

**TANGIPAHOA PARISH GOVERNMENT**

Amite, Louisiana

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**ANNUAL FINANCIAL REPORT**

As of and for the Year Ended

December 31, 2019

**TANGIPAOA PARISH GOVERNMENT**

Amite, Louisiana

**ANNUAL FINANCIAL REPORT**

As of and for the Year Ended December 31, 2019

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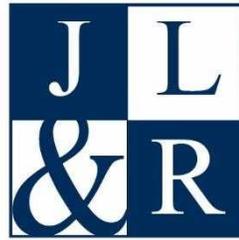
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Dennis E. James, CPA  
Lyle E. Lambert, CPA  
Paul M. Riggs, Jr., CPA  
J. Bryan Ehricht, CPA

Megan E. Lynch, CPA  
B. Jacob Steib, CPA  
Christie J. Barado  
Connor J. Collura  
Sharon B. Bravata  
Krystal L. Waddell  
Jenny I. Schliegelmeier  
Debbie G. Faust, EA



**JAMES  
LAMBERT RIGGS  
& ASSOCIATES, INC.**  
CERTIFIED PUBLIC ACCOUNTANTS  
www.jlrcpafirm.com



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American Institute of CPAs  
Society of Louisiana CPAs

## Independent Auditor's Report

Honorable Robby Miller, Parish President and  
Members of the Tangipahoa Parish Council  
Tangipahoa Parish Government  
Amite, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Tangipahoa Parish Government (the "Parish") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Parish's primary government as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Basis for Adverse Opinion on Aggregate Discretely Presented Component Units**

The financial statements referred to above do not include financial data for the Parish's legally separate component units. Accounting principles generally accepted in the United States of America require financial data for those component units to be reported with the financial data of the Parish's primary government unless the Parish also issues financial statements for the financial reporting entity that include the financial data for its component units. The Parish has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenses of the aggregate discretely presented component units are not reasonably obtainable.

### **Adverse Opinion on Aggregate Discretely Presented Component Units**

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units" paragraph, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of Tangipahoa Parish Government as of December 31, 2019, or the changes in financial position thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

### **Unmodified Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the primary government of Tangipahoa Parish Government as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 7 – 12; the Budgetary Comparison Schedules on pages 74 – 76; the Schedule of Changes in the Parish's Net OPEB Liability and Related Ratios on page 77; the Schedule of the Parish's Proportionate Share of the Net Pension Liability (Asset) on page 78; and the Schedule of the Parish's Contribution on page 79 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

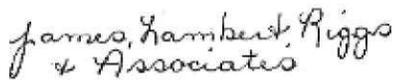
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Parish's basic financial statements. The Financial Data Schedule – Balance Sheet; Financial Data Schedule – Revenues and Expenses; and the Schedule of Compensation, Benefits, and Other Payments to Agency Head are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of

expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The Financial Data Schedule – Balance Sheet; Financial Data Schedule – Revenues and Expenses; and the Schedule of Compensation, Benefits, and Other Payments to Agency Head; and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Financial Data Schedule – Balance Sheet; Financial Data Schedule – Revenues and Expenses; and the Schedule of Compensation, Benefits, and Other Payments to Agency Head; and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2019, on our consideration of the Parish’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Parish’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Parish’s internal control over financial reporting and compliance.



James, Lambert, Riggs and Associates, Inc.  
Hammond, Louisiana

August 31, 2020

**Required Supplementary Information (Part I)**

TANGIPAOA PARISH GOVERNMENT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
As of and for the Year Ended December 31, 2019

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Our discussion and analysis of the Tangipahoa Parish Government's (Parish) financial performance provides an overview of the Parish's financial activities for the fiscal year ended December 31, 2019, with comparisons to the prior year, where appropriate.

Since Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the Parish's financial statements, which begin on page 14.

FINANCIAL HIGHLIGHTS

The Parish's net position from government activities increased approximately \$3.5 million as a result of this year's operations.

Total cost of all of the Parish's programs was in excess of \$58 million in 2019.

USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to Tangipahoa Parish Government's basic financial statements. This annual report consists of a series of financial statements. The Parish's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements. The Statement of Net Position and the Statement of Activities (on pages 14 and 15) provide information about the activities of the Parish as a whole and present a longer-term view of the Parish's finances. Fund financial statements start on page 16. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Parish's operations in more detail than the government-wide statements by providing information about the Parish's most financially significant funds.

**Government-Wide Financial Statements**

*The Statement of Net Position and the Statement of Activities*

Our analysis of the Parish as a whole begins on page 7. One of the most important questions asked about the Parish's finances is "Is the Parish as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Parish as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

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

TANGIPAHOA PARISH GOVERNMENT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
As of and for the Year Ended December 31, 2019

The Condensed Statement of Activities and Changes In Net Position, reports on the Parish's governmental activities:

- Governmental activities: most of the Parish's basic services are reported here, including road & bridge construction and maintenance, road lighting, landfill operations, health offices, animal control, low income housing (Section 8), and general administration. The Parish's one percent sales tax, property taxes, and state and federal grants finance most of these activities.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State law. However, the Parish establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The Parish's three kinds of funds, governmental, proprietary, and fiduciary, use different accounting approaches.

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

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

*Fiduciary funds:* Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources are not available to support the Parish's own programs. The Tangipahoa Parish Government is the trustee, or fiduciary, for assets that belong to others, such as the Other Post Employment Benefits Fund and the Employee Withholding Fund. The Parish is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. These funds are reported within the Fiduciary Fund category and are reported on a full accrual basis.

### **Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27 through 72 of this report.

### **FINANCIAL ANALYSIS**

The following table provides a comparative summary of the Parish's net position for the current and previous years. For more detailed information, see the Statement of Net Position on page 14 of this report.

TANGIPAHOA PARISH GOVERNMENT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
As of and for the Year Ended December 31, 2019

CONDENSED STATEMENT OF NET POSITION  
Governmental Activities  
December 31, 2019, and 2018

	2019	2018
<u>Assets</u>		
Current Assets	\$ 30,005,241	\$ 30,916,032
Restricted Assets	12,123,866	9,288,179
Capital Assets	208,289,976	201,868,266
Net Pension Asset	-	1,213,537
Total Assets	250,419,083	243,286,014
 <u>Deferred outflow of resources</u>	 10,316,363	 3,399,558
 <u>Liabilities</u>		
Current Liabilities	5,747,248	5,314,190
Long-Term Liabilities	23,003,872	19,003,494
Net Pension Liability	9,789,613	-
Total Liabilities	38,540,733	24,317,684
 <u>Deferred inflow of resources</u>	 852,302	 4,523,737
 <u>Net Position</u>		
Net Investment in Capital Assets	202,168,375	198,424,918
Restricted	33,739,537	10,161,692
Unrestricted(Deficit)	(14,565,501)	9,257,541
Total Net Position (as restated)	\$221,342,411	\$217,844,151

Approximately 91.34% of the Parish's net position reflect its investment in capital assets (land, buildings, equipment, and improvements) net of any outstanding related debt used to acquire those capital assets. These capital assets are used to provide services to citizens and do not represent resources available for future spending. Although, the Parish's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

Approximately 15.24% of the Parish's net position represent resources that are subject to external restriction on how they may be used. The Parish's restricted net position consist of cash restricted for the high deductible insurance and health reimbursement plan, cash required to be restricted by grant covenants, sales tax levies, ad valorem tax levies, and contract agreements.

Approximately -6.58% of the Parish's net position is a deficit and that is attributable to an increase in the net pension liability whereas in the prior year it was a net pension asset.

TANGIPAHOA PARISH GOVERNMENT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
As of and for the Year Ended December 31, 2019

The table below provides a comparative summary of the changes in net position for the years ended December 31, 2019, and December 31, 2018. An analysis of the primary sources of these changes follows the table. For more detailed information, see Exhibit A-2, the Statement of Activities.

CONDENSED STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION  
For Years Ended December 31, 2019, and 2018

	Governmental Activities	
	2019	2018
Program Revenues:		
Charges for Services	\$ 11,242,587	\$10,751,631
Grants and Contributions		
Operating	10,066,793	10,033,981
Capital	<u>6,775,996</u>	<u>6,582,419</u>
Total Program Revenues	<u>28,085,376</u>	<u>27,368,031</u>
General Revenues:		
Taxes and Licenses	33,422,352	32,814,546
Investment Earnings	795,254	626,552
Miscellaneous	205,468	273,821
Support Revenues	236,799	145,757
Gain from disposition of capital assets	<u>-</u>	<u>70,914</u>
Total General Revenues	<u>34,659,873</u>	<u>33,931,590</u>
Total Revenues	<u>62,745,249</u>	<u>61,299,621</u>
Program Expenses:		
General Government	8,375,652	8,378,477
Culture and Recreation	1,256,801	3,010,470
Public Safety	904,505	2,017,795
Public Works	35,759,468	26,184,834
Health and Welfare	7,873,792	8,008,632
Economic Development	3,679,815	905,284
Bond Issuance Cost	229,129	266,145
Interest on long term debt	<u>201,867</u>	<u>166,861</u>
Total Expenses	<u>58,281,029</u>	<u>48,938,498</u>
Excess Before Transfers, Contributions, & Special Items	4,464,220	12,361,123
Special Item	-	18,046
Transfers & Contributions	<u>(965,960)</u>	<u>(3,735,573)</u>
Change in Net Position	<u>3,498,260</u>	<u>8,643,596</u>
Net Position, beginning (as restated)	<u>217,844,151</u>	<u>209,200,555</u>
Net Position, ending	<u>\$221,342,411</u>	<u>\$217,844,151</u>

TANGIPAHOA PARISH GOVERNMENT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
As of and for the Year Ended December 31,2019

Governmental Activities

The Parish's governmental net position increased by \$3,498,260. The increase in Net Position is a result of an increase in taxes and licenses and a reduction in amount of infrastructure expenditures for other governmental entities.

Business Type Activities

The Parish had no business type activities in 2019.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Parish budgets were reviewed quarterly and amended two times during the year to reflect changes in forecasted revenues and expenditures, with the final amendment taking place on December 9, 2019.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Tangipahoa Parish's capital assets for its governmental activities as of December 31, 2019, amount to \$208M (net of accumulated depreciation). Capital assets include land, buildings, improvements, vehicles, machinery and equipment, office equipment, roads, and bridges.

The total increase in the Parish's Net investment in capital assets for the current year was 3.18%, or \$6.4 M.

CONDENSED STATEMENT OF CAPITAL ASSETS (NET OF DEPRECIATION)  
For Years Ended December 31, 2019, and 2018

	Governmental Activities	
	2019	2018
Land	\$ 6,315,976	\$ 4,629,372
Construction in Progress	15,804,153	7,600,661
Buildings and Improvements	36,043,494	37,228,140
Infrastructure	142,085,401	143,479,656
Machinery & Equipment	8,040,952	8,930,437
Capital Asset (Net)	\$208,289,796	\$201,868,266

Major capital asset events for year ended December 31, 2019, included the following:

1. The Parish completed the following projects: Phase XX Overlay and Micro resurfacing.
2. Construction continues on the following projects: South Hoover Road, Club Deluxe Road Widening and Subsurface Drainage Projects, Wardline Road Widening, HMGP Small Safe Room, Chappapeela Drainage Project, Village of Tangipahoa Sewer Improvements, Landfill Cell 14, and various drainage projects within the Hazard Mitigation Program.

TANGIPAHOA PARISH GOVERNMENT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
As of and for the Year Ended December 31,2019

*Long-Term Debt*

CONDENSED STATEMENT OF LONG-TERM DEBT  
For Years Ended December 31, 2019, and 2018

	Governmental Activities	
	2019	2018
General Obligation Bonds	\$ 705,500	\$ 732,100
Landfill Revenue Bonds	4,600,000	2,175,000
Premium Landfill Revenue Bonds	126,766	-
GOMESA Revenue Bonds	7,725,000	7,725,000
Capital Leases	689,334	501,236
Estimated Liability for Landfill Closure / Post Closure Care Cost	4,796,807	5,036,290
Total	\$18,643,407	\$16,169,626

\* The current portion of the debt listed above is \$267,227.

THE PARISH AS A WHOLE

The Parish's combined Net Position changed from a year ago, increasing from approximately \$217 million to \$221 million.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Parish looks forward to 2020 with a cautious optimistic economic outlook of continued expansion and growth within the local economy. The Parish continues to practice the conservative fiscal policy (pay as you go) from which much of the economic success in Tangipahoa Parish has resulted.

REQUEST FOR INFORMATION

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

## **Basic Financial Statements**

TANGIPAHOA PARISH GOVERNMENT  
Amite, Louisiana  
STATEMENT OF NET POSITION  
December 31, 2019

EXHIBIT A-1

	Governmental Activities
<u>Assets</u>	
Cash and cash equivalents	\$ 16,672,081
Receivables, net	12,961,915
Due from other governments	371,245
Restricted assets - cash	12,123,866
Capital assets (net)	208,289,976
Total Assets	250,419,083
 <u>Deferred Outflow of Resources</u>	
GASB 68 - pension	8,776,200
GASB 75 - OPEB	1,540,163
Total Deferred Outflow of Resources	10,316,363
 <u>Liabilities</u>	
Accounts, salaries, and other payables	4,718,832
Due to other governments	761,189
Noncurrent liabilities:	
Due within one year	267,227
Due in more than one year	18,376,180
Postemployment healthcare benefits payable	4,627,691
Net pension liability	9,789,613
Total Liabilities	38,540,732
 <u>Deferred Inflow of Resources</u>	
Grant funds	25,715
GASB 68 - pension	692,621
GASB 75 - OPEB	133,966
Total Deferred Inflow of Resources	852,302
 <u>Net Position</u>	
Net investment in capital assets	202,168,375
Restricted for:	
Debt service	10,682,059
Other purposes	23,057,478
Unrestricted	(14,565,501)
Total Net Position	\$ 221,342,411

The accompanying notes are an integral part of this statement.

TANGIPAOHA PARISH GOVERNMENT  
Amite, Louisiana  
STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities					
General government	\$ 8,375,652	\$ 4,681,807	\$ 1,456,135	\$ 19,200	\$ (2,218,510)
Culture and recreation	1,256,801	127,805	76,756	-	(1,052,240)
Public safety	904,505	683,970	158,819	3,850,135	3,788,419
Public works	35,759,468	5,575,756	1,396,543	725,299	(28,061,870)
Health and welfare	7,873,792	173,249	3,853,868	2,181,362	(1,665,313)
Economic development	3,679,815	-	3,124,672	-	(555,143)
Bond issuance cost	229,129	-	-	-	(229,129)
Interest on long-term debt	201,867	-	-	-	(201,867)
Total governmental activities	<u>\$ 58,281,029</u>	<u>\$ 11,242,587</u>	<u>\$ 10,066,793</u>	<u>\$ 6,775,996</u>	<u>(30,195,653)</u>
General revenues:					
Taxes:					
					22,543,043
					7,469,139
					873,496
					336,604
					7,230
					957,484
					482,712
					752,644
					205,468
					795,254
					236,799
					(965,960)
					<u>33,693,913</u>
					3,498,260
					<u>217,844,151</u>
					<u>\$ 221,342,411</u>

The accompanying notes are an integral part of this statement.

TANGIPAHOA PARISH GOVERNMENT  
Amite, Louisiana  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2019

EXHIBIT A-3

	General Fund	Road and Bridge Funds	Garbage District No. 1	Hazard Mitigation	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>						
Cash and cash equivalents	\$ 609,384	\$ 8,807,136	\$ 2,234,529	\$ 942	\$ 4,697,546	\$ 16,349,537
Receivables, net	2,383,876	2,279,099	3,603,915	696,383	3,960,950	12,924,223
Due from other governments	366,250	-	-	-	4,995	371,245
Due from other funds	237,301	-	-	-	-	237,301
Restricted assets - cash	9,090,033	288,490	2,612,213	-	94,169	12,084,905
<b>Total Assets</b>	<b>\$ 12,686,844</b>	<b>\$ 11,374,725</b>	<b>\$ 8,450,657</b>	<b>\$ 697,325</b>	<b>\$ 8,757,660</b>	<b>\$ 41,967,211</b>
<u>Liabilities</u>						
Accounts, salaries, and other payables	\$ 785,918	\$ 878,059	\$ 963,343	\$ 649,834	\$ 1,330,934	\$ 4,608,088
Due to other governments	54,035	-	119,142	-	588,012	761,189
Due to other funds	-	-	-	26,000	211,301	237,301
<b>Total Liabilities</b>	<b>839,953</b>	<b>878,059</b>	<b>1,082,485</b>	<b>675,834</b>	<b>2,130,247</b>	<b>5,606,578</b>
<u>Deferred Inflow of Resources</u>						
Grant Funds	2,000	-	-	20,115	3,600	25,715
<b>Total Deferred Inflow of Resources</b>	<b>2,000</b>	<b>-</b>	<b>-</b>	<b>20,115</b>	<b>3,600</b>	<b>25,715</b>
<u>Fund Balances</u>						
Restricted	8,319,558	10,208,176	7,263,691	1,376	6,313,913	32,106,714
Committed	890,963	-	-	-	47,112	938,075
Assigned	215,759	288,490	104,481	-	376,726	985,456
Unassigned	2,418,611	-	-	-	(113,938)	2,304,673
<b>Total Fund Balances</b>	<b>11,844,891</b>	<b>10,496,666</b>	<b>7,368,172</b>	<b>1,376</b>	<b>6,623,813</b>	<b>36,334,918</b>
<b>Total Liabilities, Deferred Inflow of Resources, and Fund Balances</b>	<b>\$ 12,686,844</b>	<b>\$ 11,374,725</b>	<b>\$ 8,450,657</b>	<b>\$ 697,325</b>	<b>\$ 8,757,660</b>	<b>\$ 41,967,211</b>

TANGIPAHOA PARISH GOVERNMENT  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS  
 BALANCE SHEET TO THE STATEMENT OF NET POSITION  
 December 31, 2019

EXHIBIT A-4

Fund balances - total governmental funds	\$	36,334,918
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		208,289,976
Net Pension Liabilities		(9,789,613)
Some liabilities are not due and payable in the period and, therefore, are not reported in the funds. These liabilities consist of:		
Long-term liabilities, including bonds payable		(18,643,408)
Postemployment healthcare benefits payable		(4,627,691)
The internal service fund is used by management to charge administration costs to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		288,453
Deferred outflows and inflows are not financial resources or currently payable. These consist of:		
Deferred outflows		10,316,363
Deferred inflows		(826,587)
Net position of governmental activities	\$	<u>221,342,411</u>

The accompanying notes are an integral part of this statement.

TANGIPAHOA PARISH GOVERNMENT  
Amite, Louisiana  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2019

	General Fund	Road and Bridge Funds
<u>Revenues</u>		
Taxes:		
Sales	\$ 5,635,761	\$ 16,907,282
Ad valorem	1,397,136	-
Franchise	794,121	-
Licenses, permits, and rent	2,303,001	-
Intergovernmental revenues:		
Federal funds:		
Federal grants	485,948	265,605
GoMESA Revenue Sharing	752,644	-
State funds:		
Parish transportation funds	-	1,104,092
State revenue sharing	91,068	-
Severance tax	336,604	-
State appropriations	187,695	-
State grants	69,200	15,453
2% Fire insurance rebate	516,436	-
Alcoholic beverage tax	7,230	-
Local funds:	-	260,000
Fees, charges, and commissions for service	236,730	-
Fines and forfeitures	4,503	-
Interest	194,682	305,876
Other revenues	3,306,317	36,995
	<u>16,319,076</u>	<u>18,895,303</u>
 <u>Expenditures</u>		
General government:		
Legislative	539,594	-
Judicial	5,121,462	-
Elections	190,108	-
Finance and administrative	1,932,601	-
Public safety	2,377,739	-
Public works	2,667,336	16,504,182
Health and welfare	951,259	-
Economic development	390,462	-
Culture and recreation	427,054	-
Bond issuance costs	-	-
Debt service:		
Principal	22,878	76,496
Interest	4,518	14,935
	<u>14,625,011</u>	<u>16,595,613</u>
Excess of Revenues Over (Under) Expenditures	<u>1,694,065</u>	<u>2,299,690</u>
 <u>Other Financing Sources (Uses)</u>		
Refunding bonds issued	-	-
Premium refunding bonds issued	-	-
Payment for bond refunding	-	-
Contribution in	2,595	2,000
Sale of capital assets	37	9,312
Operating transfers in (out)	(1,206,749)	(2,302,495)
	<u>(1,204,117)</u>	<u>(2,291,183)</u>
Net Change in Fund Balances	489,948	8,507
Fund Balances (Deficit) - Beginning of Year, Restated	<u>11,354,943</u>	<u>10,488,159</u>
Fund Balances - End of Year	<u>\$ 11,844,891</u>	<u>\$ 10,496,666</u>

The accompanying notes are an integral part of this statement.

