TANGIPAHOA WATER DISTRICT
TANGIPAHOA PARISH COUNCIL

ANNUAL FINANCIAL STATEMENTS

As of December 31, 2019 and for the Year Then Ended
With Supplemental Information Schedules
(with 2018 summarized comparative information)

PHIL HEBERT
CERTIFIED PUBLIC ACCOUNTANT
A PROFESSIONAL ACCOUNTING CORPORATION

Tangipahoa Water District

Annual Financial Statements
As of and for the Year Ended December 31, 2019
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(with 2018 summarized comparative information)

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Independent Auditor's Report

Board of Commissioners
Tangipahoa Water District
Tangipahoa Parish Council

Report on the Financial Statements
We have audited the accompanying financial statements of the business-type activities of the Tangipahoa Water District, Natalbany, Louisiana, a component unit of the Tangipahoa Parish Council, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Tangipahoa Water District's basic financial statements 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 the 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 judgement, 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Tangipahoa Water District, as of December 31, 2019, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information
We have previously audited the Tangipahoa Water District's December 31, 2018 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated June 27, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

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 6 through 14, as well as the information presented in the Schedule of the District's Proportionate Share of Net Pension Liability and the Schedule of the Tangipahoa Water District's Contributions on pages 45-46 be presented to supplement the basis financial statements. Such information, although not a part of the basis 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 and opinion or provide any assurance.

Other Information
Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Tangipahoa Water District's basic financial statements. The supplementary information contained in the Other Supplemental Information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information contained in the Other Supplemental Information as listed in the table of contents is the responsibility of management and was derived from and relates 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 supplementary information is 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 August 17, 2020, on our consideration of the District'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, and not to provide an opinion on 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 District's internal control over financial reporting and compliance.

Phil Hebert

Phil Hebert, CPA
A Professional Accounting Corporation
Ponchatoula, Louisiana
August 17, 2020

Required Supplementary Information (Part I)

Management's Discussion and Analysis

Tangipahoa Water District

Management's Discussion and Analysis
As of and for the Year Ended December 31, 2019
(with December 31, 2018 summarized comparative information)

Introduction

The Tangipahoa Water District (the District) is pleased to present its Annual Financial Statements developed in compliance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - For State and Local Governments* (GASB 34), as amended. The amendment of GASB 34, including the adoption of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,* and applicable standards are more fully described in the *Footnote 1 – Summary of Significant Accounting Policies.*

The District's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the District's financial activity, (c) identify changes in the District's financial position, (d) identify any significant variations from the District's financial plan, and (e) identify individual fund issues or concerns.

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 District's basic financial statements and related notes, which follow management's discussion and analysis.

Financial Highlights

- At December 31, 2019, total assets and deferred outflows of resources were $49,921,476, and exceeded liabilities and deferred inflows of resources in the amount of $14,024,564 (i.e., net position). Of the total net position, $3,329,402 was unrestricted and available to support short-term operations. $49,078 was restricted for capital projects and debt service. The balance of $10,646,084 was the net investment in capital assets.

- For the year ended December 31, 2019, user fee revenues (water sales) increased to $6,826,186 as compared to $6,568,387 for the fiscal year ending December 31, 2018. Residential and commercial customers increased by approximately 4.50 percent and 2.85 percent respectively.

- The District's operating expenses, other than depreciation and amortization expense, increased by $151,273 or approximately four percent to $3,436,989 as compared to $3,285,716 for the prior fiscal year. The major components of the increase included increases of $131,765 for retirement benefits, $65,006 for bad debt expense, $24,678 for chlorination, $21,470 for office expenses, and $20,521 for utilities. Decreases included $44,240 for employee health insurance, $39,587 for repairs and maintenance, $11,599 for salaries, and $10,335 for other expenses.

- Property, plant, and equipment decreased by $614,175 (net of accumulated depreciation) due to depreciation. Construction costs of $152,212 were incurred during the fiscal year for the Series 2016 project. Construction costs of $16,961 were incurred during the fiscal year for the new water lines project. Other additions included $78,000 for donated land, $24,759 for the new computers, $41,814 for two new trucks, $56,270 for machinery and equipment, which included numerous communication and office equipment, $53,374 for two generators, $6,800 for building improvements, and $906,301 for other system improvements. Deletions included $67,608 in machinery and equipment, which included four vehicles and three a/c wall units and $2,188 in building improvements, which included an a/c unit. Current year depreciation expense of $1,950,190 reduced the overall net increase in property, plant, and equipment.

- Total long-term debt decreased by $965,000, before consideration of unamortized premium and discount, due to principal payments. Total long-term bonded debt was $32,940,000 at December 31, 2019 before unamortized discounts and premiums.

Overview of the Annual Financial Report

This discussion and analysis serves as an introduction to the District's basic financial statements and supplementary information. The District's basic financial statements include the following: 1) Statement of Net Position, 2) Statement of Revenues, Expenses, and Changes in Net Position, 3) Statements of Cash Flows, and 4) Notes to the Basic Financial Statements. The financial statements report information on the District using full accrual accounting methods similar to those used in the private business sector.

The Statement of Net Position provides information about the nature and amount of the District's resources and obligations at year-end, and provides a basis for evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

The Statement of Revenues, Expenses, and Changes in Net Position accounts for the revenues and expenses for the fiscal year, and provides information on how Net Position changed during the year. This statement measures the success of the District's operations over the past year and can be used to determine if the District has recovered its costs through user fees and other charges.

The Statement of Cash Flows reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and capital and related financing activities, and provides information on the source of cash receipts, what the cash was used for, and the total change in cash for the reporting period.

The notes to the financial statements provide required disclosures essential to a full understanding of the data provided in the District's basic financial statements. The notes present information about the District's accounting policies, significant account balances and activities, commitments, contingencies, and subsequent events, if any. Supplementary information includes a comparative budget schedule and key information schedules on operation of the District.

Financial Analysis

The purpose of financial analysis is to help determine whether Tangipahoa Water District is better off as a result of the current year's activities. In this analysis, data from two of the basic financial statements, the Statement of Net Position, and the Statement of Revenues, Expenses, and Changes in Net Position, are presented below in condensed format. These statements report the Net Position, the difference between assets and liabilities, and the change in Net Position, which provides information for indicating the financial condition of the District. Following these statements is a separate schedule summarizing and analyzing budget changes for the current fiscal year.

Tangipahoa Water District

Management's Discussion and Analysis
As of and for the Year Ended December 31, 2019
(with December 31, 2018 summarized comparative information)

Condensed Statements of Net Position
2019 and 2018

	2019	2018	Dollar Change	Percentage Change
Assets:		(Restated)		
Current and Other Assets	$ 7,158,726	$ 6,052,905	$ 1,105,821	18%
Capital Assets	41,882,276	42,496,451	(614,175)	-1%
Total Assets	49,041,002	48,549,356	491,646	1%
Deferred Outflows of Resources:				
Refunding of Debt	338,741	357,060	(18,319)	-5%
Pension Related	541,733	213,047	328,686	154%
Total Deferred Outflows of Resources	880,474	570,107	310,367	54%
Liabilities:				
Long-Term Debt Outstanding	33,667,749	34,037,914	(370,165)	-1%
Other Liabilities	2,192,337	2,022,337	170,000	8%
Total Liabilities	35,860,086	36,060,251	(200,165)	-1%
Deferred Inflows of Resources:				
Pension Related	36,826	272,407	(235,581)	-86%
Total Deferred Inflows of Resources	36,826	272,407	(235,581)	-86%
Net Position:				
Net Investment in Capital Assets	10,646,084	10,425,772	220,312	2%
Restricted for Capital Activity and Debt Service	49,078	-	49,078	
Unrestricted	3,329,402	2,361,033	968,369	41%
Total Net Position	$ 14,024,564	$ 12,786,805	$ 1,237,759	10%

The major components of the change in "Current and Other Assets" are generated from increases in unrestricted cash. Restricted cash remaining for this project totaled $1,508,417 for the Series 2016 project. There was also an approximate $110,633 increase in accounts receivable and a net pension asset decrease of $91,951.

Total Deferred Outflows of Resources increased by $310,367 due to an increase of $328,686 related to pension and decreases of $18,319 for items related to the refunding of debt.

Long Term Debt decreased by $370,165. Principal payments of $965,000 on water revenue bonds were also made. Other liabilities decreased from accounts retainage payable $51,593. There was increases in customer deposits payable $74,262, construction payable $17,170, and net pension liability of $601,908.

Total Deferred Inflows of Resources decreased by $235,581 related to pension.

"Total Net Position" (total assets less total liabilities) increased by $1,237,759 for the fiscal year ending December 31, 2019. As components of this change, operating revenues increased four percent and operating expenses increased four percent.

