757)	(757)
Fund Balance, Beginning of Year	<u>3,084</u>	<u>3,084</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 2,084</u>	<u>\$ 1,327</u>	<u>\$ (757)</u>

See accountant's compilation report.
 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, 1998

Assets:		
Cash	\$	36,495
Investments		8,192
Accounts Receivable (net of allowances for uncollectibles)		13,119
Inventory		915
		<hr/>
Total Current Assets		58,721
		<hr/>
Restricted Assets:		
Customer Deposits:		
Cash		8,829
Certificate of Deposit		2,500
		<hr/>
Total Restricted Assets		11,329
		<hr/>
Property, Plant and Equipment:		
Building		7,661
Utility Plant, In Service		1,339,984
Equipment		42,239
		<hr/>
Total Property, Plant & Equipment		1,389,884
Less: Accumulated Depreciation		(535,865)
		<hr/>
Net Property, Plant & Equipment		854,019
		<hr/>
Total Assets	\$	<u>924,069</u>

Continued on the following page.

See accountant's compilation report.
The accompanying notes are an integral part of this statement.

Village of Tangipahoa

Exhibit H-1
(Continued)

Enterprise Fund
Utility Fund
BALANCE SHEET
June 30, 1998

Liabilities and Fund Equity

Liabilities:

Current Liabilities (payable from current assets):

Accounts Payable

\$ 3,579
159

Sales Tax Payable

Total Current Liabilities (payable from current assets)

3,738

Current Liabilities (payable from restricted assets):

Customers' Deposits

11,070

Total Current Liabilities (payable from restricted assets)

11,070

Total Liabilities

14,808

Fund Equity:

Contributed Capital

1,171,767

Less: Accumulated Amortization

(375,020)

Net Contributed Capital

796,747

Retained Earnings:

Unreserved

112,514

Total Retained Earnings

112,514

Total Fund Equity

909,261

Total Liabilities and Fund Equity

\$ 924,069

(Concluded)

See accountant's compilation report.
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 UNRESERVED RETAINED EARNINGS - BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 1998

	Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:			
Charges for Services:			
Gas Sales	\$ 38,000	\$ 38,389	\$ 389
Less: Cost of Gas Sold	18,000	17,449	551
Gross Profit From Gas Sales	20,000	20,940	940
Water Sales	44,000	45,016	1,016
Sanitation Charges:			
Sewerage	16,000	15,967	(33)
Garbage	9,500	9,600	100
Delinquent Charges	5,000	5,010	10
Other Revenues	1,000	1,011	11
Total Operating Revenues	95,500	97,544	2,044
General Administrative Expenses:			
Salaries - Clerk	5,400	5,400	-
Insurance	11,500	11,688	(188)
Office Supplies and Postage	1,500	1,557	(57)
Payroll Taxes	413	413	-
Professional Services	6,000	6,000	-
Electrical Power	5,300	5,541	(241)
Operating Supplies, Repairs and Maintenance	19,000	18,652	348
Truck and Tractor Expense	2,500	2,423	77
Utility Billing Fees	2,500	2,323	177
Other	1,500	1,444	56
Total General Administrative Expenses	55,613	55,441	172
Depreciation	31,500	31,439	61
Total Operating Expenses	87,113	86,880	233
Net Operating Income (Loss)	8,387	10,664	2,277
Nonoperating Revenues (Expenses)			
Interest Income	600	655	55
Utility System Bond Interest Expense	(30)	(24)	6
Total Nonoperating Revenues (Expenses)	570	631	61
Income (Loss) Before Operating Transfers	8,957	11,295	2,338
Operating Transfer In (Out) -			
Special Revenue Fund (Sales Tax)	(14,000)	(13,665)	335
General Fund	(8,500)	(8,452)	48
Net Income (Loss)	(13,543)	(10,822)	2,721
Unreserved Retained Earnings, Beginning of Year	87,777	87,777	-
Add: Amortization on Contributed Capital	26,872	26,872	-
Decrease in Reserve for Retained Earnings	8,687	8,687	-
Unreserved Retained Earnings, End of Year	\$ 109,793	\$ 112,514	\$ 2,721

See accountant's compilation report.

The accompanying notes are an integral part of this statement.

Village of Tangipahoa

Exhibit H-3

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPE
 Year Ended June 30, 1998

Cash Flows from Operating Activities:	
Operating Income (Loss)	\$ 10,664
Adjustments to Reconcile Net Operating Income to Cash Provided by Operating Activities:	
Depreciation	31,439
Changes in Accounts Receivable	(1,495)
Changes in Inventory	(359)
Changes in Accounts Payable	1,398
Changes in Other Accrued Expenses	(58)
Changes in Liabilities Payable from Restricted Assets	720
Net Cash Provided by Operating Activities	<u>42,309</u>
Cash Flows from Noncapital Financing Activities:	
Operating Transfers Out	<u>(22,117)</u>
Net Cash Provided by Noncapital Financing Activities	<u>(22,117)</u>
Cash Flows from Capital and Related Financing Activities:	
Repayment of Revenue Bonds	(1,000)
Interest Payments	(24)
Interest Income	655
Net Cash Used from Capital and Related Financing Activities	<u>(369)</u>
Net Cash Increase for Year	19,823
Cash at Beginning of Year	<u>36,193</u>
Cash at End of Year	<u>\$ 56,016</u>

See accountant's compilation report.
 The accompanying notes are an integral part of this statement.