Garbage District No. 1	Hazard Mitigation	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 22,543,043
3,094,246	-	2,977,757	7,469,139
-	-	79,375	873,496
-	-	669,504	2,972,505
9,392	3,790,734	9,410,128	13,961,807
-	-	-	752,644
-	-	-	1,104,092
258,321	-	133,323	482,712
-	-	-	336,604
-	-	-	187,695
-	-	-	84,653
-	-	-	516,436
-	-	-	7,230
-	-	75,000	335,000
4,906,252	-	837,506	5,980,488
-	-	147,518	152,021
133,649	-	149,314	783,521
110,278	-	29,875	3,483,465
<u>8,512,138</u>	<u>3,790,734</u>	<u>14,509,300</u>	<u>62,026,551</u>
-	-	-	539,594
-	-	256,763	5,378,225
-	-	-	190,108
-	-	-	1,932,601
-	-	974,037	3,351,776
9,983,221	4,283,879	5,875,821	39,314,439
-	-	6,522,213	7,473,472
-	-	3,147,416	3,537,878
-	-	534,514	961,568
229,129	-	-	229,129
58,472	-	53,671	211,517
119,681	-	34,213	173,347
<u>10,390,503</u>	<u>4,283,879</u>	<u>17,398,648</u>	<u>63,293,654</u>
<u>(1,878,365)</u>	<u>(493,145)</u>	<u>(2,889,348)</u>	<u>(1,267,103)</u>
4,600,000	-	-	4,600,000
126,766	-	-	126,766
(2,125,000)	-	-	(2,125,000)
-	182,430	49,578	236,603
-	-	-	9,349
-	482,179	3,027,065	-
<u>2,601,766</u>	<u>664,609</u>	<u>3,076,643</u>	<u>2,847,718</u>
723,401	171,464	187,295	1,580,615
<u>6,644,771</u>	<u>(170,088)</u>	<u>6,436,518</u>	<u>34,754,303</u>
<u>\$ 7,368,172</u>	<u>\$ 1,376</u>	<u>\$ 6,623,813</u>	<u>\$ 36,334,918</u>

TANGIPAHOA PARISH GOVERNMENT  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES  
 For the Year Ended December 31, 2019

EXHIBIT A-6

Net change in fund balances - total governmental funds \$ 1,580,615

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. 7,458,027

Some of the capital assets acquired this year were financed with capital leases. Capital leases are not revenues in the statement of activities, but rather constitute long term liabilities in the statement of net position. (298,220)

In the statement of activities, only the loss on the sale of equipment is reported, whereas in the governmental funds, the proceeds from the sale increases financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the equipment disposed of. (69,010)

Governmental funds report capital outlays as expenditures. This is the total cost of capital assets donated to other governmental agencies during the current period. (965,960)

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items. (2,390,249)

Internal service funds are used by management to charge the costs of certain activities, such as accounting services, to individual funds. The net revenue (expense) of certain internal funds is reported within governmental activities. 28,687

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures of governmental funds. These differences consist of:

Net change in liability for postemployment healthcare (71,513)  
 Pension expense for GASB 68 (2,250,399)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. 236,799

Municipal Solid Waste Landfill closure and postclosure care cost liabilities are not recorded by the governmental fund, but must be recorded as a general long-term liability in the governmental activities in the government-wide financial statements. This is the amount of the decrease of the closure and postclosure care costs liability over the prior year. 239,483

Change in net position of governmental activities \$ 3,498,260

The accompanying notes are an integral part of this statement.

TANGIPAHOA PARISH GOVERNMENT  
Amite, Louisiana  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
December 31, 2019

	<u>Governmental Activities- Internal Service</u>
<u>Assets</u>	
<u>Current Assets</u>	
Cash and cash equivalents	\$ 322,544
Receivables	37,692
Total Current Assets	<u>360,236</u>
<u>Restricted Assets</u>	
Cash and cash equivalents	<u>38,961</u>
<u>Noncurrent Assets</u>	
Capital assets (net of accumulated depreciation)	<u>149,706</u>
Total Assets	<u>548,903</u>
<u>Liabilities</u>	
<u>Current Liabilities</u>	
Accounts, salaries, and other payables	110,744
Obligation under capital leases	10,695
Total Current Liabilities	<u>121,439</u>
<u>Non-Current Liabilities</u>	
Obligation under capital leases	<u>14,101</u>
Total Current Liabilities	<u>14,101</u>
Total Liabilities	<u>135,540</u>
<u>Net Position</u>	
Net Investment in capital assets	124,910
Restricted	38,961
Unrestricted	<u>249,492</u>
Total Net Position	<u>\$ 413,363</u>

The accompanying notes are an integral part of this statement.

TANGIPAHOA PARISH GOVERNMENT  
 Amite, Louisiana  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2019

	<u>Governmental Activities- Internal Service</u>
<u>Operating Revenues</u>	
Charges for interfund services	\$ 2,003,434
FEMA Reimbursement	28,325
	2,031,759
 <u>Operating Expenses</u>	
Personnel services	1,509,533
Materials and supplies	93,324
Professional services	278,780
Repairs and maintenance	19,090
Other expenses	74,656
Depreciation	40,225
	2,015,608
Total Operating Expenses	2,015,608
Operating Income	16,151
 <u>Nonoperating Revenues (Expenses)</u>	
Interest income	11,733
Interest Expense	(1,394)
Miscellaneous revenue	2,197
Loss on disposition of assets	(4,497)
	8,039
Total Nonoperating Revenues	8,039
Change in Net Position	24,190
Total Net Position - Beginning	389,173
Total Net Position - Ending	\$ 413,363

The accompanying notes are an integral part of this statement.

TANGIPAHOA PARISH GOVERNMENT  
Amite, Louisiana  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended December 31, 2019

	<u>Governmental Activities- Internal Service</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from interfund services provided	\$ 2,005,034
Payments to suppliers	(470,118)
Payments to employees	(1,496,049)
Net Cash Provided by Operating Activities	<u>38,867</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Miscellaneous Proceeds	<u>2,198</u>
Net Cash Provided by Noncapital Financing Activities	<u>2,198</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Payments on capital assets lease	(10,216)
Interest paid	(1,394)
Purchases of capital assets	(38,878)
Net Cash (Used) by Capital and Related Financing Activities	<u>(50,488)</u>
<u>Cash Flows from Investing Activities</u>	
Interest received	<u>11,733</u>
Net Cash Provided by Investing Activities	<u>11,733</u>
Net Increase in Cash and Cash Equivalents	2,310
Cash and Cash Equivalents, Beginning of Year	<u>320,234</u>
Cash and Cash Equivalents, End of Year	<u>\$ 322,544</u>
<u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</u>	
Operating Income	<u>\$ 16,151</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	40,225
(Increase)/decrease in assets-	
Accounts receivable	(26,725)
Restricted Assets	4,199
Increase/(decrease) in liabilities-	
Accounts payable and other payables	5,017
Total Adjustments	<u>22,716</u>
Net Cash Provided by Operating Activities	<u>\$ 38,867</u>
<u>Non Cash Capital and Related Financing Activities</u>	
Cost of Vehicle Leased	\$ 42,354
Vehicle Lease Balance	(24,796)
Payments on Lease Liability	<u>\$ 17,558</u>

The accompanying notes are an integral part of this statement.

TANGIPAHOA PARISH GOVERNMENT  
Amite, Louisiana  
STATEMENT OF FIDUCIARY NET POSITION  
December 31, 2019

	<u>Pension Trust</u>	<u>Agency Fund</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 21,280	\$ 1,078,894
Investments, at fair value:		
US treasury bonds and notes	754,557	-
Due from employees and cobra employees	<u>-</u>	<u>14,823</u>
Total Assets	<u>775,837</u>	<u>1,093,717</u>
<b>Liabilities</b>		
Accounts payable	-	1,093,658
Due to other governments	<u>-</u>	<u>59</u>
Total Liabilities	<u>-</u>	<u>1,093,717</u>
<b>Net Position Reserved for OPEB</b>	<u><u>\$ 775,837</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of this statement.

TANGIPAHOA PARISH GOVERNMENT  
Amite, Louisiana  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
For the Year December 31, 2019

	Pension Trust
<b>Additions</b>	
Contributions	
Employer contributions	\$ 523,565
Total Contributions	523,565
Investment earnings	
Interest income	11,874
Net appreciation in the fair value of investments	10,096
Net income from investing activities	21,970
Total Additions	545,535
<b>Deductions</b>	
Medical benefits payments	106,348
Administrative Expenses	22,500
Total Deductions	128,848
Change in Position	416,687
Net Position -Beginning of Year	359,150
Net Position -End of Year	\$ 775,837

The accompanying notes are an integral part of this statement.

## **Notes to the Financial Statements**

## TANGIPAHOA PARISH GOVERNMENT

Amite, Louisiana

### Notes to the Financial Statements

As of and for the Year Ended December 31, 2019

#### INTRODUCTION

Tangipahoa Parish Government (parish) is the governing authority for the Parish of Tangipahoa, Louisiana. The Parish of Tangipahoa operates under a home rule charter and is governed by the "council-president" form of government. An elected council of ten members representing the various districts within the parish constitutes the legislative branch of the government and an elected president is the chief executive officer and head of the executive branch. The council and president serve four-year terms that expire in January 2020.

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

Tangipahoa Parish occupies approximately 818 square miles with a population of approximately 128,755. The parish government maintains approximately 1,067 miles of roads, 876 miles of which are paved and 191 of which are gravel. Parish government offices are located in the courthouse annex in Amite, Louisiana, with road maintenance facilities located at 2 locations within the parish.

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

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

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

The parish was also required to implement the general provisions of GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in the year ended December 31, 2011.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, was implemented in the year ended December 31, 2015. This statement establishes new financial reporting requirements for governments that provide their employees with pension benefits. Additional information about the parish's net pension liability (asset) is presented in the notes to the financial statements.

GASB Statement No. 72, *Fair Value Measurement and Application*, was implemented as it relates to fair value, investments, and donated capital assets.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. REPORTING ENTITY**

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

GASB Statement No. 14 as amended by GASB Statement No. 61 established criteria for determining which component units should be considered part of Tangipahoa Parish Government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

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

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

Blended Component Units

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

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

Component Units Omitted from Financial Statements

<u>Active Component Units</u>	<u>Fiscal Year End</u>	<u>Criteria Used</u>
Consolidated Gravity Drainage District Number 1	12/31	1
Coves of the Highland Community Development District	06/30	1
Fire Protection District Number 1	12/31	1
Fire Protection District Number 2	12/31	1
Gravity Drainage District Number 4	12/31	1
Gravity Drainage District Number 5	12/31	1
Hospital Service District Number 1	06/30	1
Hospital Service District Number 2	09/30	1
Mosquito Abatement District No. 1 of the Parish of Tangipahoa	12/31	1
Ponchatoula Area Recreation District Number 1	12/31	1
Recreation District Number 39A	06/30	1
Recreation District Number 3	12/31	1

Tangipahoa Parish Government  
Notes to the Financial Statements  
As of and for the Year Ended December 31, 2019

Sewer District No. 1 of the Parish of Tangipahoa	12/31	1
Tangipahoa Communication District Number 1	12/31	1
Tangipahoa Parish Clerk of Court	06/30	2
Tangipahoa Parish Convention and Visitors Bureau	12/31	1
Tangipahoa Parish Library Board of Control	12/31	1
Tangipahoa Parish Sheriff	06/30	2
Tangipahoa Voluntary Council on Aging	06/30	1
Tangipahoa Water District	12/31	1
Hammond Area Recreation District Number 1	12/31	1
	Fiscal	Criteria
<u>Inactive or Non-Funded Component Units</u>	<u>Year End</u>	<u>Used</u>
Kentwood Area Recreation District	12/31	1
Loranger Recreation District Number 104	12/31	1
Recreation District Number 5 - Mid Parish	12/31	1
Recreation District Number 6	12/31	1

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

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

## **B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and selected blended component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The parish implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*. GASB 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The reader will note a change in terminology from “net assets” to “net position”.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The parish reports the following major governmental funds:

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

SPECIAL REVENUE FUNDS:

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

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

CAPITAL PROJECTS FUND:

The Hazard Mitigation Fund accounts for the implementation of grants under the Federal Emergency Management Agency (FEMA) in regards to federally declared disaster relief and disaster mitigation. Major sources of revenue are federal grants.

The parish reports the following fund types:

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

Fiduciary funds are used to account for assets held by a governmental entity for other parties and cannot be used to finance the governmental entity's own operating programs. The parish has two fiduciary funds. One is a Pension (and Other Employee Benefit) Trust fund and the other is an agency fund.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The parish has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are user fees. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the parish's policy to use restricted resources first, then unrestricted resources as they are needed.

#### **D. DEPOSITS AND INVESTMENTS**

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

The investments for the Parish held in the OPEB Trust Fund are reported at Fair Value in accordance with GASB Statement No. 72.

#### **E. RECEIVABLES**

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

**F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES**

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

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

**G. INVENTORIES**

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

**H. RESTRICTED ASSETS**

Certain resources of the parish are set aside for the payment of the high deductible insurance and health reimbursement plan, the Rainy Day reserve fund, debt service requirements, and unspent grant funds that are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by the parish administration.

**I. CAPITAL ASSETS**

Capital assets, which include property, plant, equipment, and infrastructure assets (roads and bridges), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

The parish maintains a threshold level of \$1,000 or more for capitalizing capital assets.

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if material, is included as part of the capitalized value of the assets constructed.

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

<u>Description</u>	<u>Estimated Lives</u>
Governmental Activities	
Road and bridges	20 Years
Land improvements	10 Years
Buildings and building improvements	40 Years
Furniture and fixtures	5 Years
Vehicles	5 Years
Equipment	10-15 Years

**J. DEFERRED OUTFLOWS / INFLOWS OF RESOURCES:**

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**K. COMPENSATED ABSENCES**

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

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

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

**L. LONG-TERM OBLIGATIONS**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Paragraph 187 of GASB Statement 62 establishes standards of accounting and financial reporting for debt issuance costs. Paragraph 12 of Statement 7 indicates that debt issuance costs include all costs incurred to issue the bonds, including but not limited to insurance costs ( net of rebates from the old debt, if any), financing costs (such as rating agency fees), and other related costs (such as printing, legal, administrative, and trustee expenses).

The parish has implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, and with the implementation of GASB 65, the recognition of bond-related costs, including the costs related to issuance and refunding of debt, were revised. This standard was intended to complement GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are now expensed in the period incurred under GASB 65. The parish incurred and expensed \$229,129 in bond issuance costs associated with the issuance of the Parish of Tangipahoa, State of Louisiana Revenue and Refunding bonds, Series 2019, in the year ending December 31, 2019.

Tangipahoa Parish Government recognizes landfill closure and postclosure costs in accordance with GASB Statement No.18. The measurement and recognition for landfill costs are reported in the government-wide financial statements.

**M. FUND EQUITY**

Governmental fund equity is classified as fund balance. Beginning with fiscal year ending December 31, 2011, the parish implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either not in spendable form or they are legally contractually required to be maintained intact.

The parish does not have anything that can be classified as Nonspendable Fund Balance.

- **Restricted:** This classification includes amounts in which the use of resources is constrained either by (a) external impositions by creditors, grantors, contributors, or laws or regulations of other governments or (b) impositions by law through constitutional provisions or enabling legislation.

The parish has classified the following funds as restricted:

Garbage District No. 1, Health Unit, Road Lighting District #1, Road Lighting District #2, Road Lighting District #3, Road Lighting District #4, Road Lighting District #5, Road Lighting District #6, Road Lighting District #7, Road District No. 101 Debt Service Fund, and Sub-Road District No. 1 of Road District No. 101 Debt Service Funds are funds that are restricted by authorized millages by taxpayers.

Road & Bridge                      75% of the 1% Sales Tax Levy renewed in November 2016

The following funds are restricted due to constraints of grants:

General Fund	GoMESA Funds.
Hazard Mitigation	Disaster and non-Disaster Hazard Mitigation Grant Program.
Animal Shelter	ASPCA Funds
Section 8 Housing	Housing Choice Voucher Program, Disaster Housing Assistance Program - Katrina, and Disaster Housing Assistance Program – Ike
Rapid Rehousing	Homeless Prevention and Rapid Rehousing Program
Council Chamber Communications	Cable provider contract
Shelter Grant	Emergency Shelter Grant Program
Juror Per Diem	Louisiana Revised Statute No. 13:3049
Witness Fee	Louisiana Revised Statute No. 15:255

- **Committed:** This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Parish Council, which is the parish's highest level of decision making authority. These amounts cannot be used for any other purpose unless the Parish Council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

The parish has classified the following funds as committed:

General Fund	Rainy Day Fund created by Ordinance No. 13-40
Industrial Development Board	Action taken by Parish Council in 2002 to lease property to Wal-Mart and Elmer Candy Co. Action taken by Parish Council in 2017 to lease property to Intralox, LLC.

- **Assigned:** This classification includes amounts that are constrained by the parish's intent to be used for a specific purpose but are neither restricted nor committed. This intent should be expressed by the parish's governing body itself or a committee or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.  
The parish has classified the following fund as assigned:

Animal Shelter and Florida Parishes Arena

General Fund, Road and Bridge, Garbage District No.1, Health Unit, and Animal Shelter all have funds that are restricted as a result of the parish's Health Reimbursement Insurance Program; that was not created by ordinance.

- **Unassigned:** This classification is the residual fund balance for the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

The parish has classified the General Fund as unassigned.

The following funds are considered unassigned because they have a deficit in fund balances:

Workforce Investment Opportunity Act, CIAP Project Fund.

When fund balance resources are available for a specific purpose in multiple classifications, the parish will generally use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, the parish's management reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds.

## **N. ESTIMATES**

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

## **O. INTERFUND TRANSACTIONS**

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

as reductions of expenditures/expenses in the fund that is reimbursed.

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

**P. ELIMINATION AND RECLASSIFICATION**

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

**Q. AD VALOREM TAXES**

Ad valorem taxes are levied in October and billed to the taxpayers in November. Billed taxes become delinquent as of January 1<sup>st</sup> of the following year at which time an enforceable lien is attached. The taxes are generally collected in December of the current year and January and February of the ensuing year. Ad valorem taxes and related state revenue sharing are recorded in the year the taxes are billed. The Tangipahoa Parish Sheriff / Tax Collector on behalf of the parish bills, collects, and remits the property taxes based on assessed values determined by the Tangipahoa Parish Assessor. The following is a summary of authorized and levied ad valorem taxes for the year:

	Authorized Millage	Levied Millage	Expiration Year
Parish wide Taxes:			
General Fund, Cities	2.00	1.53	Continuous
General Fund, Rural	4.00	3.06	Continuous
Special Revenue Fund:			
Health Unit Maintenance	4.00	4.00	2026
District Taxes:			
Special Revenue Funds:			
Road Lighting District Number 1	2.00	2.00	2024
Road Lighting District Number 2	16.62	5.00	2026
Road Lighting District Number 3	15.00	8.00	2019
Road Lighting District Number 4	15.29	5.00	2026
Road Lighting District Number 5	10.00	4.00	2028
Road Lighting District Number 6	10.00	6.00	2028
Road Lighting District Number 7	10.00	2.00	2026
Garbage District Number 1	10.00	10.00	2022
Debt Service Funds:			
Road District Number 101	Variable	2.50	2036
Sub-Road District Number 1 of 101	Variable	2.50	2036

**R. SALES TAXES**

In November 2016, the voters of Tangipahoa Parish approved a renewal of a one percent parish wide general sales and use tax to be levied for Tangipahoa Parish Government. The proceeds of the tax are dedicated on the basis of 75 percent for road and bridge maintenance and improvements and the remaining 25 percent for general governmental purposes. The tax as renewed in 2016 is effective January 1, 2017, through December 31, 2021.

**2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. BUDGETS**

The parish uses the following budget practices:

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

The original proposed budgets for the General Fund, the special revenue funds and the internal service proprietary fund were made available for public inspection on October 8, 2018 and were published in the official journal on November 22, 2018. A public hearing was held at the parish's headquarters on December 10, 2018. The original budgets were adopted on December 10, 2018.

The budgets of the parish were amended two times during the year with the final amendment taking place on December 9, 2019.