Tangipahoa Water District

Management's Discussion and Analysis
As of and for the Year Ended December 31, 2019
(with December 31, 2018 summarized comparative information)

Condensed Statements of Revenues, Expenses and Changes in Net Position
2019 and 2018

	Year ended December 31, 2019	Year ended December 31, 2018 (Restated)	Dollar Change	Percentage Change
Revenues:				
Operating Revenues	$ 7,691,283	$ 7,405,709	$ 285,574	4%
Nonoperating Revenues	258,335	162,866	95,469	59%
Total Revenues	7,949,618	7,568,575	381,043	5%
Expenses:				
Depreciation Expense and Amortization	1,966,640	1,888,317	78,323	4%
Other Operating Expense	3,436,989	3,285,716	151,273	5%
Nonoperating Expense	1,308,230	1,227,478	80,752	7%
Total Expenses	6,711,859	6,401,511	310,348	5%
Income (Loss) Before Contributions and Transfers	1,237,759	1,167,064	70,695	6%
Transfers In	-	25,826	(25,826)	-100%
Changes in Net Position	1,237,759	1,192,890	44,869	4%
Beginning Net Position	12,790,567	11,898,425	1,153,140	10%
Prior Period Adjustments (Note 15)	(3,762)	(304,510)	43,512	-14%
Adjusted Beginning Net Position	12,786,805	11,593,915	1,196,652	10%
Ending Net Position	$ 14,024,564	$ 12,786,805	$ 1,265,958	10%

While the Statement of Net Position shows the change in financial position of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position provides answers to the nature and scope of these changes.

- Total "Operating Revenues" (including water sales and revenues related to providing water and related services to customers) increased by four percent as compared to a seven percent increase in the prior year. There was an increase of 896 customers (4.37 percent) for the fiscal year ended. There was an overall increase of five percent for total operating expenses which included increases of $131,765 for retirement benefits, $78,745 for bad debt expense, $24,678 for chlorination, $21,470 for office expenses, and $20,521 for utilities. Decreases included $44,240 for employee health insurance, $39,587 for repairs and maintenance, $11,599 for salaries, and $10,335 for other expenses.
- Nonoperating revenues increased by $95,469 due to increases of $33,977 for interest income and $78,000 in donation of land. The nonoperating expense increase is related to interest expense increase of $80,752.

Management's Discussion and Analysis
As of and for the Year Ended December 31, 2019
(with December 31, 2018 summarized comparative information)

One of the methods for viewing changes from year-to-year is to compare revenue and expense data calculated per customer. For the data presented below, there were 21,420 and 20,524 customers at December 31, 2019 and 2018 respectively. This represents an increase in customers of approximately four percent from the prior fiscal year. This information below is also often used by lenders to calculate the water rates required to cover operating expenses and debt service requirements. The following table presents comparative data, computed as average monthly revenue and expenses, for the fiscal years ending December 31, 2019 and 2018:

Revenue and Expense Data Per Customer

	December 31, 2019	December 31, 2018	Increase (Decrease)
Water Sales	26.56	26.67	(0.11)
Operating Revenues	29.92	30.07	(0.15)
Total Revenues	30.93	30.73	0.20
Operating Expenses	21.02	21.01	0.01
Total Expenses	26.11	25.99	0.12

The data provides information on trends in revenue and expenses per customer, but should be reviewed over an extended period. With the continued increase in the number of customers, the District has achieved consistency in revenue and expense trends. This data should be reviewed for long-term trends.

Tangipahoa Water District

Management's Discussion and Analysis
As of and for the Year Ended December 31, 2019
(with December 31, 2018 summarized comparative information)

Budgetary Highlights

Tangipahoa Water District adopts an annual operating budget to provide for effective management of the District. The operating budget is adopted before the end of the prior fiscal year, and is amended by the Board of Commissioners after review of monthly budget-to-actual financial reports. Although presentation of budgetary highlights is not a required disclosure within *Management's Discussion &* Analysis for enterprise funds, this disclosure is permitted and is presented since budgetary review is essential to successful operation of a water district. A summary of the approved budget is presented below in a condensed format summarizing major revenue and expense categories, and is followed by analysis of significant variations between budget and actual amounts. Although not presented as a part of the basic financial statements, a more detailed schedule is also presented in "Schedule 3 - Budgetary Comparison Schedule", as supplementary information, following the footnotes to the financial statements.

Budget vs. Actual - Fiscal Year ended December 31, 2019

	Budget Year ended December 31, 2019	Actual Year ended December 31, 2019	Favorable (Unfavorable) Variance
Revenues:			
Operating Revenues	$ 7,610,964	$ 7,691,283	$ 80,319
Nonoperating Revenues	184,069	258,335	74,266
Total Revenues	7,795,033	7,949,618	154,585
Expenses:			
Depreciation Expense	1,978,596	1,950,190	28,406
Other Operating Expense	3,278,658	3,453,439	(174,781)
Nonoperating Expense	1,307,978	1,308,230	(252)
Total Expenses	6,565,232	6,711,859	(146,627)
Income (Loss) before Contributions or Transfers	1,229,801	1,237,759	7,958
Capital Contributions or Transfers	-	-	-
Change in Net Position	$ 1,229,801	$ 1,237,759	$ 7,958

Total revenues exceeded budgeted by approximately two percent. Total expenses were over budgeted by approximately two percent. Budgets for operating expense accounts were amended at fiscal year-end to reflect increased costs of operation as the system is expanded and new customers are added.

Tangipahoa Water District

Management's Discussion and Analysis
As of and for the Year Ended December 31, 2019
(with December 31, 2018 summarized comparative information)

Other Significant Trends and Account Changes

Included within this section is first a listing and analysis of general trends and operating data affecting the operation of the District. This is followed by an analysis of any significant account changes, not included within other sections of the Management's Discussion and Analysis.

General Operating Data

One key measure of a water district's profitability is the ability to generate positive cash flows and to collect accounts receivable on a timely basis. Presented below is an aged receivable listing for the fiscal years ending December 31, 2019 and 2018.

	Year Ended December 31, 2019	Year Ended December 31, 2018 (Restated)	Increase (Decrease)
Accounts Receivable			
Current	$ 359,038	$ 366,231	$ (7,193)
31-60 Days Past Due	77,498	59,576	17,922
61-90 Days Past Due	25,771	19,776	5,995
Over 90 Days Past Due	48,218	54,625	(6,407)
Subtotal	510,525	500,208	10,317
Allowance for Uncollectible Accounts	(78,744)	(30,946)	(47,798)
Sewer and Garbage Receivables	467,920	319,806	148,114
Net Accounts Receivable	$ 899,701	$ 789,068	$ 110,633

The District continued efforts in collecting bills and in writing off accounts as they become past due. The increased number of customers for water billings is the primary driver of the increased water customer receivables at year end.

The District has identified potential accounts totaling approximately $53,460, consisting of $30,296 from 2013 and 2014 that could be errors due to the software conversion in 2013 and $20,164 of potential corrections for years 2015-2019. The District also identified $28,199 in potentially uncollectible sewer accounts. The District is currently reviewing and researching these accounts to determine accuracy and collectability. After this review and analysis, the accounts will be presented to the Board to determine possible collection procedures or write-offs. The District increased the allowance for Uncollectible accounts.

Capital Assets and Debt Administration

Capital Assets

At the end of the fiscal year ending December 31, 2019, Tangipahoa Water District had $41,882,276 (net of accumulated depreciation) recorded in capital assets. This includes water utility systems and improvements, throughout the parish. Other significant capital assets include the District's improvements for water system equipment and supplies, and equipment and machinery, including vehicles, for water system operation. The changes in capital assets are presented in the table below.

	December 31, 2019	December 31, 2018	Increase (Decrease)	Percentage Change
Capital Assets				
Land	$ 387,800	$ 309,800	$ 78,000	25%
Water Distribution System	61,562,968	60,603,293	959,675	2%
Buildings and Improvements	779,308	774,696	4,612	1%
Equipment	1,891,003	1,835,768	55,235	3%
Furniture and Fixtures	18,402	18,402	-	0%
Construction in Progress	169,173	-	169,173	N/A
Subtotal	64,808,654	63,541,959	1,266,695	2%
Less: Accumulated Depreciation	(22,926,378)	(21,045,508)	(1,880,870)	9%
Net Capital Assets	$ 41,882,276	$ 42,496,451	$ (614,175)	-1%

The total increases during the fiscal year ending December 31, 2019, were $1,266,695 before depreciation.

Construction in progress additions on the Series 2016 Project of $152,212 and on the new water lines project of $16,961. Other additions included $78,000 for donated land, $24,759 for the new computers, $41,814 for two new trucks, $56,270 for machinery and equipment, which included numerous communication and office equipment, $53,374 for two generators, $6,800 for building improvements, and $906,301 for other system improvements.

Deletions included $67,608 for four trucks that were sold for a total of $16,000. The total cost of the trucks was $64,782 and had $64,782 in accumulated depreciation. Also included in deletions were three a/c wall units in machinery and equipment with a total cost of $2,826 and had $2,642 in accumulated depreciation and one a/c unit in building improvements with a total cost of $2,188 and had $1,896 in accumulated depreciation. These units were all broken and replaced during the fiscal year.

Current year depreciation expense of $1,950,190 reduced the overall net increase in property, plant, and equipment.

Long-Term Offerings

The primary source of long-term financing for Tangipahoa Water District water system improvements was in the past revenue bonds financed by the United States Department of Agriculture, Rural Utilities Service (RUS). All RUS bond issues were refunded in year 2011. The footnote entitled "Long Term Obligations" to the financial statements provides more detail on debt financing, including bond issues financed in year 2014.

Bonds financed for Tangipahoa Water District, require a specific debt to net income ratio. The District covenants to fix, establish, maintain and collect such rates, fees, rents or other charges for the services and facilities of the System, and all parts thereof, and to revise the same from time to time whenever necessary, as will always provide revenues in each fiscal year sufficient to pay the reasonable and necessary expenses of operating and maintaining the System in each fiscal year and as will provide Net Revenues at least equal to the 120 percent of the principal and interest falling due in such year on all bonds or other obligations payable from the System and as will provide revenues at least sufficient to pay all reserve or sinking funds or other payments required for such fiscal year by this Resolution and all obligations or indebtedness payable out of the Revenues during such year, and that such rates, fees, rents or other charges shall not at any time be reduced as to be insufficient to provide adequate revenues for such purposes. For the fiscal year ended, the Tangipahoa Water District recorded "Net Revenues" exceeding the "120 percent" requirement per applicable bond covenants. "Net Revenues", per applicable bond provisions, means the revenues, after provision has been made for the payment for the reasonable and necessary expenses of maintaining and operating the system.

