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**SOUTH TANGIPAHOA PARISH  
PORT COMMISSION  
STATE OF LOUISIANA  
PONCHATOULA, LOUISIANA**

**COMPONENT UNIT FINANCIAL STATEMENTS**

**AS OF AND FOR THE YEAR ENDED  
DECEMBER 31, 1999**

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

Release Date MAR 29 2000

SOUTH TANGIPAHOA PARISH PORT COMMISSION  
STATE OF LOUISIANA  
PONCHATOULA, LOUISIANA  
COMPONENT UNIT FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1999

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**Zahn and Kenney**  
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
South Tangipahoa Parish Port Commission  
Ponchatoula, Louisiana

We have audited the component unit financial statements of South Tangipahoa Parish Port Commission (Commission), Ponchatoula, Louisiana, a component unit of the State of Louisiana, as of December 31, 1999, and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the Commission, as of December 31, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated January 21, 2000 on our consideration of Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was conducted for the purpose of forming an opinion on the component unit financial statements taken as a whole. The information listed in the table of contents as supplementary information is presented for purposes of additional analysis and is not a required part of the component unit financial statements of the Commission.

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

Zahn and Kenney  
Metairie, Louisiana

*Zahn and Kenney*

January 21, 2000

**SOUTH TANGIPAHOA PARISH PORT COMMISSION**  
**STATE OF LOUISIANA**  
**PONCHATOULA, LOUISIANA**  
**COMBINED BALANCE SHEET -- ALL FUND TYPES**  
**AND ACCOUNT GROUPS**  
**DECEMBER 31, 1999**

**ASSETS**

	<u>GOVERNMENTAL FUNDS</u>		<u>ACCOUNT GROUP</u>	<u>TOTALS</u> (MEMO ONLY)
	<u>GENERAL FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>GENERAL FIXED ASSETS</u>	
CASH AND CASH EQUIVALENTS	\$219,409	\$12,482	\$	\$231,891
CERTIFICATES OF DEPOSIT	597,019			597,019
RECEIVABLES:				
AD VALOREM TAXES -- DELINQUENT	76,663			76,663
STATE REVENUE SHARING ACCOUNTS	29,741			29,741
DUE FROM TAX COLLECTOR	6,125			6,125
DUE FROM GENERAL FUND PROPERTY AND EQUIPMENT	203,962			203,962
		65,000		65,000
			6,377,277	6,377,277
<b>TOTAL ASSETS</b>	<b>\$1,132,919</b>	<b>\$77,482</b>	<b>\$6,377,277</b>	<b>\$7,587,678</b>

**LIABILITIES AND FUND EQUITY**

LIABILITIES:				
ACCOUNTS PAYABLE DUE TO CAPITAL PROJECT FUNDS	\$10,959	\$65,230	\$	\$76,189
	65,000			65,000
<b>TOTAL LIABILITIES</b>	<b>75,959</b>	<b>65,230</b>		<b>141,189</b>
FUND EQUITY:				
INVESTMENT IN GENERAL FIXED ASSETS			6,377,277	6,377,277
FUND BALANCE -- UNRESERVED, UNDESIGNATED	1,056,960	12,252		1,069,212
<b>TOTAL FUND EQUITY</b>	<b>1,056,960</b>	<b>12,252</b>	<b>6,377,277</b>	<b>7,446,489</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$1,132,919</b>	<b>\$77,482</b>	<b>\$6,377,277</b>	<b>\$7,587,678</b>

The accompanying notes are an integral part of this statement

SOUTH TANGIPAHOA PARISH PORT COMMISSION  
STATE OF LOUISIANA  
PONCHATOULA, LOUISIANA  
COMBINED STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999