**B. REVENUES – ACTUAL AND BUDGET**

The following individual funds had actual expenditures and other uses that exceeded budgeted amounts for the year ended December 31, 2019:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>	<u>Percent</u>
Garbage Maintenance Fund	\$11,344,631	\$12,515,503	\$1,170,872	10.32%
Road Lighting #3 Fund	\$37,276	\$44,824	\$7,548	20.25%
Juror Per Diem Fund	\$152,068	\$162,566	\$10,498	6.90%
Workforce- Adult Fund	\$959,412	\$1,056,208	\$96,796	10.09%

The Louisiana Local Government Budget Act requires a local government to amend its operating budget when the total revenues and other sources fail to meet total budgeted revenues and other sources by 5% or more and when the total expenditures and other uses exceed total budgeted expenditures and other uses by 5% or more. The parish failed to amend the budget for the Garbage Maintenance Fund, the Road Lighting #3 Fund, the Juror Per Diem Fund, and the Workforce-Adult Fund by an adequate amount for the fiscal year ended December 31, 2019.

**C. FUND DEFICITS**

The following individual funds have a deficit in unreserved fund equity at December 31, 2019:

	<u>Deficit Amount</u>
Capital Projects Funds:	
CIAP Project Fund	\$ 61,611
Special Revenue Funds:	
Workforce Investment Opportunity Act	\$ 52,326

The General Fund will transfer funds to cover the deficits until the grant funds are received.

**3. DEPOSITS AND INVESTMENTS**

**A. DEPOSITS**

At December 31, 2019, Tangipahoa Parish Government had deposits (book balances) totaling \$ 29,896,121 (including \$1,100,174 in the fiduciary fund) as follows:

Cash on hand	\$ 1,500
Non interest-bearing demand deposits	100
Interest-bearing demand deposits	<u>29,894,521</u>
	<u>\$29,896,121</u>

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

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

At December 31, 2019, Tangipahoa Parish Government had \$29,967,505 in deposits with a total of \$29,967,405 in interest bearing accounts and \$100 in non-interest bearing accounts. Of these deposits, \$10,501,421 are related to the issuance of the parish's GoMESA Bonds, 2019 Series Bonds, and the OPEB Trust. Under the terms of the agreement with Whitney Bank, the bank maintains control of the funds and distributes funds in accordance with bond documents and the parish's requests. All funds are fully collateralized by the Trust Department of the respective bank. Of the remaining deposits \$19,466,084, \$250,000 is secured from risk by federal deposit insurance and the remaining \$19,216,084 is uninsured but collateralized with securities held by the custodial bank in the name of the fiscal agent bank.

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

Custodial credit risk is the risk that in the event of a bank failure, the parish's deposits may not be returned to it. The parish does not have a deposit policy for custodial credit risk. As of December 31, 2019, \$19,466,084 of the parish's bank balances are exposed to custodial credit risk. The \$19,466,084 is uninsured but

collateralized with securities held by the pledging institution's trust department or agent, but not in the parish's name.

**B. INVESTMENTS**

At December 31, 2019, the Parish's investment balances are as follows:

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less than 1	1-5	6-10
US Treasury Bonds and Notes	\$754,557	\$ 150,818	\$469,176	\$134,563

The Parish has contracted with external investment managers at Hancock Whitney Trust & Asset Management to manage all of the funds in the OPEB Trust Fund. The following facts are relevant to pension trust investments:

- Credit Risk and Custodial Credit Risk:

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Custodial credit risk is the risk that, in the event of the failure of the issuer or counterparty to a transaction, the Trust will not be able to recover the value of its investments. Credit risk and custodial credit risk are minimized by the purchase of bonds and notes that are issued by the US Treasury. At December 31, 2019, the Trust was not exposed to custodial credit risk.

The parish has no formal investment policy regarding custodial credit risk or concentration credit risk.

**4. RECEIVABLES**

The following is a summary of receivables at December 31, 2019:

	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total Governmental Funds	Internal Service Fund
Taxes:						
Ad Valorem	\$1,344,635	\$5,766,358	\$ -	\$47,734	\$7,158,727	\$ -
Sales and Use	479,488	1,438,465	-	-	1,917,953	-
Intergovernmental:						
State Revenue Sharing	60,712	261,096	-	-	321,808	-
Other	288,993	1,691,942	865,540	-	2,846,475	-
Accounts	-	330,036	-	-	330,036	-
Less: allowance for						
Uncollectible accounts	-	(10,000)	-	-	(10,000)	-
Other	210,048	149,176	-	-	359,224	37,692
<b>Total</b>	<b>\$2,383,876</b>	<b>\$9,627,073</b>	<b>\$865,540</b>	<b>\$47,734</b>	<b>\$12,924,223</b>	<b>\$37,692</b>

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

**5. INTERFUND RECEIVABLES AND PAYABLES/TRANSFERS**

A. Balances due to/from other funds at December 31, 2019, consist of the following:

Due to the General Fund from the Shelter grant to cover necessary expenses	\$ 203,000
Due to the General Fund from the Hazard Mitigation Fund to cover necessary expenses	26,000
Due to the General Fund from the Library Construction Fund to cover necessary expenses	2,500
Due to the General Fund from the Long Term Recovery Fund to open checking account	100
Due to the General Fund from the Capital Projects Grant to cover necessary expenses	5,187
Due to the General Fund from the Section 8 Fund because of disaster related expenses	<u>514</u>
Total	<u>\$237,301</u>

B. Interfund transfers at December 31, 2019, consist of the following:

From the General Fund to Section 8 to cover necessary expenses	\$ 60,217
From the General Fund to the Animal Shelter Fund to subsidize operations	475,000
From the General Fund to the Florida Parishes Arena Fund to subsidize operations	315,000
From the General Fund to the Health Unit Fund to subsidize operations	80,500
From the General Fund to the Workforce Development Funds	2,679
From the General Fund to the Hazard Mitigation Fund to cover necessary expenses	870
From the General Fund to the Restore Act Fund for to cover necessary expenses	378
From the General Fund to the Capital Projects Fund for Village of Tangipahoa Sewer Project	810
From the General Fund to the CIAP Projects Fund for the Rock Jetty Shoreline Protection Project	271,295
From the Road and Bridge Fund to the Hazard Mitigation Fund for Safe Room costs	37,257
From the Road and Bridge Fund to the Hazard Mitigation Fund for Club Deluxe Road Project	333,219
From the Road and Bridge Fund to the Hazard Mitigation Fund for Wardline Road Project	53,756
From the Road and Bridge Fund to the Hazard Mitigation Fund for Chappapeela Drainage Project	40,027
From the Road and Bridge Fund to the Hazard Mitigation Fund for FEMA Stormwater Study	17,050
From the Road and Bridge Fund to Long Term Recovery Fund for Club Deluxe Road Project	<u>1,821,186</u>
Total	<u>\$3,509,244</u>

**6. CAPITAL ASSETS**

The following is a summary of changes in capital assets for the fiscal year ended December 31, 2019:

	Balance 01-01-2019 <u>Restated</u>	<u>Increases</u>	<u>Decreases</u>	Balance 12-31-19
Governmental Activities:				
Capital assets not depreciated:				
Land	\$ 4,629,372	\$ 1,686,604	\$ -	\$ 6,315,976
Infrastructure (Land & Base)	75,965,334	121,825	-	76,087,159
Construction in progress	<u>7,600,661</u>	<u>9,546,652</u>	<u>1,343,160</u>	<u>15,804,153</u>
Total capital assets not depreciated	<u>88,195,367</u>	<u>11,355,081</u>	<u>1,343,160</u>	<u>98,207,288</u>
Capital assets depreciated:				
Buildings	55,361,777	376,486	-	55,738,263
Infrastructure	136,235,960	4,329,620	2,555,706	138,009,874
Equipment	<u>21,637,075</u>	<u>824,832</u>	<u>231,805</u>	<u>22,230,102</u>
Total capital assets depreciated	<u>213,234,812</u>	<u>5,530,938</u>	<u>2,787,511</u>	<u>215,978,239</u>
Less accumulated depreciation for:				
Buildings	18,133,637	1,561,132	-	19,694,769
Infrastructure	68,721,638	4,624,572	1,334,578	72,011,632
Equipment	<u>12,706,638</u>	<u>1,649,747</u>	<u>167,235</u>	<u>14,189,150</u>
Total accumulated depreciation	<u>99,561,913</u>	<u>7,835,451</u>	<u>1,501,813</u>	<u>105,895,551</u>
Total capital assets depreciated, net	<u>113,672,899</u>	<u>(2,304,513)</u>	<u>1,285,698</u>	<u>110,082,688</u>
Total governmental activities capital assets, net	<u>\$ 201,868,266</u>	<u>\$ 9,050,568</u>	<u>\$ 2,628,858</u>	<u>\$ 208,289,976</u>

Depreciation was charged to governmental functions as follows:

General government	\$ 496,598
Culture and recreation	304,421
Public safety	329,789
Public works	6,316,630
Economic Development	18,385
Health and welfare	329,403
Capital assets held by internal service funds - charged to general government	<u>40,225</u>
Total depreciation expense - governmental activities	<u>\$7,835,451</u>

## **7. RESTRICTED ASSET**

### **A. CASH**

#### Governmental Activities/Funds

##### High Deductible Insurance and Health Reimbursement Plan

Tangipahoa Parish Government provides to its employees, as an employment benefit, a High Deductible Health Insurance Plan (through Blue Cross Blue Shield) which is supplemented by Individual Health Reimbursement Accounts (administered by Choice Care). In addition to paying the health insurance premium for the employee, the parish is also responsible to pay a portion of the employee's deductible. In order to properly fund this deductible portion, the parish makes monthly deposits equal to 1/12th of the parish portion of the annual deductible into a separate bank account. These funds are then transferred to Choice Care as the employees use the funds for qualifying medical expenses. Any balances remaining after the close of the deductible year are carried over to offset future plan expenses. As of December 31, 2019, the combined cash balance of this fund was \$741,861, which is presented on the Statement of Net Position as Restricted Assets - Cash.

##### Ordinance No 13-40: Reserve Fund:

On October 15, 2013, the council adopted an ordinance to establish a reserve fund that shall be kept in a separate bank account. These funds can only be spent upon the specific request of the Parish President and the approval of two-thirds vote of the Tangipahoa Parish Council. As of December 31, 2019, the cash balance of this account was \$890,963.

##### Ordinance No 18-68: OPEB Irrevocable Tax-Exempt Trust

On December 10, 2018, the council adopted an ordinance to establish an irrevocable tax-exempt trust pursuant to Section 115 of the Internal Revenue Code and the GASB Statements for the purpose of funding and pre-funding the Parish's share of the OPEB provided under the Retiree Plan in accordance with the GASB Statements. This was done to provide a vehicle for advance funding of such OPEB by the Parish and to offset the OPEB Liability required to be shown on the financial statement by the amount of assets in the trust. As of December 31, 2019, the combined cash balance of this fund was \$21,280.

##### Debt Service Requirements:

During 2019, the parish issued Series 2019 Revenue Bonds for the purpose of acquiring, constructing, extending and improving the parish landfill, refunding Series 2013 Revenue Bonds, funding a reserve fund, and paying the costs of issuing the Bonds. Upon the issuance of these bonds, the parish became subject to Debt Service Requirements and other restrictions. \$2,507,731 is restricted related to the issuance and related construction cost of the project.

In December 2018, the parish issued Revenue Bonds for the purpose of financing qualified GoMESA projects. Upon the issuance of these bonds, the parish became subject to Debt Service Requirements. As of December 31, 2019, \$7,983,311 is restricted in the General Fund.

### **B. INVESTMENTS**

##### Ordinance No 18-68: OPEB Irrevocable Tax-Exempt Trust

On December 10, 2018, the council adopted an ordinance to establish an irrevocable tax-exempt trust pursuant to Section 115 of the Internal Revenue Code and the GASB Statements for the purpose of funding and pre-funding the Parish's share of the OPEB provided under the Retiree Plan in accordance with the GASB Statements. This was done to provide a vehicle for advance funding of such OPEB by the Parish and to offset the OPEB Liability required to be shown on the financial statement by the amount of assets in the trust. As of December 31, 2019, the combined investments balance of this fund was \$754,557.

## 8. COMPENSATED ABSENCES

At December 31, 2019, employees of Tangipahoa Parish Government have accumulated and vested \$789,434 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. Of this amount, \$115,488 is recorded as an obligation of the General Fund, and \$616,173 is recorded as an obligation of the Special Revenue Funds. The leave liability for employees of the Internal Service Fund in the amount of \$57,773 is accounted for within these funds.

## 9. OPERATING LEASES

The parish has no material long-term, noncancellable operating lease commitments at December 31, 2019.

## 10. LONG-TERM DEBT

### A. Summary of Changes in Long-Term Debt

The following is a summary of the long-term obligation transactions for the year ended December 31, 2019:

<u>Governmental Activities:</u>	<u>Balance</u> <u>01/01/19</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/19</u>	<u>Due Within</u> <u>One Year</u>
General Obligation Bonds	\$ 732,100	\$ -	\$ 26,600	\$ 705,500	\$ 27,600
Series 2013 Landfill Revenue Bonds	2,175,000	-	2,175,000	-	-
Series 2019 Landfill Revenue Bonds	-	4,600,000	-	4,600,000	55,000
Series 2019 Landfill Revenue Bonds Premium	-	126,766	-	126,766	4,226
GOMESA Revenue Bonds	7,725,000	-	-	7,725,000	-
Capital Leases	501,236	298,219	134,917	664,538	169,706
Estimated Liability for Landfill Closure/ Postclosure Care Cost	5,036,290	-	239,483	4,796,807	-
<b>Total Governmental Activities</b>	<b>\$ 16,169,626</b>	<b>\$ 5,024,985</b>	<b>\$ 2,576,000</b>	<b>\$ 18,618,611</b>	<b>\$ 256,532</b>
<u>Business Type Activities:</u>	<u>Balance</u> <u>01/01/19</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/19</u>	<u>Due Within</u> <u>One Year</u>
Capital Leases	\$ 35,012	\$ -	\$ 10,216	\$ 24,796	\$ 10,695
<b>Total Business Type Activities</b>	<b>\$ 35,012</b>	<b>\$ -</b>	<b>\$ 10,216</b>	<b>\$ 24,796</b>	<b>\$ 10,695</b>

### B. Bonds:

During the year ending December 31, 2019, the parish issued \$4,600,000 in Revenue and Refunding Bonds, Series 2019 (\$2,500,000 new money bonds and \$2,100,000 refunding bonds), at a premium of \$126,766 for the purpose of (i) expanding and improving the Parish's municipal landfill (the "2019 Improvement Projects"); (ii) refunding the Parish's Revenue Bonds, Series 2013 (the "Refunded Bonds"); (iii) financing the costs of issuance of the Bonds; (iv) acquiring a municipal bond insurance policy; and (v) funding a debt service reserve fund with a surety bond.

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The parish has four bond issues:

Governmental Activities:

Landfill Revenue Bonds:

\$4,600,000 issue of 2019 for the purpose of extending and improving parish landfill, and refunding the Series 2013 Bonds, due in semi-annual installments of \$55,000 to \$230,000 through April 1, 2049 with interest at 2.75 to 4.0 percent. Debt retirement payments are made from the Garbage Maintenance District No. 1 Fund. \$4,600,000

Gomesa Revenue Bonds:

\$7,725,000 issue of 2018 for the purpose of financing qualified GoMESA projects, due in semi-annual installments of \$260,000 to \$655,000 through Nov 1, 2038 with interest at 5.375 percent. Debt retirement payments are made from the General Fund. \$7,725,000

General Obligation Bonds:

Road District No. 101 General Obligation Bonds:

\$392,800 issue of 2017 for the purpose of financing the construction and improvements of public roads, highways and bridges within the district, due in semi-annual installments of \$11,000 to \$27,800 through March 1, 2037 with interest at 3.95 percent. Debt retirement payments are made from the Road District No. 101 Sinking Fund. \$367,900

Sub-Road District No. 1 of Road District No. 101 General Obligation Bonds:

\$362,300 issue of 2017 for the purpose of financing the construction and improvements of public roads, highways and bridges within the district, due in semi-annual installments of \$12,000 and \$25,600 through March 1, 2037 with interest at 3.95 percent. Debt retirement payments are made from the Sub-Road District No. 1 of Road District No. 101 Sub-Sinking Fund. 337,600

Total General Obligation Bonds \$705,500

C. Capital Leases:

The Parish has entered into leases for various vehicles. These leases meet the criteria of a capital lease since the lease term is the same as the useful life of the vehicles. Capital lease payments are reflected as debt service expenditures at the government fund reporting level. The assets acquired through capital leases are as follows:

Assets:	Governmental Activities	Business Type Activities	Total
Vehicles	\$ 877,648	\$ 42,354	\$ 920,002
Less Accumulated Depreciation	(231,037)	(18,537)	(249,574)
Capital assets, net	<u>\$ 646,611</u>	<u>\$ 23,817</u>	<u>\$ 670,428</u>

On April 5, 2017, the parish entered into a capital lease agreement at an interest rate between 4.43 to 4.96% with Enterprise FM Trust to purchase vehicles. The lease obligation is effective during the period from December 2017 through November 2023. Monthly payments of principal and interest of \$360 to \$968 began on December 13, 2017. Total payments for 2019 are \$173,653 (principal of \$145,133 and interest of \$28,520).

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D. Debt Service Requirements to Maturity

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

Governmental Activities:

Landfill Revenue Bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 55,000	\$112,178	\$ 167,178
2021	115,000	140,375	255,375
2022	115,000	136,925	251,925
2023	125,000	133,325	258,325
2024	125,000	129,575	254,575
2025-2029	685,000	588,175	1,273,175
2030-2034	815,000	456,850	1,271,850
2035-2039	960,000	308,125	1,268,125
2040-2044	990,000	161,250	1,151,250
2045-2049	615,000	47,175	662,175
	<u>\$4,600,000</u>	<u>\$2,213,953</u>	<u>\$6,813,953</u>

GoMESA Bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ -	\$ 415,219	\$ 415,219
2021	260,000	415,219	675,219
2022	275,000	401,244	676,244
2023	290,000	386,463	676,463
2024	305,000	370,875	675,875
2025-2029	1,805,000	1,588,581	3,393,581
2030-2034	2,375,000	1,045,438	3,420,438
2035-2038	2,415,000	333,519	2,748,519
	<u>\$7,725,000</u>	<u>\$4,956,558</u>	<u>\$12,681,558</u>

General Obligation Bonds:

Road District No. 101:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 14,400	\$ 14,248	\$ 28,648
2021	15,000	13,667	28,667
2022	15,600	13,063	28,663
2023	16,200	12,435	28,635
2024	16,800	11,783	28,583
2025-2029	94,700	48,192	142,892
2030-2034	114,800	27,567	142,367
2035-2037	80,400	4,843	85,243
	<u>\$367,900</u>	<u>\$145,798</u>	<u>\$513,698</u>

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Sub-Road District No. 1 of Road District No. 101:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 13,200	\$ 13,075	\$ 26,275
2021	13,700	12,543	26,243
2022	14,300	11,990	26,290
2023	14,900	11,414	26,314
2024	15,400	10,815	26,215
2025-2029	86,800	44,240	131,040
2030-2034	105,500	25,310	130,810
2035-2037	73,800	4,452	78,252
	<u>\$337,600</u>	<u>\$133,839</u>	<u>\$471,439</u>

Capital Leases:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$169,706	\$27,205	\$196,911
2021	177,708	19,203	196,911
2022	185,970	10,823	196,793
2023	96,895	3,636	100,531
2024	34,259	550	34,809
	<u>\$664,538</u>	<u>\$61,417</u>	<u>\$725,955</u>

Business Type Activities:

Capital Leases:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	10,695	915	11,610
2021	11,197	413	11,610
2022	2,903	22	2,925
2023	-	-	-
2024	-	-	-
	<u>\$24,795</u>	<u>\$1,350</u>	<u>\$26,145</u>

**11. DEDICATION OF PROCEEDS & FLOW OF FUNDS-PARISH OF TANGIPAHOA, STATE OF LOUISIANA REVENUE BONDS , SERIES 2013**

The parish through its governing authority adopted an ordinance on February 25, 2013, authorizing the issuance of Parish of Tangipahoa, State of Louisiana Revenue Bonds, Series 2013 in the amount of \$2,400,000 for the purpose of (i) acquiring, constructing, extending and improving the parish landfill, including the cost of placing a cap on the portion of the landfill no longer accepting waste; (ii) funding a debt service reserve fund or purchasing a reserve fund surety bond, if necessary; and (iii) paying the costs of issuing the Bonds. In that ordinance, the Bonds will be payable from the income, revenues and receipts generated by Garbage District No. 1 of Tangipahoa Parish. If such revenues are not sufficient, General Fund revenues or unrestricted revenues of the parish may be utilized. The ordinance authorized the issuance, sale and delivery of the Bonds to Crews & Associates, Inc., Little Rock, Arkansas and authorized the Parish President to execute a purchase agreement with Crews & Associates, Inc., within the parameters set forth by the ordinance. In that ordinance, certain funds are required to be established and maintained with the Paying Agent for the receipt and disbursement of Bond Proceeds. An analysis of these accounts is provided as follows:

Debt Service Fund- The bond ordinance requires that a Debt Service Fund be created to receive deposits five days prior to each Interest Payment Date of the amount required to make principal and interest payments due

on such Interest Payment Date. The Paying Agent will then use the monies on deposit in the Debt Service Fund to make principal and interest payments to the bondholders, as set forth in the agreement. These Bonds were refunded on December 18, 2019.