Future Economic Plans

In an effort to meet the needs of existing customers and to respond to the demands of a growing community, the Board of Commissioners of Tangipahoa Water District created a "Long-Range Committee" to identity and prioritize those areas for which construction projects would benefit residents of Tangipahoa Parish. The committee meets periodically with the system engineer to formalize these plans, and to review cost estimates.

Requests for Information

This financial report is designed to provide a general overview of Tangipahoa Water District's finances and to demonstrate the District's accountability. If you have questions regarding this report or need additional information, contact the District at 46463 North Morrison, Natalbany, LA 70451. The phone number for the District is (985) 345-6457.

Business-Type Financial Statements

Statement A

Tangipahoa Water District
Statement of Net Position
As of December 31, 2019
(With Comparative Totals as of December 31, 2018)

	2019	2018 (Restated)
Assets		
Current Assets:		
Cash and Cash Equivalents - Operating	$ 2,739,277	$ 1,702,305
Receivables, Net :		
Accounts	899,701	789,068
Accrued Billings	276,741	252,383
Other	6,729	29,681
Inventory	114,691	100,341
Prepaid and Other Assets	38,600	36,236
Total Current Assets	4,075,739	2,910,014
Restricted Assets:		
Restricted Cash and Cash Equivalents	2,930,393	2,881,896
Total Restricted Assets	2,930,393	2,881,896
Property, Plant, and Equipment		
Land	387,800	309,800
Construction in Progress	169,173	-
Property, Plant and Equipment, Net	41,325,303	42,186,651
Total Property, Plant, and Equipment	41,882,276	42,496,451
Other Assets		
Bond Issue Insurance Costs and Other	152,594	169,044
Net Pension Asset	-	91,951
Total Other Assets	152,594	260,995
Total Assets	49,041,002	48,549,356
Deferred Outflows of Resources		
Refunding of Debt	338,741	357,060
Pension Related	541,733	213,047
Total Deferred Outflows of Resources	880,474	570,107
Liabilities		
Current Liabilities (Payable From Current Assets):		
Accounts Payable	177,723	117,881
Compensated Absences Payable	40,453	35,601
Other Accrued Payables	392,745	323,922
Total Current Liabilities (Payable From Current Assets)	610,921	477,404
Current Liabilities (Payable From Restricted Assets):		
Customer Deposits	1,369,001	1,294,739
Bonds Payable	990,000	965,000
Retainage Payable	-	51,593
Construction Payable	21,406	4,236
Accrued Interest Payable	191,009	194,365
Total Current Liabilities (Payable From Restricted Assets)	2,571,416	2,509,933
Long Term Liabilities:		
Bonds Payable	32,075,841	33,072,914
Net Pension Liability	601,908	-
Total Long Term Liabilities	32,677,749	33,072,914
Total Liabilities	35,860,086	36,060,251
Deferred Inflows of Resources		
Pension Related	36,826	272,407
Total Deferred Inflows of Resources	36,826	272,407
Net Position		
Net Investment in Capital Assets	10,646,084	10,425,772
Restricted for:		
Capital Projects and Debt Service	49,078	-
Unrestricted	3,329,402	2,361,033
Total Net Position	$ 14,024,564	$ 12,786,805

The accompanying notes are an integral part of these financial statements.

Tangipahoa Water District
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended December 31, 2019
(With Comparative Totals for the Year Ended December 31, 2018)

	2019	2018 (Restated)
Operating Revenues		
Water Sales	$ 6,826,186	$ 6,568,387
Tap-In and Service Charges	457,715	451,910
Reconnect Charges	85,005	87,025
Penalty Charges	221,110	204,581
Billing Fees	78,302	72,525
Intergovernmental	10,363	9,210
Other	12,602	12,071
Total Operating Revenues	7,691,283	7,405,709
Operating Expenses		
Amortization	16,450	16,450
Bad Debts	78,745	13,739
Billing Costs	131,987	127,952
Chlorination	390,592	365,914
Computer Expense	21,548	30,517
Depreciation	1,950,190	1,871,867
Director's Expense	27,900	27,300
Employee Expense	6,078	5,401
Insurance - Hospitalization	295,569	339,809
Insurance - Business	137,900	139,515
Office Expenses	56,459	34,989
Other	92,163	102,498
Payroll Taxes	30,005	31,381
Professional Fees	61,603	68,334
Repairs and Maintenance	229,528	269,115
Salaries and Wages	1,088,741	1,100,340
Retirement Benefits	250,355	118,590
Telephone	71,472	69,124
Utilities	271,301	250,780
Vehicle Expenses	112,625	106,959
Water Well Maintenance and Supplies	82,418	83,459
Total Operating Expenses	5,403,629	5,174,033
Operating Income (Loss)	2,287,654	2,231,676
Nonoperating Revenues (Expenses)		
Realized Gain (Loss) on Sale of Capital Assets	15,524	8,057
Interest Income	86,428	52,451
Interest Expense	(1,308,230)	(1,227,478)
Insurance Reimbursements	227	6,845
Donations	78,000	-
Other Income	78,156	95,513
Total Nonoperating Revenues (Expenses)	(1,049,895)	(1,064,612)
Income (Loss) Before Contributions	1,237,759	1,167,064
Contributions and Transfers		
Transfers in from Tangipahoa Parish Council	-	25,826
Change in Net Position	1,237,759	1,192,890
Total Net Position, Beginning	12,790,567	11,898,425
Prior Period Adjustments (Note 15)	(3,762)	(304,510)
Total Adjusted Net Position, Beginning	12,786,805	11,593,915
Total Net Position, Ending	$ 14,024,564	$ 12,786,805

The accompanying notes are an integral part of these financial statements.

Tangipahoa Water District
Statement of Cash Flows
For the Year Ended December 31, 2019
(With Comparative Totals for the Year Ended December 31, 2018)

	2019	2018
Cash Flows From Operating Activities		**(Restated)**
Received From Customers	$ 7,505,128	$ 7,306,095
Received for Meter Deposit Fees	74,262	42,600
Other Receipts	62,383	(30,067)
Payments for Operations	(1,652,926)	(1,703,304)
Payments to Employees	(1,525,935)	(1,585,986)
Net Cash Provided by Operating Activities	4,462,912	4,029,338
Cash Flows From Noncapital Financing Activities		
Other Receipts	78,383	102,358
Proceeds from Notes Payable (Noncapital)	-	-
Principal (Repayments for) Notes Payable (Noncapital)	-	(168,038)
Transfers From (To) Other Funds	-	25,826
Net Cash Provided (Used) by Noncapital Financing Activities	78,383	(39,854)
Cash Flows From Capital and Related Financing Activities		
Proceeds from Sale of Capital Acquisitions	16,000	11,346
Federal Emergency Management Agency Reimbursements	-	-
(Payments for) Capital Acquisitions	(1,292,914)	(1,843,746)
(Payments for) Bond Issuance Costs	18,319	18,323
Principal Proceeds from Long Term Debt	-	-
Principal (Repayments) for Long Term Debt	(965,000)	(930,000)
Interest Payments for Long Term Debt	(1,318,659)	(1,237,569)
Net Cash Provided (Used) by Capital and Related Financing Activities	(3,542,254)	(3,981,646)
Cash Flows From Investing Activities		
Receipt of Interest	86,428	52,451
Net Cash Provided by Investing Activities	86,428	52,451
Net Cash Increase (Decrease) in Cash and Cash Equivalents	1,085,469	60,289
Cash and Cash Equivalents, Beginning of Year	4,584,201	4,523,912
Cash and Cash Equivalents, End of Year	$ 5,669,670	$ 4,584,201
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:		
Cash and Cash Equivalents, Unrestricted	$ 2,739,277	$ 1,702,305
Cash and Cash Equivalents, Restricted	2,930,393	2,881,896
Total Cash and Cash Equivalents	$ 5,669,670	$ 4,584,201

(Continued)

The accompanying notes are an integral part of these financial statements.

Tangipahoa Water District
Statement of Cash Flows
For the Year Ended December 31, 2019
(With Comparative Totals for the Year Ended December 31, 2018)

	2019	2018 (Restated)
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	$ 2,287,654	$ 2,231,676
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	1,966,640	1,888,317
(Increase) decrease in Accounts Receivable	(110,633)	(90,793)
(Increase) decrease in Accrued Billings	(24,358)	16,222
(Increase) decrease in Due from Other Governments	39,129	(51,149)
(Increase) decrease in Other Receivables	289	(399)
(Increase) decrease in Inventory	(14,350)	(14,127)
(Increase) decrease in Prepaid Insurance	(2,364)	1,983
(Increase) decrease in Deferred Outflows of Resources-Pension	(328,686)	126,424
Increase (decrease) in Accounts Payable	59,842	38,231
Increase (decrease) in Compensated Absences	4,852	1,624
Increase (decrease) in Deferred Inflows of Resources-Pension	(235,581)	214,377
Increase (decrease) in Accrued Expenses	746,216	(375,848)
Increase (decrease) in Customer Deposits	74,262	42,800
Net Cash Provided by Operating Activities	$ 4,462,912	$ 4,029,338

(Concluded)

The accompanying notes are an integral part of these financial statements.

