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TANGIPAHOA PARISH COUNCIL

Amite, Louisiana

ANNUAL FINANCIAL REPORT

December 31, 1998

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Release Date JUL 28 1999

TANGIPAHOA PARISH COUNCIL

Amite, Louisiana

Primary Government Financial Statements
 With Supplemental Information
 And Independent Auditor's Reports
 As of and for the Year Ended December 31, 1998

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying primary government financial statements of the Tangipahoa Parish Council, Louisiana, as of and for the year ended December 31, 1998, as listed in the table of contents. These primary government financial statements are the responsibility of the Tangipahoa Parish Council's management. Our responsibility is to express an opinion on these primary government financial statements based on our audit.

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

Governmental Accounting Standards Board (GASB) Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, as amended by GASB Technical Bulletin 99-1, requires disclosure of certain matters regarding the year 2000 issue. The Tangipahoa Parish Council, Louisiana, has included such disclosures in Note 23. Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Accordingly, insufficient audit evidence exists to support the Tangipahoa Parish Council's disclosures with respect to the year 2000 issue made in Note 23. Further, we do not provide assurance that the Tangipahoa Parish Council is or will be successful in whole or in part, or that parties with which the Tangipahoa Parish Council does business will be year 2000 ready.

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units. In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding year 2000 disclosures, the primary government financial statements present fairly, in all material respects, the financial position of the primary government of Tangipahoa Parish Council, Louisiana, as of December 31, 1998, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

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However, the primary government financial statements, because they do not include the financial data of component units of the Tangipahoa Parish Council, Louisiana, do not purport to, and do not, present fairly the financial position of the Tangipahoa Parish Council, Louisiana, as of December 31, 1998, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Governmental Auditing Standards*, we have also issued our report dated June 2, 1999 on our consideration of the Tangipahoa Parish Council's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grants.

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



Bruce Harrell & Co., CPAs
Hammond, Louisiana
June 2, 1999

TANGIPAHOA PARISH COUNCIL
 Amite, Louisiana
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 December 31, 1998

GOVERNMENTAL FUND TYPES

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>
<u>ASSETS AND OTHER DEBITS</u>				
Cash and cash equivalents	\$ 626,362	\$ 3,907,748	\$ 145,846	\$ 25,605
Restricted Cash	0	0	0	0
Receivables	771,175	3,428,295	219,374	0
Due from other governments	123,071	3,489	0	50,983
Due from other funds	23,189	145,983	0	0
Property, plant, and equipment	0	0	0	47,955
Deposits with deferred compensation	0	0	0	0
Amount available in debt service fund	0	0	0	0
Amount to be provided for retirement of general long-term debt	0	0	0	0
Landfill closure and postclosure care costs	0	0	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$ 1,543,796	\$ 7,485,515	\$ 365,220	\$ 124,543
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES</u>				
Accounts payable	\$ 88,518	\$ 1,245,660	\$ 9,404	\$ 35,583
Current Maturities	0	0	0	0
Accrued Expenses	40,268	155,083	0	0
Due to other funds	0	28,895	0	100
Intergovernmental payable	0	125,000	0	0
Due to HUD	0	104,823	0	0
Due to plan participants	0	0	0	0
Judgement Payable	0	0	0	0
Revenue Bonds Payable	0	0	0	0
Bonds payable	0	0	0	0
Lease-purchases payable	0	0	0	0
Estimated liability for landfill closure care costs	0	0	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	128,786	1,659,461	9,404	35,683
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Continued on the following page

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

STATEMENT A

PROPRIETARY FUND TYPES		FIDUCIARY	ACCOUNT GROUPS			TOTAL
ENTERPRISE	INTERNAL	FUND TYPE	GENERAL	GENERAL	LONG-TERM	(MEMORANDUM)
<u>FUND</u>	<u>FUND</u>	TRUST AND	<u>FIXED ASSETS</u>	<u>DEBT</u>		<u>(ONLY)</u>
	SERVICE	AGENCY				
	<u>FUND</u>	<u>FUNDS</u>				
\$ 75,980	\$ 134,739	\$ 221,719	\$ 0	\$ 0	\$ 0	\$ 5,137,999
19,107	0	0	0	0	0	19,107
66,998	0	1,744	0	0	0	4,487,586
0	0	12,354	0	0	0	189,897
1,972	16,952	0	0	0	0	188,095
2,234,023	50,495	0	28,954,387	0	0	31,286,859
0	0	563,723	0	0	0	563,723
0	0	0	0	355,816	0	355,816
0	0	0	0	1,424,971	0	1,424,971
0	0	0	0	4,151,709	0	4,151,709
<u>\$ 2,398,079</u>	<u>\$ 202,186</u>	<u>\$ 799,540</u>	<u>\$ 28,954,387</u>	<u>\$ 5,932,496</u>	<u>\$ 0</u>	<u>\$ 47,805,762</u>
\$ 17,384	\$ 1,892	\$ 77,252	\$ 0	\$ 0	\$ 0	\$ 1,475,693
17,201	0	0	0	0	0	17,201
5,275	20,454	0	0	0	0	221,080
535	0	158,565	0	0	0	188,095
0	0	0	0	0	0	125,000
0	0	0	0	0	0	104,823
0	0	563,723	0	0	0	563,723
0	0	0	0	239,552	0	239,552
767,066	0	0	0	0	0	767,066
0	0	0	0	1,034,382	0	1,034,382
12,192	0	0	0	506,853	0	519,045
0	0	0	0	4,151,709	0	4,151,709
<u>819,652</u>	<u>22,346</u>	<u>799,540</u>	<u>0</u>	<u>5,932,496</u>	<u>0</u>	<u>9,407,368</u>

TANGIPAHOA PARISH COUNCIL
 Amite, Louisiana
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 December 31, 1998

GOVERNMENTAL FUND TYPES

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>
<u>FUND EQUITY</u>				
Contributed Capital	\$ 0	\$ 0	\$ 0	\$ 0
Investment in general fixed assets	0	0	0	0
Retained Earnings				
Reserved	0	0	0	0
Unreserved	0	0	0	0
Reserved for:				
Debt service	0	0	355,816	0
Unreserved-undesignated	1,415,011	5,826,054	0	88,860
Total Fund Equity	1,415,011	5,826,054	355,816	88,860
Total Liabilities and Fund Equity	\$ 1,543,796	\$ 7,485,515	\$ 365,220	\$ 124,543

(Concluded)

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

STATEMENT A
(Continued)

PROPRIETARY ENTERPRISE <u>FUND</u>	FUND TYPES		FIDUCIARY FUND TYPE TRUST AND AGENCY <u>FUNDS</u>	ACCOUNT GROUPS		TOTAL (MEMORANDUM) (ONLY)
	INTERNAL SERVICE <u>FUND</u>			GENERAL <u>FIXED ASSETS</u>	GENERAL LONG-TERM <u>DEBT</u>	
\$ 1,505,457	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,505,457
0	0	0	28,954,387	0	0	28,954,387
19,107	0	0	0	0	0	19,107
53,863	179,840	0	0	0	0	233,703
0	0	0	0	0	0	355,816
0	0	0	0	0	0	7,329,925
<u>1,578,427</u>	<u>179,840</u>	<u>0</u>	<u>28,954,387</u>	<u>0</u>	<u>0</u>	<u>38,398,394</u>
<u>\$ 2,398,079</u>	<u>\$ 202,186</u>	<u>\$ 799,540</u>	<u>\$ 28,954,387</u>	<u>\$ 5,932,496</u>	<u>\$ 47,805,762</u>	

TANGIPAHOA PARISH COUNCIL
 Amite, Louisiana
 COMBINED STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES
 For The Twelve Months Ended December 31, 1998

	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	TOTAL (MEMORANDUM ONLY)
<u>REVENUES</u>					
Taxes:					
Sales	\$ 2,319,094	\$ 6,957,283	\$ 0	\$ 0	\$ 9,276,377
Ad valorem	372,148	2,118,779	210,772	0	2,701,699
Franchise	189,998	0	0	0	189,998
Licenses and permits	625,992	9,665	0	0	635,657
Intergovernmental revenues:					
Federal funds:					
Federal grants	0	510,168	0	0	510,168
State funds:					
Parish transportation funds	0	1,091,214	0	0	1,091,214
State revenue sharing	73,407	655,440	0	0	728,847
Severance tax	261,336	0	0	0	261,336
State grants	65,581	136,437	0	452,581	654,599
Video poker	240,641	0	0	0	240,641
Alcoholic beverage tax	31,059	0	0	0	31,059
Louisiana commission on law enforcement					
Fees, charges, and commissions for services	52,913	1,441,937	0	0	1,494,850
Fines and forfeitures	678	666,560	0	0	667,238
Interest	35,036	311,514	16,563	0	363,113
Other revenues	368,878	24,096	0	15,400	408,374
Total Revenues	4,636,761	13,923,093	227,335	467,981	19,255,170
<u>EXPENDITURES</u>					
General Government:					
Legislative	212,707	0	0	0	212,707
Judicial	1,288,882	677,735	0	0	1,966,617
Elections	85,258	0	0	0	85,258
Finance and Administrative	210,695	0	13,950	0	224,645
Public Safety	1,150,852	1,370,141	0	290,794	2,811,787
Public Works	772,095	12,456,236	0	0	13,228,331
Health and welfare	262,032	1,169,549	0	0	1,431,581
Debt Service:					
Principal	0	30,525	261,470	0	291,995
Interest and agent fees	0	538	102,244	0	102,782
Total Expenditures	3,982,521	15,704,724	377,664	290,794	20,355,703
Excess of Revenues Over (Under) Expenditures	654,240	(1,781,631)	(150,329)	177,187	(1,100,533)

Continued on the following page

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

STATEMENT B
(Continued)

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
For The Twelve Months Ended December 31, 1998

	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	TOTAL (MEMORANDUM ONLY)
<u>OTHER FINANCING SOURCES (USES)</u>					
Proceeds from bond sales	\$ 0	\$ 506,853	\$ 0	\$ 0	\$ 506,853
Sale of fixed assets	847	211,248	0	0	212,095
Operating transfers in	7,258	305,000	0	173,317	485,575
Operating transfers out	(278,317)	(207,258)	0	0	(485,575)
Total Other Financing Sources (Uses)	(270,212)	815,843	0	173,317	718,948
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	384,028	(965,788)	(150,329)	350,504	(381,585)
Fund Balances at Beginning of Year	1,030,985	6,791,840	506,146	(261,644)	8,067,327
Fund Balances at End of Year	\$ 1,415,013	\$ 5,826,052	\$ 355,817	\$ 88,860	\$ 7,685,742

(Concluded)

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

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
GENERAL AND SPECIAL REVENUE FUNDS
For The Twelve Months Ended December 31, 1998

	<u>GENERAL FUND</u>		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>Favorable (Unfavorable) VARIANCE</u>
<u>REVENUES</u>			
Taxes:			
Sales	\$ 2,250,000	\$ 2,319,094	\$ 69,094
Ad valorem	370,000	372,148	2,148
Franchise	180,000	189,998	9,998
Licenses and permits	588,800	625,991	37,191
Intergovernmental revenues:			
Federal funds:			
Federal grants	0	0	0
Food Stamp Program	0	0	0
State funds:			
Parish transportation funds	0	0	0
State revenue sharing	90,000	73,407	(16,593)
Severance tax	300,000	261,336	(38,664)
State grants	66,000	65,581	(419)
Video poker	200,000	240,641	40,641
Alcoholic beverage tax	60,000	31,059	(28,941)
Fees, charges, and commissions for services	67,000	52,913	(14,087)
Fines and forfeitures	1,000	678	(323)
Interest	32,000	35,036	3,036
Other revenues	381,500	368,878	(12,622)
	<hr/>	<hr/>	<hr/>
Total Revenues	4,586,300	4,636,759	50,459
<u>EXPENDITURES</u>			
General Government:			
Legislative	220,720	212,707	8,013
Judicial	1,257,332	1,288,882	(31,550)
Elections	93,825	85,258	8,567
Finance and Administrative	210,286	210,695	(409)
Public Safety	1,289,050	1,150,852	138,198
Public Works	785,450	772,095	13,355
Health and welfare	268,700	262,032	6,668
Debt Service:			
Principal	0	0	0
Interest and agent fees	0	0	0
	<hr/>	<hr/>	<hr/>
Total Expenditures	4,125,363	3,982,521	142,842
	<hr/>	<hr/>	<hr/>
Excess of Revenues Over (Under) Expenditures	460,937	654,239	193,302

Continued on the following page

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

	<u>SPECIAL REVENUE FUNDS *</u>		
	<u>BUDGET</u>	<u>ACTUAL</u>	Favorable (Unfavorable) <u>VARIANCE</u>
<u>REVENUES</u>			
Taxes:			
Sales	\$ 7,000,000	\$ 6,957,283	\$ (42,717)
Ad valorem	2,268,100	2,118,779	(149,321)
Franchise	0	0	0
Licenses and permits	0	0	0
Intergovernmental revenues:			
Federal funds:			
Federal grants	450,000	510,168	60,168
Food Stamp Program	0	0	0
State funds:			
Parish transportation funds	780,000	1,091,214	311,214
State revenue sharing	612,160	655,440	43,280
Severance tax	0	0	0
State grants	89,170	136,437	47,267
Video poker	0	0	0
Alcoholic beverage tax	0	0	0
Fees, charges, and commissions for services	1,510,248	1,441,937	(68,311)
Fines and forfeitures	75,000	73,697	(1,303)
Interest	314,000	305,055	(8,945)
Other revenues	14,100	23,615	9,515
	<hr/>	<hr/>	<hr/>
Total Revenues	13,112,778	13,313,625	200,847
	<hr/>	<hr/>	<hr/>
<u>EXPENDITURES</u>			
General Government:			
Legislative	0	0	0
Judicial	33,052	14,493	18,559
Elections	0	0	0
Finance and Administrative	0	0	0
Public Safety	1,644,401	1,370,141	274,260
Public Works	10,961,973	12,456,236	(1,494,263)
Health and welfare	1,220,620	1,169,549	51,071
Debt Service:			
Principal	0	30,525	(30,525)
Interest and agent fees	0	538	(538)
	<hr/>	<hr/>	<hr/>
Total Expenditures	13,860,046	15,041,481	(1,181,435)
	<hr/>	<hr/>	<hr/>
Excess of Revenues Over (Under) Expenditures	(747,268)	(1,727,857)	(980,589)
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* Excludes Criminal Court Special Revenue Fund

TANGIPAHOA PARISH COUNCIL
 Amite, Louisiana
 COMBINED STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
 GENERAL AND SPECIAL REVENUE FUNDS
 For The Twelve Months Ended December 31, 1998

	<u>GENERAL FUND</u>		
	<u>BUDGET</u>	<u>ACTUAL</u>	Favorable (Unfavorable) <u>VARIANCE</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Sale of fixed assets	\$ 850	\$ 847	\$ (3)
Operating transfers in	0	7,258	7,258
Operating transfers out	(282,000)	(278,317)	3,683
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	(281,150)	(270,213)	10,937
	<hr/>	<hr/>	<hr/>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	179,787	384,026	204,239
Fund Balances at Beginning of Year	1,030,985	1,030,985	(0)
	<hr/>	<hr/>	<hr/>
Fund Balances at End of Year	\$ 1,210,772	\$ 1,415,011	\$ 204,239
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(Concluded)

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

STATEMENT C
(Continued)