At December 18, 2019, the parish was in **compliance** with this covenant.

The Debt Service Reserve Fund- The bond ordinance requires that the Debt Service Reserve fund be created and maintained to receive a portion of the proceeds of the Bonds in the amount of the Reserve Requirement, \$152,750. Monies held by the Paying Agent may be invested in Qualified Investments and the earnings on such monies must be transferred to the Debt Service Fund and applied as a credit against the parish's next installment of interest on the Bonds. If the money held in the Reserve Fund, including interest earnings, exceeds the Reserve Requirement on the Bonds, an amount equal to such excess shall be transferred by the Paying Agent to the Debt Service Fund. The Paying Agent must value the Debt Service Reserve Fund annually on November 15<sup>th</sup>. Earnings on amounts in the Reserve fund shall be transferred to the Debt Service Fund and applied as a credit against the Issuer's next installment of the interest on the Bonds. If the amount on deposit in the Reserve Fund is less than the Debt Service Reserve Fund requirement on the Bonds, the Paying Agent must notify the parish of the amount of the deficiency. Upon notification, the parish must deliver to the Paying Agent an amount sufficient to cure the deficiency in accordance to the ordinance. These Bonds were refunded on December 18, 2019.

At December 18, 2019, the parish was in **compliance** with this covenant.

**12. DEDICATION OF PROCEEDS & FLOW OF FUNDS- ROAD DISTRICT NO. 101 OF THE PARISH OF TANGIPAHOA, LOUISIANA GENERAL OBLIGATION BONDS, SERIES 2017 AND SUB-ROAD DISTRICT NO. 1 OF ROAD DISTRICT NO. 101 OF THE PARISH OF TANGIPAHOA, LOUISIANA GENERAL OBLIGATION BONDS, SERIES 2017**

The parish through its governing authority adopted ordinances 17-02 and 17-03 on February 13, 2017, authorizing the issuance of Road District No. 101 of the Parish of Tangipahoa, Louisiana General Obligation Bonds, Series 2017 and Sub-Road District No. 1 of Road District No. 101 of the Parish of Tangipahoa, Louisiana General Obligation Bonds, Series 2017 in the amount of \$392,800 and \$362,300, respectively, for the purpose of (i) financing the construction and improvements of public roads, highways and bridges; (ii) funding capitalized interest on the Series 2017 Bonds, and (iii) paying the costs of issuing the Series 2017 Bonds. Per the ordinances, the Bonds will be payable from ad valorem taxes to be levied and collected in the manner provided by Article VI, Section 33 of the Constitution of the State of Louisiana of 1974, and statutory authority supplemental thereto with an estimated three (3) mills for each district to be levied in the first year to provide for the payment of principal and interest on said bonds. Certain funds are required to be established and maintained with the Paying Agent for the receipt and disbursement of Bond Proceeds. An analysis of these accounts is provided as follows:

Debt Service Fund- The bond ordinance requires that a Debt Service Fund be established to receive deposits of the Tax and accrued interest, if any, on the Bonds. The fiscal agent depository for the Debt Service Fund shall transfer from the Debt Service Fund to the Paying Agent at least three (3) days in advance of each Interest Payment Date, funds fully sufficient to pay promptly the principal and interest falling due on such date.

The paying agent is also the parish's fiscal agent and does not require the establishment of a debt service fund. The parish is accounting for debt service payments for both bonds in separate internal debt service funds.

At December 31, 2019, the parish was in **compliance** with this covenant.

Capitalized Interest Fund- The bond ordinance requires that a Capitalized Interest Fund be created to be held by the Paying Agent. Any proceeds of the Bonds which constitute capital interest shall be deposited therein and the proceeds shall be used solely to make interest payments on the Bonds prior to receipt of sufficient Tax proceeds.

The paying agent is also the parish's fiscal agent and does not require the establishment of a Capitalized Interest Fund. The parish is accounting for capitalized interest payments for both bonds in separate internal debt service funds.

At December 31, 2019, the parish was in **compliance** with this covenant.

**13. DEDICATION OF PROCEEDS & FLOW OF FUNDS PARISH OF TANGIPAHOA, STATE OF LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES AND COMMUNITY DEVELOPMENT AUTHORITY REVENUE BONDS (TANGIPAHOA PARISH GOMESA PROJECT), SERIES 2018 (GREEN BONDS)**

The parish through its governing authority adopted an ordinance on November 13, 2018, authorizing the issuance of Parish of Tangipahoa, State of Louisiana local government environmental facilities and community development authority revenue bonds (Tangipahoa parish GoMESA project), series 2018 (green bonds) in the amount of \$7,725,0000 for the purpose of (a) projects and activities for the purposes of coastal protection, including conservation, coastal restoration, hurricane protection, and infrastructure directly affected by coastal wetland losses; (b) mitigation of damage to fish, wildlife or natural resources; (c) implementation of a federally-approved marine, coastal or comprehensive conservation management plan; (d) mitigation of the impact of outer Continental Shelf activities through the funding of onshore infrastructure projects; and (e) associated planning and administrative costs (collectively, the "GOMESA Projects"). In that ordinance, the Bonds will be payable from an irrevocable and irrevocable pledge of GOMESA Revenues. The ordinance authorized the issuance, sale and delivery of the bonds to Wells Fargo Securities LLC, Jackson, Mississippi, and authorized the Parish President to execute a purchase agreement with to Wells Fargo Securities LLC., within the parameters set forth by the ordinance.

In that ordinance, certain funds are required to be established and maintained by Hancock Whitney's Trust department (Trustee) for the receipt and disbursement of bond proceeds and repayment of the bonds. The Trustee is responsible for all transfers of funds between the various bank accounts.

An analysis of these accounts is provided as follows:

Construction Fund- The bond ordinance requires that the cost of the project be paid from this fund. The funds were. When the construction of the Project is complete, the balance in the Construction Fund shall be transferred to the Debt Service Fund.

At December 31, 2019, the parish was in **compliance** with this covenant. The construction of the Project is not complete.

Debt Service Fund- The bond ordinance requires that a Debt Service Fund be created to receive the portions of the payments from the Revenue Fund to pay the interest and principal. Fifteen days prior to each payment date the monies are to be transferred. The Trustee will use the monies on deposit in the Debt Service Fund to make principal and interest payments to the bondholders, as set forth in the agreement.

At December 31, 2019, the parish was in **compliance** with this covenant.

The Debt Service Reserve Fund- The bond ordinance requires that the Debt Service Reserve fund be created and maintained by the Trustee to receive monies from the Revenue Fund in order to comply with the reserve requirement of \$415,218.76. Monies are to be transferred on the or before the fifteenth day of the month following receipt of the Pledged Revenues.

At December 31, 2019, the parish was in **compliance** with this covenant.

Revenue Fund- The bond ordinance requires the Trustee to maintain a Revenue Fund in which the Pledged revenues will be received. The Trustee is required to make various transfers to other accounts throughout the year. After all required transfers, any funds remaining shall be transferred to the Residual Fund.

At December 31, 2019, the parish was in **compliance** with this covenant.

Residual Fund- The bond ordinance requires the Trustee to maintain the Residual Fund to receive the balance of funds remaining in the Revenue Fund after making the required transfers. The Residual Fund shall be transferred to the Borrower on each November 1, beginning November 1, 2019.

At December 31, 2019, the parish was in **compliance** with this covenant.

Rebate Fund- The Rebate Fund shall be held by the Trustee but shall not be a trust account within the trust estate pledge under this Indenture. Monies on deposit shall be used to make rebate payments owed to the United State of America.

At December 31, 2019, the parish was in **compliance** with this covenant.

#### **14. DEDICATION OF PROCEEDS & FLOW OF FUNDS-PARISH OF TANGIPAHOA, STATE OF LOUISIANA REVENUE BONDS , SERIES 2019**

The parish through its governing authority adopted an ordinance on December 18, 2019, authorizing the issuance of Parish of Tangipahoa, State of Louisiana Revenue Bonds, Series 2019 in the amount of \$4,600,000 for the purpose of (i) expanding and improving the Parish's municipal landfill (the "2019 Improvement Projects"); (ii) refunding the Parish's Revenue Bonds, Series 2013 (the "Refunded Bonds"); (iii) financing the costs of issuance of the Bonds; (iv) acquiring a municipal bond insurance policy; and (v) funding a debt service reserve fund with a surety bond. In that ordinance, the Bonds will be payable from the income, revenues and receipts generated by Garbage District No. 1 of Tangipahoa Parish. If such revenues are not sufficient, General Fund revenues or unrestricted revenues of the parish may be utilized. The ordinance authorized the issuance, sale and delivery of the Bonds to Crews & Associates, Inc., Little Rock, Arkansas and authorized the Parish President to execute a purchase agreement with Crews & Associates, Inc., within the parameters set forth by the ordinance. In that ordinance, certain funds are required to be established and maintained with the Paying Agent for the receipt and disbursement of Bond Proceeds. An analysis of these accounts is provided as follows:

The Bond Proceeds Fund - The bond ordinance requires that a Bond Proceeds Fund be created to receive the proceeds of the Bonds, which will be used to pay costs of issuance, transfer an amount to the Refunding Fund sufficient to redeem all or a portion of the Series 2013 Bonds, and to either transfer to the Reserve Fund an amount equal to the Reserve Requirement or deposit a Reserve Fund Alternate Investment meeting the qualifications set forth in the ordinance, and to transfer the remaining balance to the Project Fund.

At December 31, 2019, the parish was in **compliance** with this covenant.

The Debt Service Fund- The bond ordinance requires that a Debt Service Fund be created to receive deposits five days prior to each Interest Payment Date of the amount required to make principal and interest payments due on such Interest Payment Date. The Paying Agent will then use the monies on deposit in the Debt Service Fund to make principal and interest payments to the bondholders, as set forth in the agreement.

The first payment is due on April 1, 2020, therefore at December 31, 2019, this covenant was not effective until the fiscal year ended December 31, 2020.

The Project Fund-The bond ordinance requires that the Project Fund be established and maintained to receive the immediate transfer of the balance of the proceeds of the bonds as provided by the requirements of the Bond Ordinance. Monies in the Project Fund shall be applied to the payment of the costs of the 2019 Project, and pending such application, shall be subject to a lien and charge in favor of the Bondholders for the further security of such Bondholders until paid out or transferred as provided in the ordinance. The ordinance requires that the

money in the Project Fund be applied to the payment of the costs of the Project, except to the extent required to be transferred to the Rebate Fund in accordance with the Tax Certificate and, pending such application, shall be held as trust funds under this Ordinance until paid out or transferred. Money held in the project fund shall be paid out within three business days by Whitney Bank in order to pay, or to reimburse the Issuer for the payments made, for the costs of the 2019 Project upon receipt by Whitney Bank of the written request of the parish in substantially the form included within the ordinance. Upon certification of an Executive Officer that all costs incurred in connection with the Project and in connection with the issuance, sale and delivery of the Bonds have been paid, any balance remaining in the Project Fund shall be deposited into the Debt Service Fund. As of December 31, 2019, the Project as defined by T.P. Ordinance No. 19-45 was not complete. The balance remaining in the Project Fund as of December 31, 2019 is \$2,500,000.

At December 31, 2019, the parish was in **compliance** with this covenant.

The Debt Service Reserve Fund- In lieu of funding the Reserve Fund with cash, the Issuer has purchased a Reserve Fund Alternate Investment issued by the Bond Insurer. Such Reserve Fund Alternate Investment shall be deposited with the Paying Agent and held in the Reserve Fund.

At December 31, 2019, the parish was in **compliance** with this covenant.

The Refunding Fund- The bond ordinance requires that the Refunding Fund be created and shall be used to receive a portion of the proceeds designated to currently refund all or a portion of the Series 2013 Bonds. The Paying Agent shall apply the monies held in the Refunding Fund to refund all or a portion of the Series 2013 Bonds.

At December 31, 2019, the parish was in **compliance** with this covenant.

#### **15. COMPLIANCE WITH PARISH OF TANGIPAHOA, STATE OF LOUISIANA REVENUE BONDS, SERIES 2013**

The parish through its governing authority adopted an ordinance on February 26, 2013, authorizing the issuance of Parish of Tangipahoa, State of Louisiana Revenue Bonds, Series 2013 in the amount of \$2,400,000 for the purpose of (i) acquiring, constructing, extending and improving the parish landfill, including the cost of placing a cap on the portion of the landfill no longer accepting waste; (ii) funding a debt service reserve fund or purchasing a reserve fund surety bond, if necessary; and (iii) paying the costs of issuing the bonds. In that ordinance, the bonds will be payable from the income, revenues and receipts generated by Garbage District No. 1 of Tangipahoa Parish. That bond ordinance and agreement contained certain covenants and agreements in connection with the security and payment of the bonds. The major covenants contained in the bond resolution and agreement and the manner in which the parish has complied with these covenants is described as follows:

Rate Covenant- The parish and the District have agreed in the Local Services Agreement to maintain the Net Garbage Revenues in each calendar year at a minimum of 105% of the debt service requirements on the Bonds coming due during such year. The Local Services Agreement provides that the failure of the parish and the District to maintain the Rate Covenant shall result in an event of default under the Bond Ordinance. The Local Services Agreement and the Bond Ordinance are not cross defaulted. These Bonds were refunded on December 18, 2019.

At December 18, 2019, the parish was in **compliance** with this covenant.

Budget Audit- As long as any of the bonds are outstanding and unpaid in principal or interest, the parish shall prepare and adopt a budget prior to the beginning of each fiscal year and shall furnish a copy of such budget within thirty (30) days after its adoption to the owners of any of the bonds who request the same. Additionally, the parish shall cause an audit of its books and accounts to be made by the Legislative Auditor or an independent firm of certified public accountants showing the receipts and disbursements made by the parish during the previous fiscal year. Such audit shall be available for inspection by the owner of any of the bonds.

At December 31, 2019, the parish was in **compliance** with this covenant.

**16. COMPLIANCE WITH ROAD DISTRICT NO. 101 OF THE PARISH OF TANGIPAOHA, LOUISIANA GENERAL OBLIGATION BONDS, SERIES 2017 AND SUB-ROAD DISTRICT NO. 1 OF ROAD DISTRICT NO. 101 OF THE PARISH OF TANGIPAOHA, LOUISIANA GENERAL OBLIGATION BONDS, SERIES 2017**

The parish through its governing authority adopted an ordinance on February 13, 2017, authorizing the issuance of Road District No. 101 of the Parish of Tangipahoa, Louisiana General Obligation Bonds, Series 2017 and Sub-Road District No. 1 of Road District No. 101 of the Parish of Tangipahoa, Louisiana General Obligation Bonds, Series 2017 in the amount of \$392,800 and \$362,300, respectively, for the purpose of (i) financing the construction and improvements of public roads, highways and bridges; (ii) funding capitalized interest on the Series 2017 Bonds, and (iii) paying the costs of issuing the Series 2017 Bonds. Per the ordinances, the Bonds will be payable from ad valorem taxes to be levied and collected in the manner provided by Article VI, Section 33 of the Constitution of the State of Louisiana of 1974, and statutory authority supplemental thereto with an estimated three (3) mills for each district to be levied in the first year to provide for the payment of principal and interest on said bonds. The major covenants contained in the bond ordinance and agreements and the manner in which the parish has complied with these covenants is described as follows:

Authorization of Bonds: Maturities- The Bonds shall be in fully registered form, shall be issued in Authorized denominations within a single maturity, and shall be numbered consecutively from R-1 upward. The unpaid principal of the Bonds shall bear interest from the date thereof or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable on each Interest Payment Date, commencing September 1, 2017, at not to exceed four percent (4.00%) per annum, or such lesser amount as set forth therein, and shall mature serially on March 1 of each year (with a final maturity on March 1, 2037( in amounts as set forth in the Purchase Agreement.

The parish was in **compliance** with this covenant.

Registration with Secretary of State- The Bonds shall be registered with the Secretary of State of the State of Louisiana as provided by law and shall bear the endorsement of the Secretary of State of Louisiana in substantially the form set forth herein, provided such endorsement shall be manually signed only on the Bonds initially delivered to the purchaser, and any Bonds subsequently exchanged therefore as permitted in this Ordinance may bear the facsimile signature of said Secretary of State.

The parish was in **compliance** with this covenant.

Pledge of Full Faith and Credit; Tax Levy- The Bonds shall constitute general obligations of the Issuer, and the full faith and credit of the Issuer is hereby pledged to the punctual payment of the Bonds in accordance with the authority of Article VI, Section 33 of the Constitution of the State of Louisiana of 1974, and constitutional and statutory authority supplemental thereto. The Issuer obligates itself and is bound under the terms and provisions of law and the election authorizing the Bond to impose and collect annually in excess of all other taxes the Tax on all property subject to taxation within the territorial limits of the Issuer sufficient to pay principal of and interest on the Bonds falling due in each year, said Tax to be levied and collected by the same officers, in the same manner and at the same time as other taxes are levied and collected within the territorial limits of the Issuer. The proceeds of such Tax shall be devoted and applied to the payment of said interest and principal as such shall become due and without further action on the part of the Governing Authority, the proper officer or officers are hereby authorized and directed, beginning with the year 2017, to include in the annual levy of taxes upon, and to extend upon the assessment rolls against, all taxable property situated within the territorial limits of the Issuer, a sum sufficient to pay the principal of, premium, if any, and interest on the Bonds becoming due the ensuing year.

The parish was in **compliance** with this covenant.

Project Fund- The District reasonably expects as follows with respect to the Proceeds of the Series 2017 Bonds (the "Improvement Project Proceeds") that will be deposited to a fund established by the District (the "Project Fund"): (1) The District will allocate at least eighty-five percent (85%) of the Net Sale Proceeds of the Series 2017 Bonds to expenditures for the Improvement Project within three (3) years of the Issue Date, as set forth in the District's Spending Schedule.

The parish completed the project and spent 100% of Improvement Project proceeds by December 31, 2019.

At December 31, 2019, the parish was **in compliance** with this section of the Tax Compliance and No Arbitrage Certificate.

#### **17. COMPLIANCE WITH PARISH OF TANGIPAHOA, STATE OF LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES AND COMMUNITY DEVELOPMENT AUTHORITY REVENUE BONDS (TANGIPAHOA PARISH GOMESA PROJECT), SERIES 2018 (GREEN BONDS)**

The parish through its governing authority adopted an ordinance on November 13, 2018, authorizing the Parish to proceed with a not to exceed \$9,000,000 financing through the Louisiana Local Government Environmental Facilities and Community Development Authority; authorizing and ratifying the Parish's request of the Louisiana Local Government Environmental Facilities and Community Development Authority to issue its revenue bonds; authorizing the borrowing by the Parish of the proceeds from the sale thereof to finance qualified GOMESA projects and providing for the repayment of and security therefor; approving and ratifying within certain parameters the terms of the sale of the bonds; authorizing the form and execution of the Loan and Assignment Agreement; authorizing the form of and execution of an agreement for the purchase of the bonds and ancillary financing documents.

The Parish does hereby irrevocably and irrevocably pledge and dedicate GOMESA Revenues distributed to the Parish as Pledged Revenues in an amount sufficient for the payment of its obligations pursuant to the Loan Agreement.

Posting on EMMA- In accordance with the designation of the bonds as "Green Bonds", the Parish plans to post voluntary annual updates on the use of proceeds of the Bonds annually on EMMA. Once the proceeds have been expended, no further updates will be provided.

Amounts remaining in funds and accounts- It is agreed by the parties hereto that any amounts remaining in the funds and accounts existing pursuant to the indenture upon the expiration or sooner cancellation or termination of the agreement, after payment in full of all bonds then outstanding under the indenture (or provisions for payment thereof having been made in accordance with the provisions of the indenture), and the fees, charges and expenses of the authority and the trustee and all amount required to be paid hereunder and under the indenture shall belong to and be paid to the borrower.