Tangipahoa Water District
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019
(with December 31, 2018 summarized comparative information)

Introduction

On August 5, 1992, the Tangipahoa Parish Council voted to create a parish wide water District effective November 16, 1992, in accordance with *Louisiana Revised Statute 33:3811*, thus creating the Tangipahoa Water District. The purpose for creating Tangipahoa Water District (hereinafter referred to as the District) was initially to consolidate the existing Water Works District Number 2 of Tangipahoa Parish, but Second Ward Water District and Fourth Ward Water District, two active water districts in the northern part of Tangipahoa Parish, were eventually consolidated into Tangipahoa Water District for continued operation. During the fiscal year ending December 31, 2010, Tangipahoa Water District formally took over operation of the Fluker Water System.

The Tangipahoa Water District is governed by a board of commissioners consisting of eight members. The board is appointed by the parish council and paid according to the number of meetings attended. Tangipahoa Water District encompasses the southern part of Tangipahoa Parish and parts of north Tangipahoa Parish with some exclusions for previously franchised areas of Tangipahoa Parish. At December 31, 2019, Tangipahoa Water District provided service to a total of 21,420 customers.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Tangipahoa Water District is considered a component unit of the Tangipahoa Parish Council.

1. Summary of Significant Accounting Policies

A. Measurement Focus and Basis of Accounting and Financial Statement Presentation

The District's financial statements are prepared on the full accrual basis in accordance with accounting principles generally accepted in the United States of America. The District applies all Governmental Accounting Standards Board (GASB) pronouncements as described in the following paragraphs.

These financial statements are presented in accordance with GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*. Statement No. 34 established standards for financial reporting, with presentation requirements originally including a statement of net assets (or balance sheet), a statement of activities, and a statement of cash flows. The definition and composition of these statements, as originally defined in GASB Statement No. 34, are as amended by GASB Statements included in the following paragraphs. The District has also adopted the provisions of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, that require capital contributions to the District to be presented as a change in net position.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective for financial statement periods ending after December 15, 2012, provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. Concepts Statement No. 4, *Elements of Financial Statements,* introduced and defined *Deferred Outflows of Resources* as a consumption of net assets by the government that is applicable to a future reporting period, and *Deferred Inflows of Resources* as an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. GASB Concepts Statement 4 identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments,* and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The definition and reporting of net position is further described in *Footnote I – Net Position.* As required by the Governmental Accounting Standards Board (GASB), the District implemented GASB Statement No. 63 during the year ending December 31, 2012. The District had $338,741 of deferred outflows of resources due to debt refundings during the year ending December 31, 2019. The District also had deferred outflows and deferred inflows of resources related to pension of $541,733 and $36,826, respectively, at December 31, 2019.

The District has also adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities.* This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The application of this standard to long-term debt offerings of the District is more fully described in *Footnote H – Long-Term Debt Offerings.*

All activities of the District are accounted for in a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprise, where the intent of the governing authority is that the cost (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred.

The term measurement focus denotes what is being measured and reported in the District's operating statement. Financial operations of the District are accounted for on the flow of economic resources measurement focus. With this measurement focus, all of the assets and liabilities, available to the District for the purpose of providing goods and services to the public, are included on the balance sheet. The activity statement includes all costs of providing goods and services during the period.

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, primarily the provision of water to rural areas of Tangipahoa Parish. Operating expenses for enterprise 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 District's policy to use restricted resources first, then unrestricted resources as they are needed.

B. Deposits and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, interest-bearing demand deposits, money market accounts, and short-term investments with original maturities of three months or less from the date of acquisition. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Investments for the District are reported at fair market value. The state investment pool, LAMP, operates in accordance with state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares. Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the District's investment policy.

C. Inventories

Inventories consist of materials and supplies and are recorded as an expense when consumed. Inventories are valued at cost using the first-in, first-out method.

D. Prepaid Items

Payments made to vendors that will benefit periods beyond the end of the current calendar year are recorded as prepaid items. Prepaid items consist of prepaid insurance premiums.

E. Restricted Assets

Certain proceeds of the enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets because their use is limited by applicable bond covenants. Additionally, funds held for customers' meter deposits are also classified as restricted assets.

F. Capital Assets

Capital assets of the District are defined by the District as assets with an initial, individual cost of more than $500, and an estimated useful life in excess of one year. Capital assets are recorded at either historical cost or estimated historical cost. Donated assets, including water systems donated for continued maintenance by the District, are valued at their estimated fair market value on the date donated. Depreciation of all exhaustible fixed assets is charged as an expense against operations.

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

Description	Estimated Lives
Buildings & Improvements	15 - 30 Years
Equipment and Furniture	5 - 7 Years
Utility System	20 - 50 Years

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. Effective for fiscal year 2019, the District no longer capitalizes interest during the construction period on a prospective basis as per GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period.*

G. Compensated Absences

The District has the following policy related to vacation and sick leave:

Employees earn five days of paid vacation after working full-time for one year, ten days of paid vacation after working full-time for three years, and fifteen days of paid vacation after working full-time for ten years. Employees are not allowed to accumulate vacation leave, unless there is a business need. Overtime can be earned from the first day of employment.

GASB-16, *Accounting for Compensated Absences* provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

1. The employees' rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

GASB-16 provides that a liability for sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals. Accordingly, the District has not accrued liability for sick leave.

H. Long-Term Debt Offerings

Long-term liabilities are recognized within the Enterprise Fund. 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are now expended in the period incurred under GASB 65.

The District 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, are revised. This standard was intended to compliment 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 expended in the period incurred under GASB 65. The District had no bond related costs in the year ending December 31, 2019.

GASB Statement 23, as amended, establishes accounting and financial reporting for current refundings and advance refundings resulting in defeasance of debt. Refundings involve the issuance of new debt whose proceeds are used to repay previously issued ("old") debt. The new debt proceeds may be used to repay the old debt immediately (a current refunding); or the new debt proceeds may be placed with an escrow agent and invested until they are used to pay principal and interest on the old debt at a future time (an advance refunding). As described in paragraphs 3 and 4 of GASB Statement No. 7, *Advance Refundings Resulting in Defeasance of Debt,* an advance refunding may result in the in-substance defeasance of the old debt provided that certain criteria are met.

For current refundings and advance refundings resulting in defeasance of debt reported by governmental activities, business-type activities, and proprietary funds, the difference between the reacquisition price and the net carrying amount of the old debt should be reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter.

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). Debt issuance costs, except any portion related to prepaid insurance costs, should be recognized as an expense in the period incurred. Prepaid insurance costs should be reported as an asset and recognized as an expense in a systematic and rational manner over the duration of the related debt.

I. Net Position

GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*, required reclassification of net assets into three separate components. GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, revised the terminology by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. GASB Statement No. 63 requires the following components of net position:

- **Net Investment in Capital Assets Component of Net Position -** The *net investment in capital assets* component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.

- **Restricted Component of Net Position -** The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.

- **Unrestricted Component of Net Position -** The *unrestricted* component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

J. Comparative Data/Reclassifications

The financial statements are presented with certain prior year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended December 31, 2018, from which the summarized information was derived.

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation. All prior period adjustments recorded in the current period have been reflected in prior period data presented wherever possible.

K. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the district, which are either unusual in nature or infrequent in occurrence.

L. Estimates

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

2. Cash and Cash Equivalents

At December 31, 2019, the District has cash and cash equivalents (book balances) as follows:

Interest-Bearing Demand Deposits	$	3,493,241
Louisiana Asset Management Pool (LAMP)		2,176,429
	$	5,669,670

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

At December 31, 2019, the District has $1,966,477 in deposits (collected bank balances) other than LAMP. These deposits were in a single financial institution with cash deposits secured by $250,000 of federal deposit insurance and an excess of pledged securities held by the custodial bank pledged to the District's account (GASB Category 2) to cover the remaining deposits of $1,716,477. The $1,716,477 is exposed to custodial credit risk because while the amount is secured by pledged securities, such securities are held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

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

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District does not have a formal policy for custodial risk. However, 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 District, at December 31, 2019, also recorded deposits related to the issuance and related construction costs of Tangipahoa Water District Revenue Bonds. These deposits totaled $1,508,417 which were for the Series 2016 Revenue Bonds issued at $3,180,000 on October 27, 2016. Under the terms of the agreement with Whitney Bank, the bank maintains control of the construction funds and disburses funds at the District's request. All funds are fully collateralized by the Trust Department of the respective bank.

At December 31, 2019, the District had $2,176,430 in deposits in LAMP. In accordance with GASB Codification Section I50.165, the assets held in LAMP at December 31, 2019, are not categorized in the three risk categories provided by GASB Codification Section I50.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. The investment in LAMP is stated at the value of the pool shares, which is the same as the fair value, and has been categorized as cash equivalents. The District designated $1,620,275 of LAMP deposits for future construction costs and $555,654 for future operations.

LAMP is administered by LAMP, Inc., a nonprofit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955.

GASB 40, Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest risk, and foreign currency risk for all public entity investments.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7 like investment pools:

1. Credit risk: LAMP is rated AAAm by Standard and Poor's.
2. Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
3. Concentration of credit risk: Pooled investments are excluded from the five percent disclosure requirement.
4. Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess

of 397 days. The WAM for LAMP's total investments, as provided by LAMP, is 46 days as of December 31, 2019.