Village of Tangipahoa

Schedule H-4

Enterprise Fund
Utility Fund
SCHEDULE OF NATURAL GAS SALES AND PURCHASES
Years Ended June 30, 1998, 1997, 1996, and 1995

	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
Gas Sales:				
Volume (M. C. F.)	3,845	5,513	6,578	3,199
Amount (Dollars)	\$38,389	\$34,945	\$38,186	\$30,784
Gas Purchases:				
Volume (M. C. F.)	5,300	6,169	5,518	5,423
Amount (Dollars)	<u>\$17,412</u>	<u>\$19,526</u>	<u>\$17,506</u>	<u>\$13,070</u>
Gross Profit on Gas Sales	<u>\$20,977</u>	<u>\$15,419</u>	<u>\$20,680</u>	<u>\$17,714</u>
Percent of Sales	54.64%	44.12%	54.16%	57.54%
Unaccounted for Gas Purchases:				
Volume (M. C. F.)	1,455	656	(1,060)	2,224
Cost to Village	\$4,780	\$2,076	(\$3,363)	\$5,360
Percent of Purchases	27.45%	10.63%	-19.21%	41.01%
Numbers of Meters in Service at End of Period	<u>85</u>	<u>85</u>	<u>81</u>	<u>80</u>
Average Sales for Period:				
Volume (M. C. F.)	45.24	64.86	81.21	39.99
Amount (Dollars)	<u>\$451.64</u>	<u>\$411.12</u>	<u>\$471.43</u>	<u>\$384.80</u>
Amounts per M. C. F.:				
Gas Sales	\$9.98	\$6.34	\$5.81	\$9.62
Gas Purchases	<u>(3.29)</u>	<u>(3.17)</u>	<u>(3.17)</u>	<u>(2.41)</u>
	6.69	3.17	2.64	7.21
Unaccounted for Gas	<u>(1.24)</u>	<u>(0.38)</u>	<u>0.51</u>	<u>(1.68)</u>
Gross Profit Per M. C. F. Sold	<u>\$5.45</u>	<u>\$2.79</u>	<u>\$3.15</u>	<u>\$5.53</u>

See accountant's compilation report.
The accompanying notes are an integral part of this statement.

GENERAL FIXED ASSETS

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

Village of Tangipahoa

Exhibit I-1

STATEMENT OF GENERAL FIXED ASSETS
June 30, 1998

General Fixed Assets, at Cost:	
Land - City Hall Site	\$ 400
Buildings	3,360
Furniture and Fixtures	3,716
Equipment and Vehicles	<u>29,216</u>
Total General Fixed Assets	\$ <u>36,692</u>
Investments in General Fixed Assets From:	
General Fund	\$ 32,176
Special Revenue Funds:	
Sales Tax Fund	3,564
Federal Revenue Sharing Fund	<u>952</u>
Total Investment in General Fixed Assets	\$ <u>36,692</u>

See accountant's compilation report.
The accompanying notes are an integral part of this statement.

Village of Tangipahoa

Exhibit I-2

STATEMENT OF CHANGES IN
GENERAL FIXED ASSETS
Year Ended June 30, 1998

	<u>Total</u>	<u>Land</u>	<u>Building</u>	<u>Furniture/ & Fixtures</u>	<u>Equipment & Vehicles</u>
General Fixed Assets, July 1, 1997	\$ 31,025	\$ 400	\$ 3,360	\$ 3,716	\$ 23,549
Additions	5,667	-	-	-	5,667
Deductions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
General Fixed Assets, June 30, 1998	\$ <u>36,692</u>	\$ <u>400</u>	\$ <u>3,360</u>	\$ <u>3,716</u>	\$ <u>29,216</u>

See accountant's compilation report.
The accompanying notes are an integral part of this statement.