#### **18. COMPLIANCE WITH PARISH OF TANGIPAHOA, STATE OF LOUISIANA REVENUE BONDS, SERIES 2019**

The major covenants contained in the bond resolution and agreement are not effective until the fiscal year ended December 31, 2020.

#### **19. LANDFILL CLOSURE AND POSTCLOSURE COSTS**

State and federal laws and regulations require Tangipahoa Parish Government to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. In addition to operating expenses relating to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and postclosure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and postclosure care costs is based on the amount of the landfill used during the year. The estimated liability for landfill closure and postclosure care costs is \$4,796,807 as of December 31, 2019, which is based on 52.31 percent usage (filled) of the landfill. The percentage usage reflects an update in the engineering estimate of percentage usage, and the related estimated liability for landfill closure and postclosure

costs required by the Louisiana Department of Environmental Quality (LDEQ) regulations for postclosure care of solid waste facilities. It is estimated that \$4,360,000 will be recognized as closure and postclosure care expenses between the date of the balance sheet and the date the landfill is expected to be filled to capacity in 16.3 years (March 2036). The estimated total current cost of the landfill closure and postclosure care costs of \$9,170,000 is based on the amount that would be paid (with year 2017 dollars) if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31, 2019. However, the actual cost of closure and postclosure care may be higher due to inflation or deflation, changes in technology, or changes in landfill laws and regulations. In addition, total closure and postclosure costs, as well as estimates of percentage usage of the landfill, will change as any additional cells are permitted to accept additional waste. The aforementioned dollar amounts are based on information provided by Fourrier & de Abreu Engineers, L.L.C.

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

**20. EMPLOYEE RETIREMENT SYSTEMS**

Substantially all employees of the Parish are members of one of the following statewide retirement systems: Parochial Employees' Retirement System of Louisiana, Registrar of Voters Employees' Retirement System of Louisiana, or the District Attorneys' Retirement System. These systems are cost-sharing multiple-employer, defined benefit pension plans administered by separate boards of trustees.

Part-time employees of the parish are members of the social security system. In addition to employee payroll deductions, parish funds are remitted to match the employee contributions. Aggregate contributions to the social security system for the year ended December 31, 2019, were \$109,607 of which \$54,804 was contributed by the parish.

**A. PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA.**

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

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. New employees meeting the age and social security criteria have up to ninety (90) days from their date of hire to elect to participate. Under Plan A the eligibility provisions are as follows:

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

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

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Any employee who was a member of the supplemental plan only prior to the revision date (January 1, 1980) has the benefit earned for service credited prior to the revision date on the basis of one percent of final compensation plus two dollars per month for each year credited prior to the revision date, and three percent of final compensation plus two dollars per month for each year credited prior to the revision date, and three percent of final compensation for each year of service credited after the revision date. The retirement allowance may not exceed the greater of one hundred percent of a member's final salary or the final average compensation. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

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

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial

Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

*Funding Policy.* Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and Tangipahoa Parish Government is required to contribute at an actuarially determined rate. The rate for 2019 is 11.50 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and Tangipahoa Parish Government are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Tangipahoa Parish Government's contributions to the System under Plan A for the years ending December 31, 2019, 2018, and 2017 were \$1,609,128, \$1,508,082, and \$1,508,453 respectively, equal to the required contributions for each year.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:**

At December 31, 2019, the parish reported a liability of \$9,467,686 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The parish's proportion of the net pension liability was based on a projection of the parish's long-term share of contributions to the pension plan relative to the projected contributions of all participants, actuarially determined. At December 31, 2018, the parish's proportion was 2.133150 percent.

For the year ended December 31, 2019, the parish recognized pension expense of \$3,719,075. At December 31, 2019, the parish reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$576,796
Changes of assumptions	2,367,232	-
Net difference between projections and actual earnings on pension plan investments	4,532,212	-
Changes in proportion and difference between parish contributions and proportionate share of contributions	102,346	-
Parish contributions subsequent to the measurement date	<u>1,609,128</u>	<u>-</u>
Total	<u>\$8,610,918</u>	<u>\$576,796</u>

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\$1,609,128 reported as deferred outflows of resources related to pensions resulting from parish contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2019	\$2,213,611
2020	1,222,353
2021	986,929
2022	2,002,101
2023	-
Thereafter	-

*Actuarial assumptions.* The total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	December 31, 2018
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Investment rate of return	6.50% (Net of investment expense including inflation)
Projected salary increase	4.75%
Mortality rates	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.
Expected remaining service lives	4 years
Cost of living adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees.

The actuarial assumptions used in the December 31, 2018, valuation (excluding Mortality) was based on actuarial funding valuation and results of an actuarial experience study for the period January 1, 2013, to December 31, 2017, unless otherwise specified.

The long-term expected real rate of return on pension plan investments was determined using a triangulation method in which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.43% for the year ended December 31, 2018.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2018, are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Fixed Income	35%	1.22%
Equity	52%	3.45%
Alternatives	11%	.65%
Real assets	<u>2%</u>	<u>.11%</u>
Total	<u>100%</u>	<u>5.43%</u>
Inflation		<u>2.00%</u>
Expected Arithmetic Nominal Return		<u>7.43%</u>

*Discount Rate.* The discount rate used to measure the total pension liability was 6.50% for Plan A. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine total pension liability.

*Sensitivity to Changes in Discount Rate:*

The following presents the net pension liability of the participating employers calculated using the discount rate of 6.50%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.50 % or one percentage point higher 7.50 % that the current rate.

	Changes in Discount Rate 2018		
	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Net Pension Liability	\$20,106,823	\$9,467,686	\$574,289

**B. REGISTRAR OF VOTERS EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA.**

*Plan Description.* The Registrar of Voters Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan established in accordance by Act 215 of 1954, under Revised Statute 11:2032 to provide retirement allowances and other benefits for registrars of voters, their deputies and their permanent employees in each parish of the State of Louisiana.

The System was established on January 1, 1955 for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. Title 11:2032, as amended, for registrars of voters, their deputies and their permanent employees in each parish. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Any member hired prior to January 1, 2013 is eligible for normal retirement after he has 20 years of creditable service and is age 55 or has 10 years of creditable service and is age 60. Any member with 30 years of creditable service regardless of age may retire. Regular retirement benefits for members hired prior to January 1, 2013 are calculated at 3.33% of the average annual earned compensation for the highest consecutive 60

months multiplied by the number of years of creditable service, not to exceed 100% of average annual compensation.

Any member hired on or after January 1, 2013 is eligible for normal retirement after he has attained 30 years of creditable service and is age 55; has attained 20 years of creditable service and is age 60; or has attained 10 years of creditable service and is age 62. Regular retirement benefits for members hired on or after January 1, 2013 are calculated at 3.00% of the average annual earned compensation for the highest consecutive 60 months multiplied by the number of years of creditable service, not to exceed 100% of average annual compensation. Retirement benefits for members hired on or after January 1, 2013 that have attained 30 years of creditable service with at least 20 years of creditable service in the System are calculated at 3.33% of the average annual compensation for the highest consecutive 60 months multiplied by the number of years of creditable service, not to exceed 100% of average annual compensation.

Any member whose withdrawal from service occurs prior to attaining the age of sixty years, who shall have completed ten or more years of creditable service and shall not have received a refund of his accumulated contributions, shall become eligible for a deferred allowance beginning upon his attaining the age of 60 years.

Disability benefits are provided to active contributing members with at least 10 years of service established in the System and who have been officially certified as disabled by the State Medical Disability Board. The disabled member who has attained the age of 60 years shall be entitled to a regular retirement allowance. The disabled member who has not yet attained age 60 shall be entitled to a disability benefit equal to the lesser of 3.00% of his average final compensation multiplied by the number of creditable years of service (not to be less than 15 years) or 3 1/3% of average final compensation multiplied by the years of service assuming continued service to age 60. Disability benefits may not exceed two-thirds of earnable compensation.

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 Registrar of Voters' Retirement System, Post Office Box 1959, Gonzales, Louisiana 70707, or by calling (225) 647-7911.

*Funding Policy.* Contributions for all members are established by statute at 7.0% of compensation for the years ending/ended June 30, 2020 and 2019. The contributions are deducted from the member's salary and remitted by the Parish.

According to state statute, contribution requirements for all employers are actuarially determined each year. For the years ending/ended June 30, 2020 and 2019, the actual employer contribution rates were 17.00%. The actual rate differs from the actuarially required rate due to state statutes that require the contribution rate be calculated and set two years prior to the year effective. Contributions to the pension plan from the Parish for the years ending December 31, 2019, 2018, and 2017 were \$19,513, \$18,729, and \$19,876. In accordance with state statute, the System also receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended December 31, 2019.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:**

At December 31, 2019, the parish reported a liability of \$152,970 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The parish's proportion of the net pension liability was based on a projection of the parish's long-term share of contributions to the pension plan relative to the projected contributions of all participants, actuarially determined. At December 31, 2019, the parish's proportion was .818013 percent.

For the year ended December 31, 2019, the parish recognized pension expense of \$38,509.

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At December 31, 2019, the parish reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 37,734
Changes of assumptions	22,643	-
Net difference between projections and actual earnings on pension plan investments	-	8,733
Changes in proportion and difference between parish contributions and proportionate share of contributions	8,991	8,733
Parish contributions subsequent to the measurement date	<u>10,107</u>	<u>-</u>
Total	<u>\$ 41,741</u>	<u>\$ 55,200</u>

Deferred outflows of resources related to pensions resulting from the Parish's contributions subsequent to the measurement date of the net pension liability but before the end of the governmental non-employer contribution reporting period will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current period.

\$10,107 reported as deferred outflows of resources related to pensions resulting from parish contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2020	\$ (5,709)
2021	\$(12,045)
2022	\$ (1,792)
2023	\$ (4,020)
2024	\$ -
Thereafter	\$ -

*Actuarial assumptions.* The total pension liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	June 30, 2019
Actuarial cost method	Entry Age Normal Cost
Actuarial assumptions:	
Investment rate of return	6.50% (Net of investment expense)
Inflation Rate	2.40 % per annum
Projected salary increase	6.0%
Mortality rates	RP-2000 Combined Healthy Mortality T able for active members, healthy annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table for disabled annuitants. The mortality was projected forward to a period equivalent to the estimated duration of the System's liabilities. The mortality tables selected were set forward or set back to approximate mortality improvement
Expected remaining service lives	5 years
Cost of living adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic

Termination, Disability, and Retirement

Termination, disability, and retirement assumptions were projected based on a five-year (2009-2014) experience study on plan data.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in each of the pension plans' target asset allocation as of June 30, 2019, are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Domestic equities	40%	3.00%
International equities	20%	1.70%
Domestic fixed income	12.5%	0.31%
International fixed income	10%	0.35%
Alternative investments	10%	0.63%
Global asset allocation	-	-
Real assets	7.5%	0.34%
Other	-	-
Total	<u>100%</u>	<u>6.33%</u>
Inflation		<u>2.50%</u>
Expected Arithmetic Nominal Return		<u>8.83%</u>

*Discount Rate.* The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of each of the system's actuary. Based on those assumptions, each of the system's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability was 6.50% for the year ended June 30, 2019.

*Sensitivity to Changes in Discount Rate:*

The following presents the net pension liability of the participating employers calculated using the discount rate of 6.50%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.50 % or one percentage point higher 7.50 % that the current rate.

	<u>Changes in Discount Rate</u>		
	<u>1% Decrease</u> 5.50%	<u>Current Discount Rate</u> 6.50%	<u>1% Increase</u> 7.50%
Net Pension Liability	\$258,055	\$152,970	\$62,776

### **C. DISTRICT ATTORNEY'S RETIREMENT SYSTEM.**

*Plan Description.* The District Attorneys' Retirement System, State of Louisiana is the administrator of a cost sharing multiple employer defined benefit pension plan. The System was established on April 1, 1956 and was placed under the management of the board of trustees for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. 11, Chapter 3 for district attorneys and their assistants in each parish.

All persons who are district attorneys of the State of Louisiana, assistant district attorneys in any parish of the State of Louisiana, or employed by this retirement system and the Louisiana District Attorneys' Association except for elected or appointed officials who have retired from service under any publicly funded retirement system within the state and who are currently receiving benefits, shall become members as a condition of their employment; provided, however, that in the case of assistant district attorneys, they must be paid an amount not less than the minimum salary specified by the board for assistant district attorneys, currently \$18,000 per year. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Members who joined the System before July 1, 1990, and who have elected not to be covered by the new provisions, are eligible to receive a normal retirement benefit if they have 10 or more years of creditable service and are at least age 62, or if they have 18 or more years of service and are at least age 60, or if they have 23 or more years of service and are at least age 55, or if they have 30 years of service regardless of age. The normal retirement benefit is equal to 3% of the member's average final compensation for each year of creditable service. Members are eligible for early retirement at age 60 if they have at least 10 years of creditable service or at age 55 with at least 18 years of creditable service. Members who retire prior to age 60 with, less than 23 year of service credit, receive a retirement benefit reduced 3% for each year of age below 60. Members who retire prior to age 62 who have less than 18 years of service receive a retirement benefit reduced 3% for each year of age below 62. Retirement benefits may not exceed 100% of final average compensation.

Members who joined the System after July 1, 1990, of who elected to be covered by the new provisions, are eligible to receive normal retirement benefits if they are age 60 and have 10 years of service credit, are age 55 and have 24 years of service credit, or have 30 years of service credit regardless of age. The normal retirement benefit is equal to 3.5% of the member's final average compensation multiplied by years of membership service. A member is eligible for an early retirement benefit if he is age 55 and has 18 years of service credit. The early retirement benefit is equal to the normal retirement benefit reduced 3% for each year the member retires in advance of normal retirement age. Benefits may not exceed 100% of average final compensation.

Disability benefits are awarded to active contributing members with at least 10 years of service who are found to be totally disabled as a result of injuries incurred while in active service. The member receives a benefit equal to three percent (three and, one-half percent for members covered under the new retirement benefit provisions) of his average final compensation multiplied by the lesser of his actual service (not to be less than fifteen years) or projected continued service to age sixty.

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 District Attorneys' Retirement System, 2525 Quail Dr., Baton Rouge, Louisiana 70808-9042, or by calling (225) 267-4824.

*Funding Policy.* Contributions for all members are established by statute at 8.0% of compensation for the years ending/ended June 30, 2020 and 2019. The contributions are deducted from the member's salary and remitted by the Parish.

According to state statute, contribution requirements for all employers are actuarially determined each year. For the years ending/ended June 30, 2020 and 2019, the actual employer contribution rates were 4.00% and 1.25%. The actual rate differs from the actuarially required rate due to state statutes that require the contribution rate be calculated and set two years prior to the year effective. Contributions to the pension plan from the Parish for the years ending December 31, 2019, 2018, and 2017 were \$8,129, \$1,922, and \$0.

In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended December 31, 2019.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:**

At December 31, 2019, the parish reported a liability of \$168,957 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The parish's proportion of the net pension liability was based on a projection of the parish's long-term share of contributions to the pension plan relative to the projected contributions of all participants, actuarially determined. At December 31, 2019, the parish's proportion was .525194 percent.

For the year ended December 31, 2019, the parish recognized pension expense of \$96,603. At December 31, 2019, the parish reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 726	\$52,734
Changes of assumptions	76,953	5,572
Net difference between projections and actual earnings on pension plan investments	23,695	-
Changes in proportion and difference between parish contributions and proportionate share of contributions	15,975	2,319
Parish contributions subsequent to the measurement date	<u>6,192</u>	<u>-</u>
Total	<u>\$123,541</u>	<u>\$60,625</u>

Deferred outflows of resources related to pensions resulting from the Parish's contributions subsequent to the measurement date of the net pension liability but before the end of the governmental non-employer contribution reporting period will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current period.

\$6,192 reported as deferred outflows of resources related to pensions resulting from parish contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2020	\$22,179
2021	8,815
2022	11,436
2023	20,771
2024	(6,477)
Thereafter	-

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*Actuarial assumptions.* The total pension liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	June 30, 2019
Actuarial cost method	Entry Age Normal Cost
Actuarial assumptions:	
Investment rate of return	6.50% (Net of pension plan investment expense)
Inflation Rate	2.40 % per annum
Projected salary increase	5.50% (3.10% Merit, 2.40% Inflation)
Mortality rates	The RP 2000 Combined Healthy with White Collar Adjustment Sex Distinct Tables (setback 1 year for females) projected to 2032 using Scale AA were selected for employee, annuitant, and beneficiary mortality. The RP 2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females was selected for disable annuitants. Setbacks in these tables were used to approximate mortality improvement.
Expected remaining service lives	6 years
Cost of living adjustments	Only those previously granted
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2009-2014) experience study on plan data.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expected and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Long Term Target Asset Allocation</u>	<u>Real Rate of Return</u>
Fixed Income	40.10%	1.65%
Equities	48.42%	5.13%
Alternatives	10.99%	.78%
Cash	<u>.49%</u>	<u>.00%</u>
Total	<u>100%</u>	<u>7.56%</u>

*Discount Rate.* The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, approved by the PRSAC taking into consideration the recommendation of the System actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine total pension liability.

*Sensitivity to Changes in Discount Rate:*

The following presents the net pension liability of the participating employers calculated using the discount rate of 6.50%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.50 % or one percentage point higher 7.50 % that the current rate.

	Changes in Discount Rate		
	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Net Pension Liability	\$460,222	\$168,957	\$(79,056)

**21. DEFERRED COMPENSATION PLAN**

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

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

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

During 2019, the parish contributed a total of \$97,282 to the State of Louisiana Deferred Compensation Plan.

**22. OTHER POSTEMPLOYMENT HEALTH CARE BENEFITS**

**Plan Description.** In accordance with Ordinance 06-26 adopted on May 8, 2006, employees who retire from the parish with at least 7 years of service may qualify for participation in the Retirement Group Insurance Plan (RGIP). RGIP is a self-administered, single-employer, defined benefit plan. RGIP provides medical benefits to eligible retirees and their spouses. The participant must also have been covered under the Employee Group Insurance Plan for at least one year prior to retirement. A plan participant may only select coverage up to the extent that the participant had coverage under the Employee Group Insurance Plan prior to retirement. The participant may reduce coverage but may not increase coverage. RGIP does not issue stand-alone financial reports, but includes the RGIP Net Position in the fiduciary fund statements and presents the Net OPEB Liability in the noncurrent liabilities section of the statement of Net Position.

**Employees covered**

As of the January 1, 2018 actuarial valuation, the following current and former employees were covered by the benefit terms under the RGIP Plan:

Active employees	272
Retirees	37
Beneficiaries	2
Spouses of retirees	17
Total	<u>328</u>

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**Contributions.** The parish's portion of the post-retirement benefit is as follows:

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

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

For the fiscal year ended December 31, 2019, the Parish's cash contributions were \$523,565 in payments to the trust. In Fiscal Year 2018, the Parish created the Tangipahoa Parish Retiree Benefits Funding Trust with Hancock Whitney Trust and Asset Management for the purpose of prefunding obligations for past services.

Actuarial Methods and Assumptions:

The Net OPEB liability in the December 31, 2019 valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	2.74%
Salary Increases	5.25%, including inflation
Inflation	2.2%
Medical Trend Rate	4.0% to 5.3%
Mortality	Sex distinct PubG.H-2010 projected forward (fully generational) with MP-2019. Pub-2010 tables for disabled lives and contingent survivors

The discount rate for calculating the net OPEB liability is equal to the long-term expected rate of return.

**Changes in Net OPEB Liability:**

	Total OPEB Liability	Increase (Decrease) Plan Fiduciary Net Position	Net OPEB Liability
Balances as of December 31, 2018	\$3,353,986	\$359,150	\$2,994,836
Changes for the year:			
Service Cost	224,161		224,161
Interest on total OPEB liability	144,546		144,546
Effect of assumptions changes or inputs	1,787,183		1,787,183
Benefit payments	(106,348)	(106,348)	-
Employer contributions	-	523,565	(523,565)
Net investment income	-	21,970	(21,970)
Administrative expenses	-	(22,500)	22,500
Balances as of December 31, 2019	<u>\$5,403,528</u>	<u>\$775,837</u>	<u>\$4,627,691</u>

**Sensitivity Analysis**

The following presents the parish's net OPEB liability calculated using the discount rate of 2.74%, as well as what the parish's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (1.74%) or 1 percentage-point-higher (3.74%) than the current discount rate:

	1% Decrease 1.74%	Current Discount Rate 2.74%	1% Increase 3.74%
Net OPEB Liability	\$5,239,501	\$4,627,691	\$4,112,783

*Sensitivity of the Total OPEB Liability to Changes in Healthcare Cost Trends Rate:*

The following presents the parish's net OPEB liability calculated using the current healthcare cost trend rates as well as what the parish's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

	1% Decrease	Current Trend Rate	1% Increase
Net OPEB Liability	\$4,279,097	\$4,627,691	\$5,052,694

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflow of Resources Related to OPEB:**

The parish's net OPEB liability of \$4,627,691 was measured as of December 31, 2019 and was determined by an actuarial valuation as of January 1, 2018.