5. Foreign currency risk: Not applicable to 2a7-like pools.

The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the State Treasurer and the Board of Directors. LAMP is not registered with the SEC as an investment company.

Lamp, Inc. issues an annual publicly available financial report that includes financial statements and required supplementary information for LAMP, Inc. That report may be obtained by calling (800) 249-5267.

3. Receivables

The following is a summary of receivables at December 31, 2019 and 2018:

	Year Ended December 31, 2019	Year Ended December 31, 2018 (Restated)	Increase (Decrease)
Accounts Receivable			
Current	$ 359,038	$ 366,231	$ (7,193)
31-60 Days Past Due	77,498	59,576	17,922
61-90 Days Past Due	25,771	19,776	5,995
Over 90 Days Past Due	48,218	54,625	(6,407)
Subtotal	510,525	500,208	10,317
Allowance for Uncollectible Accounts	(78,744)	(30,946)	(47,798)
Sewer and Garbage Receivables	467,920	319,806	148,114
Net Accounts Receivable	$ 899,701	$ 789,068	$ 110,633

The preceding table includes the aging of all receivables billed by the District. Presented first are only those receivables for Tangipahoa Water District billings. Presented below the totals for Tangipahoa Water District are receivables for which the District provides a billing service. Totals for these entities are included in the District's receivables totals, but separately within the above table, since the authority to write off past due amounts must be authorized by the billing clients. Tangipahoa Water District, per ordinances enacted by the Tangipahoa Parish Council, is obligated to provide billing services for Sewerage District No. 1 of Tangipahoa Parish, and also provides billing services for the City of Hammond.

All customer receivables are reported at gross value and reduced by the portion that is expected to be uncollectible. The Board of Commissioners of Tangipahoa Water District established a monthly allowance for uncollectible accounts, and periodically the board reviews the aging of receivables and determines the actual amount uncollectible. Per board approval, uncollectible amounts are written off against accounts receivable, and the allowance for doubtful accounts is adjusted to a reasonable estimate of uncollectibility. For the fiscal year ending December 31, 2019 the District had $78,745 in bad debt expense.

Estimated unbilled receivables are recognized at the end of each fiscal year on a pro-rata basis. The estimated amount is based on billing during the month following the close of the fiscal year. Accrued billings at fiscal year-end totaled $276,741.

4. Restricted Assets

At December 31, 2019 and 2018, the District had restricted assets as follows:

		December 31, 2019		December 31, 2018
Restricted Assets				
Customer Deposits	$	562,648	$	464,641
Bond Sinking Account		855,431		751,251
Construction - Series 2016 Projects		1,512,314		1,666,004
Total Restricted Assets	$	2,930,393	$	2,881,896

5. Capital Assets

A summary of changes in capital assets during the fiscal year ending December 31, 2019 is as follows:

		Beginning Balance 12/31/18		Additions and Reclassifications		Deletions and Reclassifications		Ending Balance 12/31/19
Capital Assets								
Land	$	309,800	$	78,000	$	-	$	387,800
Building		774,696		6,800		(2,188)		779,308
Equipment		1,835,768		122,843		(67,608)		1,891,003
Furniture and Fixtures		18,402		-		-		18,402
Water Distribution System		60,603,293		959,675		-		61,562,968
Total Capital Assets in Service		63,541,959		1,167,318		(69,796)		64,639,481
Construction in Progress		-		169,173		-		169,173
Total Capital Assets		63,541,959		1,336,491		(69,796)		64,808,654
Less Accumulated Depreciation		(21,045,508)		(1,950,190)		69,320		(22,926,378)
Total Capital Assets, Net	$	42,496,451	$	(613,699)	$	(476)	$	41,882,276

The total increases during the fiscal year ending December 31, 2019, were $1,266,695 before depreciation. A total of $169,173 was recorded in construction costs during the fiscal year ending December 31, 2019. Construction in progress additions on the Series 2016 Project of $152,212 and on the new water lines project of $16,961.

Other additions included $78,000 for donated land, $24,759 for the new computers, $41,814 for two new trucks, $56,270 for machinery and equipment, which included numerous communication and office equipment, $53,374 for two generators, $6,800 for building improvements, and $906,301 for other system improvements.

Deletions included $67,608 for four trucks that were sold for a total of $16,000. The total cost of the trucks was $64,782 and had $64,782 in accumulated depreciation. Also included in deletions were three a/c wall units in machinery and equipment with a total cost of $2,826 and had $2,642 in accumulated depreciation and one a/c unit in building improvements with a total cost of $2,188 and had $1,896 in accumulated depreciation. These units were all broken and replaced during the fiscal year.

All assets are depreciated under the straight-line method. Depreciation expense for the fiscal year ending December 31, 2019, totaled $1,950,190.

6. Other Current Liabilities

At fiscal year-end, the District recorded the following short-term liabilities classified on the Statement of Net Position as "Other Accrued Payables":

		December 31, 2019		December 31, 2018
Other Accrued Payables:				
Due to Other Districts - Billing Fees and Services	$	203,563	$	187,097
Accrued Wages		47,145		42,854
Accrued Audit Fees		15,000		13,500
Accrued Compilation Fees		16,272		16,275
Other Accrued Payables		110,765		64,196
Total Other Accrued Payables	$	392,745	$	323,922

7. Compensated Absences

At December 31, 2019, employees of Tangipahoa Water District have accumulated and vested $40,453 of employee leave benefits, consisting of accrued vacation leave computed in accordance with GASB Codification Section C60. This accrual represents the value of vacation leave benefits at fiscal year-end including the value of any leave accrual that must be taken by the employee within the employees' annual anniversary hire date. In addition, the District recorded $47,145 in accrued wages at fiscal year-end.

8. Short-Term Debt

The District had no short-term debt at December 31, 2019.

9. Retirement Systems

On January 27, 1994, the Board of Commissioners of the Tangipahoa Water District adopted the *Louisiana Public Employees Deferred Compensation Plan* with the provision that Tangipahoa Water District, the employer, will match employee contributions, up to five percent of gross wages. The contribution by the employer will be re-established by the Board of Commissioners before the beginning of each fiscal year. Under the terms of the *Louisiana Public Employees Deferred Compensation Plan*, an employee may contribute up to a maximum of 25 percent of adjusted gross income, not to exceed $8,000 per calendar year. A special "catch-up" provision may be used to save up to $15,000 per year for the three years prior to retirement.

As reported by the State of Louisiana Deferred Compensation Program, for the fiscal year ending December 31, 2019, the aggregate account balance for employees of Tangipahoa Water District participating in the plan was $1,139,658, as compared to $1,049,082 for the fiscal year ending December 31, 2018. Employer contributions for the fiscal year ending December 31, 2019 totaled $14,209, as compared to $14,807 for the fiscal year ended December 31, 2018.

On April 12, 2014, the board of commissioners of the Tangipahoa Water District approved participation, effective July 1, 2014, in the Parochial Employee's Retirement System (PERS) of Louisiana. All, but four, employees elected to participate in the PERS program. For the four employees that still participate solely in the Deferred Compensation Program, the employee will continue to contribute to the plan and the employer will match employee contributions, up to five percent of gross wages. Other employees may continue to contribute to the plan per plan provisions, but a match is not made by the employer.

The District implemented Governmental Accounting Standards Board (GASB) Statement 68 on *Accounting and Financial Reporting for Pensions* and Statement 71 on *Pension Transition for Contributions Made Subsequent to the Measurement Date* – an amendment of GASB 68. These standards require the District to record its proportional share of each of the pension plans' net pension liability and report the following disclosures:

Plan Description: Parochial Employees' Retirement System of Louisiana is the administrator of a cost sharing multiple employer defined benefit pension plan. The System was established and provided for by R.S. 11:1901 of the Louisiana Revised Statute (LRS), through 2025. The System provides retirement benefits to employees of taxing districts of a parish or any branch or section of a parish within the State which does not have their own retirement system and which elect to become members of the System.
Substantially all full-time employees of Tangipahoa Water District, except the four described above in the Deferred Compensation Program, are members of the Parochial Employees' Retirement System of Louisiana (System). The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All participating employees of the District are members of Plan A.

Eligibility Requirements:
All permanent parish government employees (except those employed by Orleans, Lafourche and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate. As of January 1997, elected officials, except coroners, justices of the peace and parish presidents may no longer join the Retirement System.

Retirement Benefits:
Any member of Plan A can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:
1. Any age with thirty (30) or more years of creditable service.
2. Age 55 with twenty-five (25) years of creditable service.
3. Age 60 with a minimum of ten (10) years of creditable service.
4. Age 65 with a minimum of seven (7) years of creditable service.

For employees hired after January 1, 2007:
1. Age 55 with 30 years of service
2. Age 62 with 10 years of service
3. Age 67 with 7 years of service

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to three percent of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

Survivor Benefits:
Upon the death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children as outlined in the statutes. Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit as outlined in the statutes.

DROP Benefits:
Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the Retirement System. DROP is an option for that member who is eligible for normal retirement. In lieu of terminating employment and accepting a service retirement, any member of Plan A or B who is eligible to retire may elect to participate in the Deferred Retirement Option Plan (DROP) in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account. Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date. For individuals who become eligible to participate in the Deferred Retirement Option Plan on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the Plan will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest, based on money market rates of return, or at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of this Plan must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of the Plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

Disability Benefits:
For Plan A, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007 and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to three percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or three percent multiplied by years of service assuming continued service to age sixty.