	<u>SPECIAL REVENUE FUNDS *</u>		
	<u>BUDGET</u>	<u>ACTUAL</u>	Favorable (Unfavorable) <u>VARIANCE</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Proceeds from bond sales	\$ 0	\$ 506,853	\$ 506,853
Sale of fixed assets	45,711	207,069	161,358
Operating transfers in	305,000	305,000	0
Operating transfers out	(200,000)	(200,000)	0
Total Other Financing Sources (Uses)	<u>150,711</u>	<u>818,922</u>	<u>668,211</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(596,557)	(908,935)	(312,378)
Fund Balances at Beginning of Year	<u>6,727,793</u>	<u>6,727,731</u>	<u>(62)</u>
Fund Balances at End of Year	<u>\$ 6,131,236</u>	<u>\$ 5,818,796</u>	<u>\$ (312,440)</u>

(Concluded)

* Excludes Criminal Court Special Revenue Fund

Tangipahoa Parish Council
 Amite, Louisiana
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS -
 BUDGET (GAAP BASIS) AND ACTUAL
 PROPRIETARY FUND TYPE
 For The Twelve Months Ended December 31, 1998

	<u>ENTERPRISE FUND</u>		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
		Favorable (Unfavorable)	
OPERATING REVENUES			
Charges for services	\$ 355,000	\$ 378,399	\$ 23,399
Other revenue	5,000	5,846	846
	<hr/>	<hr/>	<hr/>
Total Operating Revenues	360,000	384,245	24,245
	<hr/>	<hr/>	<hr/>
OPERATING EXPENSES			
Personnel services	76,550	73,896	2,654
Materials and supplies	12,100	8,777	3,323
Professional services	29,336	51,089	(21,753)
Repairs and maintenance	119,850	99,409	20,441
Other expenses	34,985	36,117	(1,132)
Depreciation	80,000	82,255	(2,255)
	<hr/>	<hr/>	<hr/>
Total Operating Expense	352,821	351,543	1,278
	<hr/>	<hr/>	<hr/>
Operating Gain	7,179	32,702	25,523
	<hr/>	<hr/>	<hr/>
NON-OPERATING REVENUES (EXPENSES)			
Interest income	6,000	6,282	282
Interest expense	(45,000)	(44,971)	29
	<hr/>	<hr/>	<hr/>
Total Non-Operating Revenues (Expenses)	(39,000)	(38,689)	311
	<hr/>	<hr/>	<hr/>
Net Income Before Prior Period Adjustments	(31,821)	(5,987)	25,834
Prior Period Adjustments (Note 24):			
Energy Refund	30,273	30,273	0
	<hr/>	<hr/>	<hr/>
Net Income After Prior Period Adjustments	(1,548)	24,286	25,834
Add depreciation on fixed assets acquired by donations that reduce contributed capital	0	53,523	53,523
	<hr/>	<hr/>	<hr/>
Increase in Retained Earnings	(1,548)	77,809	79,357
	<hr/>	<hr/>	<hr/>
Retained Earnings (Deficit)			
Beginning of Year	(18,956)	(4,839)	14,117
	<hr/>	<hr/>	<hr/>
Retained Earnings (Deficit)			
at End of Year	\$ (20,504)	\$ 72,970	\$ 93,474
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

Tangipahoa Parish Council
Amite, LouisianaSTATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS -
BUDGET (GAAP BASIS) AND ACTUAL
PROPRIETARY FUND TYPE
For The Twelve Months Ended December 31, 1998

	<u>INTERNAL SERVICE FUND</u>		
	<u>BUDGET</u>	<u>ACTUAL</u>	Favorable (Unfavorable) <u>VARIANCE</u>
OPERATING REVENUES			
Charges for services	\$ 510,000	\$ 506,903	\$ (3,097)
	<hr/>	<hr/>	<hr/>
Total Operating Revenues	510,000	506,903	(3,097)
	<hr/>	<hr/>	<hr/>
OPERATING EXPENSES			
Personnel services	490,600	492,807	(2,207)
Materials and supplies	75,400	57,751	17,649
Professional services	12,000	11,957	43
Repairs and maintenance	19,500	18,777	723
Other expenses	30,850	28,784	2,066
Depreciation	16,600	17,640	(1,040)
	<hr/>	<hr/>	<hr/>
Total Operating Expense	644,950	627,716	17,234
	<hr/>	<hr/>	<hr/>
Operating Gain (Loss)	(134,950)	(120,813)	14,137
	<hr/>	<hr/>	<hr/>
NON-OPERATING REVENUES (EXPENSES)			
Interest Income	26,000	21,033	(4,967)
	<hr/>	<hr/>	<hr/>
Net Income (Loss)	(108,950)	(99,780)	9,170
	<hr/>	<hr/>	<hr/>
Retained Earnings			
Beginning of Year	279,609	279,609	0
	<hr/>	<hr/>	<hr/>
Retained Earnings at End of Year	\$ 170,659	\$ 179,829	\$ 9,170
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

(Concluded)

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

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPES
For the Year Ended December 31, 1998

	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
Cash Flows From Operating Activities:		
Operating Income (Loss)	\$ (5,987)	\$ (99,769)
Adjustments to reconcile net operating income to		
Depreciation	82,255	17,640
Change in Accounts Receivable	(22,757)	
Change in Due from Other Funds	(1,972)	(9,408)
Change in Accounts Payable	10,484	1,189
Change in Accrued Expense	780	(9,676)
Change in Due to Others	535	-
Net cash provided by operating activities	<u>63,338</u>	<u>(100,024)</u>
Cash Flows From Noncapital Financing Activities:		
Principal repayments	<u>(17,611)</u>	<u>-</u>
Net Cash (Used For) Noncapital Financing Activities	<u>(17,611)</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities:		
Payments for capital acquisitions	(4,340)	(20,992)
Proceeds from borrowings	<u>-</u>	<u>-</u>
Net Cash (used for) capital and related financing activities:	<u>(4,340)</u>	<u>(20,992)</u>
Net Cash Increase (Decrease) for the Year	41,387	(121,016)
Prior Period Adjustment	30,273	
Cash at Beginning of Year	23,427	255,755
Cash at End of Year	<u>\$ 95,087</u>	<u>\$ 134,739</u>

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

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 1998

INTRODUCTION

The Tangipahoa Parish Council is the governing authority for the Parish of Tangipahoa, Louisiana. The Parish of Tangipahoa operates under a home rule charter and is governed by the "council-president" form of government. An elected council of ten members representing the various districts within the parish constitute the legislative branch of the government and an elected president is the chief executive officer and head of the executive branch. The council and president serve four-year terms that expire in January 2000.

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

Tangipahoa Parish occupies approximately 818 square miles with a population of approximately 94,000. The parish council maintains approximately 1100 miles of roads, 550 miles of which are paved and 550 of which are gravel. Parish council offices are located in the parish courthouse in Amite, Louisiana, with road maintenance facilities located at 2 locations within the parish.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

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

B. REPORTING ENTITY

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

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

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Tangipahoa Parish Council to impose its will on that organization and/or

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 1998

- b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Tangipahoa Parish Council.
2. Organizations for which the Tangipahoa Parish Council does not appoint a voting majority but are fiscally dependent on the Tangipahoa Parish Council.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

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

<u>Component Unit</u>	<u>Fiscal Year End</u>	<u>Criteria Used</u>
Communication District Number 1	12/31	1
Gravity Drainage District Number 1	12/31	1
Gravity Drainage District Number 4	12/31	1
Gravity Drainage District Number 5	12/31	1
Construction Board of Adjustments and Appeals	12/31	1
Fire Protection District Number 1	12/31	1
Gas Utility District Number 1	12/31	1
Hospital Service District Number 1	06/30	1
Hospital Service District Number 2	12/31	1
Industrial Development District Number 1	12/31	1
Industrial Development District Number 2	12/31	1
Hammond Area Recreation District Number 1	12/31	1
Ponchatoula Area Recreation District Number 1	12/31	1
Recreation District Number 5	12/31	1
Recreation District Number 6	12/31	1
Recreation District Number 39A	12/31	1
Tangipahoa Parish Industrial Development Board	12/31	1
Tangipahoa Parish Library	12/31	1
Tangipahoa Parish Planning Commission	12/31	1
Tangipahoa Parish Tourist Commission	12/31	1
Water District Number 8	12/31	1
Husser-Loranger Water District	12/31	1
Tangipahoa Water District	12/31	1

The Tangipahoa Parish Council has chosen to issue financial statements of the primary government (Tangipahoa Parish Council) only; therefore, none of the previously listed component units are included in the accompanying financial statements.

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 1998

These primary government (Tangipahoa Parish Council) financial statements include all funds, account groups, and organizations for which the Tangipahoa Parish Council maintains the accounting records. The organizations for which the Tangipahoa Parish Council maintains the accounting records are considered part of the primary government (Tangipahoa Parish Council) and include Fire Protection District No. 2, Recreation Districts No. 1 and 2, Twenty-First Judicial Criminal Court Fund, and Sewerage District No. 1.

GASB Statement No. 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (Tangipahoa Parish Council) financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. These financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government (Tangipahoa Parish Council).

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

C. FUND ACCOUNTING

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

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

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

Governmental Funds

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

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

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 1998

2. Special revenue funds--account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
3. Debt service funds--account for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term obligations account group.
4. Capital projects funds--account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

Proprietary Funds

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

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

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

2. Internal service funds--account for the financing of goods or services provided by one department to other departments or governments on a cost-reimbursement basis.

The internal service fund is the Administrative Fund, established by the council to render administrative and accounting services to various funds. It receives a fee from each fund based on a combination of revenues received and services rendered for that fund.

Fiduciary Funds

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

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 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 current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds and agency funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Revenues are recognized in the accounting period in which they become both available and measurable. *Licenses and permits, charges for services, fines and forfeitures, and miscellaneous revenues* are recorded as revenues when received in cash. General property taxes, self-assessed taxes, and investment earnings are recorded when earned (when they are measurable and available).

Expenditures

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

Other Financing Sources (Uses)

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

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

E. BUDGETS

The council uses the following budget practices:

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

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 1998

2. Unexpended appropriations lapse at year-end and must be appropriated again in the next year's budget to be expended.
3. The council adopted modified accrual basis budgets for the General Fund and all special revenue funds, except for the Criminal Court Fund for which there was no budget adopted. The council adopted accrual basis budgets for the proprietary funds. Budgetary control is at the functional level. Within functions, the parish president has the authority to make amendments as necessary.
4. During the year, the council receives quarterly budget comparison statements that are used to control the operations of the parish. The director of finance presents necessary budget amendments to the council during the year when, in his judgement, actual operations differ materially from those anticipated in the original budget. During a regular meeting, the council reviews the proposed amendments, makes changes as it feels necessary, and formally adopts the amendments. The adoption of amendments is included in council minutes published in the official journal. The budget for 1998 was amended several times; the final amended budget of November 23, 1998, is reflected in the accompanying budget comparisons.
5. The following reconciles the revenues, expenditures, and other financing sources (uses) for the special revenue funds as shown on Statement B with the amount shown on Statement C:

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources (Uses)</u>
Statement B	\$ 13,923,093	\$ 15,704,724	\$ 815,843
Criminal Court Fund	(609,469)	(663,243)	3,078
Statement C	<u>\$ 13,313,624</u>	<u>\$ 15,041,481</u>	<u>\$ 818,922</u>

F. ENCUMBRANCES

The Tangipahoa Parish Council does not use encumbrance accounting.

G. CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash includes amounts in interest-bearing demand deposits. Cash equivalents include amounts invested in the Louisiana Asset Management Pool. Under state law, the Tangipahoa Parish Council may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

H. INVESTMENTS

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

During the year ended December 31, 1998, the Tangipahoa Parish Council had funds invested with the Louisiana Asset Management Pool (LAMP). LAMP is a cash management pool initiated by the Louisiana

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 1998

State Treasurer's Office. Under state law, the Tangipahoa Parish Council may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

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

I. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

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

J. RESTRICTED ASSETS

Restricted cash in Sewerage District No. 1 at December 31, 1998, consists of cash reserved for contingencies of \$19,107.

K. FIXED ASSETS

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

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

Internal Service Fund:	
Office Equipment	3 - 7 Years
Enterprise Fund:	
Sewer Treatment Plant and Lift Stations	20 - 40 Years
Sewer System Mains and Lines	20 - 40 Years

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

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 1998

L. COMPENSATED ABSENCES

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

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

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

M. LONG-TERM OBLIGATIONS

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

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

N. FUND EQUITY

Contributed Capital

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers, or other funds when such resources are restricted for the acquisition or construction of capital assets. Contributed capital is amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such resources. This depreciation is closed to the contributed capital account and is reflected as an adjustment to net income.

Reserves

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

Designated Fund Balances

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

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 1998

O. INTERFUND TRANSACTIONS

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

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

P. AD VALOREM TAXES

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

Q. SALES TAXES

On October 3, 1992, the voters of Tangipahoa Parish approved a renewal of a one per cent parishwide general sales and use tax to be levied for the Tangipahoa Parish Council. The proceeds of the tax are dedicated on the basis of 75 per cent for roads and bridge maintenance and the remaining 25 per cent for general governmental purposes. The tax as renewed is effective through December 31, 2001.

R. TOTAL COLUMNS ON COMBINED STATEMENTS

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

2. FUND DEFICITS

The following individual fund has a deficit in unreserved retained earnings at December 31, 1998:

	Deficit Amount
Special Revenue Fund:	
Animal Shelter	\$ (28,356)

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 1998

3. EXPENDITURES/REVENUES - ACTUAL AND BUDGET

The following individual fund has actual expenditures over budgeted expenditures for the year ended December 31, 1998:

	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Special Revenue Fund:			
Road and Bridge - Contract	\$ 3,265,000	\$ 4,198,525	\$ (933,525)

The following individual funds budget amounts exceed actual revenues for the year ended December 31, 1998.

	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Special Revenue Funds:			
Road Lighting District No. 2	\$ 20,800	\$ 3,478	\$ 17,322
Road Lighting District No. 4	21,000	4,678	16,322
Health Unit	<u>815,400</u>	<u>462,337</u>	<u>353,063</u>
Total (Memorandum Only)	\$ <u>857,200</u>	\$ <u>470,493</u>	\$ <u>386,707</u>

4. LEVIED TAXES

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

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Year</u>
Parishwide Taxes:			
General Fund	5.00	4.59	Continuous
Special Revenue Fund:			
Health Unit Maintenance	4.00	2.00	2006
District Taxes:			
Special Revenue Fund:			
Road Lighting District Number 1	2.00	1.98	2004
Road Lighting District Number 2	16.62	0.50	2006
Road Lighting District Number 3	15.00	14.39	2000
Road Lighting District Number 4	15.00	0.50	1998
Garbage District Number 1	10.00	9.16	2002
Fire Protection District Number 2	20.00	19.14	2005
Debt Service Fund:			
Road District Number 101	Variable	5.60	2015
Sub-Road District Number 1 of 101	Variable	2.67	2015
General Service Sub-District Number 4A	Variable	15.93	2003
General Service Sub-District Number 5	Variable	13.22	2003

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 1998

General Service Sub-District Number 8	Variable	4.84	2003
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5. CASH AND CASH EQUIVALENTS

At December 31, 1998, the Tangipahoa Parish Council has cash and cash equivalents (book balances) totaling \$5,157,106 as follows:

Interest-Bearing Demand Deposits	\$ 129,035
Investment in Louisiana Asset Management Pool	5,028,071
Total	\$ 5,157,106

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

At December 31, 1998, the Tangipahoa Parish Council has \$787,409 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 federal deposit insurance and \$687,409 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

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

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

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

Since the difference per type governmental funds is immaterial, total carrying amounts included within the primary governmental financial statements of the Tangipahoa Parish Council are not adjusted to reflect fair value of the LAMP pool.