	GOVERNMENTAL FUNDS		TOTALS (MEMO ONLY)
	GENERAL FUND	CAPITAL PROJECTS FUND	
<b>REVENUES</b>			
AD VALOREM TAXES	\$332,544	\$	\$332,544
INTERGOVERNMENTAL:			
STATE OF REVENUE SHARING	44,611		44,611
STATE GRANT		1,212,467	1,212,467
RENTAL INCOME	44,185		44,185
INTEREST EARNED	35,670		35,670
OTHER INCOME	69,713		69,713
<b>TOTAL REVENUES</b>	<u>526,723</u>	<u>1,212,467</u>	<u>1,739,190</u>
<b>EXPENDITURES</b>			
GENERAL GOVERNMENT	178,239		178,239
CAPITAL OUTLAY	21,990	1,551,586	1,573,576
<b>TOTAL EXPENDITURES</b>	<u>200,229</u>	<u>1,551,586</u>	<u>1,751,815</u>
<b>EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES</b>	326,494	(339,119)	(12,625)
<b>OTHER FINANCING SOURCES (USES):</b>			
OPERATING TRANSFERS IN (OUT)	(290,000)	290,000	
<b>EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	36,494	(49,119)	(12,625)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>1,020,466</u>	<u>61,371</u>	<u>1,081,837</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$1,056,960</u>	<u>\$12,252</u>	<u>\$1,069,212</u>

The accompanying notes are an integral part of this statement

SOUTH TANGIPAHOA PARISH PORT COMMISSION  
STATE OF LOUISIANA  
PONCHATOULA, LOUISIANA  
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES  
BUDGET (GAAP) AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 1999

REVENUES	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
AD VALOREM TAX	\$304,645	\$332,544	\$27,899
REVENUE SHARING	45,200	44,611	(589)
SELF-GENERATED	152,810	149,568	(3,242)
TOTAL REVENUES	502,655	526,723	24,068
<b>EXPENDITURES</b>			
SALARIES AND RELATED BENEFITS	55,000	25,590	29,410
COMPENSATION PAID TO BOARD MEMBERS	10,000	6,975	3,025
STATUTORY CHARGE-COLLECTION FEE		12,440	(12,440)
LEGAL AND ACCOUNTING	13,000	5,402	7,598
INSURANCE	15,000	12,259	2,741
OFFICE SUPPLIES	10,000	7,454	2,546
REPAIRS AND MAINTENANCE	72,000	13,582	58,418
TELEPHONE AND UTILITIES	10,000	9,686	314
RENT AND OTHER LEASES	10,000	7,800	2,200
ADVERTISING, MARKETING, AND PROMOTION	70,000	67,609	2,391
MACHINERY	50,000		50,000
ENGINEERING	50,000	3,243	46,757
CAPITAL	50,000	21,990	28,010
OTHER	20,000	6,199	13,801
TOTAL EXPENDITURES	435,000	200,229	234,771
EXCESS OF REVENUES OVER EXPENDITURES	67,655	326,494	258,839
OTHER FINANCING USE - TRANSFER TO OTHER FUND		(290,000)	(290,000)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	67,655	36,494	(31,161)
FUND BALANCE, BEGINNING OF YEAR	1,020,467	1,020,467	
FUND BALANCE, END OF YEAR	\$1,088,122	\$1,056,961	(\$31,161)

The accompanying notes are an integral part of this statement.

SOUTH TANGIPAHOA PARISH PORT COMMISSION  
STATE OF LOUISIANA  
PONCHATOULA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1999

**INTRODUCTION**

The South Tangipahoa Parish Port Commission (Commission) was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 34:1951. The Commission is composed of seven members from the Parish of Tangipahoa who are appointed directly by the Governor. Each board member receives compensation per meeting attended payable exclusively from self-generated funds. The Commission consists of the boundaries and limits of Wards 6, 7, and 8 of Tangipahoa Parish. The Commission has authority to own, construct, operate and maintain property, structures and facilities necessary or useful for port, recreational, harbor and terminal purposes. The Commission also has the authority to make and enter into contracts, leases and other agreements with operating entities interested in the transportation, storage and shipping of products. Also, the Commission may levy annually an ad valorem tax not to exceed two and one-half mills on the dollar on the property subject to taxation located within its boundaries. The Commission presently has two paid employees, an Executive Director and Secretary.