Cost of Living Increases:
The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age sixty-five equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older. (RS 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

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. Contributions for all members are established by state statute. Under Plan A, members are required to contribute 11.50 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate, according to state statue. The current rate is 11.50 percent of annual covered payroll. Contributions to the System include one-fourth (1/4) of one percent of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. These tax dollars and revenue sharing are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. These additional sources of income are used as additional employer contributions and are considered support from non-contributing entities. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended December 31, 2018. During the year ending December 31, 2019, the District recognized revenue as a result of support received from non-employer contributing entities of $10,363 for its participation in Parochial Employees' Retirement System of Louisiana-Plan A.

The Tangipahoa Water District contributions to the System under Plan A for the years ending December 31, 2019 and 2018 were $96,190, and $95,876 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 District reported a liability of $601,908 for its proportionate share of the net pension asset of the System. The net pension asset was measured as of December 31, 2018 and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The District's proportion of the net pension asset was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contribution of all participating, actuarially determined. At December 31, 2018, the District's proportion was 0.135615%, which was an increase of 0.011733% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the District recognized pension expense for the Parochial Employees' Retirement System of $236,146 representing its proportionate share of the System's net expense, including amortization of deferred amounts.

At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to the Parochial Employees' Retirement System from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
Differences between expected and actual experience	$	-	$	(36,670)
Changes of Assumptions		150,497		-
Net difference between projected and actual earnings on pension plan investments		288,135		-
Changes in proportion and differences between Employer contributions and proportionate share of contributions		6,911		(156)
Employer contributions subsequent to the measurement date		96,190		
Total	$	541,733	$	(36,826)

The District reported a total of $96,190 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of December 31, 2018 which will be recognized as a reduction in net pension liability in the year ended December 31, 2020.

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		
2019	$	140,327
2020	$	77,427
2021	$	63,384
2022	$	127,853
	$	408,991

Actuarial Assumptions. A summary of the actuarial methods and assumptions used in determining the total pension asset as of December 31, 2018 is as follows:

Valuation Date	December 31, 2018
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.50%
Expected Remaining Service Lives	4 years
Projected Salary Increases	4.75%
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.
Mortality	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 103% 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.
Inflation Rate	2.40%

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 and non-employer contributing entities will be made at the actuarially determined 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 the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset 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 real rates of return for each major asset class included in Parochial Employees' Retirement System target asset allocation as of December 31, 2018 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed Income	35%	1.22%
Equity	52%	3.45%
Alternatives	11%	0.65%
Real Assets	2%	0.11%
Totals	100%	5.43%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.43%

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2013 through December 31, 2017. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. As a result of this study, mortality for employees was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. In addition, mortality for annuitants and beneficiaries was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. For disabled annuitants, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females, each with full generational projection suing the MP2018 scale.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension asset 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, or one percentage point higher than the current rate as of December 31, 2018:

	1% Decrease	Current Discount Rate	1% Increase
Rates	5.50%	6.50%	7.50%
Tangipahoa Water District Share of NPL	$ (1,278,291)	$ (601,908)	$ (36,510)

10. Long-Term Obligations

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

Description	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Long-Term Debt					
2006 Water Revenue Refunding, Series 2006	$ 185,000	$ -	$ (185,000)	$ -	$ -
Water Revenue Refund Bonds, Series 2011 A	3,235,000	-	(200,000)	3,035,000	205,000
Water Revenue Refund Bonds, Series 2011 B	1,980,000	-	(95,000)	1,885,000	100,000
Water Revenue Refund Bonds, Series 2011 C	5,365,000	-	-	5,365,000	-
Water Revenue Bonds, Series 2013	5,530,000	-	(135,000)	5,395,000	140,000
Water Revenue Bonds, Series 2014 A	3,910,000	-	(35,000)	3,875,000	225,000
Water Revenue Bonds, Series 2014 B	4,550,000	-	(115,000)	4,435,000	120,000
Water Revenue Bonds, Series 2016	3,045,000	-	(75,000)	2,970,000	75,000
Water Revenue Bonds, Series 2017	6,105,000	-	(125,000)	5,980,000	125,000
Total Bonds	33,905,000	-	(965,000)	32,940,000	990,000
Less: Unamortized Discount (Premium)	132,914	-	(7,073)	125,841	(7,072)
Total Long Term Debt	$ 34,037,914	$ -	$ (972,073)	$ 33,065,841	$ 982,928

Bonds Payable as of December 31, 2019 is as Follows:

			Bonds Payable End of Year	Due Within One Year
Water System Revenue Refund Bonds	$ 4,515,000			
Series 2011A Refunding bonds sold to private lender, Dated		11/10/2011		
due in semi-annual installments of principal and interest averaging		$ 322,990		
through 11/1/2031 interest at ranges from 2.00% to 4.00%			$ 3,035,000	$ 205,000
Water System Revenue Refund Bonds	$ 2,595,000			
Series 2011B Refunding bonds sold to private lender, Dated		11/10/2011		
due in semi-annual installments of principal and interest averaging		$ 178,408		
through 11/1/2034 interest at ranges from 2.00% to 4.125%			1,885,000	100,000
Water System Revenue Refund Bonds	$ 5,365,000			
Series 2011C Refunding bonds sold to private lender, Dated		11/10/2011		
due in semi-annual installments of interest averaging $238,731				
through 5/1/2032 interest at ranges from 4.125% to 4.625%, then				
due in semi-annual installments of interest and principal averaging		$ 1,349,448		
through 11/1/2041			5,365,000	-
Water System Revenue Bonds	$ 6,145,000			
Series 2013 Revenue bonds sold to private lender, Dated		11/6/2013		
due in semi-annual installments of principal and interest averaging		$ 379,604		
through 12/31/2043 interest at ranges from 2.00% to 4.75%			5,395,000	140,000
Water System Revenue Bonds	$ 4,030,000			
Series 2014A Revenue bonds sold to private lender, Dated		12/16/2014		
due in semi-annual installments of principal and interest averaging		$ 143,282		
through 12/31/2035 interest at ranges from 1.75% to 4.00%			3,875,000	225,000
Water System Revenue Bonds	$ 5,000,000			
Series 2014B Revenue bonds sold to private lender, Dated		12/16/2014		
due in semi-annual installments of principal and interest averaging		$ 138,064		
through 12/1/2043 interest at ranges from 2.00% to 4.00%			4,435,000	120,000
Water System Revenue Bonds	$ 3,180,000			
Series 2016 Revenue bonds sold to private lender, Dated		10/26/2016		
due in semi-annual installments of principal and interest averaging		$ 169,442		
through 12/15/2046 interest at ranges from 1.50% to 3.625%			2,970,000	75,000
Water Revenue Refunding Bonds	$ 6,235,000			
Series 2017 Revenue bonds sold to private lender, Dated		2/22/2017		
due in semi-annual installments of principal and interest averaging		$ 177,226		
through 4/1/2047 interest at ranges from 1.00% to 4.00%			5,980,000	125,000
			$ 32,940,000	$ 990,000

On November 10, 2011, Tangipahoa Parish Water District issued Water Revenue & Revenue Refunding Bonds, Series 2011, in the amount of $12,475,000. The Series 2011 bonds consisted of three individual issues – Series 2011A in the amount of $4,515,000, Series 2011B in the amount of $2,595,000, and Series 2011C in the amount of $5,365,000. Series 2011A and Series 2011B were issued to refund existing bond issues. The Series 2011A & Series 2011B bonds are accounted for as "current refundings" since the refunding issues immediately resulted in defeasance of water revenue bonds. Series 2011C was issued to fund construction improvements. The District also provided additional funds to refund prior debt issues.

The Series 2011A Bonds provided funds for the purpose of…"providing sufficient funds to current refund the outstanding principal amounts of the a) Water Revenue Bond Series 2001, dated November 8, 2001, issued in the original principal amount of $1,490,000 (the "Series 2001 Bond"), and b) Water Revenue Bonds, Series 2002, dated November 8, 2001, issued in the original principal amount of $3,820,000 (the "Series 2002 Bond")". Proceeds of the bond issue, in combination with funds provided by the District and the Series 2011B and Series 2011C issues, were also used for purchasing a portion of a reserve fund surety policy, and for paying the costs of issuance of the Series 2011A Bonds.

The Series 2011B Bonds were delivered for the purpose of…"providing sufficient funds to current refund the outstanding principal amounts of the a) Water Revenue Bond, Series 1999, dated June 10, 1999, issued in the original principal amount of $2,900,000 (the "Series 1999 Bond"), and Water Revenue Bond, Series 1999A, dated June 10, 1999, issued in the original principal amount of $300,000 (the "Series 1999A Bond").

The Series 2011 C Bonds were issued in the amount of $5,365,000 to fund construction projects, bond issuance costs, and a portion of the reserve fund surety policy.

The 2011 Reserve Fund, established for the benefit of holders of the Series 2011 bonds, is funded with the purchase of the Surety Bond, and is to be held and maintained by the Paying Agent. The 2011 Reserve Fund shall be retained solely for the purpose of paying the principal and interest on the Series 2011 Bonds payable from the Sinking Fund to which there would be default. If a disbursement is made under a surety bond deposited in the 2011 Reserve Fund, the Issuer shall be obligated to reinstate the maximum limits of such surety bond immediately following such disbursement as required by the terms of the surety bond.