TANGIPAHOA PARISH COUNCIL
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6. RECEIVABLES

The following is a summary of receivables at December 31, 1998:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Proprietary Fund</u>
Taxes:				
Ad Valorem	\$ 338,457	\$ 1,934,200	\$ 219,374	\$ -
Sales and Use	185,184	555,552	-	-
State Revenue Sharing	48,938	394,426	-	-
Other	72,007	-	-	-
Intergovernmental Grants:				
Federal	-	-	-	-
State	113,226	160,453	-	-
Accounts	-	243,155	-	70,066
Other	13,363	140,509	-	-
Total	<u>\$ 771,175</u>	<u>\$ 3,428,295</u>	<u>\$ 219,374</u>	<u>\$ 70,066</u>

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

7. FIXED ASSETS

The changes in general fixed assets follow:

	<u>Balance 01/01/98</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/98</u>
Council:				
Land	\$ 1,787,028	\$ -	\$ -	\$ 1,787,028
Buildings	13,612,626	2,066,685	(1,836)	15,677,475
Cooling Tower	314,993	-	-	314,993
Machinery & Equipment	4,769,193	1,810,562	(494,661)	6,085,094
Office Furniture	197,143	54,996	(11,561)	240,578
Subtotal	<u>20,680,983</u>	<u>3,932,243</u>	<u>(508,058)</u>	<u>24,105,168</u>
Construction in progress	<u>1,984,648</u>	<u>128,652</u>	<u>(2,064,950)</u>	<u>48,349</u>
Criminal Court:				
Furniture & Equipment	<u>89,888</u>	<u>38,401</u>	<u>(1,641)</u>	<u>126,648</u>
Rural Fire District Number 2:				
Equipment	3,106,899	225,764	-	3,332,663
Subtotal	<u>25,862,417</u>	<u>4,325,060</u>	<u>(2,574,649)</u>	<u>27,612,828</u>
CAPITAL PROJECTS				
FUND - LCDBG - SEWER				
Land	23,405			23,405

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(continued)	Balance 01/01/98	Additions	Deletions	Balance 12/31/98
Construction in Progress	476,394	253,796		730,190
Subtotal	<u>499,799</u>	<u>253,796</u>		<u>753,595</u>
CAPITAL PROJECTS				
FUND - LCDBG - WATER				
Construction in Progress	550,996	36,968		587,964
Subtotal	<u>550,996</u>	<u>36,968</u>		<u>587,964</u>
Total	<u>\$ 26,913,212</u>	<u>\$ 4,615,824</u>	<u>\$ (2,574,649)</u>	<u>\$ 28,954,387</u>

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

	Enterprise Fund	Internal Service Fund
Land	\$ 54,981	\$ -
Sewerage Collection System	2,722,361	-
Furniture and Equipment	-	159,041
Total Proprietary Property, Plant, and Equipment	<u>2,777,342</u>	<u>159,041</u>
Accumulated Depreciation	<u>(543,319)</u>	<u>(108,546)</u>
Net Proprietary Property, Plant, and Equipment	<u>\$ 2,234,023</u>	<u>\$ 50,495</u>

8. PENSION PLAN

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

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one percent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980, plus 3 percent of final-average salary for each year of service credited after the revision date. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504) 928-1361.

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Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and the Tangipahoa Parish Council is required to contribute at an actuarially determined rate. The current rate is 7.75 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionally on the salaries of the active members of each plan. The contribution requirements of plan members and the Tangipahoa Parish Council are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Tangipahoa Parish Council's contributions to the System under Plan A for the years ending December 31, 1998, 1997, and 1996 were \$317,717, \$282,363, and \$229,212, respectively, equal to the required contributions for each year.

9. COMPENSATED ABSENCES

At December 31, 1998, employees of the Tangipahoa Parish Council have accumulated and vested \$217,737 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. Of this amount, \$40,268 is recorded as an obligation of the General Fund, and \$155,083 is recorded as an obligation of the Special Revenue Funds. The leave liability for employees of the Internal Service Fund, and the Enterprise Fund, in the amount of \$20,454 and \$1,932 respectfully, are accounted for within these funds.

10. LEASES

The council records items under capital leases as assets and obligations in the accompanying financial statements. At December 31, 1998, the council has 2 capital leases in effect for equipment. The leases have an original recorded asset amount of \$506,853. Lease obligations are retired from the Garbage District No. 1 Special Revenue Fund. The following is a summary of future minimum lease payments, and the present value of the net minimum lease payments as of December 31, 1998:

Fiscal Year	Total
1999	\$115,197
2000	115,198
2001	115,198
2002	115,198
2003	115,198
Total Future Minimum Lease Payments	<u>575,989</u>
Amount Representing Interest	<u>(69,136)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 506,853</u>

The council has no material long-term, noncancellable operating lease commitments at December 31, 1998.

The Sewerage District No. 1 of Tangipahoa Parish records items under capital leases as assets and obligations in the accompanying financial statements. At December 31, 1998, two equipment items had been purchased under capital leases, at a purchase price of \$27,650 in 1996, and at a purchase price of \$12,783 in 1997.

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The following is a summary of future minimum lease payments under the capital lease and the present value of the net minimum lease payments as of December 31, 1998.

Fiscal Year	Total
1999	\$ 10,522
2000	11,592
2001	1,070
Total Minimum Lease Payments	23,184
Less Amount Representing Interest	(1,479)
Present Value of Net Minimum Lease Payments	\$ 21,705

11. JUDGEMENT PAYABLE

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

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

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

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

Tangipahoa Parish Library Board of Control was to be paid 36.2% of the Judgement but has applied this to the purchase of a building that is financed by the Tangipahoa Parish Council.

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

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

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The 1998 repayment of \$100,000 was recognized as an expenditure of the General Fund which left a balance of \$239,552 at December 31, 1998, which is reported as general long-term debt.

12. PARISH JAIL AGREEMENT

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

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

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

13. REVENUE BONDS PAYABLE - SEWERAGE DISTRICT NUMBER 1

On January 6, 1993, Sewerage District No. 1 of the Parish of Tangipahoa, State of Louisiana, entered into an agreement with USDA, Rural Development to finance the cost of constructing and acquiring improvements and extensions to its existing sewerage system through the issuance of sewer revenue bonds. The sewer revenue bonds were issued on March 3, 1993, as Bond No. R-1 in the amount of \$733,000 and Bond No. R-2 in the amount of \$67,000, and were sold to the United States of America, Farmers Home Administration.

As of December 31, 1998, the Sewerage District had drawn down \$733,000 on Bond R-1 and \$67,000 on Bond R-2, for a total of \$800,000.

The bonds bear interest at the rate of 5 5/8% per annum and are payable monthly over a forty (40) year period. The monthly payment for Bond R-1 is \$3,900 and for Bond R-2 is \$356.

The bonds are payable solely from revenues to be derived from the operation of the sewerage system and are secured by such revenues.

The following is a summary of bond transactions of the Sewerage District No. 1 of the Parish of Tangipahoa, Louisiana for the year ended December 31, 1998:

	1993 RUS \$773,000 <u>Revenue</u>	1993 RUS \$67,000 <u>Revenue</u>	<u>Total</u>
Bonds Payable, January 1, 1998	\$ 716,925	\$ 65,411	\$ 782,336
Bond Retirements/Adjustments	(6,940)	(642)	(7,582)
Bonds Payable, December 31, 1998	<u>\$ 709,985</u>	<u>\$ 64,769</u>	<u>\$ 774,754</u>

The schedule above includes a correction by the lender (USDA Rural Development) in the application of payments to the two outstanding bonds for the fiscal year ended December 31, 1995.

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Bonds Payable at December 31, 1998, are comprised of the following individual Issues:

	<u>Current Amount</u>	<u>Long-Term Amount</u>	<u>Total Principal</u>
1993 Revenue Bonds: \$733,000 utility bonds sold to RUS; dated 03/03/93; due in monthly installments of \$3,900 through 02/03/33; interest at 5.625%	\$ 7,038	\$ 702,948	\$ 709,986
1993 Revenue Bonds: \$67,000 utility bonds sold to RUS; dated 03/03/93; due in monthly installments of \$356 through 02/03/33; interest at 5.625%	650	64,118	64,768
	<u>\$ 7,688</u>	<u>\$ 767,066</u>	<u>\$ 774,754</u>

The annual requirements to amortize all debt outstanding as of December 31, 1998, including interest payments of \$970,208 are as follows:

	1993 RUS \$773,000 Revenue	1993 RUS \$67,000 Revenue	<u>Total</u>
1999	\$ 46,795	\$ 4,277	\$ 51,072
2000	46,795	4,277	51,072
2001	46,795	4,277	51,072
2002	46,795	4,277	51,072
2003 - 2007	233,974	21,386	255,360
2008 - 2012	233,974	21,386	255,360
2013 - 2017	233,974	21,386	255,360
2018 - 2022	233,974	21,386	255,360
2023 - 2027	233,974	21,386	255,360
2028 - 2032	233,974	21,386	255,360
2033	7,800	714	8,514
	<u>\$ 1,598,824</u>	<u>\$ 146,138</u>	<u>\$ 1,744,962</u>

14. REVENUE BOND RESOLUTION COVENANTS

As of December 31, 1998, the Sewerage District No. 1 of the Parish of Tangipahoa, Louisiana, has two Rural Utilities Service (RUS) Revenue Bonds. The total authorized issue of \$800,000 consists of two bonds issued on March 3, 1993, of \$733,000 and \$67,000, both issued at an annual interest rate of 5.625%. The original bond resolution specifies that the bonds shall be secured and payable in principal and interest exclusively by a pledge of the income and revenues derived or to be derived from the operation of the system. Other specific legal requirements and bond restrictions are summarized below:

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

For the fiscal year ending December 31, 1998, the bond debt coverage factor indicated net revenues (before interest expense and depreciation) were 235% of the required bond principal and interest payments.

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

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

- c) The establishment of the "Sewer Revenue Bond Reserve Fund" (the Reserve Fund) by transferring from the Sewer Revenue Fund, the operating account of the district, monthly in advance on or before the 20th of each month a sum at least equal to five per cent (5%) of the amount to be paid each month for bond principal and interest payments. The actual amount to be transferred for bonds outstanding at December 31, 1996, per the RUS Letter of Conditions, was a total of \$212.80 per month. Deposit of funds shall continue until such time as there has been accumulated in the Reserve Fund an amount of money equal to the highest combined principal and interest requirements of any succeeding twelve month period. The money in the Reserve Fund is required to be retained solely for the purpose of paying the principal and interest on bonds payable, upon approval by the USDA Rural Development office, for which there would otherwise be default. Deposits to the Reserve Fund were required to commence with the month following completion and acceptance of the improvements and extensions financed with the proceeds of the bonds. The system improvements financed with the 1993 Revenue Bonds became revenue producing on April 19, 1995. The district began making the required deposits in May, 1995.

For the fiscal year ending December 31, 1998, the district made the twelve required deposits of \$212.80 per month, for a total balance of \$9,363 at December 31, 1998.

- d) The establishment and maintenance of the "Sewer Depreciation and Contingency Fund" (the Contingency Fund) to care for depreciation, extensions, additions, improvements and replacements necessary to operate properly the System, by transferring from the Sewer Revenue Fund, the operating account of the district, monthly in advance on or before the 20th of each month the sum of \$203 per month. Money in the Contingency Fund may also be used, upon approval, to pay the principal and interest on any bond for which there is not sufficient money in the Sinking Fund or the Reserve Fund. The system improvements financed with the 1993 Revenue Bonds became revenue producing on April 19, 1995, although the district began making deposits to this fund in January, 1995.

For the fiscal year ending December 31, 1998, the district made the twelve required deposits of \$203, and maintained a balance of \$9,744 at fiscal year end.

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- e) The district, in the bond resolution dated January 6, 1993, also obligated itself to abide by the following covenants:
1. The district will shut off service if the delinquent charge, with interest and penalties accrued thereon, is not paid within thirty days from the date on which such charges became delinquent.
 2. A penalty of 10% will be charged on all delinquent accounts, and interest of not less than 5% per annum will be charged on delinquent accounts after 10 days from the date of delinquency.
 3. The district will charge a residential rate of \$16.50 per month, and a commercial rate of \$30.00 per month.
 4. The district agrees to maintain the System in first class repair and working order and condition.
 5. The district will carry full insurance coverage on the System in the manner required by the Government, with a company licensed to do business under the laws of Louisiana.
 6. The district will maintain separate and correct records and accounts, and will have the books audited no later than three months after the end of the fiscal year.
 7. The district will not sell, lease or in any manner dispose of the System or any substantial part thereof, provided the district may dispose of property that in its judgement is worn-out, unserviceable, unsuitable, or unnecessary in the operation of the System.
 8. The district will not, except as provided by this bond resolution, voluntarily create or cause to be created any debt, lien pledge, mortgage, assignment, or any other charges having priority or parity with the liens of the Bonds upon the income and revenues of the System pledged as security therefor.
 9. That, to the extent permitted by law, the district will not grant a franchise to any utility for operation within the boundaries of the district.
 10. In operation of the System, the district will require all officers and employees in a position of authority or in possession of money derived from operations of the System to be covered by a blanket fidelity bond or faithful performance bond.
 11. That the district will take all action necessary to require connection to its sewer system to the extent permitted by law.

In relation to items (1) and (2) above, concerning the disconnect of accounts, and the charges to delinquent accounts, the Tangipahoa Parish Council approved an ordinance on April 8, 1997, requiring water companies in the rural and unincorporated portions of Tangipahoa Parish to enter into contracts with Sewerage District No. 1 of the Parish of Tangipahoa, Louisiana to collect sewerage billings for the sewerage district. The ordinance states that the water company shall provide that any person failing to timely pay the entire billing of sewerage charges within the prescribed time period for utility payment of said water company, then in that event the customer's water service shall be disconnected until all past due sewerage charges and reconnect charges for sewerage billings are paid in full. The said water company shall also be authorized to collect a penalty for reconnect charges associated with its disconnection of the said customer from water service due to the customer's failure to pay sewerage charges. Further progress in complying to items (1) and (2) above is as described in Reference Numbers 95-P4 (Item C), and 96-P3 of the Summary Schedule of Prior Audit Findings.

The current rate schedule (Item 3), the schedule of insurance coverages (Item # 5) and fidelity bond coverages (Item 10) are disclosed in the "Supplemental Information" schedules included as a part of this audit report. Current actions to comply with Item #5, fidelity bond requirements are also included as Reference Number 96-M5 of the Summary Schedule of Prior Audit Findings. Non-compliance was not noted in the review of the remaining bond covenants.