The Commission presently maintains an office located in Ponchatoula, Louisiana, and a shallow water port facility located in Manchac, Louisiana. The port facility includes a dock with a 20,000 square foot warehouse, railroad siding adjacent to the Illinois Central Railroad track and a second dock with a 30,000 square foot transit facility. The port facility is presently operated under a Marine Terminal Operators Agreement with a contract operator.

**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation

The accompanying component unit financial statements of Commission 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.

Reporting Entity

As the governing authority, for reporting purposes, the State of Louisiana (State) is the financial reporting entity for the State. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially

accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the State 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 State to impose its will on that organization, and or
  - b) The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the State.
- 2) Organizations for which the State does not appoint a voting majority but which are fiscally dependent on the State.
- 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.

Because the State appoints a voting majority of the board, the Commission was determined to be a component unit of the State. The accompanying financial statements present information only on the funds maintained by the Commission and do not present information on the State, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

#### Fund Accounting

The Commission 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. An account group, on the other hand, 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 Commission are classified as governmental funds. Governmental funds account for the Commission's general activities, including the collection and disbursement of specific or legally restricted monies, and the acquisition or construction of general fixed assets. Governmental funds of the Commission include:

- 1) General Fund – the general operating fund of the Commission. Accounts for all financial resources, except those required to be accounted for in other funds.

- 2) Capital Projects Fund – accounts for financial resources received and used for the acquisition, construction or improvement of capital facilities not reported in the other governmental funds.

#### Property, Plant and Equipment

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus and only current assets and current liabilities are generally included in their balance sheet.

Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. Public domain (“infrastructure”) general fixed assets are not capitalized. No depreciation has been provided on general fixed assets.

All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair market value on the date donated.

The account group is not a “fund”. It is concerned only with the measurement of financial position. It is not involved with measurements of results of operations.

#### Basis of accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The 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 the governmental funds. The records of the Commission are maintained on a cash basis of accounting. However, the governmental funds reported in the accompanying financial statements have been converted to a modified accrual basis of accounting utilizing the following practices:

Revenues are generally recognized when they become measurable and available as net current assets. Ad valorem taxes and the related state revenue sharing (which is based on population and homesteads in the parish) 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 on December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year.

Federal and state grants are recorded when the reimbursable expenditures have been incurred. Revenues from rentals are recorded when earned. Substantially all other revenues are recorded when received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on long-term debt, which are not recognized until due.

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

### Budgets

The Commission uses the following budget practices:

- 1) The Commission prepares its budget on the modified accrual basis of accounting in accordance with generally accepted accounting principles (GAAP). The Commission adopted a budget for the General Fund for 1999.
- 2) The Commission's treasurer prepares the proposed budget and submits the same to the president and board of commissioners no later than fifteen days prior to the beginning of each fiscal year. The proposed budget for 1999 was presented to the president and board on November 19, 1998.
- 3) A summary of the proposed budget is published in the official journal and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called. The proposed budget for 1999 was published in the official journal.
- 4) A public hearing is held on the proposed budget after publication of the call for the hearing. The public hearing on the proposed budget for 1999 was held on December 10, 1998.
- 5) After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted. The budget for 1999 was adopted on December 10, 1998.
- 6) Budgetary amendments require the approval of the president and the board of commissioners. The budget for 1999 was amended on November 18, 1999.
- 7) All budgetary appropriations lapse at year-end.
- 8) Formal budgetary integration is not employed; however, periodic budget comparisons are made as a part of interim reporting. Budgeted amounts included in the accompanying financial statements include the amended budget amounts.

The Commission is not subject to the provisions of the Budget Act.

### Encumbrances

The Commission does not utilize encumbrance accounting.

### Cash and Cash Equivalents

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

Under state law, the Commission may invest in United States bonds, treasury notes, or certificates. These are reported separate from cash if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

#### Inventories

The Commission uses the purchase method for accounting for expendable supplies whereby expenditures are recognized when the items are purchased. The Commission did not record any inventory at December 31, 1999.

#### Prepaid Items

The Commission did not record any prepaid items at December 31, 1999.