For the year ended December 31, 2019, the parish recognized OPEB expense of \$595,078. As of December 31, 2019, the parish reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$1,538,963	\$(133,966)
Net difference between projected and actual earnings	1,200	-
Total	<u>\$1,540,163</u>	<u>\$(133,966)</u>

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	
2020	\$226,607
2021	226,607
2022	226,606
2023	226,412
2024	226,258
Thereafter	273,707

**23. FUND BALANCES**

Fund balances for governmental funds as of December 31, 2019, consist of the following:

	General Fund	Road and Bridge Funds	Garbage District No. 1 Fund	Hazard Mitigation Fund	Other Governmental Funds
<u>Restricted:</u>					
Grant provisions	\$ 336,417		\$ -	\$ 1,376	\$ 1,920,139
Property tax millage	-		4,755,959	-	4,173,792
Sales tax levy	-	10,208,176	-	-	-
Debt Service	7,983,141		2,507,732	-	191,186
Juror and Witness Fees	-		-	-	28,745
Cable Contract	-		-	-	51
<u>Committed:</u>					
Rainy Day Fund	890,963				
Industrial Dev. Board	-				47,112
<u>Assigned:</u>					
Health Reimbursement	215,759	288,490	104,481	-	94,169
Animal Control	-				147,920
Florida Parishes Arena	-				134,637
<u>Unassigned:</u>					
	2,418,611	-	-	-	(113,938)
	<u>\$11,844,891</u>	<u>\$10,496,666</u>	<u>\$ 7,368,172</u>	<u>\$ 1,376</u>	<u>\$ 6,623,813</u>

**24. LITIGATION AND CLAIMS**

At December 31, 2019, the parish is involved in litigation or is aware of various claims totaling an undetermined amount. Legal counsel for Tangipahoa Parish Government has determined that the losses (if any) cannot be reasonably estimated at this time; accordingly, no liability has been recorded in these financial statements.

Claims and litigation costs of \$708 were paid in the current year and recorded as a current year expenditure in the Road and Bridge Fund and the General Fund.

**25. COMPENSATION PAID TO PARISH PRESIDENT AND COUNCIL/BOARD MEMBERS**

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

Compensation paid to the Parish President and Council members for the year ended December 31, 2019, is as follows:

Robby Miller, President	\$ 155,452
Trent Forest	19,200
James Bailey	19,200
Louis Joseph	19,200
Carlo Bruno	19,200
Buddy Ridgel	19,200
Joey Mayeaux	19,200
Lionel Wells	19,200
David Vial	19,200
Harry Lavine	19,200
Bobby Cortez	19,200
	<u>\$ 347,452</u>

**26. RESTATED FUND BALANCE / NET POSITION**

A. The following funds beginning fund balance has been restated to reflect the retroactive recording of prior period adjustments to the December 31, 2018, balance:

General Fund

Fund balance at December 31, 2018	\$11,383,340
Increase in prior year expense	<u>(28,397)</u>
Fund balance at December 31, 2018, as restated	<u>\$11,354,943</u>

Section 8

Fund balance at December 31, 2018	\$1,597,204
Void old outstanding checks	<u>8,791</u>
Fund balance at December 31, 2018, as restated	<u>\$1,605,995</u>

Library Construction Fund

Fund balance at December 31, 2018	\$(2,500)
Increase in prior year revenue	2,390
Decrease in prior year expense	<u>110</u>
Fund balance at December 31, 2018, as restated	<u>\$ -</u>

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

Net Position at December 31, 2018	\$216,370,561
Effect of prior period adjustments made to fund balance	(17,106)
Effect of beginning capital assets for infrastructure	174,003
Effect of beginning capital assets for infrastructure accumulated depreciation	1,558,380
Effect of beginning net pension liability for Registrar of Voters (GASB 68)	(174,590)
Effect of beginning net pension liability for District Attorney (GASB 68)	<u>(67,097)</u>
Net position at December 31, 2018, as restated	<u>\$217,844,151</u>

As a result of the above prior period adjustments, the Change in Net Position for the year ended December 31, 2018, has been adjusted from \$216,370,561 to \$217,844,151, a difference of \$1,473,590.

## **27. RESTRICTED NET POSITION**

As of December 31, 2019, governmental activities had restricted net position as explained below:

General Fund \$9,426,280; \$890,963 in compliance with Ordinance 13-40 establishing a reserve fund, \$215,759 for funding of the Healthcare Reimbursement Account, \$336,417 for grant restrictions, and \$7,983,141 for debt service for 2018 GoMESA revenue bonds.

Road and Bridge Fund \$10,496,666; \$10,208,176 per the sales tax levy and \$288,490 for funding of the Healthcare Reimbursement Account.

Garbage District No. 1 Fund \$7,368,172; \$2,507,732 for debt service for 2019 revenue bonds, \$104,481 for funding of the Healthcare Reimbursement Account, and \$4,755,959 per the ad valorem tax levy.

Hazard Mitigation Fund \$1,376 for grant restrictions.

Health Unit Fund \$64,277 for funding of the Healthcare Reimbursement Account.

Animal Shelter Fund \$29,892 for funding of the Healthcare Reimbursement Account.

Road Light 101 Sinking Fund \$95,442 for debt service.

Road Light 101 Sub-sinking Fund \$95,744 for debt service.

Internal Service Fund \$38,961 for funding of the Healthcare Reimbursement Account.

In the non-major funds \$6,122,727; \$1,920,139 for grant restrictions, \$ 4,173,792 per the ad valorem tax levy, \$28,745 per LRS 13:3049 and 15:255, and \$51 cable provider contract.

## **28. CONTRACT WITH AMWASTE OF LOUISIANA, L.L.C.**

Tangipahoa Parish Government entered into an agreement with Amwaste of Louisiana, L.L.C. on May 24, 2019, for the collection, transportation, and disposal of residential solid waste, a five year contract through May 1, 2024. Amwaste of Louisiana, L.L.C will pay a disposal cost of \$13.02 per ton for residential waste collected in unincorporated areas.

## **29. RISK MANAGEMENT**

Tangipahoa Parish Government is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The parish attempts to minimize risk from significant losses through the purchase of commercial insurance. The parish's general liability policy does not cover the Section 8 program, nor does it cover road hazards.

**30. INDUSTRIAL DEVELOPMENT BOARD**

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

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

The outstanding bonds payable of \$40,000,000 of the Wal-Mart facility is not reflected in the accompanying financial statements.

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

- b) The Board also issued \$4,000,000 of taxable revenue bonds to finance the expansion of Elmer Candy Corporation. The Board acquired the expansion and then entered into a lease agreement with Elmer Candy Corporation for lease payments sufficient to pay the principal and interest on the bonds. Under the lease, \$833 is also payable monthly to the Tangipahoa Parish Government. The lease term is from October 1, 2002, through December 1, 2022. Elmer Candy Corporation has the option to purchase the leased facilities upon payment in full of the bonds. On March 13, 2015, the bonds were paid in full.
- c) On December 21, 2017, the Board acquired land and improvements from Intralox, LLC with the purchase price being a payment in lieu of taxes (PILOT) program for the purpose of locating and expanding Intralox's manufacturing facilities in Tangipahoa parish. On that same day, the Board entered into a lease agreement and agreement to issue up to \$10,000,000 of taxable revenue bonds.

The term of the lease is from December 21, 2017, through December 31, 2042. The premises revert back to Intralox, LLC after all sums due to the Board have been paid under the lease.

Under the PILOT program, Intralox, LLC is to pay an annual administrative fee of \$10,000 beginning in December 2018. There will also be an annual PILOT payment beginning in December 2018 calculated using the agreed upon formula.

As of December 31, 2019, the Board had not issued any bonds for this project.

**31. CHANGE IN AGENCY FUNDS**

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

	Balance 01-01-19	Additions	Reductions	Balance 12-31-19
Payroll liability fund	<u>\$1,013,188</u>	<u>\$14,136,858</u>	<u>\$14,071,152</u>	<u>\$1,078,894</u>

**32. COMMITMENTS AND CONTINGENCIES**

The parish is self-insured for unemployment claims. A reserve of \$39,548 is recorded in the payroll liability fund at December 31, 2019. Unemployment expenses of \$7,759 were paid from the fund during the year ending December 31, 2019. No additional reserves were accrued during 2019.

The parish had four active construction projects as of December 31, 2019. At year end, the commitments were with the following contractors:

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Beverly Construction (Club Deluxe Road)	\$ 7,055,977	\$ 45,230
Environmental Specialties	756,540	178,850
Harper Metal Building Services, Inc.	45,213	103,664
Nationwide	329,660	201,293
	<u>\$ 8,187,390</u>	<u>\$ 529,037</u>

The parish had thirty-two professional services contracts as of December 31, 2019. At year end the commitments with the contractors are as follows:

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Dana Brown & Associates	\$ 8,400	\$ 12,600
Eco-Friendly Cleaning Specialist	4,518	17,831
ECM Consultants, Inc.	21,000	3,872
Elos Environmental, LLC (Geographic Information System)	45,734	4,266
Franklin Engineers & Consultants	37,863	7,000
Franklin Engineers & Consultants	4,015	9,570
Franklin Engineers & Consultants	32,673	4,000
Franklin Engineers & Consultants	25,323	2,000
Franklin Engineers & Consultants	-	43,823
Franklin Engineers & Consultants	5,000	101,768
G.B. Lawncare Service	32,400	32,400
GOTO Strategies, LLC	8,492	26,508
HDR Engineering, Inc.	332,906	238,589
Holly & Smith Architects, APAC	51,335	14,665
Hunt, Guillot & Assoc. (Beaver Creek)	1,825	54,377
Hunt, Guillot & Assoc. (Club Deluxe)	252,000	28,000
Hunt, Guillot & Assoc. (Forrest Lane Drainage Project)	1,163	25,260
Hunt, Guillot & Assoc. (Fox Hollow Flood Mitigation)	1,716	49,387
Hunt, Guillot & Assoc. (Simms Creek Havens)	-	39,228
Hunt, Guillot & Assoc. (4277 Retention Pond)	-	206,502

Tangipahoa Parish Government  
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As of and for the Year Ended December 31, 2019

Hunt, Guillot & Assoc. (Will Richardson Flood Mitigation)	-	30,157
ITS Regional LLC	5,759	51,836
Jani-King Enmon Enterprises	64,960	18,560
Linfield, Hunter, & Junius(Club Deluxe Widening)	294,001	13,853
Meyer Engineers, LTD (Beaver Creek)	18,535	40
Nortech Downtown	16,000	32,000
Northshore Broadcasting	12,500	17,500
Professional Engineering Consultants (Chappapeela Drainage)	159,789	17,000
Siltech, LLC	18,000	18,000
Spangler Engineering, LLC	188,198	128,849
The Slone Group, LLC	23,802	10,038
The Slone Group, LLC	-	9,625
	<u>\$ 1,667,907</u>	<u>\$ 1,269,104</u>

**33. CHERRY POINT DEVELOPMENT, LLC**

Tangipahoa Parish Housing Authority (“TPHA”), through its governing entity, Tangipahoa Parish Government, formed a Louisiana Limited Liability Company as a member of Cherry Point Development, LLC as a 51% member on February 11, 2013. Cherry Point Development, LLC is the Developer of a project located in Hammond, Tangipahoa Parish, Louisiana, and to be known as Cherry Point Subdivision. Tangipahoa Parish Government will receive 51% of the payable developer fee. As per the definition in the 2013 Qualified Allocation Plan, Cherry Point does qualify as a Public Housing Agency project. Tangipahoa Parish Government did not receive any developer fees for FYE December 31, 2019.

**34. OTHER MATTERS - INVESTIGATION BY TANGIPAHOA PARISH SHERIFF INTO POTENTIAL PAYROLL FRAUD**

In May 2018, the parish contacted the Tangipahoa Parish Sheriff requesting an investigation into a potential payroll fraud by some employees. On that same day, the District Attorney and the Louisiana Legislative Auditor were notified. The Tangipahoa Parish Sheriff office investigated the emergency call out (ECO) time fraud. The overtime payroll fraud was not investigated by the Tangipahoa Parish Sheriff due to insufficient evidence. Two of the employees were terminated by the parish during 2018. The Tangipahoa Parish Sheriff arrested the two former employees, and court dates were scheduled for July 2020, but were continued without notice due to Louisiana Governor’s orders regarding Covid-19.

No provision for any receivable that may result from the above has been included in the accompanying financial statements due to the estimated amount of restitutions being unknown at this time, but believed to be less than \$10,000; an amount immaterial to the financial statements.

### **35. TAX ABATEMENTS**

The Louisiana Industrial Ad Valorem Tax Exemption Program (ITEP) is an original state incentive program which offers attractive tax incentive for manufacturers within the state. The program abates, for up to ten years, local property taxes (ad valorem) on a manufacturer's new investment and annual capitalized additions related to the manufacturing site. This exemption is granted per contract with the Louisiana Department of Economic Development and will specify the buildings and / or personal property items covered by the exemption. There are currently sixty six tax abatements in Tangipahoa Parish, related to seventeen companies, under the Louisiana ITEP. For the 2019 calendar year, the estimated forgone ad valorem taxes due to this abatement program was \$53,461.

### **36. SUBSEQUENT EVENTS**

Subsequent to December 31, 2019, the following events occurred:

- On February 10, 2020, Council approved Change Order No. 1 adding \$65,218 for Phase XX road overlay project.
- On February 10, 2020, Council approved Change Order No. 5 decreasing the contract amount by \$265,012 for Club Deluxe Road Widening Project.
- On February 24, 2020, Council approved low bid from Barriere Construction of \$4,542,956 for the Phase XXI road overlay project.
- On March 9, 2020, Council accepted substantial completion of Club Deluxe Road Overlay and Widening.
- In March 2020, the COVID-19 virus began spreading throughout the United States. On March 22, 2020, Louisiana Governor John Bel Edwards issued a stay-at-home order limiting person-to-person contact and closing many non-essential businesses. Management has evaluated the possible impact of this situation and does not believe that this will have a significant negative impact on the continuing operations of the parish.
- On April 27, 2020, Council approved the low bid from Advanced Industrial Products of \$72,312 for the purchase of diesel powered water pumps.
- On April 27, 2020, Council approved the sale of timber at the Tangipahoa Parish Landfill of \$63,250 to Landmarx Timber Co.
- On April 27, 2020, Council approved the low bid American Environmental Group, LTD of \$682,441 for the installation of landfill gas collection and control system.
- On April 27, 2020, Council accepted Substantial Completion of Landfill Cell 13 installation of geosynthetic materials.
- On May 26, 2020, Council approved the 24 month Apple lease program at a cost of \$538 per month for 11 iPads for the Council and Clerk.
- On June 8, 2020, Council approved Change Order No. 2 adding \$163,567 for Phase XXI road overlay project.

Subsequent events have been evaluated by management through August 24, 2020, the date the financial statements were available to be issued. No other events were noted that require recording or disclosure in the financial statements for the fiscal year ending December 31, 2019.

**Required Supplementary Information (Part II)**

TANGIPAOHA PARISH GOVERNMENT  
Amite, Louisiana  
BUDGET COMPARISON SCHEDULE  
GENERAL FUND  
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<u>Revenues</u>				
Taxes:				
Sales	\$ 5,637,000	\$ 5,637,000	\$ 5,635,761	\$ (1,239)
Ad valorem	1,354,400	1,380,150	1,397,136	16,986
Franchise	800,000	780,000	794,121	14,121
Licenses, permits, and rent	2,188,300	2,307,800	2,303,001	(4,799)
Intergovernmental revenues:				
Federal funds:				
Federal grants	-	317,700	485,948	168,248
GoMESA Revenue Sharing	-	753,000	752,644	(356)
State funds:				
State revenue sharing	92,000	92,000	91,068	(932)
Severance tax	350,000	350,000	336,604	(13,396)
State appropriations	360,000	175,000	187,695	12,695
State grants	50,000	70,000	69,200	(800)
2% fire insurance rebate	570,000	570,000	516,436	(53,564)
Alcoholic beverage tax	35,000	6,800	7,230	430
Fees, charges, and commissions for services	127,000	152,000	236,730	84,730
Fines and forfeitures	2,000	5,000	4,503	(497)
Interest	45,000	205,000	194,682	(10,318)
Other revenues	3,428,872	3,623,772	3,306,317	(317,455)
<b>Total Revenues</b>	<b>15,039,572</b>	<b>16,425,222</b>	<b>16,319,076</b>	<b>(106,146)</b>
<u>Expenditures</u>				
General government:				
Legislative	609,835	613,335	539,594	73,741
Judicial	5,143,890	5,294,800	5,121,462	173,338
Elections	199,150	201,161	190,108	11,053
Finance and administrative	1,631,226	1,823,771	1,932,601	(108,830)
Public safety	2,745,653	3,068,414	2,377,739	690,675
Public works	2,273,363	2,422,904	2,667,336	(244,432)
Health and welfare	910,960	966,220	951,259	14,961
Economic Development	376,952	401,777	390,462	11,315
Culture and recreation	391,300	428,859	427,054	1,805
Debt Service: Principal	-	-	22,878	(22,878)
Debt Service: Interest	-	-	4,518	(4,518)
<b>Total Expenditures</b>	<b>14,282,329</b>	<b>15,221,241</b>	<b>14,625,011</b>	<b>596,230</b>
<b>Excess of Revenues Over Expenditures</b>	<b>757,243</b>	<b>1,203,981</b>	<b>1,694,065</b>	<b>490,084</b>
<u>Other Financing Sources (Uses)</u>				
Contributions in	10,000	10,177	2,595	(7,582)
Sale of Capital Assets	-	50	37	(13)
Operating transfers in (out)	(790,000)	(1,205,000)	(1,206,749)	(1,749)
<b>Total Other Financing Sources (Uses)</b>	<b>(780,000)</b>	<b>(1,194,773)</b>	<b>(1,204,117)</b>	<b>(9,344)</b>
<b>Net Change in Fund Balance</b>	<b>(22,757)</b>	<b>9,208</b>	<b>489,948</b>	<b>480,740</b>
Fund Balance, Beginning of Year, Restated	1,946,629	11,354,943	11,354,943	-
<b>Fund Balance at End of Year</b>	<b>\$ 1,923,872</b>	<b>\$ 11,364,151</b>	<b>\$ 11,844,891</b>	<b>\$ 480,740</b>

See independent auditor's report.

TANGIPAOHA PARISH GOVERNMENT  
Amite, Louisiana  
BUDGET COMPARISON SCHEDULE  
ROAD AND BRIDGE FUNDS  
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Taxes:				
Sales	\$ 16,830,000	\$ 16,880,000	\$ 16,907,282	\$ 27,282
Intergovernmental revenues:				
Federal funds:				
Federal grants	-	-	265,605	265,605
State funds:				
State grants	51,000	51,000	15,453	(35,547)
Parish transportation funds	970,000	970,000	1,104,092	134,092
Local funds	-	250,000	260,000	10,000
Interest	220,000	280,000	305,876	25,876
Other revenues	48,000	76,000	36,995	(39,005)
<b>Total Revenues</b>	<b>18,119,000</b>	<b>18,507,000</b>	<b>18,895,303</b>	<b>388,303</b>
<b>Expenditures</b>				
Public works	17,062,639	18,080,998	16,504,182	1,576,816
Debt service: Principal	-	-	76,496	(76,496)
Debt service: Interest	-	-	14,935	(14,935)
<b>Total Expenditures</b>	<b>17,062,639</b>	<b>18,080,998</b>	<b>16,595,613</b>	<b>1,485,385</b>
<b>Excess of Revenues Over Expenditures</b>	<b>1,056,361</b>	<b>426,002</b>	<b>2,299,690</b>	<b>1,873,688</b>
<b>Other Financing Sources (Uses)</b>				
Contributions In	-	7,000	2,000	(5,000)
Sale of Capital Assets	-	9,400	9,312	(88)
Operating Transfers (out)	-	(1,670,000)	(2,302,495)	(632,495)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(1,653,600)</b>	<b>(2,291,183)</b>	<b>(637,583)</b>
<b>Net Change in Fund Balance</b>	<b>1,056,361</b>	<b>(1,227,598)</b>	<b>8,507</b>	<b>1,236,105</b>
<b>Fund Balance, Beginning of Year</b>	<b>4,939,197</b>	<b>10,488,159</b>	<b>10,488,159</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 5,995,558</b>	<b>\$ 9,260,561</b>	<b>\$ 10,496,666</b>	<b>\$ 1,236,105</b>

See independent auditor's report.