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15. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended December 31, 1998:

	Long-Term Obligations Payable 01/01/98	Additions	Deletions	Long-Term Obligations Payable 12/31/98
General Obligation Bonds	\$ 1,304,266	\$	\$ (269,884)	\$ 1,034,382
Capital Leases	30,525	506,853	(30,525)	506,853
Judgements Payable	475,473	-	(235,921)	239,552
Estimated Liability for Landfill Closure/Postclosure Care Cost	4,429,121	-	(277,412)	4,151,709
	<u>\$ 6,239,385</u>	<u>\$ 506,853</u>	<u>\$ (813,742)</u>	<u>\$ 5,932,496</u>

General obligation bonds are comprised of the following individual issues:

\$60,000 - issue of 1982 to construct a new parish jail facility, due in annual installments of \$9,796 through December 1, 2002, with interest of 10.7 percent. Debt retirement payments are made by the Tangipahoa Parish Sheriff's Office.	\$ 24,382
\$350,000 issue of 1996 to open, construct, and improve public roads, highways, and bridges within District No. 101, due in annual installments of \$10,000 to \$30,000 through March 1, 2016, with interest at 5.1 to 10.0 percent. Debt retirement payments are made from the Road District No. 101 Debt Service Fund.	340,000
\$350,000 issue of 1996 to open, construct, and improve public roads, highways, and bridges within Sub-Road District No. 1 of District No. 101, due in annual installments of \$10,000 to \$30,000 through March 1, 2016, with interest at 5.1 to 10.0 percent. Debt retirement payments are made from the Sub-Road District No. 1 of Road District No. 101 Debt Service Fund.	340,000
\$200,000 issue of 1984 to construct and improve public roads, highways, and bridges within Sub-District No. 4A, due in annual installments of \$5,000 to \$20,000 through June 1, 2004, with interest ranging from 9.7 to 11.0 per cent. Debt retirement payments are made from the General Service Sub-District No. 4A Debt Service Fund.	45,000
\$900,000 issue of 1984 to construct, maintain, and improve public roads, highways, and bridges within Sub-District No. 5, due in annual installments of \$5,000 to \$110,000 through June 1, 2004, with interest ranging from 9.7 to 11.0 per cent. Debt retirement payments are made from the General Service Sub-District No. 5 Debt Service Fund.	135,000
\$900,000 issue of 1984 to construct maintain, and improve public roads, highways, and bridges within Sub-District No. 8, due in annual installments of \$5,000 to \$110,000 through June 1, 2004, with interest ranging from 9.7 to 11.0 per cent. Debt retirement payments are made from the General Service Sub-District No. 8 Debt Service Fund.	135,000

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\$570,000 issue of 1980 to acquire land, buildings, and equipment within Recreation District No. 2, due in annual installments of \$15,000 to \$70,000 through January 15, 1999, with interest ranging from 5.4 to 6.0 per cent. Debt retirement payments are made from the Recreation District No. 2 Debt Service Fund.

	15,000
Total General Obligation Bonds	\$ 1,034,382

At December 31, 1998, the council has accumulated \$355,816 in debt service funds for future debt requirement. This equals the debt service reserved fund balances of \$355,816. The annual requirements to amortize all obligations outstanding at December 31, 1998, including interest of \$485,620 for bonded debt and \$69,136 for capital leases, are as follows:

	General Obligation Bonds	Capital Leases	Judgements Payable	Total
1999	\$ 346,700	\$ 115,197	\$ 63,800	\$ 525,697
2000	90,933	115,198	63,800	269,931
2001	87,294	115,198	63,800	266,292
2002	87,828	115,198	48,152	251,178
2003 - 2007	338,694	115,198	-	453,892
2008 - 2012	315,503	-	-	315,503
2013 - 2016	253,050	-	-	253,050
	\$ 1,520,002	\$ 575,989	\$ 239,552	\$ 2,335,543

General obligation bonds of \$1,034,382 are payable from an annual ad valorem tax levy. In accordance with Louisiana Revised Statute 36:562, the council is legally restricted from incurring long-term bonded debt in excess of 10 per cent of the assessed value of taxable property in the parish. At December 31, 1998, the statutory limit is \$24,064,528.

16. LANDFILL CLOSURE AND POST-CLOSURE COSTS

State and federal laws and regulations require the Tangipahoa Parish Council to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. In addition to operating expenses relating to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and postclosure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and postclosure care costs is based on the amount of the landfill used during the year. The estimated liability for landfill closure and postclosure care costs has a balance of \$4,151,709 as of December 31, 1998, which is based on 87 percent usage (filled) of the landfill. The percentage usage reflects an update in the engineering estimate of percentage usage, and the related estimated liability for landfill closure and postclosure care costs required by the Louisiana Department of Environmental Quality (LDEQ) regulations for postclosure care of solid waste facilities. It is estimated that an additional \$610,517 will be recognized as closure and postclosure care expenses between the date of the balance sheet and the date the landfill is expected to be filled to capacity (2000). The estimated total current cost of the landfill closure and postclosure care \$4,151,709 is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31, 1998. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. In addition, total

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closure and postclosure costs, as well as estimates of percentage usage of the landfill, will change as any additional cells are permitted to accept additional waste.

The Tangipahoa Parish Council anticipates that the liability for closure and postclosure cost will be funded on a "pay-as-you-go basis", if allowed. Per Louisiana Revised Statute 30:2154, the provision was nullified that requires local governments operating landfills to provide insurance or proof of financial responsibility, as operators of solid waste processing or disposal facilities.

17. CRIMINAL COURT FUND

Louisiana Revised Statute 15:571.11 requires that one-half of any balance remaining in the criminal court fund at year end be transferred to the parish General Fund. The following details the amount due at December 31, 1998:

Balance Due at January 1, 1998	\$	37,914
Amount Due for 1998		7,258
Total		<u>45,172</u>
Amount Remitted During 1998		37,914
Balance Due at December 31, 1998	\$	<u><u>7,258</u></u>

18. DUE TO/FROM OTHER FUNDS

As of December 31, 1998, interfund receivables and payables that resulted from various interfund transactions were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Criminal Court Fund	\$ 7,258
General Fund	Garbage District No. 1 Fund	2,600
General Fund	Road and Bridge Fund	3,100
General Fund	Booker II Water Fund	100
General Fund	General Fund (W/H)	10,131
Administrative Fund	Animal Shelter Fund	15,937
Administrative Fund	General Fund(W/H)	1,015
Road and Bridge Fund	General Fund (W/H)	128,754
Garbage District Number 1	General Fund (W/H)	14,038
Criminal Court Fund	General Fund (W/H)	253
Health Unit Fund	General Fund (W/H)	2,000
Section 8 Housing Fund	General Fund (W/H)	110
Section 8 Voucher Fund	General Fund (W/H)	52
Animal Shelter Fund	General Fund (W/H)	225
Fire District Number 2	General Fund (W/H)	15
Sewerage District Number 1	General Fund (W/H)	1,972
		<u><u>\$ 187,560</u></u>

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 1998

19. INTERGOVERNMENTAL PAYABLE

Rural Fire District #2 had an intergovernmental payable of \$125,000 to the Loranger Fire Department at December 31, 1998.

20. LITIGATION AND CLAIMS

At December 31, 1998, the council is involved in litigation or is aware of 39 claims totaling an undetermined amount. Since all of the claims could be covered by insurance, future revenues, and fund surpluses, no amount has been recorded as a liability of the General Fund or General Long-term Liability.

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

The 21st Judicial District Court has ruled that the Tangipahoa Parish Council is the owner and operator of the Tangipahoa Parish Regional Landfill. That ruling is currently under appeal. The appeal seeks to restrict the use of landfill to the unincorporated areas of Tangipahoa Parish.

21. AMOUNT PAID PARISH PRESIDENT AND COUNCIL MEMBERS

Compensation paid to the Parish President and Council members for the year ending December 31, 1998, is as follows:

Gordon Burgess, President	\$ 68,184
Ronald Bankston	9,600
Carlo Bruno	9,600
Guy Buckley Jr.	9,600
Bobby Cortez	9,600
Debbie Edwards	9,600
William Fleet	9,600
George Holton	9,600
John "Pat" Jarrell	9,600
Michael Petitto	9,600
Howard Ridgel	9,600
Total Compensation	\$ 164,184

22. SUBSEQUENT EVENTS

On April 26, 1999, the Tangipahoa Parish Council approved a motion to cease the collection of out-of-parish solid waste at the landfill. This action of the council is to be effective June 1, 1999.

On October 14, 1998, the Tangipahoa Parish Council approved Ordinance 20 of 1998, to purchase Lots "A", "B", and "D" of the Subdivision of Block 61 of the Hyer Survey of the City of Hammond, Louisiana and the building located thereon and which property is currently used by the Tangipahoa Parish Library Board of Control for its Hammond Branch, at a price not to exceed \$600,000. Ordinance Number 22 of 1998, approved the purchase of Lots "F" and "G" of the Hyer Survey of the City of Hammond, Louisiana, at a price not to exceed

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 1998

\$50,000. The total of \$650,000 for the Hammond Library property was paid by the Tangipahoa Parish Council for the aforementioned properties on January 11, 1999.

As part of the agreement between the Tangipahoa Parish Council and the Tangipahoa Parish Library Board of Control, a total of \$200,000 was paid by the Tangipahoa Parish Library Board of Control to the Tangipahoa Parish Council General Fund.

23. YEAR 2000 ISSUE

The Tangipahoa Parish Council has performed a preliminary inventory of computer systems and other electronic equipment that may be affected by the year 2000 issue, and has taken significant action to achieve year 2000 compliance. This action consists of installation of the required year 2000 patch for the Windows NT operating system, obtaining year 2000 updates for accounting packages of the council, and verification of the year 2000 compliance for the recently installed software for the landfill. A contingency backup plan has been developed to run accounting packages on a single computer, if year 2000 problems should occur. However, the Council may be affected by software and computer systems of other agencies from which the Council receives funds. In addition, for Sewerage District No. 1 of Tangipahoa Parish, a component unit of the Tangipahoa Parish Council, year 2000 compliance may be affected by the operation of electrical components within utility plants, and by outside agents providing billing services for the sewerage district.

Because of the unprecedented nature of the year 2000 issue, its effect and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Tangipahoa Parish Council will be year 2000 ready, the council's remediation efforts will be successful in whole or in part, or that parties with whom the council does business will be year 2000 ready.

24. Prior Period Adjustment

A prior period adjustment of \$30,273 was made to correct the beginning unreserved retained earnings balance. The adjustment is for electricity expense refunds received and due at December 31, 1997, net of expenses of collection. The refunds were collected based on an independent study of prior electricity billings for operation of sewer plants of the district. The correction to the beginning unreserved retained earnings account balance of the district is as follows:

12/31/97	Unreserved Retained Earnings Balance (Before Prior Period Adjustment)	\$ (18,956)
	Correction of an Error:	
	Electricity Refunds, Net of Collection Expense	30,273
12/31/98	Unreserved Retained Earnings Balance (After Prior Period Adjustment)	\$ 11,317

SUPPLEMENTAL INFORMATION SCHEDULES

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended December 31, 1998

SPECIAL REVENUE FUNDS

ROAD AND BRIDGE FUNDS

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

ROAD LIGHTING DISTRICT FUNDS

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

GARBAGE DISTRICT NO. 1 FUND

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

RURAL FIRE PROTECTION DISTRICT NO. 2 FUND

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

HEALTH UNIT FUND

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

WITNESS FEES FUND

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

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
(Continued)
As of and for the Year Ended December 31, 1998

SPECIAL REVENUE FUNDS

CRIMINAL COURT FUND

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

STATE AND FEDERAL FUNDS

STATE-LOCAL GOVERNMENT ASSISTANCE FUND

The State-Local Government Assistance Fund accounts for the funds received from the State of Louisiana Mineral Enhancement Fund and their ultimate disbursements.

SECTION 8 HOUSING AND SECTION 8 VOUCHER FUNDS

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

ANIMAL SHELTER FUND

The Animal Shelter Fund accounts for transfers from the parish to construct a parish animal shelter.

SCHEDULE 1

TANGIPAHOA PARISH COUNCIL
 Amite, Louisiana
 SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 December 31, 1998

	ROAD AND BRIDGE	ROAD LIGHTING DISTRICTS	GARBAGE DISTRICT NO. 1	RURAL FIRE PROTECTION DISTRICT NO. 2	HEALTH UNIT	WITNESS FEES	CRIMINAL COURT	STATE AND FEDERAL		TOTAL
								FEDERAL	STATE	
ASSETS AND OTHER DEBITS										
Cash and cash equivalents	\$ 1,753,755	\$ 128,122	\$ 257,408	\$ 192,285	\$ 1,058,070	\$ 402,955	\$ (46,538)	\$ 161,691	\$ 3,907,748	
Receivables	748,510	7,273	925,289	1,285,314	353,905	2,604	105,400	0	3,428,295	
Due from other governments	0	0	0	0	0	0	0	3,489	3,489	
Due from other funds	128,755	0	14,573	15	2,000	0	253	387	145,983	
Total Assets	\$ 2,631,020	\$ 135,396	\$ 1,197,270	\$ 1,477,614	\$ 1,413,975	\$ 405,559	\$ 59,115	\$ 165,567	\$ 7,485,515	

LIABILITIES									
Accounts payable	\$ 1,035,324	\$ 301	\$ 77,547	\$ 62,147	\$ 13,981	\$ 0	\$ 44,600	\$ 11,760	\$ 1,245,660
Accrued Expenses	129,089	0	16,587	0	5,642	0	0	3,765	155,083
Due to other funds	3,100	0	2,600	0	0	0	7,258	15,937	28,895
Intergovernmental payable	0	0	0	125,000	0	0	0	0	125,000
Due to HUD	0	0	0	0	0	0	0	104,823	104,823
Total Liabilities	\$ 1,167,512	\$ 301	\$ 96,734	\$ 187,147	\$ 19,624	\$ 0	\$ 51,858	\$ 136,285	\$ 1,659,461

FUND EQUITY	
Unreserved-undesignated	\$ 1,463,507
Total Fund Equity	\$ 1,463,507
Total Liabilities and Fund Equity	\$ 2,631,020

Unreserved-undesignated	\$ 1,463,507	\$ 1,100,536	\$ 1,290,467	\$ 1,394,351	\$ 405,559	\$ 7,258	\$ 29,282	\$ 5,826,054
Total Fund Equity	\$ 1,463,507	\$ 1,100,536	\$ 1,290,467	\$ 1,394,351	\$ 405,559	\$ 7,258	\$ 29,282	\$ 5,826,054
Total Liabilities and Fund Equity	\$ 2,631,020	\$ 1,197,270	\$ 1,477,614	\$ 1,413,975	\$ 405,559	\$ 59,115	\$ 165,567	\$ 7,485,515

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

SCHEDULE 2

TANGIPAHOA PARISH COUNCIL
Amitc, Louisiana

SPECIAL REVENUE FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

For The Twelve Months Ended December 31, 1998

	ROAD AND BRIDGE	ROAD LIGHTING DISTRICTS	GARBAGE DISTRICT NO. 1	RURAL FIRE PROTECTION DISTRICT NO. 2	HEALTH UNIT	WITNESS FEES	CRIMINAL COURT	STATE AND FEDERAL	TOTAL
<u>REVENUES</u>									
Taxes:									
Sales	\$ 6,957,283	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,957,283
Ad valorem	0	8,304	615,252	1,154,301	340,922	0	0	0	2,118,779
Licenses and permits	0	0	0	0	0	0	9,665	0	9,665
Intergovernmental revenues:									
Federal grants	0	0	0	0	0	0	0	510,168	510,168
State funds:									
Parish transportation funds	1,091,214	0	0	0	0	0	0	0	1,091,214
State revenue sharing	0	0	181,041	418,787	55,612	0	0	0	655,440
State grants	47,271	0	0	89,166	0	0	0	0	136,437
Louisiana commission on law enforcement									
Fees, charges, and commissions for services	0	0	1,340,308	0	0	0	101,629	0	1,441,937
Fines and forfeitures	0	0	0	0	0	73,697	0	0	666,560
Interest	148,064	9,802	30,973	23,403	65,403	19,983	6,459	7,426	311,514
Other revenues	10,057	0	3,624	9,534	400	0	481	0	24,096
Total Revenues	8,253,889	18,106	2,171,199	1,695,191	462,337	93,680	609,469	619,222	13,923,094
<u>EXPENDITURES</u>									
General Government:									
Judicial	0	0	0	0	0	14,493	663,243	0	677,735
Public Safety	0	0	0	1,153,333	0	0	0	216,808	1,370,141
Public Works	9,290,749	20,229	3,145,257	0	0	0	0	0	12,456,236
Health and welfare	0	0	0	0	639,477	0	0	530,071	1,169,549
Debt Service:									
Principal	0	0	30,525	0	0	0	0	0	30,525
Interest and agent fees	0	0	538	0	0	0	0	0	538
Total Expenditures	9,290,749	20,229	3,176,320	1,153,333	639,477	14,493	663,243	746,879	15,704,724
Excess of Revenues Over (Under) Expenditures	(1,036,860)	(2,124)	(1,005,122)	541,858	(177,140)	79,187	(53,774)	(127,657)	(1,781,630)