On November 6, 2013 the District issued $6,145,000 of Water Revenue Bonds, Series 2013. These bonds provide funding for water system improvements beginning in fiscal year 2014, and provide funding to finalize current construction projects of the District. The bonds are due in semi-annual installments of interest and annual installments of principal with interest rates ranging from 2.0% (with the first installment of interest due on May 1, 2014) to an interest rate of 4.75%, with the final installment of interest and principal due on November 1, 2042. These bonds are secured by the Net Revenues of the District and are issued in parity with existing bonds.

On December 16, 2014, the District issued Water Revenue Refunding Bonds, Series 2014A, in the amount of $4,030,000. This refunding issue provided for partial refunding of the Series 2006 Water Revenue Refunding Bonds, originally issued August 16, 2006, in the amount of $5,630,000. At the time of closing, the Series 2014A refunded $3,670,000 of the Series 2006 Refunding Issue, leaving a principal balance of $855,000. The remaining principal and interest payments of the Series 2014A bonds are due in semi-annual principal and interest installments ranging from 1.75% to 4.0% beginning December 16, 2014 through December 31, 2035. The remaining $855,000 Series 2006 Bonds are due in semi-annual principal and interest installments from June 15, 2015, through December 15, 2019.

On December 16, 2014, the District also issued Water Revenue Bonds, Series 2014B, in the amount of $5,000,000. This issue provided funds for water system improvements. The remaining principal and interest payments of the Series 2014A bonds are due in semi-annual principal and interest installments ranging from 1.75% to 4.0% beginning June 1, 2015 through December 1, 2044.

On October 26, 2016 the District issued Water Revenue Bonds, Series 2016 Bonds in the amount of $3,180,000, providing funding for water system improvements. The Series are due in semi-annual principal and interest installments ranging from 1.5% to 3.625% from June 15, 2017 through December 15, 2046. As part of the 2016 bond issuance, the District recorded a total of $123,697 in bond issuance costs, plus a total of $16,243 in bond insurance costs and bond discount of $40,061 to be amortized over the remaining term on the Series 2016 bond issue.

On February 22, 2017, the District issued Water Revenue Refunding Bonds, Series 2017 in the amount of $6,235,000. This refunding issue provided for refunding of the Series 2007 Water Revenue Refunding Bonds, originally issued September 18, 2006, in the amount of $6,880,000. The Series are due in semi-annual principal and interest installments ranging from 1.00% to 4.00% from April 1, 2017 through April 1, 2047. The bond proceeds plus $85,081 of 2007 Debt Service Funds were used to purchase US government securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for the April 1, 2017 debt service payment on the Series 2007 Water Revenue Bond. This bond will be called on April 1, 2017 at a price equal to the principal amount thereof plus accrued interest to the call date. As a result, the Series 2007 Water Revenue Bonds were considered in-substance defeased and the liability for the bond was removed from the District's books at December 31, 2017. As part of the 2017 bond issuance, the District recorded a total of $222,420 in bond issuance costs, plus a bond premium of $56,463 to be amortized over the remaining term on the Series 2017 bond issue. The District reported $123,592 in deferred outflows of resources at December 31, 2017 related to the difference between the reacquisition price and the net carrying amount of the old debt for advance refunding resulting in defeasance of debt during the current year.

A recap of the net present value benefits and cash savings for the Water Revenue Refunding Bonds, Series 2017 is presented below:

PV Analysis Summary (Gross to Gross) for Water Revenue Refunding Bonds, Series 2017

Gross PV Debt Service Savings	$	225,629
Transfers from Prior Issue Debt Service Fund		(85,081)
Net Present Value Benefit	$	140,548
Net PV Benefit/$6,020,000 Refunded Principal		2.335%
Net PV Benefit/$6,235,000 Refunded Principal		2.254%

Tangipahoa Water District
Notes to the Financial Statements
As of and for the Year Ended December 31, 2019
(with December 31, 2018 summarized comparative information)

The annual requirements to amortize all debt outstanding as of December 31, 2019, including interest payments of $18,544,436 are as follows:

Year Ending	Series 2011 A Water Revenue Refunding Bonds			Series 2011 B Water Revenue Refunding Bonds			Series 2011 C Water Revenue Refunding Bonds		
	$ 4,515,000			$2,595,000			$5,365,000		
December 31	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2020	$ 205,000	$ 117,250	$ 322,250	$ 100,000	$ 74,138	$ 174,138	$ -	$ 238,731	$ 238,731
2021	210,000	111,100	321,100	100,000	71,138	171,138	-	238,731	238,731
2022	220,000	104,800	324,800	105,000	68,138	173,138	-	238,731	238,731
2023	225,000	96,000	321,000	110,000	63,938	173,938	-	238,731	238,731
2024	235,000	87,000	322,000	115,000	59,538	174,538	-	238,731	238,731
2025 to 2029	1,330,000	286,000	1,616,000	625,000	226,688	851,688	-	1,193,656	1,193,656
2030 to 2034	610,000	36,800	646,800	730,000	89,338	819,338	1,055,000	1,153,025	2,208,025
2035 to 2039	-	-	-	-	-	-	2,940,000	730,306	3,670,306
2040 to 2044	-	-	-	-	-	-	1,370,000	95,738	1,465,738
2045 to 2049	-	-	-	-	-	-	-	-	-
	$ 3,035,000	$ 838,950	$ 3,873,950	$ 1,885,000	$ 652,916	$ 2,537,916	$ 5,365,000	$ 4,366,380	$ 9,731,380

Year Ending	Series 2013 Water Revenue Bonds			Series 2014 A Water Revenue Bonds			Series 2014 B Water Revenue Bonds			Series 2016 Water Revenue Bonds		
	$6,145,000			$4,030,000			$5,000,000			$3,180,000		
December 31	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2020	$ 140,000	$ 242,681	$ 382,681	$ 225,000	$ 122,878	$ 347,878	$ 120,000	$ 158,088	$ 278,088	$ 75,000	$ 94,100	$ 169,100
2021	145,000	238,481	383,481	230,000	118,368	348,368	120,000	155,688	275,688	75,000	92,975	167,975
2022	145,000	234,131	379,131	240,000	111,468	351,468	125,000	152,088	277,088	80,000	91,850	171,850
2023	150,000	229,781	379,781	240,000	104,268	344,268	130,000	148,338	278,338	80,000	89,850	169,850
2024	155,000	225,281	380,281	250,000	98,388	348,388	130,000	144,438	274,438	80,000	87,850	167,850
2025 to 2029	855,000	1,045,800	1,900,800	1,360,000	374,818	1,734,818	720,000	660,688	1,380,688	445,000	406,275	851,275
2030 to 2034	1,075,000	828,063	1,903,063	1,195,000	143,375	1,338,375	845,000	533,563	1,378,563	510,000	336,438	846,438
2035 to 2039	1,375,000	530,813	1,905,813	135,000	5,400	140,400	1,020,000	362,563	1,382,563	600,000	248,025	848,025
2040 to 2044	1,355,000	164,825	1,519,825	-	-	-	1,225,000	151,000	1,376,000	700,000	136,344	836,344
2045 to 2049	-	-	-	-	-	-	-	-	-	325,000	17,763	342,763
	$ 5,395,000	$ 3,739,856	$ 9,134,856	$ 3,875,000	$ 1,078,963	$ 4,953,963	$ 4,435,000	$ 2,466,454	$ 6,901,454	$ 2,970,000	$ 1,601,470	$ 4,571,470

Year Ending	Series 2017 Water Revenue Bonds			Total		
	$6,235,000					
December 31	Principal	Interest	Total	Principal	Interest	Total
2020	$ 125,000	$ 224,763	$ 349,763	$ 990,000	$ 1,272,629	$ 2,262,629
2021	130,000	220,938	350,938	1,010,000	1,247,419	2,257,419
2022	130,000	217,038	347,038	1,045,000	1,218,244	2,263,244
2023	135,000	213,063	348,063	1,070,000	1,183,969	2,253,969
2024	140,000	208,938	348,938	1,105,000	1,150,164	2,255,164
2025 to 2029	800,000	956,988	1,756,988	6,135,000	5,150,913	11,285,913
2030 to 2034	970,000	781,200	1,751,200	6,990,000	3,901,802	10,891,802
2035 to 2039	1,165,000	578,906	1,743,906	7,235,000	2,456,013	9,691,013
2040 to 2044	1,405,000	337,813	1,742,813	6,055,000	885,720	6,940,720
2045 to 2049	980,000	59,800	1,039,800	1,305,000	77,563	1,382,563
	$ 5,980,000	$ 3,799,447	$ 9,779,447	$32,940,000	$18,544,436	$51,484,436

11. Flow of Funds, Restrictions on Use

With the issuance of the Series 2011 bonds on November 10, 2011, all *Rural Utilities Service (RUS)* bonds were refunded. The Series 2011 bond issue (Series 2011A, Series 2011B, and Series 2011C) were issued in parity with the Water Revenue and Refunding Bonds, Series 2006, and the Construction Revenue and Refunding Bonds, Series 2007, and rank equally with and shall enjoy complete parity of lien with the outstanding parity bonds on the Net Revenues and the other funds established and maintained in connection with the outstanding parity bonds, other than the Reserve Fund created by the parity bond resolutions.

The Series 2013 Water Revenue Bonds, issued November 6, 2013, were issued in parity with the existing bonds of the District. With the issuance of the 2013 Water Revenue Bonds, bank accounts were created to record the bond proceeds, issuance costs, and to record funds for construction. During 2014, there were two new bond issuances in parity with existing bonds of the District, the Series 2014A Water Revenue Refunding Bonds dated December 16, 2014, and the Series 2014B Water Revenue Bonds dated December 16, 2014. During 2016, the Series 2016 Water Revenue Bonds were also issued in parity with existing bond issuances of the District. Provisions of bond covenants relating to establishment of Reserve Fund, Debt Service Sinking Fund, and relating to pledge of Net Revenues are continued, with any variations noted in the following paragraphs.