TANGIPAHOA PARISH GOVERNMENT  
Amite, Louisiana  
BUDGET COMPARISON SCHEDULE  
GARBAGE MAINTENANCE FUND  
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<u>Revenues</u>				
Taxes:				
Ad valorem	\$ 2,911,700	\$ 3,061,700	\$ 3,094,246	\$ 32,546
Intergovernmental revenues:				
Federal funds:				
Federal grants	30,000	30,000	9,392	(20,608)
State funds:				
State revenue sharing	257,000	257,000	258,321	1,321
Fees, charges, and commissions				
for services	4,786,250	4,900,750	4,906,252	5,502
Interest	100,000	150,000	133,649	(16,351)
Other revenues	118,000	127,000	110,278	(16,722)
<b>Total Revenues</b>	<b>8,202,950</b>	<b>8,526,450</b>	<b>8,512,138</b>	<b>(14,312)</b>
<u>Expenditures</u>				
Public works	11,450,357	11,194,431	9,983,221	1,211,210
Bond issuance costs	-	-	229,129	(229,129)
Debt Service - Principal	50,000	50,000	58,472	(8,472)
Debt Service - Interest	98,638	100,200	119,681	(19,481)
<b>Total Expenditures</b>	<b>11,598,995</b>	<b>11,344,631</b>	<b>10,390,503</b>	<b>954,128</b>
Excess (Deficiencies) of Revenues				
Over Expenditures	(3,396,045)	(2,818,181)	(1,878,365)	939,816
<u>Other Financing Sources (Uses)</u>				
Bond Proceeds	-	-	4,600,000	4,600,000
Premium refunding bonds issued	-	-	126,766	126,766
Payment for bond refunding	-	-	(2,125,000)	(2,125,000)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>2,601,766</b>	<b>2,601,766</b>
<b>Net Change in Fund Balance</b>	<b>(3,396,045)</b>	<b>(2,818,181)</b>	<b>723,401</b>	<b>3,541,582</b>
<b>Fund Balance at Beginning of Year</b>	<b>3,426,470</b>	<b>6,644,771</b>	<b>6,644,771</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 30,425</b>	<b>\$ 3,826,590</b>	<b>\$ 7,368,172</b>	<b>\$ 3,541,582</b>

See independent auditor's report.

Tangipahoa Parish Government  
Amite, Louisiana  
SCHEDULE OF CHANGES IN THE PARISH'S NET  
OPEB LIABILITY AND RELATED RATIOS  
For the Year Ended December 31, 2019

	<u>2019</u>	<u>2018</u>
<b>Total OPEB liability:</b>		
Service cost	\$ 224,161	\$ 99,528
Interest on total OPEB liability	144,546	119,165
Effect of plan changes	-	-
Effect of economic/demographic (gains) or losses	-	-
Effect of assumption changes or inputs	1,787,183	(177,890)
Benefit payments	(106,348)	(101,871)
Net change in total OPEB liability	2,049,542	(61,068)
Total OPEB Liability- beginning	3,353,986	3,415,054
Total OPEB Liability- ending (a)	\$5,403,528	\$3,353,986
<b>Fiduciary Net Position</b>		
Employer contributions	\$ 523,565	\$ 467,961
Net investment income	21,970	5,060
Benefit payments	(106,348)	(101,871)
Administrative expenses	(22,500)	(12,000)
Net change in plan fiduciary net position	416,687	359,150
Fiduciary net position- beginning	359,150	-
Fiduciary net position- ending (b)	775,837	359,150
Net OPEB liability- ending = (a) – (b)	\$4,627,691	\$2,994,836
Fiduciary net position as a % of total OPEB liability	14.36%	10.71%
Covered payroll	\$11,687,646	\$11,104,652
Net OPEB liability as a % of covered payroll	39.59%	26.97%

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available. Also, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.

See independent auditor's report.

Tangipahoa Parish Government  
Amite, Louisiana  
SCHEDULE OF PARISH'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY (ASSET)  
For the Year Ended December 31, 2019

Fiscal Year Ended	Parish's proportion of the net pension liability (asset)	Parish's proportionate share of the net pension liability (asset)	Parish's covered- employee payroll	Parish's proportionate share of the net pension liability (asset) as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
For the Year Ended December 31:					
<u>Parochial Employees' Retirement System:</u>					
2018	2.133150%	\$9,467,686	\$13,992,413	67.66%	88.86%
2017	1.960567%	(1,455,224)	13,113,737	(11.10)%	101.98%
2016	1.801970%	3,711,181	12,067,623	30.75%	94.15%
2015	1.702461%	4,481,367	10,686,664	41.93%	92.23%
2014	1.68%	460,677	9,761,217	4.71%	99.14%
For the Year Ended June 30:					
<u>Registrar of Voters Employees' Retirement System:</u>					
2019	.818013%	\$152,970	\$112,354	136.15%	72.10%
2018	.767560%	181,177	107,049	169.25%	80.57%
2017	.788636%	173,114	108,007	160.28%	80.51%
2016	.820247%	232,746	102,673	226.69%	73.98%
2015	.880302%	215,589	112,673	191.34%	76.86%
<u>District Attorney's Retirement System:</u>					
2019	.525194%	\$168,957	\$308,773	54.72%	93.13%
2018	.463757%	149,233	290,397	51.39%	92.92%
2017	.488033%	131,633	296,579	44.38%	93.57%
2016	.443344%	84,859	268,273	31.63%	95.09%
2015	.397774%	21,426	233,899	9.16%	98.56%

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

See independent auditor's report.

Tangipahoa Parish Government  
Amite, Louisiana  
SCHEDULE OF PARISH'S CONTRIBUTIONS  
For the Year Ended December 31, 2019

Year Ended December 31	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Parish's covered- employee payroll	Contributions as a percentage of covered- employee payroll
<i><u>Parochial Employees' Retirement System:</u></i>					
2019	\$1,609,128	\$1,609,128	-	\$13,992,413	11.50%
2018	1,508,082	1,508,082	-	13,113,737	11.50%
2017	1,508,453	1,508,453	-	12,067,623	12.50%
2016	1,389,268	1,389,268	-	10,686,664	13.00%
2015	1,415,379	1,415,379	-	9,761,217	14.50%
<i><u>Registrar of Voters Employees' Retirement System:</u></i>					
2019	\$19,513	\$19,513	-	\$111,477	17.50%
2018	18,729	18,729	-	110,167	17.00%
2017	19,876	19,876	-	107,467	18.50%
2016	22,417	22,417	-	105,680	21.21%
2015	27,996	27,996	-	119,882	23.35%
<i><u>District Attorney's Retirement System:</u></i>					
2019	\$8,129	\$8,129	-	\$309,815	2.62%
2018	1,922	1,922	-	298,626	.64%
2017	-	-	-	290,031	0.00%
2016	5,005	5,005	-	293,015	1.71%
2015	13,122	13,122	-	250,082	5.25%

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

See independent auditor's report.

## **Other Supplementary Information**

TANGIPAHOA PARISH GOVERNMENT  
Amite, Louisiana  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2019

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<b><u>U.S. Department of Housing and Urban Development:</u></b>			
Direct Program:			
Section 8 Housing Choice Vouchers	14.871	-	\$ 3,475,152
Passed through Louisiana Division of Administration, Office of Community Planning and Development			
Louisiana Community Development Block Grant	14.228	-	2,181,362
Emergency Solutions Grant - Shelter Grant 2017-2019	14.231		517
Homeless Prevention and Rapid Rehousing Program	14.272		<u>350,175</u>
Total U.S. Department of Housing and Urban Development			<u>6,007,206</u>
<b><u>U.S. Department of Homeland Security:</u></b>			
Passed through Louisiana Governor's Office of Homeland Security and Emergency Preparedness			
Flood Mitigation Assistance	97.029	FMA-PJ-06-LA-2016-014	127,557
Flood Mitigation Assistance	97.029	FMA-PJ-06-LA-2017-001	522,865
March 2016 Flood	97.036	-	-
August 2016 Flood	97.036	-	217,358
Hazard Mitigation Grant Program-Club Deluxe Rd	97.039	1603-105-0011	1,311,445
Hazard Mitigation Grant Program-Chappapeela Drainage	97.039	1786-105-0001	15,833
Hazard Mitigation Grant Program-Ponchatoula Sewer Impr.	97.039	1786-105-0013	6,981
Hazard Mitigation Grant Program - Ike Elevations	97.039	1792-105-0001	536,373
Hazard Mitigation Grant Program-Isaac Elevations	97.039	4080-105-0001	-
Hazard Mitigation Grant Program - Wardline Road	97.039	4080-105-0002	701,076
Hazard Mitigation Grant Program - March 2016 Flood Elevations	97.039	4263-105-0002	205,734
Hazard Mitigation Grant Program - August 2016 Flood Elevations	97.039	4277-105-0028	244,169
Hazard Mitigation Grant Program - Beaver Creek	97.039	4263-105-0033	6,858
Hazard Mitigation Grant Program - Fox Hollow	97.039	4277-105-0013	15,694
Hazard Mitigation Grant Program - Forrest Lane	97.039	4277-105-0016	12,363
Hazard Mitigation Grant Program - 4277 North Retention Pond	97.039	4277-105-0015	36,040
Hazard Mitigation Grant Program - Sims Creek Flood Mitigation	97.039	4277-105-0017	15,750
Hazard Mitigation - Generator Grant	97.039	4277-105-0085	25,143
Emergency Management Preparedness Grant	97.042	2018	36,619
FEMA Pre Disaster Mitigation Grant	97.047	PDMC-PL-06-LA-2017-005	31,262
State Homeland Security Program	97.067	2016 Extra Allocation	9,999
State Homeland Security Program	97.067	2018	56,592
State Homeland Security Program	97.067	2019	<u>40,267</u>
Total U.S. Department of Homeland Security			<u>4,175,978</u>
<b><u>U.S. Department of Health and Human Services:</u></b>			
Passed through Louisiana Department of Health and Hospitals			
Drug Free Communities Support Program Grants	93.276	1H79SP020975-01	98,691
Centers for Disease Control and Prevention	93.283	2017	2,012
Centers for Disease Control and Prevention	93.283	2018	7,177
Centers for Disease Control and Prevention	93.283	2019	<u>18,593</u>
Total U.S. Department of Health and Human Services			<u>126,473</u>

(Continued)

TANGIPAHOA PARISH GOVERNMENT  
Amite, Louisiana  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2019

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<b><u>U.S. Department of Transportation:</u></b>			
Direct Program:			
Federal Transit - Formula Grants -	20.507	-	170,782
Passed through State of Louisiana Department of Transportation & Development			
Formula Grants for Rural Areas	20.509	LA-90-x430-000	111,781
Passed through Louisiana Department of Public Safety and Corrections			
Alcohol Impaired Driving Countermeasures Incentive Grant	20.601	2019-10-10	31,586
Alcohol Impaired Driving Countermeasures Incentive Grant	20.601	2019-55-14	8,105
Total U.S. Department of Transportation			<u>322,254</u>
<b><u>Restore Act:</u></b>			
Direct Program:			
Greenway Planning Study	21.015	RDCGR440004	52,350
Rock Jetty Study	21.015	RDCGR440051	20,000
Total U.S. Department of Treasury			<u>72,350</u>
<b><u>U.S. Department of Labor</u></b>			
Passed through the Louisiana Workforce Commission			
WIA Adult Program	17.258	-	994,582
WIA Youth Program	17.259	-	1,093,551
WIA Dislocated Worker Program	17.278	-	782,677
Admin			253,862
Total U.S. Department of Labor			<u>3,124,672</u>
<b><u>U.S. Environmental Protection Agency</u></b>			
Passed through LA Department of Environmental Quality			
Capitalization Grants for Clean Water State Revolving Funds	66.458	CS-221924-01	152,330
Total U.S. Environmental Protection Agency			<u>152,330</u>
<b><u>U.S. Department of the Interior</u></b>			
Direct Program:			
GoMESA	15.435		697,823
Total U.S. Department of Interior			<u>697,823</u>
Total Expenditures of Federal Awards			<u>\$ 14,679,086</u>

*Note 1 - This schedule of expenditures of federal awards includes the federal grant activity of Tangipahoa Parish Government and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).*

Note 2 - Tangipahoa Parish Government has elected to use the 10 percent de minimis indirect cost rate allowed under Uniform Guidance.

(Concluded)

See independent auditor's report

Tangipahoa Parish Government  
Amite, Louisiana

EXHIBIT C-1

FINANCIAL DATA SCHEDULE  
BALANCE SHEET  
December 31, 2019

Line Item #	Account Description	Housing Choice Voucher 14.871	Disaster Housing Assistance Program 97.109	Disaster Housing Assistance Program DH.IKE	TOTAL
<b>ASSETS:</b>					
CURRENT ASSETS:					
111	Cash-unrestricted	\$ 39,422	\$ 367,643	\$ 1,206,124	\$ 1,613,189
113	Cash-other restricted	75,224	-	-	75,224
115	Cash-restricted for payment of current liabilities	14,511	-	-	14,511
100	Total Cash	<u>129,157</u>	<u>367,643</u>	<u>1,206,124</u>	<u>1,702,924</u>
121	Accounts receivable - PHA Projects	20,008	-	-	20,008
125	Accounts receivable - miscellaneous	0	-	-	0
120	Total Receivables	<u>20,008</u>	<u>-</u>	<u>-</u>	<u>20,008</u>
150	TOTAL CURRENT ASSETS	<u>149,165</u>	<u>367,643</u>	<u>1,206,124</u>	<u>1,722,932</u>
190	<b>TOTAL ASSETS</b>	<u>\$ 149,165</u>	<u>\$ 367,643</u>	<u>\$ 1,206,124</u>	<u>\$ 1,722,932</u>
<b>LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND EQUITY:</b>					
<b>LIABILITIES:</b>					
CURRENT LIABILITIES					
312	Accounts payable ≤ 90 days	\$ 14,511	\$ -	\$ -	\$ 14,511
313	Accounts payable > 90 days	16,308	-	-	16,308
321	Accrued wage/payroll taxes payable	37,092	-	-	37,092
331	Accounts payable - HUD PHA programs	3,704	-	-	3,704
310	TOTAL CURRENT LIABILITIES	<u>71,615</u>	<u>-</u>	<u>-</u>	<u>71,615</u>
300	<b>TOTAL LIABILITIES</b>	<u>71,615</u>	<u>-</u>	<u>-</u>	<u>71,615</u>
<b>EQUITY:</b>					
509.3	Restricted Fund Balance	75,224	367,643	1,206,124	1,648,991
512.3	Unassigned Fund Balance	2,326	-	-	2,326
513	<b>TOTAL EQUITY/NET POSITION</b>	<u>77,550</u>	<u>367,643</u>	<u>1,206,124</u>	<u>1,651,317</u>
600	<b>TOTAL LIABILITIES AND EQUITY/NET POSITION</b>	<u>\$ 149,165</u>	<u>\$ 367,643</u>	<u>\$ 1,206,124</u>	<u>\$ 1,722,932</u>

See independent auditor's Report.

Tangipahoa Parish Government  
Amite, Louisiana

EXHIBIT C-2

FINANCIAL DATA SCHEDULE  
REVENUE AND EXPENSES  
For the Year Ended December 31, 2019

<u>Line</u> <u>Item #</u>	<u>Account Description</u>	<u>Housing</u> <u>Choice</u> <u>Voucher</u> <u>14.871</u>	<u>Disaster</u> <u>Housing</u> <u>Assistance</u> <u>Program</u> <u>97.109</u>	<u>Disaster</u> <u>Housing</u> <u>Assistance</u> <u>Program</u> <u>DH.IKE</u>	<u>TOTAL</u>
<b>REVENUE:</b>					
70600	HUD PHA operating grants	\$ 3,325,414	\$ -	\$ -	\$ 3,325,414
71100	Investment income - unrestricted	1,060	11,033	34,027	46,120
71400	Fraud recovery	1,295	-	-	1,295
71500	Other revenue	87,429	-	-	87,429
70000	<b>TOTAL REVENUE</b>	<u>3,415,198</u>	<u>11,033</u>	<u>34,027</u>	<u>3,460,258</u>
<b>EXPENSES:</b>					
91100	Administrative salaries	240,896	-	-	240,896
91200	Auditing fees	7,500	-	-	7,500
91310	Bookkeeping fee	6,491	-	-	6,491
91500	Employee benefit contributions-administrative	90,496	-	-	90,496
91600	Office expenses	15,135	-	-	15,135
91800	Travel	13,839	-	-	13,839
94200	Ordinary maint & operations-materials & other	19,260	-	-	19,260
96110	Property insurance	1,189	-	-	1,189
96130	Workmen's compensation	631	-	-	631
96140	All other insurance	1,109	-	-	1,109
96200	Other general expenses	5,924	-	-	5,924
96900	<b>TOTAL OPERATING EXPENSES</b>	<u>402,470</u>	<u>-</u>	<u>-</u>	<u>402,470</u>
97000	<b>EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) OPERATING EXPENSES</b>	<u>3,012,728</u>	<u>11,033</u>	<u>34,027</u>	<u>3,057,788</u>
97300	Housing assistance payments	3,000,682	-	-	3,000,682
97350	HAP portability in	72,000	-	-	72,000
90000	<b>TOTAL EXPENSES</b>	<u>3,475,152</u>	<u>-</u>	<u>-</u>	<u>3,475,152</u>
<b>OTHER FINANCING SOURCES</b>					
10030	Operating transfers from primary government	60,217	-	-	60,217
10100	<b>TOTAL OTHER FINANCING SOURCES</b>	<u>60,217</u>	<u>-</u>	<u>-</u>	<u>60,217</u>
10000	<b>EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES</b>	263	11,033	34,027	45,323
11030	Beginning equity	77,287	356,610	1,163,306	1,597,203
11040	Prior period adjustments	-	-	8,791	8,791
	<b>TOTAL EQUITY</b>	<u>\$ 77,550</u>	<u>\$ 367,643</u>	<u>\$ 1,206,124</u>	<u>\$ 1,651,317</u>
11170	Administrative fee equity	\$ 2,326			
11180	Housing assistance payments equity	75,224			
	<b>TOTAL EQUITY</b>	<u>\$ 77,550</u>			
11190	Unit months available	7,404			
11210	Number of unit months leased	5,610			

See independent auditor's Report.

Tangipahoa Parish Government  
Amite, Louisiana  
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD  
For the Year Ended December 31, 2019

**Agency Head:** Robby Miller, Parish President

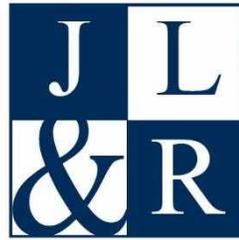
<u>Purpose</u>	<u>Amount</u>
Salary	\$ 155,452
Benefits-Insurance	12,486
Benefits-Retirement (11.5%)	17,877
Benefits-Medicare	2,238
Telephone	1,103
Vehicle Usage taxed on W-2	5,162
Registration fees to conferences	810
Travel (hotels, parking fees, lodging, and meals)	<u>6,973</u>
	<u>\$ 202,101</u>

See independent auditor's report

## **Other Independent Auditor's Reports and Findings**

Dennis E. James, CPA  
Lyle E. Lambert, CPA  
Paul M. Riggs, Jr., CPA  
J. Bryan Ehricht, CPA

Megan E. Lynch, CPA  
B. Jacob Steib, CPA  
Christie J. Barado  
Connor J. Collura  
Sharon B. Bravata  
Krystal L. Waddell  
Jenny I. Schliegelmeier  
Debbie G. Faust, EA



**JAMES  
LAMBERT RIGGS  
& ASSOCIATES, INC.**  
CERTIFIED PUBLIC ACCOUNTANTS  
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American Institute of CPAs  
Society of Louisiana CPAs

Independent Auditor's Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*

Honorable Robby Miller, Parish President and  
Members of the Tangipahoa Parish Council  
Tangipahoa Parish Government  
Amite, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Tangipahoa Parish Government as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Tangipahoa Parish Government's basic financial statements, and have issued our report thereon dated August 31, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Tangipahoa Parish Government's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Tangipahoa Parish Government's internal control. Accordingly, we do not express an opinion on the effectiveness of Tangipahoa Parish Government's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency and is identified as item 2019-001.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Tangipahoa Parish Government's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of

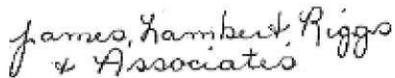
financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2019-002.