#### Compensated Absences

The Commission has the following policy relating to vacation and sick leave: The Commission's secretary is an unclassified state employee and its policy regarding annual leave and sick leave is mandated by Executive Order BR-88-23. In brief, annual leave is earned at various rates depending upon length of service, is cumulative and a maximum of 300 hours is paid upon separation from service. Sick leave is earned at various rates depending on length of service, is cumulative but no accrued unused sick leave is paid upon separation of service.

The Executive Director is also an unclassified state employee, but is exempt from the requirements of Executive Order BR-88-23. The Executive Director receives annual leave and sick leave each of which is non-cumulative and non-vesting. As of December 31, 1999, no accrual for employee leave benefits was made in accordance with GASB Codification Section C60 as the amount is not material.

#### Total Columns on Statements

The total columns on the 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 or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

#### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### **NOTE 2—LEVIED TAXES**

Ad valorem taxes, which are general fund revenue, were authorized and levied at the rate of 2.25 mills during 1999.

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Commission during the year and actually billed to taxpayers and become due in November. Billed taxes become delinquent on December 31 of each year.

Revenues from ad valorem taxes are budgeted in the year billed and recognized as revenue when billed.

The Tangipahoa Parish Sheriff's Office bills and collects the property taxes using the assessed value determined by the Tax Assessor of Tangipahoa Parish. The taxes are generally collected in December of the current year and January and February of the ensuing year. The Commission is permitted by state law to levy an ad valorem tax not to exceed two and one-half mills on the property subject to taxation within Wards 6, 7 and 8 of Tangipahoa Parish. For 1999, the Commission levied 2.25 mills for a total tax levy of \$325,978 on taxable property valuation totaling \$144,880,000

**NOTE 3—DUE FROM TAX COLLECTOR**

The amount due from tax collector represents ad valorem tax collected on behalf of the Commission in December 1999 and held by the tax collector at December 31. These funds were received by the Commission in January 2000.

**NOTE 4—CASH AND CERTIFICATES OF DEPOSIT**

At December 31, 1999, the Commission had cash and certificates of deposit as follows:

	CASH	CERTIFICATES OF DEPOSIT	OTHER (DESCRIBE)	TOTAL
CARRYING AMOUNT ON BALANCE SHEET	\$231,891	\$597,019	\$	\$828,910
BANK BALANCES:				
a. INSURED (FDIC) OR COLLATERIZED WITH SECURITIES HELD BY THE ENTITY OR ITS AGENT <u>IN THE ENTITY'S NAME</u>	\$200,000			\$200,000
b. COLLATERALIZED WITH SECURITIES HELD BY PLEDGING FINANCIAL INSTITUTION'S TRUST DEPARTMENT OR AGENT <u>IN THE ENTITY'S NAME</u>				
c. UNCOLLATERALIZED, INCLUDING ANY SECURITIES HELD FOR THE ENTITY BUT <u>NOT IN THE ENTITY'S NAME</u>	31,891	597,019		628,910
TOTAL BANK BALANCES	\$231,891	\$597,019		\$828,910

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the district that the fiscal agent has failed to pay deposited funds upon demand.

**NOTE 5—COMPENSATION PAID BOARD MEMBERS**

Louisiana Revised Statute 34:1951 (A) provides that each board member shall be compensated in the amount of seventy-five dollars per meeting, which shall be payable exclusively from self-generated funds. The commission shall hold a regular meeting once each calendar month with a maximum of six additional special meetings annually. Compensation paid to individual board members is presented with the accompanying supplementary schedule.

**NOTE 6—CHANGES IN GENERAL FIXED ASSETS**

A summary of changes in general fixed assets for the year ended December 31, 1999 follows:

	BALANCE 1/1/1999	ADDITIONS	DELETIONS	BALANCE 12/31/1999
LAND AND IMPROVEMENTS	\$476,874	\$ -0-	\$ -0-	\$476,874
FURNITURE AND FIXTURES	14,740	1,899	-0-	16,639
PORT FACILITY	4,238,280	1,497,541	6,577	5,729,244
PORT IMPROVEMENTS AND EQUIPMENT	135,894	-0-	-0-	135,894
AUTOMOBILE	18,626	-0-	-0-	18,626
TOTAL	\$4,884,414	\$1,499,440	\$6,577	\$6,377,277