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

TANGIPAROA PARISH COUNCIL
Amite, Louisiana
SPECIAL REVENUE FUNDS

**SCHEDULE 2
(Continued)**

COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For The Twelve Months Ended December 31, 1998

	ROAD AND BRIDGE	ROAD LIGHTING DISTRICTS	GARBAGE DISTRICT NO. 1	RURAL FIRE PROTECTION DISTRICT NO. 2	HEALTH UNIT	WITNESS FEES	CRIMINAL COURT	STATE AND FEDERAL	TOTAL
Proceeds from bond sales	\$ 0	\$ 0	\$ 506,853	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 506,853
Sale of fixed assets	61,440	0	144,214	0	0	4,180	1,415	211,248	211,248
Operating transfers in	200,000	0	0	0	0	0	105,000	305,000	305,000
Operating transfers out	(200,000)	0	0	0	0	(7,258)	0	(207,258)	(207,258)
Total Other Financing Sources (Uses)	61,440	0	651,067	0	0	(3,078)	106,415	815,844	
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(975,420)	(2,124)	(354,054)	541,858	(177,140)	79,187	(56,852)	(21,242)	(965,786)
Fund Balances at Beginning of Year	2,438,927	137,218	1,454,591	748,609	1,571,491	326,372	64,109	50,524	6,791,840
Fund Balances at End of Year	\$ 1,463,507	\$ 135,095	\$ 1,100,536	\$ 1,290,467	\$ 1,394,351	\$ 405,559	\$ 7,258	\$ 29,282	\$ 5,826,054

(Concluded)

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

TANGIPAHOA PARISH COUNCIL
 Amite, Louisiana
 SPECIAL REVENUE - ROAD AND BRIDGE FUNDS
 COMBINING BALANCE SHEET
 December 31, 1998

SCHEDULE 3

	<u>ROAD AND BRIDGE</u>	<u>ROAD AND BRIDGE CONTRACT</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 298,787	\$ 1,454,968	\$ 1,753,755
Receivables	498,510	250,000	748,510
Due from other funds	128,755	0	128,755
	<hr/>	<hr/>	<hr/>
Total Assets	\$ 926,052	\$ 1,704,968	\$ 2,631,020
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES</u>			
Accounts payable	\$ 138,162	\$ 897,162	\$ 1,035,324
Accrued Expenses	129,089	0	129,089
Due to other funds	3,100	0	3,100
	<hr/>	<hr/>	<hr/>
Total Liabilities	270,351	897,162	1,167,512
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<u>FUND EQUITY</u>			
Unreserved-undesignated	655,701	807,806	1,463,507
	<hr/>	<hr/>	<hr/>
Total Fund Equity	655,701	807,806	1,463,507
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Total Liabilities and Fund Equity	\$ 926,052	\$ 1,704,968	\$ 2,631,020
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

TANGIPAHOA PARISH COUNCIL
 Amite, Louisiana
 SPECIAL REVENUE - ROAD AND BRIDGE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 For The Twelve Months Ended December 31, 1998

SCHEDULE 4

	<u>ROAD AND BRIDGE</u>	<u>ROAD AND BRIDGE CONTRACT</u>	<u>TOTAL</u>
<u>REVENUES</u>			
Taxes:			
Sales	\$ 3,957,283	\$ 3,000,000	\$ 6,957,283
Parish transportation funds	1,091,214	0	1,091,214
State grants	47,271	0	47,271
Interest	39,837	108,227	148,064
Other revenues	10,057	0	10,057
	<hr/>	<hr/>	<hr/>
Total Revenues	5,145,662	3,108,227	8,253,889
<u>EXPENDITURES</u>			
Public Works	5,092,224	4,198,525	9,290,749
	<hr/>	<hr/>	<hr/>
Total Expenditures	5,092,224	4,198,525	9,290,749
	<hr/>	<hr/>	<hr/>
Excess of Revenues Over (Under) Expenditures	53,438	(1,090,298)	(1,036,860)
<u>OTHER FINANCING SOURCES (USES)</u>			
Sale of fixed assets	61,440	0	61,440
Operating transfers in	0	200,000	200,000
Operating transfers out	(200,000)	0	(200,000)
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	(138,560)	200,000	61,440
	<hr/>	<hr/>	<hr/>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(85,122)	(890,298)	(975,420)
	<hr/>	<hr/>	<hr/>
Fund Balances at Beginning of Year	740,823	1,698,105	2,438,927
	<hr/>	<hr/>	<hr/>
Fund Balances at End of Year	\$ 655,701	\$ 807,806	\$ 1,463,507
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
SPECIAL REVENUE - ROAD LIGHTING DISTRICT FUNDS
COMBINING BALANCE SHEET
December 31, 1998

SCHEDULE 5

	<u>ROAD LIGHTING DISTRICTS</u>				
	<u>NO. 1</u>	<u>NO. 2</u>	<u>NO. 3</u>	<u>NO. 4</u>	<u>TOTAL</u>
<u>ASSETS</u>					
Cash and cash equivalents	\$ 6,235	\$ 53,947	\$ 5,570	\$ 62,370	\$ 128,122
Receivables	2,717	477	3,573	507	7,273
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$ 8,952	\$ 54,424	\$ 9,143	\$ 62,877	\$ 135,396
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES</u>					
Accounts payable	\$ 108	\$ 21	\$ 151	\$ 21	\$ 301
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	108	21	151	21	301
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>FUND EQUITY</u>					
Unreserved-undesignated	8,844	54,403	8,992	62,856	135,095
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Equity	8,844	54,403	8,992	62,856	135,095
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Equity	\$ 8,952	\$ 54,424	\$ 9,143	\$ 62,877	\$ 135,396
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

TANGIPAHOA PARISH COUNCIL

Amite, Louisiana

SCHEDULE 6

SPECIAL REVENUE - ROAD LIGHTING DISTRICT FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 For The Twelve Months Ended December 31, 1998

	<u>ROAD LIGHTING DISTRICTS</u>				<u>TOTAL</u>
	<u>NO. 1</u>	<u>NO. 2</u>	<u>NO. 3</u>	<u>NO. 4</u>	
<u>REVENUES</u>					
Taxes:					
Ad valorem	\$ 2,870	\$ 377	\$ 4,543	\$ 514	\$ 8,304
Interest	1,319	3,102	1,217	4,164	9,802
Total Revenues	4,189	3,479	5,760	4,678	18,106
<u>EXPENDITURES</u>					
Public Works	1,440	7,015	3,274	8,501	20,229
Total Expenditures	1,440	7,015	3,274	8,501	20,229
Excess of Revenues Over (Under) Expenditures	2,749	(3,536)	2,486	(3,823)	(2,124)
Fund Balances at Beginning of Year	6,095	57,939	6,506	66,679	137,218
Fund Balances at End of Year	\$ 8,844	\$ 54,403	\$ 8,992	\$ 62,856	\$ 135,095

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

TANGIPAHOA PARISH COUNCIL
 Amite, Louisiana
 SPECIAL REVENUE - STATE AND FEDERAL FUNDS
 COMBINING BALANCE SHEET
 December 31, 1998

SCHEDULE 7

	<u>SECTION 8</u> <u>HOUSING</u>	<u>SECTION 8</u> <u>VOUCHER</u>	<u>ANIMAL</u> <u>SHELTER</u>	<u>TOTAL</u>
<u>ASSETS AND OTHER DEBITS</u>				
Cash and cash equivalents	\$ 86,898	\$ 72,981	\$ 1,813	\$ 161,691
Due from other governments	2,637	852	0	3,489
Due from other funds	110	53	225	387
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$ 89,644	\$ 73,885	\$ 2,037	\$ 165,567
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES</u>				
Accounts payable	\$ 218	\$ 0	\$ 11,542	\$ 11,760
Accrued Expenses	851	0	2,914	3,765
Due to other funds	0	0	15,937	15,937
Due to HUD	42,059	62,764	0	104,823
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	43,128	62,764	30,393	136,285
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<u>FUND EQUITY</u>				
Unreserved-undesignated	46,516	11,122	(28,356)	29,282
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Equity	46,516	11,122	(28,356)	29,282
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Total Liabilities and Fund Equity	\$ 89,644	\$ 73,885	\$ 2,037	\$ 165,567
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

TANGIPAHOA PARISH COUNCIL
 Amite, Louisiana
 SPECIAL REVENUE - STATE AND FEDERAL FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 For The Twelve Months Ended December 31, 1998

SCHEDULE 8

	<u>SECTION 8</u> <u>HOUSING</u>	<u>SECTION 8</u> <u>VOUCHER</u>	<u>ANIMAL</u> <u>SHELTER</u>	<u>TRUANCY</u> <u>PREVENTION</u>	<u>TOTAL</u>
<u>REVENUES</u>					
Intergovernmental revenues:					
Federal funds:					
Federal grants	\$ 385,455	\$ 117,029	\$ 0	\$ 7,684	\$ 510,168
Fees, charges, and commissions for services	1,432	325	99,871	0	101,629
Interest	2,626	1,225	3,574	0	7,426
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	389,513	118,580	103,446	7,684	619,222
<u>EXPENDITURES</u>					
General Government:					
Public Safety	0	0	216,808	0	216,808
Health and welfare	394,157	128,230	0	7,684	530,071
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	394,157	128,230	216,808	7,684	746,879
Excess of Revenues Over (Under) Expenditures	<hr/> (4,644)	<hr/> (9,651)	<hr/> (113,362)	<hr/> 0	<hr/> (127,657)
<u>OTHER FINANCING SOURCES (USES)</u>					
Sale of fixed assets	0	0	1,415	0	1,415
Operating transfers in	0	0	105,000	0	105,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	0	0	106,415	0	106,415
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<hr/> (4,644)	<hr/> (9,651)	<hr/> (6,947)	<hr/> 0	<hr/> (21,242)
Fund Balances (Deficit) at Beginning of Year	<hr/> 51,160	<hr/> 20,772	<hr/> (21,409)	<hr/> 0	<hr/> 50,524
Fund Balances (Deficit) at End of Year	<hr/> <hr/> \$ 46,516	<hr/> <hr/> \$ 11,122	<hr/> <hr/> \$ (28,356)	<hr/> <hr/> \$ 0	<hr/> <hr/> \$ 29,282

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

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended December 31, 1998

DEBT SERVICE FUNDS

ROAD DISTRICT NO. 101 FUND

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

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

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

ROAD DISTRICT NO. 202 FUND

The Road District No. 202 Fund accumulates monies to pay the January 15, 1965, bond issue of \$56,000. The bonds were issued to open, construct, and improve public roads, highways, and bridges in the district. Financing is provided by an annual property tax and interest earned on deposits.

SUB-ROAD DISTRICT NO. 1 OF ROAD DISTRICT NO. 202 FUND

The Sub-Road District No. 1 of Road District No. 202 Fund accumulates monies to pay a \$44,000 bond issue dated January 15, 1965. The bonds were issued to open, construct, and improve public roads, highways, and bridges in the sub-district. Financing is provided by an annual property tax and interest earned on deposits.

ROAD DISTRICT NO. 707 FUND

The Road District No. 707 Fund accumulates monies to pay a bond issue dated January 15, 1965, of \$650,000. The bonds were issued to open, construct, and improve public roads, highways, and bridges within the district. Financing is provided by an annual property tax and interest earned on deposits.

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
(Continued)
As of and for the Year Ended December 31, 1998

DEBT SERVICE FUNDS

SUB-ROAD DISTRICT NO. 1 OF ROAD DISTRICT NO. 808 FUND

All bonds of this fund were redeemed prior to 1994.

GENERAL SERVICE SUB-DISTRICT NO. 4A FUND

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

GENERAL SERVICE SUB-DISTRICT NO. 5 FUND

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

GENERAL SERVICE SUB-DISTRICT NO. 8 FUND

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

RECREATION DISTRICT NO. 1 FUND

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

RECREATION DISTRICT NO. 2 FUND

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

TANGIPAHOA PARISH COUNCIL
 Amite, Louisiana
 DEBT SERVICE FUNDS
 COMBINING BALANCE SHEET
 December 31, 1998

SCHEDULE 9

	<u>ROAD DISTRICT</u>	<u>GENERAL SERVICE DISTRICTS</u>	<u>RECREATION DISTRICTS</u>	<u>TOTAL</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 34,671	\$ 91,008	\$ 20,167	\$ 145,846
Receivables	35,986	183,388	0	219,374
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$ 70,656	\$ 274,397	\$ 20,167	\$ 365,220
	<hr/>	<hr/>	<hr/>	<hr/>
<u>LIABILITIES</u>				
Accounts payable	\$ 1,618	\$ 7,787	\$ 0	\$ 9,404
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	1,618	7,787	0	9,404
	<hr/>	<hr/>	<hr/>	<hr/>
<u>FUND EQUITY</u>				
Reserved for:				
Debt service	69,039	266,610	20,167	355,816
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Equity	69,039	266,610	20,167	355,816
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Equity	\$ 70,656	\$ 274,397	\$ 20,167	\$ 365,220
	<hr/>	<hr/>	<hr/>	<hr/>

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

TANGIPAHOA PARISH COUNCIL

Amite, Louisiana

DEBT SERVICE FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

For The Twelve Months Ended December 31, 1998

SCHEDULE 10

	<u>ROAD DISTRICTS</u>	<u>GENERAL SERVICE DISTRICTS</u>	<u>RECREATION DISTRICTS</u>	<u>TOTAL</u>
<u>REVENUES</u>				
Taxes:				
Ad valorem	\$ 41,879	\$ 169,110	\$ (217)	\$ 210,772
Interest	3,682	11,038	1,842	16,562
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	45,561	180,148	1,625	227,334
	<hr/>	<hr/>	<hr/>	<hr/>
<u>EXPENDITURES</u>				
General Government:				
Finance and Administrative	2,528	11,390	32	13,950
Debt Service:				
Principal	20,000	220,000	21,470	261,470
Interest and agent fees	44,480	44,836	12,928	102,244
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	67,008	276,226	34,430	377,664
	<hr/>	<hr/>	<hr/>	<hr/>
Excess of Revenues Over (Under) Expenditures	(21,447)	(96,078)	(32,805)	(150,330)
	<hr/>	<hr/>	<hr/>	<hr/>
Continued on the following page				
<u>OTHER FINANCING SOURCES (USES)</u>				
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(21,447)	(96,078)	(32,805)	(150,330)
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances at Beginning of Year	90,486	362,688	52,972	506,146
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances at End of Year	\$ 69,039	\$ 266,610	\$ 20,167	\$ 355,816
	<hr/>	<hr/>	<hr/>	<hr/>

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

TANGIPAHOA PARISH COUNCIL
 Amite, Louisiana
 DEBT SERVICE - ROAD DISTRICT FUNDS
 COMBINING BALANCE SHEET
 December 31, 1998