Village of Tangipahoa

Schedule J-1

SCHEDULE OF INSURANCE

Year Ended June 30, 1998

The Village of Tangipahoa has the following insurance policies in effect as of June 30, 1998:

<u>Insurance Coverage Description</u>	<u>Policy Coverage Period</u>
Fidelity Schedule Bond For \$10,000, Minnie Lou Hutchinson, Renewed	07/01/97-07/01/98
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.	05/01/98-05/01/99
Law Enforcement Officials, Comprehensive Liability. Limits of \$500,000 Combined Single Limit.	05/01/98-05/01/99
Public Officials Errors & Omissions Liability. Limits of \$500,000 Combined Single Limit. Deductible of \$1,000 per Occurrence.	05/01/98-05/01/99
Automobile Liability Limits of \$500,000 Combined Single Limits.	05/01/98-05/01/99
Commercial Property Coverage for City Hall Offices. Building Limits of \$13,000; Business Personal Property Coverage of \$5,000.	01/23/98-01/23/99
Worker's Compensation Statutory Limits with Employer's Liability at \$100,000 each accident or disease and \$500,000 policy limit.	01/01/98-01/01/99

See accountant's compilation report.
The accompanying notes are an integral part of this statements.

Village of Tangipahoa

Schedule J-2

SCHEDULE OF ELECTED OFFICIALS
Year Ended June 30, 1998

Per Diem Payments	Term	Amount Received FYE 6/30/98
James Fultz, Mayor Post Office Box 156 Tangipahoa, LA 70465 (504)229-6663	01/01/97 to 12/31/00	\$ 2,400
Eddie Myers, Mayor Pro-Tem Post Office Box 128 Tangipahoa, LA 70465 (504)229-2692	01/01/97 to 12/31/00	720
Mary McLeary, Alderwoman Post Office Box 14 Tangipahoa, LA 70465 (504)229-5327	01/01/97 to 12/31/00	720
Brenda V. Nevels, Alderwoman Post Office Box 133 Tangipahoa, LA 70465 (504)229-2422	01/01/97 to 12/31/00	720
Richard F. Banks, Police Chief Post Office Box 131 Tangipahoa, LA 70465	01/01/97 to 12/31/00	11,400
		<u>15,960</u>
		\$ <u><u>15,960</u></u>

See accountant's compilation report.
The accompanying notes are an integral part of this statements.

Bruce C. Harrell, CPA

Warren A. Wool, CPA
Michael P. Estay, CPA
Dale H. Jones, CPA
Charles P. Hebert, CPA
James D. Rabalais, CPA

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MEMBERS
American Institute of CPAs
Society of Louisiana CPAs

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Village of Tangipahoa, Louisiana and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village of Tangipahoa's compliance with certain laws and regulations during the year ended June 30, 1998 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law:

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

All purchases above \$15,000 were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

Code of Ethics for Public Officials and Public Employees:

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

Management provided us with the required list including the noted information.

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

Management provided us with the required list including the noted information.

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

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CERTIFIED PUBLIC ACCOUNTANTS

A Professional Accounting Corporation

Page 2

None of the employees included in the list obtained from management in agreed-upon procedures (3) were also included on the list obtained from management in agreed-upon procedures (2) as immediate family members.

Budgeting:

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with the required budget and amendments.

6. Trace the budget adoption and amendments to the minute book.

Evidence of the budget being adopted and amended was found in the village's minutes.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

The revenues and expenditures do not exceed budget amounts by more than 5%.

Accounting and Reporting:

8. Randomly select 6 disbursements made during the period under examination and:

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

Examination of supporting documentation for each of six selected disbursements found that payment was for proper amounts to the correct payees.

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

All six of the payments were properly coded to the correct fund and general ledger account.

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

Inspection of the documentation supporting each of six selected disbursements indicated approval from the board of aldermen.

Meetings:

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

The village properly complied with the requirements of the open meetings law.

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

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CERTIFIED PUBLIC ACCOUNTANTS

A Professional Accounting Corporation

Page 3

Inspection of all bank deposit slips for the period under examination showed that none of the deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses:

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

No payments to employees appear to be bonuses, advances, or gifts.

We were 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, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Village of Tangipahoa, Louisiana 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.



Bruce Harrell and Company, CPAs
A Professional Accounting Corporation

December 16, 1998

LOUISIANA ATTESTATION QUESTIONNAIRE

June 15, 1998 Date

Bruce Harrell & Company, CPAs
A Professional Accounting Corporation
Post Office Box 45-602 Fifth Street
Kentwood, Louisiana 70444

In connection with your compilation of our financial statements as of June 30, 1998 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

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

Public Bid Law

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

Yes(x) No() N/A()

Code of Ethics for Public Officials and Public Employees

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

Yes(x) No() N/A()

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

Yes(x) No() N/A()

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:43.

Yes(x) No() N/A()

Accounting and Reporting

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

Yes(x) No() N/A()

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

Yes(x) No() N/A()

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

Yes(x) No() N/A()

Handwritten signature: William S. Hutcherson

Signature line

Secretary

DECEMBER 16, 1998

Date

Meetings

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

Yes(x) No() N/A()

Debt

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

Yes(x) No() N/A()

Advances and Bonuses

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

Yes(x) No() N/A()

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

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

Village Clerk

Miriam Lou Hutchison

~~Secretary~~

DECEMBER 16, 1998

Date

Treasury

Date

President

Date