**NOTE 7—LEASES**

The Commission records operating leases as current expenditures in the accompanying financial statements. The following is an analysis of significant operating leases at December 31, 1999:

On May 14, 1991, the Commission entered into a forty-month lease for office space located at 163 W. Hickory Street, Ponchatoula, Louisiana. The lease requires lessee to carry public liability insurance in the amount of not less than \$500,000 naming lessor as an additional insured at no cost to lessor. Although the lease term ended December 31, 1998, its terms remained the same through 1999. The rent was \$650 per month. The lease is being renegotiated for 2000.

#### **NOTE 8—EMPLOYEE PENSION PLAN**

Both employees of the Commission participate in the State of Louisiana's Retirement Plan, LASER. In addition to the employee contribution withheld at 7.5% of gross salary, the Commission contributes an additional 12.4% of gross salary. Contributions to the system are funded through employee and employer contributions of \$1,349 and \$2,291 respectively. The total current year payroll of the agency was \$19,317 all of which was covered by the retirement system.

Under present statutes, the Commission does not guarantee any of the benefits granted by the retirement system.

#### **NOTE 9—OTHER POST EMPLOYMENT BENEFITS**

The Commission has no other post employment benefits.

#### **NOTE 10—FUND DEFICITS**

*There are no deficits in any individual funds at December 31, 1999.*

SOUTH TANGIPAHOA PARISH PORT COMMISSION  
STATE OF LOUISIANA  
PONCHATOULA, LOUISIANA  
COMPENSATION PAID TO BOARD MEMBERS  
FOR THE YEAR ENDED DECEMBER 31, 1999

BOARD MEMBER	MEETINGS HELD	MEETINGS ATTENDED	AMOUNT
PHILLIP ALEXANDER	14	11	\$825
MERWYN BARRINGER	14	14	1,050
MAXINE DIXON	14	13	975
LLOYD JONES	14	14	1,050
CHARLES MCKASKLE	14	14	1,050
VICTOR RAXSDALE	14	14	1,050
CHARLES SHEFFIELD	14	13	975
			\$6,975

**SOUTH TANGIPAHOA PARISH PORT COMMISSION**  
**STATE OF LOUISIANA**  
**PONCHATOULA, LOUISIANA**  
**SCHEDULE OF RENTAL INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

Per agreement with port operator (5 year term began December 1, 1996):	
Office rental at \$200 per month	\$2,400
Reimbursement of sewage fee at \$150 per month	1,800
Reimbursement for utility expense (varies)	1,772
Sprint Spectrum L.P. (60 month land lease originated September 1, 1996. Rental rate of \$1500 per month with 4% increase to the end of each twelve month period.)	19,728
Nextel Communications, Inc. (60 month tower space lease originated December 20, 1997. Rental rate of \$750 per month with 4% increase at the end of each twelve month period)	9,485
Primco, Inc. (60 month tower space lease originated August 21, 1998. Rental rate of \$750 per month with 4% increase at the end of each twelve month period)	<u>9,000</u>
Total rental income	<u><u>\$44,185</u></u>

**Zahn and Kenney**  
Certified Public Accountants

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

Board of Commissioners  
South Tangipahoa Parish Port Commission  
Ponchatoula, Louisiana

We have audited the component financial statements of South Tangipahoa Parish Port Commission (Commission), Ponchatoula, Louisiana, a component unit of the State of Louisiana, as of and for the year ended December 31, 1999, and have issued our report thereon dated January 21, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

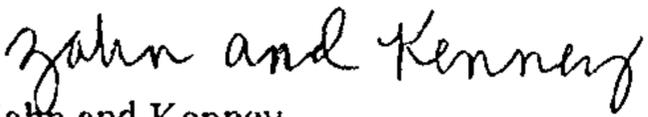
As part of obtaining reasonable assurance about whether the Commission's component unit financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a material effect 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 no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the component unit financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting 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 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. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

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

  
Zahn and Kenney  
Metairie, Louisiana

January 21, 2000

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

There were no findings in the prior year audit.