SCHEDULE 11

	<u>NO. 101</u>	<u>NO 101-1</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 11,583	\$ 23,088	\$ 34,671
Receivables	24,637	11,348	35,986
	<hr/>	<hr/>	<hr/>
Total Assets	\$ 36,220	\$ 34,436	\$ 70,656
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES</u>			
Accounts payable	\$ 1,105	\$ 512	\$ 1,618
	<hr/>	<hr/>	<hr/>
Total Liabilities	1,105	512	1,618
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<u>FUND EQUITY</u>			
Reserved for:			
Debt service	35,115	33,924	69,039
	<hr/>	<hr/>	<hr/>
Total Fund Equity	35,115	33,924	69,039
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Total Liabilities and Fund Equity	\$ 36,220	\$ 34,436	\$ 70,656
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

TANGIPAHOA PARISH COUNCIL
 Amite, Louisiana
 DEBT SERVICE - ROAD DISTRICT FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 For The Twelve Months Ended December 31, 1998

SCHEDULE 12

	<u>NO. 101</u>	<u>NO. 101-1</u>	<u>TOTAL</u>
<u>REVENUES</u>			
Taxes:			
Ad valorem	\$ 28,766	\$ 13,113	\$ 41,879
Interest	1,697	1,985	3,682
	<hr/>	<hr/>	<hr/>
Total Revenues	30,463	15,098	45,561
	<hr/>	<hr/>	<hr/>
<u>EXPENDITURES</u>			
General Government:			
Finance and Administrative	1,714	814	2,528
Debt Service:			
Principal	10,000	10,000	20,000
Interest and agent fees	22,260	22,220	44,480
	<hr/>	<hr/>	<hr/>
Total Expenditures	33,974	33,034	67,008
	<hr/>	<hr/>	<hr/>
Excess of Revenues Over (Under) Expenditures	(3,511)	(17,936)	(21,447)
	<hr/>	<hr/>	<hr/>
<u>OTHER FINANCING SOURCES (USES)</u>			
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(3,511)	(17,936)	(21,447)
	<hr/>	<hr/>	<hr/>
Fund Balances at Beginning of Year	38,626	51,860	90,486
	<hr/>	<hr/>	<hr/>
Fund Balances at End of Year	\$ 35,115	\$ 33,924	\$ 69,039
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

TANGIPAHOA PARISH COUNCIL
 Amite, Louisiana
 DEBT SERVICE - GENERAL SERVICE DISTRICT FUNDS
 COMBINING BALANCE SHEET
 December 31, 1998

SCHEDULE 13

	<u>NO. 4A</u>	<u>NO. 5</u>	<u>NO. 8</u>	<u>TOTAL</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 4,363	\$ 39,088	\$ 47,557	\$ 91,008
Receivables	22,889	95,366	65,133	183,388
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$ 27,252	\$ 134,454	\$ 112,691	\$ 274,397
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES</u>				
Accounts payable	\$ 943	\$ 4,023	\$ 2,820	\$ 7,787
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	943	4,023	2,820	7,787
	<hr/>	<hr/>	<hr/>	<hr/>
<u>FUND EQUITY</u>				
Reserved for:				
Debt service	26,309	130,431	109,871	266,610
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Equity	26,309	130,431	109,871	266,610
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Equity	\$ 27,252	\$ 134,454	\$ 112,691	\$ 274,397
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

TANGIPAHOA PARISH COUNCIL

Amite, Louisiana

SCHEDULE 14

DEBT SERVICE - GENERAL SERVICE DISTRICT FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 For The Twelve Months Ended December 31, 1998

	<u>NO. 4A</u>	<u>NO. 5</u>	<u>NO. 8</u>	<u>TOTAL</u>
<u>REVENUES</u>				
Taxes:				
Ad valorem	\$ 25,033	\$ 107,372	\$ 36,705	\$ 169,110
Interest	1,018	5,084	4,935	11,037
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	26,051	112,456	41,640	180,147
	<hr/>	<hr/>	<hr/>	<hr/>
<u>EXPENDITURES</u>				
General Government:				
Finance and Administrative	1,464	6,272	3,653	11,389
Debt Service:				
Principal	20,000	100,000	100,000	220,000
Interest and agent fees	6,019	19,405	19,412	44,836
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	27,483	125,677	123,065	276,225
	<hr/>	<hr/>	<hr/>	<hr/>
Excess of Revenues Over (Under) Expenditures	(1,432)	(13,221)	(81,425)	(96,078)
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances at Beginning of Year	27,741	143,652	191,296	362,689
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances at End of Year	\$ 26,309	\$ 130,431	\$ 109,871	\$ 266,611
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

TANGIPAHOA PARISH COUNCIL
 Amite, Louisiana
 DEBT SERVICE - RECREATION DISTRICT FUNDS
 COMBINING BALANCE SHEET
 December 31, 1998

SCHEDULE 15

	<u>NO.1</u>	<u>NO. 2</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 2,421	\$ 17,747	\$ 20,167
	<hr/>	<hr/>	<hr/>
Total Assets	\$ 2,421	\$ 17,747	\$ 20,167
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES</u>			
<u>FUND EQUITY</u>			
Reserved for:			
Debt service	2,421	17,747	20,167
	<hr/>	<hr/>	<hr/>
Total Fund Equity	2,421	17,747	20,167
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Total Liabilities and Fund Equity	\$ 2,421	\$ 17,747	\$ 20,167
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

TANGIPAHOA PARISH COUNCIL

Amite, Louisiana

SCHEDULE 16

DEBT SERVICE - RECREATION DISTRICT FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 For The Twelve Months Ended December 31, 1998

	<u>NO. 1</u>	<u>NO. 2</u>	<u>TOTAL</u>
<u>REVENUES</u>			
Taxes:			
Ad valorem	\$ (132)	\$ (85)	\$ (217)
Interest	497	1,346	1,843
	<hr/>	<hr/>	<hr/>
Total Revenues	365	1,261	1,626
	<hr/>	<hr/>	<hr/>
<u>EXPENDITURES</u>			
General Government:			
Finance and Administrative	7	25	32
Debt Service:			
Principal	0	21,470	21,470
Interest and agent fees	10,350	2,578	12,928
	<hr/>	<hr/>	<hr/>
Total Expenditures	10,357	24,073	34,430
	<hr/>	<hr/>	<hr/>
Excess of Revenues Over (Under) Expenditures	(9,992)	(22,812)	(32,804)
	<hr/>	<hr/>	<hr/>
Fund Balances at Beginning of Year	12,413	40,560	52,973
	<hr/>	<hr/>	<hr/>
Fund Balances at End of Year	\$ 2,421	\$ 17,748	\$ 20,169
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana

SCHEDULE 17

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 1998

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Cash/ Accrued Revenue at Dec. 31, 1997	Receipts or Revenue Recognized	Disburs./ Expend.	Cash/ Accrued Revenue at Dec. 31, 1998
US Federal Emergency Management Agency:					
Fema (DOC Number PV00007376)	83.544	\$ -	\$ 14,766	\$ 14,766	\$ -
Fema (DOC Number PV00008204)	83.544	-	-	32,505	(32,505)
Total US Federal Emergency Management Agency		\$ -	\$ 14,766	\$ 47,271	\$ (32,505)
US Department of Justice:					
<i>Bureau of Justice Assistance - Local Law Enforcement Block Grant (Pass thru from Louisiana Commission on Law Enforcement to Tangipahoa Parish Sheriff's Office)</i>					
	16.592	\$ -	\$ 118,165	\$ 118,165	\$ -
<i>Truancy Prevention Grant (Pass thru to Tangipahoa Parish Sheriff's Office)</i>					
	16.548	-	7,684	7,684	-
Total US Department of Justice		\$ -	\$ 125,849	\$ 125,849	\$ -
US Department of Housing and Urban Development Direct Programs:					
Section 8 Existing Housing Program	14.156	\$ 218,376	\$ 394,494	\$ 525,972	\$ 86,898
Section 8 Housing Voucher Program	14.177	143,547	124,167	194,733	72,981
Passed through State Division of Administration:					
LCDBG Contract # 101 6071	14.219	(390)	299,950	299,950	(390)
LCDBG Contract # 101 6072	14.219	100	107,035	107,036	99
Passed through Louisiana Dep. of Social Services, Office of Community Planning and Development:					
Emergency Shelter Grant Program (DOA # 370-800447)	14.231	655	7,305	7,305	655
Total US Department of Housing and Urban Development		362,288	932,951	1,134,996	160,243

TANGIPAHOA PARISH COUNCIL
Amite, Louisiana

SCHEDULE 17
(Continued)

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 1998

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Cash/ Accrued Revenue at Dec. 31, 1997	Receipts or Revenue Recognized	Disburs./ Expend.	Cash/ Accrued Revenue at Dec. 31, 1998
Total Federal Awards		<u>\$ 362,288</u>	<u>\$ 1,073,566</u>	<u>\$ 1,308,116</u>	<u>\$ 127,728</u>

The Schedule of Expenditures of Federal Awards presented above is a summary of the activity of the Tangipahoa Parish Council's Federal Awards programs, and does not present transactions that would be included in the financial statements of the Tangipahoa Parish Council, based on the accrual basis.

(Concluded)

TANGIPAHOA PARISH COUNCIL

SCHEDULE 18

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 1998

Section I - Internal Control and Compliance Material to the Financial Statements

Reference Numbers: 95-P2

Fiscal Year Finding Initially Occurred: 12/31/95

Description of Findings:

During fiscal year 1996, and for part of fiscal year 1997, the council was subtracting a five-year buyback amount for equipment purchases from the bid price received to arrive at the lowest price. This was in violation of the requirement that the bid price be a firm figure. Clarification was received from the Attorney General's office, in a letter dated September 11, 1997, indicating that a buy-back agreement was acceptable if, when the GBB is used, all bidders compete on a level playing field where each is required to meet the same GBB provisions as the other. Parish Council officials and administrative staff met with the Attorney General's office to review existing bid procedures involving guaranteed buyback provisions (GBB), have revised the procedures for GBB, and have reviewed the revised procedures with the Attorney General's office. Terms and conditions of the buyback are now specified by the Tangipahoa Parish Council and are included within an agreement entitled "Tangipahoa Parish Council Guaranteed Repurchase Agreement". The bidder must list the buyback amount on this form and sign the form agreeing to the terms and conditions of the buyback. The administration has also revised the bid tabulation form to evaluate differences in financing costs associated with buyback provisions.

Compliance was listed as partial in the prior fiscal year, since changes in bid procedures were not finalized until fiscal year 1997, and we noted that compliance as related to "buy-back" provisions should be reviewed for fiscal year 1998. No additional findings were noted in the review of bid awards involving "buy-back" provisions for fiscal year 1998.

Correction Action Taken: Final

Additional Explanation:

Parish Council officials and administrative staff feel that bid procedures involving guaranteed buyback provisions (GBB) have been amended to insure that the lowest responsible bidder is selected.

TANGIPAHOA PARISH COUNCIL

SCHEDULE 18

Summary Schedule of Prior Audit Findings For the Year Ended December 31, 1998 (Continued)

Reference Numbers: 95-P4

Fiscal Year Finding Initially Occurred: 12/31/95

Description of Findings:

Findings for the fiscal years ending December 31, 1995, 1996, and 1997 indicated that Sewerage District No. 1 was not in compliance with the following covenants in connection with the issuance of \$800,000 of Sewer Revenue Bonds:

Items A & B. These two findings relate to the deficit in retained earnings and the bond compliance requirement to maintain a bond-debt coverage factor of at least 120%. With the issuance of the 1993 Revenue Bonds, the Sewerage District covenants that they will provide revenues sufficient to pay the reasonable expenses of operating and maintaining the system, and to fund all obligations of the district, including required reserves or sinking funds for bonded indebtedness. The district further covenants that they will provide revenues, after paying all reasonable and necessary expenses of operating and maintaining the system, at least equal to 120% of the largest amount of principal and interest (bond-debt coverage factor) maturing on the bonds, and any subsequently issued parity bonds, in any succeeding fiscal year.

As reported in the financial audit for fiscal year 1997, the district continued to show a deficit in unreserved retained earnings of \$(18,956) for the fiscal year ending December 31, 1997, which represented an increase in the deficit of \$(10,193) reported for the fiscal year ending December 31, 1996. Although the bond debt coverage factor of 132% for the fiscal year ending December 31, 1997, was above the required ratio of 120%, the ratio for the fiscal year ending December 31, 1996, was 202%.

Item C. This finding noted that the sewerage district had not complied with bond requirements for approving policies for disconnect of past due accounts. The original bond resolution specified that past due accounts must be disconnected within 30 days of the past due date. In order to comply with bond covenants, the Tangipahoa Parish Council approved an ordinance requiring that water companies in Tangipahoa Parish, providing billing services for Sewerage District No. 1, must disconnect past due accounts in accordance with the prescribed time period for utility payment of said water company. The Rural Utilities Service office also requires concurrent action by the sewerage district, and this change in disconnect policy must be approved by the bondholder, represented by the U.S. Department of Agriculture, Rural Utilities Service (RUS) Office.

TANGIPAHOA PARISH COUNCIL

SCHEDULE 18

**Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 1998
(Continued)**

Correction Action Taken: Partially

Partial Corrective Action Taken:

In relation to Items A & B above, a deficit in unreserved retained earnings of \$18,956 was previously reported for the fiscal year ending December 31, 1997. Restatement of the financial statements for the fiscal year ending December 31, 1997, for the effect of a prior period adjustment, as noted in Footnote 24 (Prior Period Adjustment), would increase net income by \$30,272. With the effect of the prior period adjustment, the district would report an unreserved retained earnings balance of \$11,316, instead of the previously reported deficit in unreserved retained earnings of \$18,956 for the fiscal year ending December 31, 1997. For the fiscal year ending December 31, 1998, the district reported a positive retained earnings balance of \$54,028, and increased the bond debt coverage factor to 235%.

In response to Finding "C" above, the sewerage district corrected this finding by approving a resolution providing that sewerage district customer accounts be disconnected for nonpayment within thirty days and that all billing agents must notify the sewerage district at the time of disconnect of any sewerage customers, providing the date of disconnect, the amount owed to the district, and any address changes. This resolution was forwarded to the Rural Utilities Service, U.S. Department of Agriculture, for approval.

Additional Explanation:

Corrective action for Finding "A & B" is final, since there is no longer a deficit in unreserved retained earnings, and there has been a significant improvement in the bond debt coverage ratio. Corrective action for Finding "C" is listed as partial since the sewerage district must continue to monitor and determine compliance by billing agents to the approved disconnect policy

Reference Numbers: 96-P3

Fiscal Year Finding Initially Occurred: 12/31/96

Description of Findings:

This finding related to establishing policies for charging penalties, interest on past due accounts, and charges for reconnect fees for Sewerage District No. 1 of Tangipahoa Parish. The original bond resolution requires that a penalty charge of 10% will be charged on all delinquent accounts, interest of not less than 5% per annum will be charged on delinquent accounts after 10 days from the date of delinquency, and a reconnect fee will be assessed when the delinquent account is reconnected. We found no evidence that these charges were being assessed by the water companies providing billing services for the sewerage district.

TANGIPAHOA PARISH COUNCIL

SCHEDULE 18

**Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 1998
(Continued)**

Corrective Action Taken: Partial

Partial Corrective Action Taken:

The Board of Commissioners of Sewerage District No. 1 corrected this finding by notifying billing agents for the sewerage district that the same penalty as is charged for water service by utility companies will apply to sewer district billings, subject to a minimum of 5% to be charged on the past due amount. Penalties will be charged only on the current billing, and not on accumulated past due balances. Copies of this policy were provided to billing agents, with copies of the notification provided to the Rural Utilities Service, U.S. Department of Agriculture.