### **Tangipahoa Parish Government's Response to Findings**

Tangipahoa Parish Government's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Tangipahoa Parish Government's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

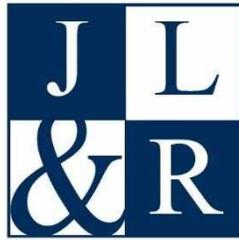


James, Lambert, Riggs and Associates, Inc.  
Hammond, Louisiana

August 31, 2020

Dennis E. James, CPA  
Lyle E. Lambert, CPA  
Paul M. Riggs, Jr., CPA  
J. Bryan Ehrlich, CPA

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Independent Auditor's Report on Compliance for Each Major Program and on  
Internal Control over Compliance Required by the Uniform Guidance

Honorable Robby Miller, Parish President and  
Members of the Tangipahoa Parish Council  
Tangipahoa Parish Government  
Amite, Louisiana

**Report on Compliance for Each Major Federal Program**

We have audited Tangipahoa Parish Government's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Tangipahoa Parish Government's major federal programs for the year ended December 31, 2019. Tangipahoa Parish Government's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Tangipahoa Parish Government's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 Tangipahoa Parish Government'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 on compliance for each major federal program. However, our audit does not provide a legal determination of Tangipahoa Parish Government's compliance.

***Opinion on Each Major Federal Program***

In our opinion, Tangipahoa Parish Government complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

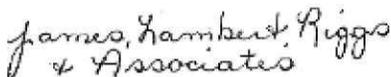
## Report on Internal Control over Compliance

Management of Tangipahoa Parish Government is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Tangipahoa Parish Government's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Tangipahoa Parish Government's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



James, Lambert, Riggs and Associates, Inc.  
Hammond, Louisiana

August 31, 2020

**Tangipahoa Parish Government**

**Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2019**

We have audited the basic financial statements of Tangipahoa Parish Government as of and for the year ended December 31, 2019, and have issued our report thereon dated August 31, 2020. 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, and the provisions of the Uniform Guidance.

Section I – Summary of Auditor’s Reports

1. Report on Internal Control and Compliance Material to the Financial Statements

Type of Opinion Issued	<u>X</u>	Unmodified	___	Modified
	___	Disclaimer	___	Adverse
 Internal Control:				
Material Weakness	___	Yes	<u>X</u>	No
Significant Deficiencies	<u>X</u>	Yes	___	No
 Compliance:				
Compliance Material to the Financial Statements	<u>X</u>	Yes	___	No
Was a management letter issued?	___	Yes	<u>X</u>	No

2. Federal Awards

Type of Opinion on Compliance for Major Programs	<u>X</u>	Unmodified	___	Modified
	___	Disclaimer	___	Adverse
 Internal Control:				
Material Weakness	___	Yes	<u>X</u>	No
Significant Deficiencies	___	Yes	<u>X</u>	No
 Are there findings required to be reported in accordance with the Uniform Guidance?				
	___	Yes	<u>X</u>	No

3. Identification of Major Programs

<u>CFDA Number</u>	<u>Name of Federal Program (or Cluster)</u>
14.871	Section 8 Housing Choice Vouchers
97.039	Hazard Mitigation Grant Program (HMGP)

Dollar threshold used to distinguish between Type A and Type B Programs: \$750,000

Is the auditee a “low-risk” auditee, as defined by the Uniform Guidance?  
\_\_\_ Yes X No

## Tangipahoa Parish Government

### Schedule of Findings and Questioned Costs For the Year Ended December 31, 2019

#### Section II – Financial Statement Findings

##### Internal Control over Financial Reporting

##### 2019-001 – Improvements in Existing Internal Controls Over Payroll

###### Condition:

During our audit and review of internal control procedures for payroll, payroll time & attendance, and our testing of individual payroll transactions for compliance with those internal control procedures, we noticed several weaknesses in payroll procedures that should be improved:

- On December 9, 2019, Ordinance No. 19-56 was adopted by the Parish Council updating the original Employee Handbook for Parish employees. The updated Employee Handbook does not appear to contain a policy on employees working from home in the absence of a governmental stay-at-home order or detailed procedures for the Council Clerk position, an employee of the Parish Council under the Home Rule Charter.
- Personnel files are kept in an unsecured location, leaving the private and confidential information of employees susceptible to access by unauthorized individuals.
- The Payroll Clerk, who has responsibility for preparing all Parish employee paychecks, has access to the Master File in the accounting software's payroll module. This could create an opportunity for the Payroll Clerk to make unauthorized changes to individual employee pay rates.
- Supervisory review of payroll prepared by the Payroll Clerk consists of viewing the payroll check register, which contains only net payroll amounts for employees. This could create an opportunity for unauthorized changes to employee pay rates by the Payroll Clerk concealed by extra tax withholdings to the employee, which may not be detected in a timely manner.
- The current payroll bi-weekly time reporting sheet maintained by the Council Clerk and Fire Administrator does not adequately certify the actual hours worked. For both positions, the immediate supervisor is the Council Chairman, who is not physically present at the Council offices on a daily basis to observe the employee's attendance and who cannot certify the hours worked with any reasonable certainty using the current bi-weekly time sheet.
- In a test of twenty-six (26) bi-weekly time sheets prepared by the Council Clerk, we noted eight (8) instances in which the Council Clerk used a signature stamp to sign the supervisor's certification of time after obtaining consent from the supervisor by text message. Furthermore, we noted seven (7) instances in which overtime was paid and there does not appear to be any advance written approval by the Council Chairman authorizing the overtime to be worked.
- It is the policy of Parish government that overtime be approved in advance by an employee's immediate supervisor and that the justification for the overtime be documented on the employee's bi-weekly time sheet certified by the supervisor. In a test of forty-six (46) randomly selected paychecks of Parish employees, we noted twenty-two (22) instances in which overtime was paid. Of those twenty-two (22) instances in which overtime was paid, eleven (11) instances lacked justification for the overtime worked on the bi-weekly time sheet as required.

## Tangipahoa Parish Government

### Schedule of Findings and Questioned Costs For the Year Ended December 31, 2019

#### Criteria:

Payroll is one of the largest expenditures of the Tangipahoa Parish Government and strong, effective controls over payroll are essential to the secure, efficient operation of Parish government. Lack of adequate controls over payroll time and attendance recordkeeping creates an opportunity for employees to be paid for work not performed – a prohibited donation of public funds under Article VII, Section 14 of the Louisiana Constitution and possible public payroll fraud under LSA-R.S.: 14:138 (*AG Opinion 86-652*).

#### Cause:

The cause of these conditions appears to be:

- Lack of specific guidance in the Employee Manual regarding employees working from home policy and policy and procedures related to the Council Clerk position.
- Inherent weakness in the payroll software system controls.
- Oversight on the part of management regarding securing personnel information in a locked filing cabinet.
- Oversight on the part of department supervisors when certifying employee time sheets.

#### Effect:

Failure to adopt and adhere to strong internal controls over time and attendance and payroll creates an environment in which errors, irregularities (including possible violations of law), and waste could occur and not be detected in a timely manner.

#### Recommendation:

We recommend the Parish consider implementing the following internal control procedures over payroll procedures and payroll time and attendance recordkeeping.

- We recommend the Parish Employee Handbook be updated to include the following provisions:
  - Include a policy regarding employees working from home in the absence of a government stay-at-home order with advanced approval by their immediate supervisor.
  - Include formal, written policies for the Council Clerk's position to include:
    - Standard hours of operation
    - Primary office location
    - An expanded job description for the position of the Council Clerk that defines in detail the specific duties and responsibilities of the Council Clerk position.
    - Identify the Council Chairman or his / her designee as the immediate supervisor for the Council Clerk's position.
    - Daily electronic time and attendance system to be certified by the Council Chairman or his / her designee.
    - Overtime policy with advance approval by the Council Chairman or his / her designee.
- The location of the personnel files should be in a locked file cabinet with access limited to the Human Resources Director, the Payroll Clerk, and the Director of Finance.
- Access to the computer payroll Master File by the Payroll Clerk should not be allowed. If software limitations do not allow for this system control, continue to require the Director of Finance or his / her designee to review and approve all changes to the payroll Master File on a regular basis and document that approval in writing.

**Tangipahoa Parish Government**

**Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2019**

- The person assigned responsibility for reviewing and approving payroll prepared by the Payroll Clerk should review a complete payroll register that reconciles gross pay to net check for each employee to determine that gross pay is correct for each employee.
- The use of a signature stamp approval to certify supervisory review of an employee’s time worked, even after obtaining approval by text message, should be prohibited.
- The Council Clerk position and the Fire Administrator position, that both lack an immediate supervisor capable of monitoring their attendance daily, should be required to complete a time and attendance system suitable for their job responsibilities. For the Council Clerk position, we recommend an electronic time and attendance system, a best practice in office environments. For the Fire Administrator, we recommend a system suitable for public safety employees whose jobs require them to be away from their office on a regular basis.

**Management’s Response:**

See management’s response dated September 25, 2020.

**Compliance and Other Matters**

**2019-002 – Local Government Budget Act**

**Condition:**

The Parish may not have complied with certain provisions of the Local Government Budget Act.

This is a repeat finding from the prior audit year.

**Criteria:**

Budget procedures applicable to the Parish are specified in state law, LRS 39:1301-1315. The pertinent part of the law and the manner in which the Parish may not have complied is as follows:

- LRS 1311 (A) (2) requires the Parish to amend the budget when:

*“Total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more.”*

The following funds had actual expenditures and other uses that exceeded budgeted amounts as of December 31, 2019:

<u>Fund</u>	<u>Expenditures</u>		<u>Variance</u>	<u>Percent</u>
	<u>Budget</u>	<u>Actual</u>		
Garbage Maintenance Fund	\$ 11,344,631	\$ 12,515,503	\$ 1,170,872	10.32%
Road Lighting #3 Fund	\$ 37,276	\$ 44,824	\$ 7,548	20.25%
Juror Per Diem Fund	\$ 152,068	\$ 162,566	\$ 10,498	6.90%
Workforce - Adult Fund	\$ 959,412	\$ 1,056,208	\$ 96,796	10.09%

**Tangipahoa Parish Government**

**Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2019**

**Cause:**

The cause of this condition appears to be due to year-end accounting adjustments and an oversight by management to amend the above budgets before year end.

**Effect:**

Failure to follow the precise requirements of the Local Government Budget Act resulted in the Parish not being in compliance with the budget laws specified in LRS 39:1301-1315.

**Recommendation:**

We recommend that the Parish continue to monitor its financial statements regularly and amend the budgets as needed.

**Management's Response:**

See management's response dated September 25, 2020.

**Section III – Federal Award Findings and Questioned Costs**

None

**Tangipahoa Parish Government**

**Summary Schedule of Prior Year Audit Findings  
For the Year Ended December 31, 2019**

**Internal Control over Financial Reporting**

**TPG 18-02 – Lack of Internal Controls – Segregation of Duties Over Section 8 Disbursements**

**Condition:**

The Section 8 Director enters new tenants into the system, calculates the rent / utility payment, reviews the monthly check register, and initiates and authorizes the direct deposit payments. No one is checking the Director's work on a regular basis. The Housing Specialist prepares the monthly check register for the Director to review prior to initiating the payments. For checks written, the Parish has a dual signature policy. In February 2018, Tangipahoa Parish Section 8 started paying the rent payments to landlords and utility payments to tenants using direct deposit. Checks are still written for some landlords and tenants who do not accept direct deposit.

**Prior Year Recommendation:**

It is recommended that another Section 8 staff enter the tenants in the software. The same staff should calculate the rent and utility payments. The Section 8 Director should review all of the staffs' work for accuracy before the first payment is processed. After the housing specialist generates the check register, it should be forwarded to the Section 8 Director for approval, who then will forward it along with the direct deposit authorization form to the Finance Director for his review and authorization. The Section 8 Director can process the direct deposit after the authorization is received.

**Resolution:**

Resolved

**Compliance and Other Matters**

**TPG 18-01 – Local Government Budget Act Violations (repeated from prior year)**

**Condition:**

Tangipahoa Parish Government failed to amend the budgets for the Health Unit Fund by an adequate amount for the fiscal year ended December 31, 2018.

**Prior Year Recommendation:**

It is recommended that the Parish monitor its financial statements at least quarterly and amend the budget as needed.

**Resolution:**

Not Resolved – Finding to be repeated in the current year

**TPG 18-03 – Compliance with Louisiana Revised Statute 38:2212 (Public Bid Law)**

**Condition:**

Louisiana Revised Statute requires all public works projects over \$154,450 to be let by competitive bid. During 2018, the Parish paid Vance Brothers, Inc. \$539,169.20 for the 2018 micro surfacing project. This project was not bid.

**Tangipahoa Parish Government**

**Summary Schedule of Prior Year Audit Findings  
For the Year Ended December 31, 2019**

**Prior Year Recommendation:**

It is recommended that all public works projects go through the purchasing agent to ensure compliance with public bid law.

**Resolution:**

Resolved

**TPG 18-04 – Compliance with Louisiana Revised Statute 38:2241 (Written Contract and Bond)**

**Condition:**

During 2018, the Parish paid Vance Brothers, Inc \$539,169.20 for the 2018 micro surfacing project, and there was no written contract. In addition, there was no record of a bond for this public works job with Vance Brothers, Inc.

**Prior Year Recommendation:**

It is recommended that all public works projects go through the purchasing agent to ensure compliance with state law.

**Resolution:**

Resolved

**Compliance and Other Matters – Federal Financial Assistance**

**TPG 18-05 – Section 8 – Rental Assistance**

**Condition:**

A tenant appears to have under reported \$10,579 in wages in the period under audit. This resulted in an overpayment of \$2,385 for the period January 1 to September 30, 2018. The EIV on file revealed wages from 2 employers, but only one was reported by the tenant as income for the 10/01/2017 to 10/01/2018 contract. No notes were in the file to indicate discussion with the tenant regarding the second source of income. There was no 3rd party verification for the 2nd source of wages. Only after the auditor brought it to the attention of Section 8 Director were collection efforts implemented.

**Prior Year Recommendation:**

It is recommended that the Director of Section 8 review each tenant file before the first payment is made on behalf of the tenant. Management should advise the PHA Staff to use the EIV system in its entirety, which includes written documentation regarding unreported or underreported income. It should be noted that, as of June 18, 2019, a repayment agreement in the amount of \$6,588 was in place with the tenant.

**Resolution:**

Resolved



POST OFFICE BOX 215  
AMITE, LOUISIANA 70422

OFFICE (985) 748-3211  
FAX (985) 748-7576

**ROBBY MILLER**  
PARISH PRESIDENT

September 25, 2020

James, Lambert, Riggs & Associates, Inc.  
401 E Thomas St.  
Hammond LA 70401

Management's Response for 2019 Financial Audit:

2019-001 – Improvements in Existing Internal Controls of Payroll

Management will implement the internal control procedures over payroll and time and attendance recordkeeping as recommended by the auditor.

2019-002 – Local Government Budget Act

Management will continue to monitor its financial statements regularly and amend the budget as needed as recommended by the auditor.

Sincerely,

Jeff McKneely  
Director of Finance

---

**COUNCIL**

TRENT FORREST  
DISTRICT 1  
EMILE "JOEY" MAYEAUX  
DISTRICT 6

JOHN INGRAFFIA  
DISTRICT 2  
LIONELL WELLS  
DISTRICT 7

LOUIS "NICK" JOSEPH  
DISTRICT 3  
DAVID P. VIAL  
DISTRICT 8

CARLO S. BRUNO  
DISTRICT 4  
BRIGETTE HYDE  
DISTRICT 9

H. G. "BUDDY" RIDGEL  
DISTRICT 5  
KIM LANDRY COATES  
DISTRICT 10



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FAX (985) 748-7576

**ROBBY MILLER**  
PARISH PRESIDENT

September 30, 2020

James Lambert Riggs & Associates, Inc.  
401 East Thomas Street  
Hammond, LA 70401

Tangipahoa Parish Council Response to 2019 Audit Recommendations

In your audit report of Tangipahoa Parish Government as of and for the year ended December 31, 2019, you included recommendations for improvements in existing internal controls over payroll and payroll time and attendance. The Council has considered your recommendations particularly related to the Council Clerk position, the sole employee of the Council under the Tangipahoa Parish Home Rule Charter. On Monday, September 28, 2020, the Council met in regular session and adopted the following recommendations of the Personnel Committee related to the Council Clerk's position:

1. Update the Existing Employee Handbook to include formal, written procedures for the Council Clerk's position.
2. Define the standard hours of operation for the Council Clerk's position
3. Define the primary office location for the Council Clerk's position
4. Develop an expanded job description that defines in detail the specific duties and responsibilities of the Council Clerk position
5. Designate the Council Chairman or his(her) designee as the immediate supervisor for the Council Clerk's position
6. Require a daily electronic time and attendance system to be certified by the Council Chairman or his(her) designee
7. Require overtime for the Council Clerk's position to be approved in advance by the Council Chairman or his(her) designee

We believe this action by the Council adequately resolves the recommendations contained in your 2019 audit report.

Sincerely,

Tangipahoa Parish Council

  
Carlo S. Bruno, Chairman

---

COUNCIL

TRENT FORREST  
DISTRICT 1  
EMILE "JOEY" MAYEAUX  
DISTRICT 6

JOHN INGRAFFIA  
DISTRICT 2  
LIONELL WELLS  
DISTRICT 7

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DISTRICT 4  
BRIGETTE HYDE  
DISTRICT 9

H. G. "BUDDY" RIDGEL  
DISTRICT 5  
KIM LANDRY COATES  
DISTRICT 10

**TANGIPAHOA PARISH GOVERNMENT**

**STATEWIDE AGREED UPON PROCEDURES ENGAGEMENT**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

Dennis E. James, CPA  
Lyle E. Lambert, CPA  
Paul M. Riggs, Jr., CPA  
J. Bryan Ehricht, CPA

Megan E. Lynch, CPA  
B. Jacob Steib, CPA  
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## Independent Accountants' Report on Applying Agreed-Upon Procedures

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

Louisiana Legislative Auditor  
Baton Rouge, Louisiana

We have performed the procedures enumerated below, which were agreed to by Tangipahoa Parish Government (the Parish) and the Louisiana Legislative Auditor (the "LLA") on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (the "SAUPs") of the Parish for the period January 1, 2019 through December 31, 2019. The Parish's management is responsible for those control and compliance areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*, issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of the Parish and the LLA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are detailed in Schedule "A."

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those control and compliance areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those control and compliance areas identified in the SAUPs, and the results of that testing, and not to provide an opinion on control or compliance. This report is intended solely for the information and use of the Parish and the LLA and is not intended to be and should not be used by anyone other than those specified parties. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

*James Lambert Riggs  
& Associates*

James Lambert Riggs & Associates, Inc.  
Hammond, Louisiana

August 31, 2020

Written Policies and Procedures

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1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - a) **Disaster Recovery / Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing / verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches / updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

**Results:** No exceptions were noted as a result of the above listed procedure.

Collections

2. Obtain a listing of deposit sites for the fiscal period where deposits for cash / checks / money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

**Results:** Management provided us with a listing of all deposit locations as well as management's representation that the listing is complete.

3. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers / registers.

**Results:** No exceptions were noted as a result of the above listed procedure.

- b) Each employee responsible for collecting cash is not responsible for preparing / making bank deposits, unless another employee / official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

**Results:** No exceptions were noted as a result of the above listed procedure.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee / official is responsible for reconciling ledger postings to each other and to the deposit.

**Results:** No exceptions were noted as a result of the above listed procedure.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and / or subsidiary ledgers, by revenue source and / or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

**Results:** No exceptions were noted as a result of the above listed procedure.

- 4. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

**Results:** All employees who have access to cash are covered by a bond or insurance policy for theft.

- 5. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

**Results:** No exceptions were noted as a result of the above listed procedure.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

**Results:** No exception were noted as a result of the above listed procedure.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

**Results:** No exceptions were noted as a result of the above listed procedure.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

**Results:** No exceptions were noted as a result of the above listed procedure.

- e) Trace the actual deposit per the bank statement to the general ledger.

**Results:** No exceptions were noted as a result of the above listed procedure.