Additional Explanation:

The sewerage district has complied with bond requirements for the adoption of policies for charging penalties on past due accounts. The only action required by the district is to monitor compliance to policy implementation by billing agents for the district.

Reference Number: 97-C2

Description of Finding:

As of December 31, 1997, the sewerage district had not determined the amount of uncollectible accounts receivable, nor had an aging of accounts receivable been developed. During fiscal year 1998, the sewerage district formally notified each of the billing agents that this information must be provided on a monthly basis. As of December 31, 1998, the district was able to compile an aging of accounts receivable, based on information provided by the billing agents, but considerable time was needed to compile the listing. An aging was not provided on a monthly basis during 1998 for review by the Board of Commissioners for the sewerage district.

Corrective Action Taken: Partial

Partial Corrective Action Taken:

The sewerage district formally notified each of the billing agents that all billing agents must notify the sewerage district at the time of disconnect of any sewerage customers, providing the date of disconnect, the amount owed to the district, and any address changes. As of December 31, 1998, the district was able to compile an aging of accounts receivable, based on information provided by the billing agents.

TANGIPAHOA PARISH COUNCIL

SCHEDULE 18

Summary Schedule of Prior Audit Findings For the Year Ended December 31, 1998 (Continued)

Additional Explanation:

Corrective action taken is listed as partial, since the billing agents must still make the required programming changes to provide a monthly aging of accounts receivable for sewerage district accounts. The sewerage district will need to continue to monitor compliance by the billing agents, and will need to monitor the progress of billing agents in implementing new utility billing programs.

Reference Number: 97-C3

Description of Finding:

As part of the fiscal year 1997 financial audit, and at the request of administrative staff of the Parish Council, we reviewed the internal controls for the receipt and disbursement of funds by the Tangipahoa Parish Animal Shelter (a special revenue fund of the Tangipahoa Parish Council). As a result of our review, we included the following recommendations to improve internal controls for cash collections:

1. Minimize the collection of cash receipts.
2. Adoption contracts and impoundment receipts should be pre-numbered. We recommend that Shelter personnel review the system now in effect by the Tangipahoa Parish Building Permit Office.
3. A daily report should be prepared detailing cash receipts by category, deposits should be reconciled to the daily report, and deposits must be made daily in conformance with State law.
4. Deposit slips, daily reports, and copies of pre-numbered documents should be forwarded to the council daily for processing by the accounting department. All pre-numbered documents should be accounted for, including voided documents.
5. Per review with the legislative auditor's office, donations for a separate entity should not be accepted by Tangipahoa Parish Council personnel. Deposits can be accepted but they should be placed in a separate container, and there should be a written agreement with the non-profit group indicating that the non-profit group retains sole responsibility for picking up the receipts and depositing the receipts.
6. Any discounts for Animal Shelter services granted to employees should be discontinued since this may constitute a violation of State law.

TANGIPAOA PARISH COUNCIL

SCHEDULE 18

Summary Schedule of Prior Audit Findings For the Year Ended December 31, 1998 (Continued)

As part of the financial audit for the fiscal year ending December 31, 1998, we again reviewed the internal controls for cash receipts and collections, and noted substantial compliance to the above recommendations, with the following exceptions:

1. Adoption contracts and impoundment receipts are not pre-numbered.
2. Copies of these documents are not forwarded to the council each day with the daily report.

We noted that the documents are traceable by assigned numbers per animal, to a database that recaps collections, and that this procedure represents a significant improvement in operations. However, the audit trail is often difficult to follow since copies of these source documents are not attached to the daily report and forwarded to the council. In many cases, source documents consist of several pages and it may be impractical to attach all copies to daily reports. Since there must be support for all deposits, we recommend that the animal shelter either attach copies of source documents supporting amounts in the daily report, or use a system of pre-numbered receipts that reference source documents, and that can be reconciled to deposit totals.

In relation to disbursements, our recommendation to improve internal controls were as follows:

1. Requisitions should be approved by the Department Head of the Animal Shelter, as is done with other departments of the Tangipahoa Parish Council, and submitted to the Parish Council to obtain purchase orders.
2. Requests for payment of veterinary bills should be approved by the Department Head and submitted to the Parish Council accompanied by the veterinarian's invoice.
3. Minimize situations in which employees pay for expenses of the Shelter and are reimbursed.

For the review of internal controls for disbursements conducted during the 1998 financial audit, we noted substantial compliance to the above recommendations.

Corrective Action Taken: Partial

Partial Corrective Action Taken:

Management of the Tangipahoa Parish Council will review existing procedures for cash collections and will take the necessary steps to ensure that evidence of source documentation is attached to support all deposits of the Tangipahoa Parish Animal Shelter.

Additional Explanation:

Corrective action taken is listed as "partial" pending compliance to recommendations to improve documentation supporting daily deposit totals.

TANGIPAHOA PARISH COUNCIL

SCHEDULE 18

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 1998
(Continued)

Reference Number: 97-C4

Description of Finding:

A finding for the financial audit for the fiscal year ending December 31, 1997, noted that based on a verbal complaint filed, it was found that the Parish Landfill Superintendent took two Parish employees, on parish time and in a parish vehicle to move personal property from Hammond to his new residence in Amite. Upon notification of the complaint, the Landfill Superintendent was reprimanded for the occurrence and a total of \$43.20 was reimbursed to the Parish by the Superintendent. Investigation by the Tangipahoa Parish Sheriff's department indicated that a total of \$83.00 was also due as reimbursement, including \$50.00 for two hours of time for the Superintendent, plus \$33.00 estimated cost of rental for a vehicle.

We recommended that the Council review the payroll records of the Superintendent for the week in question. If the Superintendent did not work the required additional hours for the week in question, and the amount is determined to be due, final reimbursement should be made to the Parish Council. Administrative staff of the council indicated that they would review this matter again and make a final determination on the amount of reimbursement due the council.

Corrective Action Taken: Final

Additional Explanation:

Corrective action taken is listed as "final" per discussion with the Tangipahoa Parish District Attorney's office. The District Attorney has met several times with parties involved in this case. Restitution has been made and it is not anticipated that further action or charges are to be filed on this matter.

Section II - Internal Control and Compliance Material to Federal Awards

No findings for Section II.

TANGIPAHOA PARISH COUNCIL

SCHEDULE 18

**Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 1998
(Continued)**

Section III - Management Letter

Reference Number: 96-M1

Fiscal Year of Initial Management Recommendation: Fiscal Year Ending 12/31/96

Description of Finding:

For the fiscal year ending December 31, 1996, we noted that under provisions of the Unclaimed Property Statute (Act 829 of the 1986 Regular Session of the Louisiana Legislature) governmental agencies are required to report unclaimed property to the State. Unclaimed property as of December 31, 1996, consisted of \$1655.63 in outstanding checks in the old pooling account for the Tangipahoa Parish Council. For the fiscal year ending December 31, 1997, management of the council indicated that the amount in the old pooling account was transferred to the new account for the Tangipahoa Parish Council, and a list was developed of all parties to which the checks are owed. The required forms for returning unclaimed property were requested from the State, and the monies were to be transferred to the State.

It was stated by management, for the fiscal year ended December 31, 1998, that a major part of the funds were in actuality voided checks, and that funds have not been returned to the State. We recommend that a revised list of these checks be developed immediately, and any amounts not traceable to voided checks be returned to the State.

Corrective Action Planned:

We will develop this list immediately and return any unclaimed funds to the State.

Corrective action taken: Partially

Additional Explanation:

Corrective action continues to be partial until the funds are returned to the State.

TANGIPAOA PARISH COUNCIL

SCHEDULE 18

**Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 1998
(Continued)**

Reference Number: 96-M5

Fiscal Year of Initial Management Recommendation: Fiscal Year Ending 12/31/96

Description of Finding:

We noted in the management letter for the fiscal year ended December 31, 1996, that the fidelity bond of the billing agent should be checked to determine if it also provides coverage for Sewerage District # 1 of Tangipahoa Parish, in the event of a fidelity loss. This clarification is required since water fees are collected by the billing agent, and the fidelity bond is issued in the name of the billing agent. Initial indications were that fidelity bonds for billing agents protect the interests of the district. However, the fidelity bond provisions indicate that "...The property covered under this insurance is limited to property that you own or hold; or for which you are legally liable. However, this insurance is for your benefit only." Upon review during the current financial audit, the State Rural Utilities Service office issued the following opinion:

In reviewing this matter with OGC, the fidelity bond requirements of our procedure must be met at a minimum. Therefore, Rural Development must be named as co-obligee and the agreement between the borrower and the billing agent must state that the billing agent is liable for the collections received. This contract should also be specifically referenced in the fidelity bond. Therefore, the borrower is protected in accordance with RUS Instructions.

We recommend that the sewerage district immediately notify the billing agent of the above bond requirements, and follow-up to determine that their interests are protected.

Corrective action taken: Partially

Partial Corrective Action Taken:

We will forward the above bond requirements to our billing agent, and will follow-up on recommended changes in bond policy provisions, and changes in our contract with the billing agent.

Additional Explanation:

Corrective action is listed as partial until the sewerage district determines that their interests are protected.

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 1998
(Continued)

Reference Number: 97M-1

Description of Findings:

As part of the financial audit for the Tangipahoa Parish Council for the fiscal year ending December 31, 1997, and in response to an investigative report issued by the Tangipahoa Parish Sheriff's Office, audit procedures were expanded to include a more in-depth analysis of the procedures for accepting waste, recording data on waste collection and disposal, and reporting cash and charge collections for the Tangipahoa Parish Regional Landfill.

Findings and recommendations included within the fiscal year 1997 audit are included below, and are immediately followed by responses by the Tangipahoa Parish Council:

1. Procedures require that all waste haulers "weigh-in" at the front station. While the truck is on the scales, a "scaled weight" for the vehicle registers on a meter in the front station office. The "scaled weight" is then manually input into the software program for solid waste haulers, and into a separate program for the septic waste haulers. The weights input into the programs determine the charge that will apply for the hauler.

Although we found no indication that incorrect weights were being input into the programs, the input of weights of loaded vehicles is generally under the control of one person. Since there are no procedures for checking the accuracy of input, anyone could question whether vehicles are being weighed in at correct loaded weights. We recommend that the Parish Council review software options and programs that permit the scaled weight of the vehicle to be automatically recorded into the program that calculates the charge.

Corrective action taken: Final

Additional Explanation:

A new software package was implemented that interfaces with the scales to automatically record the "scaled weight" of vehicles entering the landfill.

2. For most haulers, a "T.A.R.E." weight (weight without a load) is input into the software, and according to landfill procedures, is re-checked every three months. Once the "scaled weight" is input into the landfill program, the "T.A.R.E." weight is subtracted and a charge calculated. Although it was a stated practice that "T.A.R.E." weights are periodically updated, we found no written evidence that these weights had been updated for the fiscal year ending December 31, 1997.

We recommend that the Parish Council consider one of two options. In the review of software that will allow the "scaled weight" to interface with the landfill software, we recommend that options also be reviewed that provides an audit trail producing printouts indicating that "T.A.R.E." weights have been updated. Software, if available, should also provide automatic notification of when "T.A.R.E." weights should be updated. Without this change in software capability, we recommend that vehicles be weighed when they are entering and leaving the landfill.

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 1998
(Continued)

Corrective action taken: Final

Additional Explanation:

The new software package for the landfill automatically notifies the user when "T.A.R.E." weights must be updated.

3. The Tangipahoa Parish Sheriff's investigative report noted forty violations in which the required permits were not included in the commercial hauler's trucks. Requirements to include the permit within the vehicle for the solid waste hauler are included in Tangipahoa Parish Council Ordinance No. 2 of 1989. Upon review, we noted that the building official of the Parish Council monitors the requirements for issuance of permits and provides the landfill office with a list of haulers that are permitted. We reviewed parish records to determine that the permits were issued as required, and found that permits had been issued for all of the haulers, with the exception of one septic waste hauler. The above mentioned ordinance does not specify that local permits are required for septic waste haulers.

The parish council appears to be issuing permits as required. We recommend that this matter be reviewed with legal counsel to determine if the permits must be included within vehicles, or if a revision of the original ordinance is required. We also recommend that the ordinance be amended to include required permits for all commercial haulers.

Corrective action taken: Partial

Partial Corrective Action Taken:

Management of the Tangipahoa Parish Council is of the opinion that current policies of posting lists of carriers with occupational licenses is sufficient to ensure that all carriers have the required occupational licenses. However, since this involves a requirement as stated in an ordinance of the council, we will refer this matter to legal counsel for review.

Additional Explanation:

Corrective action will be listed as "partial" until review by legal counsel.

4. Questions were included in the Tangipahoa Parish Sheriff's report on the location of haulers. We reviewed documentation on the commercial haulers in question, and found no evidence that loads were being accepted from "prohibited haulers". However, the Parish Council approved Ordinance No 97-01, prohibiting acceptance of waste from six parishes in heavily industrialized locations, and as of June 1, 1998, prohibits acceptance of waste from the State of Mississippi. Current procedures require the input of the location into the software program, based on knowledge of the driver, and where that hauler generally hauls from. Per discussion with the Department of Environmental Quality, a "manifest" system that would document the source of the waste is not required for solid waste facilities.

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 1998
(Continued)

Although not required for solid waste haulers, we recommend that the Parish Council consider increasing the level of documentation required to substantiate the origin of the waste. This could be in the form of documentation required for each load or in periodic verification of the monthly logs of commercial haulers.

Corrective action taken: Final

Additional Explanation:

As of June 1, 1999, the Tangipahoa Parish Landfill will no longer accept waste from outside the parish of Tangipahoa. Management of the council is of the opinion that current procedures involving checking driver's license, and requesting additional documentation if there is a question on the origin of the hauler, should be sufficient to determine that waste from outside the parish is not accepted.

5. Questions were included in the Tangipahoa Parish Sheriff's report on the types of waste being accepted into the landfill. Although, we found no violations of permit restrictions, there were questions and observations on the following:

a. Per review with the Department of Environmental Quality, sludge from the City of Hammond can be accepted and dumped as solid waste into the landfill. The facility is also permitted to accept waste in a separate treatment facility for septic tank waste. The requirements for inspection and testing of the sludge are the primary responsibility of the City of Hammond, and upon request, the record of testing was provided. The requirements to test effluents of the landfill sewage waste treatment facility are met by the Sewerage District of Tangipahoa Parish.

Although the testing of sludge is a primary responsibility of the City of Hammond, we recommend that reports on testing and compliance be requested from the City of Hammond, as required. The parish council should also receive all reports on testing of effluents for the sewage treatment facility.

Corrective action taken: Final

Additional Explanation:

Management of the Tangipahoa Parish Council responded to this finding by stating that the Landfill does not currently receive such reports. They indicated that this was the responsibility of the sewerage district for 1998, and through May, 1999. Beginning June 1, 1999, the Landfill will keep all appropriate records.

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 1998
(Continued)

b. It was noted that the facility is permitted for accepting septic waste. As a normal practice, sand included in the load cannot be dumped in the septic waste treatment facility since it will clog the pumps. The sand is dumped into the cells for solid waste and is visually inspected to insure that liquid is not included in the load.

We recommend that the parish council contact the Department of Environmental Quality to determine if the visual inspection of the septic sand waste meets the requirements of the "paint filter test" included in the permit for the landfill.

Corrective action taken: Final

Additional Explanation:

Management of the Tangipahoa Parish Council responded that based on their discussion with engineers the paint filter test applies only to domestic sewer sludge and not other types of waste. The item in question involved the dumping of a load of sand from a car wash clean out. The landfill is permitted to take this type of waste in the waste cell.

c. In our review we noted that it is a policy of the landfill to place two "spotters" to visually inspect the dumping of solid waste. If unacceptable waste is noted, the report is called to the front station and a waste inspection report is completed by personnel in the front station. Waste inspection reports are also completed by personnel in the front station on loads that are not allowed to enter the landfill, and the type waste that is typical for that hauler is recorded on the charge ticket. Other than these reports, a log is not maintained by the "spotters" on solid waste dumped into the landfill.

We recommend that the parish council check with the Department of Environmental Quality to determine if it is standard practice for "spotters" to maintain a log indicating the type waste dumped into the landfill.

Corrective action taken: Final

Additional Explanation:

Management of the Tangipahoa Parish Council contends that current procedures in effect are sufficient since the Department of Environmental Quality does not require spotters in the active area to maintain a log.

TANGIPAHOA PARISH COUNCIL

SCHEDULE 18

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 1998
(Continued)

6. This item referred to the funding of closure and postclosure costs. Discussion of this item is now included within the "Correction Action Plan for Current Year Findings" as Reference No. 98-C3.

Reference Number: 97M-2

Description of Findings:

For the fiscal year ended December 31, 1997, it was noted in review with legal counsel that the Budget Ordinance dictates the salaries to be paid that are under the discretion of the Parish President. The Budget Ordinance is subsequently approved by the Parish Council. However, it was also noted that the original motion, dated January 24, 1994, hiring a compliance officer for federal programs, specified that position was to be on a part-time basis, not to exceed a salary of \$25,000 per year. Since that time, the duties of the compliance officer have been expanded, and the annual salary increased, with a total salary of \$27,186 paid for 1997, and \$28,300 paid for 1998. Since the original motion specified a maximum salary of \$25,000, we recommended that corrective action needs to be made in the Council's minutes to correct this discrepancy.

Corrective Action Planned (Response by Management):

The Tangipahoa Parish Home Rule Charter does not give the Council the responsibility or the authority to set the pay rate for any employees of the Parish, except for the Finance Director, the Public Works Director, and the Council's Clerk. The increases in pay were properly authorized and approved by the Parish President to compensate for increases in the scope of services performed and cost of living.

Corrective action taken: Final

Additional Explanation:

The salary increases appear to be within the authority granted to the Parish President by the Home Rule Charter.

TANGIPAHOA PARISH COUNCIL

SCHEDULE 19

Corrective Action Plan for
Current Year Audit Findings
For the Year Ended December 31, 1998

Section I - Internal Control and Compliance Material to the Financial Statements

Reference Number: 98-C1

Description of Finding:

Budget procedures applicable to amending budgets are specified in Louisiana Revised Statutes 39:1301-1314, and in Article V, Section 5-02 through 5-06 of the Tangipahoa Parish Home Rule Charter. The revised statutes require the council to amend budgets when actual expenditures within a fund exceed budgeted expenditures by five percent or more, or revenue collections within a fund fail to meet estimated annual budgeted revenues by five percent or more. In each of the three prior fiscal years, exceptions were noted. For the fiscal year ending December 31, 1997, the findings were as follows:

Road & Bridge Fund	-	Actual expenditures exceeded budgeted expenditures by 12.92%.
Road & Lighting District No. 3	-	Actual expenditures exceeded budgeted expenditures by 17.20%.
Rural Fire Protection Dist. No. 2	-	Actual expenditures exceeded budgeted expenditures by 27.00%.
Animal Shelter	-	Actual expenditures exceeded budgeted expenditures by 10.23%

For the fiscal year ending December 31, 1998, findings were as follows:

Road & Bridge Contract Fund	-	Actual expenditures exceeded budgeted expenditures by 28.59%.
Road Lighting District No. 2	-	Budgeted revenues exceeded actual revenues by 83.28%.
Road Lighting District No. 4	-	Budgeted revenues exceeded actual revenues by 77.73%.
Health Unit	-	Budgeted revenues exceeded actual revenues by 43.30%

Corrective Action Plan for
Current Year Audit Findings
For the Year Ended December 31, 1998

Corrective Action Planned:

Management of the Tangipahoa Parish Council stated that the budget variance was due to unexpected financial adjustments made following the close of the fiscal year. The Tangipahoa Council will in the future attempt to more closely anticipate the effect of year-end adjustments on actual revenues and expenditures.

Name of Contact Person:

Buddy Wier, Finance Director,
Tangipahoa Parish Council
(504) 748-3211

Anticipated Completion Date:

We will continue to monitor the need for budget adjustments, and will more closely review the necessity of budget amendments at fiscal year end.

Reference Number: 98-C2

Description of Finding:

It was noted within Footnote 23 (Year 2000 Issue) of the *Notes to the Financial Statements*, that the Tangipahoa Parish Council has performed a preliminary inventory of computer systems and other electronic equipment that may be affected by the year 2000 issue, and that significant action has been taken to achieve year 2000 compliance. This action consists of installation of the required year 2000 patch for the Windows NT operating system, obtaining year 2000 updates for accounting packages of the council, and verification of the year 2000 compliance for the recently installed software for the landfill. A contingency backup plan has been developed to run accounting packages on a single computer, if unanticipated year 2000 problems should occur. However, a complete inventory should be made of the remaining computer systems and software packages to determine year 2000 compliance. In addition, the Council may be affected by software and computer systems of other agencies from which the Council receives funds. Finally, as noted for Sewerage District No. 1 of Tangipahoa Parish, a component unit of the Tangipahoa Parish Council, year 2000 compliance may be affected by the operation of electrical components within utility plants, and by outside agents providing billing services for the sewerage district.

We recommend the following actions to achieve year 2000 compliance:

- 1) Continue efforts to achieve year 2000 compliance by inventory and update, where necessary, of the remaining computer and software systems of the Council.
- 2) Monitor compliance by agencies forwarding receipts to the Council.
- 3) Monitor year 2000 compliance of the Sewerage District, including efforts of agencies, providing billing services for the sewerage district, to achieve year 2000 compliance.

TANGIPAHOA PARISH COUNCIL

SCHEDULE 19

Corrective Action Plan for
Current Year Audit Findings
For the Year Ended December 31, 1998

Corrective Action Planned:

We will continue our efforts to achieve year 2000 compliance, and will, to the extent possible, monitor the year 2000 compliance of agencies forwarding receipts to the council, as well as year 2000 compliance for agencies providing billing services for the sewerage district.

Anticipated Completion Date:

Year 2000 compliance actions are currently in progress and will continue through the end of the year 1999.

Name of Contact Person:

Buddy Wier, Finance Director,
Tangipahoa Parish Council
(504) 748-3211

Reference Number: 98-C3

Description of Finding:

This finding was previously included within Finding 97-M3 within the financial audit for the fiscal year ending December 31, 1997.

We noted in the findings for the prior year financial audit, that projected costs for "closure" and "postclosure costs" are confirmed with the landfill engineer and reported as part of a debt of the Tangipahoa Parish Council. Per concurrent resolution of the Louisiana Legislature, it is no longer a requirement for local governments to provide evidence of financial responsibility to fund these costs. All that is required is that the Parish Council provide certification, which has been done, to indicate that the Council has the assets necessary to fund these costs for the landfill. Although not a requirement, "closure" and "postclosure costs" represent a debt of the Parish Council for which future funding must be provided. Per discussion with the Department of Environmental Quality, many entities set up a funding mechanism to fund future "closure" and "postclosure costs". Although, the Parish Council has not formally set up a funding mechanism, "closure" and some "postclosure" costs have been paid from current assets of the Garbage District No. 1 fund, and the Parish Council has accumulated funds for this purpose within that fund, but has not officially reserved funds for that purpose.

We recommended in the prior year audit that the Parish Council check with other landfills that have set up a funding mechanism for "closure" and "postclosure" costs, and begin the development of a funding policy for these costs of the Tangipahoa Parish Regional Landfill.

TANGIPAOA PARISH COUNCIL

SCHEDULE 19

Corrective Action Plan for Current Year Audit Findings For the Year Ended December 31, 1998

This finding is included as a current year finding, since as of December 31, 1998, the total estimate of future closure and postclosure costs, recorded in the General Long Term Debt Account Group, totals \$4,151,709. It is stated within Footnote 16 "Landfill Closure and Postclosure Costs" that the actual cost of closure and postclosure care may be higher due to changes in inflation, technology, or changes in landfill laws and regulations. Governmental Audit Standards Board (GASB) Statement No. 18 also requires disclosure of how closure and postclosure care financial assurance requirements, if any, are being met. Although not a legal requirement to set up a funding mechanism, state and federal laws require the council to perform certain maintenance and monitoring functions at the site 30 years after closure. Our recommendation to set up a funding mechanism for "closure" and "postclosure" costs is the same as in the prior fiscal year. Regardless of whether or not the current court case, possibly to be appealed, should change the responsibility for ownership, future costs will still be required to be paid with revenues or funds of the Parish.

Corrective Action Planned:

We will begin formulating a plan for funding "closure" and "postclosure costs".

Name of Contact Person:

Buddy Wier, Finance Director,
Tangipahoa Parish Council
(504) 748-3211

Anticipated Completion Date:

We will begin developing plans for funding "closure" and "postclosure costs" during the current fiscal year.

Section II - Internal Control and Compliance Material to Federal Awards

No Current Year Findings

Section III - Management Letter

Reference Number: 98-M1

Description of Finding:

We noted in the test of disbursements that 2 of 60 transactions were not approved at the final level of review. Although the omission did not affect the final amount disbursed, approval of disbursements at the managerial level is a key financial control. We recommend that all steps in the approval process for disbursements be completed and documented.

Corrective Action Plan for
Current Year Audit Findings
For the Year Ended December 31, 1998

Corrective Action Planned:

We will review the current procedures for approving disbursements and insure that approvals are completed and documented at the supervisory level.

Name of Contact Person:

Buddy Wier, Finance Director,
Tangipahoa Parish Council
(504) 748-3211

Anticipated Completion Date:

This recommendation will be implemented immediately.

TANGIPAHOA PARISH COUNCIL

SCHEDULE 19

Corrective Action Plan for
Current Year Audit Findings
For the Year Ended December 31, 1998

Reference Number: 98-M2

Description of Finding:

For one of the payroll tests conducted during the financial audit for the current fiscal year, we selected 67 payroll time sheet summaries to determine if employee and supervisor signed the time sheets as required. The time sheet summaries are completed in addition to time cards maintained for each employee, and serve as verification of time worked. The summaries are also used as source documents for input for payroll software. For the time sheets, we noted 15 exceptions, with exceptions occurring when either the employee or supervisor did not sign the time sheets. Of the fifteen exceptions, we noted that one employee was on vacation, and that six exceptions were for part-time workers.

For each of the exceptions, we obtained time cards to verify that the employees actually worked as reported. Although we were able to verify time worked, the signing of time sheets serves as an important control to ensure that employees are paid for actual time worked. We recommend that time sheets be signed as required, and that unsigned payroll sheets be returned to department heads for signature, prior to the issuance of payroll checks.

Corrective Action Planned:

We will immediately comply to this recommendation.

Name of Contact Person:

Buddy Wier, Finance Director,
Tangipahoa Parish Council
(504) 748-3211

Anticipated Completion Date:

This recommendation will be implemented immediately.

TANGIPAHOA PARISH COUNCIL

Schedule 20

**Schedule of Findings and Questioned Costs
For the Year Ended December 31, 1998**

I. Type of Report Issued on the Financial Statements.

A qualified opinion was issued on the financial statements for the Tangipahoa Parish Council, Louisiana. The opinion was qualified because of year 2000 disclosures, as required by Governmental Accounting Standards Board (GASB) Technical Bulletin 98-1, Disclosures about Year 2000 Issues, as amended by GASB Technical Bulletin 99-1.

II. Disclosure of Reportable Conditions in Internal Control.

Reportable conditions were disclosed by the audit of the financial statements of the Tangipahoa Parish Council as Reference Numbers 97-C3 in the Summary Schedule of Prior Audit Findings, and as Reference Numbers 98-C2, and 98-C3 within the Corrective Action Plan for Current Year Audit Findings.

III. Disclosure of noncompliance material to the financial statements.

There were no instances of noncompliance, material to the financial statements, disclosed by the audit of the financial statements of the Tangipahoa Parish Council, for the fiscal year ended December 31, 1998. There were immaterial instances of noncompliance, disclosed as Reference Numbers 95-P4, 96-P3, and 97-C2 in the Summary Schedule of Prior Audit Findings, and as Reference Number 98-C1 within the Corrective Action Plan for Current Year Audit Findings.

IV. Disclosure of Reportable Conditions in Internal Control over Major Programs.

Unqualified.

V. Type of Report Issued for Major Programs.

Unqualified.

VI. Disclosure of Audit Findings Required to be Reported under *S___ .510 Audit Findings*.

No Material Weaknesses to be Reported.

TANGIPAHOA PARISH COUNCIL

Schedule 20
(Continued)

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 1998

VII. Identification of Major Programs.

The Major Programs identified for the Tangipahoa Parish Council, for the fiscal year ending December 31, 1998, were CFDA # 14.156, U.S. Department of Housing and Urban Development, Section 8 Existing Housing Program, and CFDA Number 14.219, U.S. Department of Housing and Urban Development, Community Development Block Grant/Small Cities Program (B).

VIII. Dollar Threshold to Distinguish Between Type "A" and Type "B" programs.

Expenditures of \$300,000.

IX. Statement as to Whether the Auditee qualified as Low-Risk Auditee under S____.530.

Yes. The Tangipahoa Parish Council, Louisiana, qualified as a low-risk auditee under the provisions of S____.530.

X. Findings which must be Reported in accordance with GAGAS.

Findings are referenced in Sections "III" of this schedule.

XI. Findings and Questioned Costs for Federal Awards.

There were no findings or questioned costs for the Tangipahoa Parish Council, Louisiana, for the fiscal year ended December 31, 1998.

OTHER INDEPENDENT AUDITOR'S REPORTS

Bruce C. Harrell, CPA
Warren A. Wool, CPA
Michael P. Estay, CPA
Dale H. Jones, CPA
Charles P. Hebert, CPA
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MEMBERS
American Institute of CPAs
Society of Louisiana CPAs

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited the financial statements of Tangipahoa Parish Council, Louisiana, as of and for the year ended December 31, 1998, and have issued our report thereon dated June 2, 1999, which was qualified because insufficient audit evidence exists to support the Tangipahoa Parish Council, Louisiana's disclosure with respect to the year 2000 issue. Except as discussed in the preceding sentence, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Tangipahoa Parish Council's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned costs as Reference Numbers 95-P4, 96-P3, 97-C2, and 98-C1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Tangipahoa Parish Council's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Tangipahoa Parish Council's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as Reference Numbers 97-C3, 98-C2, and 98-C3.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of management, the Legislative Auditor, and the Federal Cognizant Agent. However, this report is a matter of public record, and its distribution is not limited.



Bruce Harrell & Co., CPAs
Hammond, Louisiana
June 2, 1999

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

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

Compliance

We have audited the compliance of the Tangipahoa Parish Council with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 1998. The Tangipahoa Parish Council's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Tangipahoa Parish Council's management. Our responsibility is to express an opinion on the Tangipahoa Parish Council's compliance based on our audit.

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

In our opinion, the Tangipahoa Parish Council complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 1998.

Internal Control Over Compliance

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

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

This report is intended for the information of management, the Legislative Auditor, and the Federal Cognizant Agent. However, this report is a matter of public record, and its distribution is not limited.



Bruce Harrell & Co., CPAs
Hammond, Louisiana
June 2, 1999