The Reserve Funds, established for the benefit of holders of the outstanding parity bonds, are funded with the purchase of Surety Bonds, which are to be held and maintained by the Paying Agent. The Reserve Funds shall be retained solely for the purpose of paying the principal and interest on the outstanding bonds payable from the Sinking Funds to which there would be default. If a disbursement is made under a surety bond deposited in the Reserve Funds, the Issuer shall be obligated to reinstate the maximum limits of such surety bond immediately following such disbursement as required by the terms of the surety bond. At fiscal year-end, disbursements were not required from the Reserve Funds. Total interest expense from all water revenue bonds equaled $1,308,230 for the year ending December 31, 2019. The gross water revenue recognized during the current period was $7,668,318.

Each of the parity bonds require creation of a Waterworks Bond Debt Service Account (the "Sinking Fund") sufficient in amount to pay promptly and fully the principal of and the interest on the bonds by transferring from the Revenue Fund to the fiscal agent of the Issuer, monthly in advance, sums as may be required for monthly installments to service and pay future debt installments. The Series 2006 Bonds require deposit by the 20th day of each month a sum equal to 1/6 of the interest falling due on the next interest payment date and 1/12 of the principal falling due on the next principal payment date, together with such additional proportionate sum as may be required to pay said principal and interest as they become due. The Series 2011 Bonds, the Series 2014A and Series 2014B bonds, and the Series 2016 bonds require the same proportionate deposit of interest and principal payments, but require deposit by the 5th of each month. The Series 2013 and Series 2017 bonds also require the same proportionate deposit of interest and principal payments, but require deposit by the 25th of each month. At December 31, 2019, the Sinking Funds of the District totaled $855,431, and exceeded the required deposits at fiscal year-end.

The Issuer also covenants to fix, establish, maintain, and collect such rates, fees, rents, or other charges for the services and facilities of the system, and all parts thereof, and to revise the same from time to time whenever necessary, as will always provide revenues in each fiscal year sufficient to pay the reasonable and necessary expenses of operating and maintaining the system in each fiscal year, and as will provide "Net Revenues" at least equal to 120% of the principal and interest falling due in such year on all bonds or other obligations payable from the system and as will provide revenues at least sufficient to pay all reserve or sinking funds or other payments required for such fiscal year. "Net Revenue", per the applicable bond provisions, means the revenues, after provision has been made for the payment therefrom of the reasonable and necessary expenses of maintaining and operating the system. For the fiscal year ending December 31, 2019, the District maintained a ratio of "Net Revenues" to debt principal and interest obligations that exceeded the required ratio of 120%.

12. Restricted and Designated Net Position

At December 31, 2019, Tangipahoa Water District recorded $49,078 in Restricted Net Position (Restricted for Capital Activity and Debt Service), representing the District's funds restricted by revenue bond debt covenants, contracts with customers for meter deposits, and the unspent portion of capital debt related to amounts restricted for capital projects less liabilities related to these restricted funds. A liability relates to restricted assets if the asset results from incurring the liability or if the liability will be liquidated with the restricted assets.

13. Litigation and Claims

There is no outstanding litigation at December 31, 2019.

14. Construction Commitments

During the fiscal year ending December 31, 2019, the District entered into a contract with Spangler Engineering for $80,400 for Contract A-Water Well of the Series 2016 project. The District has incurred $54,672 in costs related to Contract A. There is approximately $25,728 remaining in contracts related to Contract A.

During the fiscal year ending December 31, 2019, the District also entered into a contract with Spangler Engineering for $102,180 for Contract B-Elevated Tank of the Series 2016 project. The District has incurred $69,482 in costs related to Contract B. There is approximately $32,698 remaining in contracts related to Contract B.

During the fiscal year ending December 31, 2019, the District also entered into a contract with Spangler Engineering for $28,269 for the new water lines project. The District has incurred $16,961 in costs related to this project. There is approximately $11,308 remaining in contracts related to the new water lines project.

15. Prior Period Adjustments

At December 31, 2019, the District had prior period adjustments related to the write-off of sewer and water accounts. During the fiscal year, the District's internal accountant performed an extensive review of the accounts receivable and identified sewer accounts that were no longer active but had not been written off. These accounts were presented to the Sewer District Board to determine the collectability of these accounts. The Sewer District Board approved the write-off of these accounts. He also identified $55,497 in uncollectible water accounts that were presented to the Water District Board and approved for write off.

	2019	2018
Beginning Net Position Before Prior Period Adjustments	$ 12,790,567	$ 11,898,425
Accounts Payable Error	-	16,213
Amount due to Sewer District for Programming Error	-	(59,725)
Sewer Accounts Deemed Uncollectible Before 2018	-	(205,501)
Water Accounts Deemed Uncollectible Before 2018	-	(55,497)
Sewer Accounts Deemed Uncollectible in 2018	(3,762)	-
Beginning Net Position After Prior Period Adjustments	$ 12,786,805	$ 11,593,915

16. Subsequent Events

Subsequent events have been evaluated by management through August 17, 2020, the date the financial statements were available to be issued and these financial statements considered subsequent events through such date. Other than noted below, no events were noted that require recording or disclosure in the financial statements for the fiscal year ending December 31, 2019.

In December 2019, COVID-19 emerged and has subsequently spread worldwide. The World Health Organization has declared COVID-19 a pandemic and this pandemic has resulted in federal, state, and local governments and private entities mandating various restrictions, including travel restrictions, restrictions on public gatherings, stay at home orders, and quarantining of people that may have been exposed to the virus. As the COVID-19 pandemic is complex and rapidly evolving, at this point we cannot reasonably estimate the duration or severity of this pandemic nor its impact on the entity, its financial position, change in financial position, or cash flows.

In June 2020, the District issued Water Refunding Bonds, Series 2020, in the amount of $20,825,000. This refunding issue provided for refunding of the Series 2011A, 2011B, 2011C, 2013, and 2014B Water Revenue Refunding Bonds in the amount of $18,800,000. This refunding represents a net present value benefit of $1,549,813.

Required Supplementary Information
(Part II)

Schedule 1

Tangipahoa Water District
Schedule of the District's Proportionate Share of the Net Pension Liability (Asset)
Last 10 Fiscal Years

Parochial Employees' Retirement System of Louisiana (Plan A)

	Employer's Proportion of the Net Pension Liability (Assets)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered-Employee Payroll	Employer's Proportionate Share of the Net Position Liability (Asset) as a Percentage of its Covered-Employee	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.112900%	$ 30,868	$ 294,811	10.4704%	99.1464%
2016	0.111531%	$ 293,582	$ 639,473	45.9100%	92.2301%
2017	0.121462%	$ 250,153	$ 720,339	34.7271%	94.1489%
2018	0.123882%	$ (91,951)	$ 762,505	-12.0591%	1.0198%
2019	0.135615%	$ 601,908	$ 833,700	72.1972%	88.8618%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available

See independent auditor's report.

Schedule 2

Tangipahoa Water District
Schedule of the District's Contributions
For the Year Ended December 31, 2019

Parochial Employees' Retirement System of Louisiana (Plan A)

	Contractually Required Contribution	Contributions in Relation to Contractually Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2015	$ 92,724	$ 92,724	$ -	$ 639,473	14.5001%
2016	93,644	93,644	-	720,339	13.0000%
2017	95,314	95,314	-	762,505	12.5001%
2018	95,876	95,876	-	833,700	11.5001%
2019	96,190	96,190	-	836,434	11.5000%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available

See independent auditor's report.

Other Supplementary Information

Schedule 3

Tangipahoa Water District
Schedule of Revenues, Expenses, and Changes in Net Position-Budget (GAAP Basis) and Actual
For the year ended December 31, 2019
(With comparative amounts for the fiscal year ended December 31, 2018)

	2019 Budget	2019 Actual	Variance Favorable (Unfavorable)	2018 Actual (Restated)
Operating Revenues				
Water Sales	$ 6,746,250	$ 6,826,186	$ 79,936	$ 6,568,387
Tap-In and Service Charges	465,120	457,715	(7,405)	451,910
Reconnect Charges	84,606	85,005	399	87,025
Penalty Charges	221,970	221,110	(860)	204,581
Billing Fees	77,896	78,302	406	72,525
Intergovernmental	-	10,363	10,363	9,210
Other	15,122	12,602	(2,520)	12,071
Total Operating Revenues	7,610,964	7,691,283	80,319	7,405,709
Operating Expenses				
Amortization	16,450	16,450	-	16,450
Bad Debts	30,948	78,745	(47,797)	13,739
Billing Costs	121,377	131,987	(10,610)	127,952
Chlorination	399,766	390,592	9,174	365,914
Computer Expense	20,280	21,548	(1,268)	30,517
Depreciation	1,978,596	1,950,190	28,406	1,871,867
Director's Expense	28,080	27,900	180	27,300
Employee Expense	6,037	6,078	(41)	5,401
Insurance - Hospitalization	290,910	295,569	(4,659)	339,809
Insurance - Business	139,582	137,900	1,682	139,515
Meter Reading	-	-	-	-
Office Expenses	41,758	56,459	(14,701)	34,989
Other	101,035	92,163	8,872	102,498
Payroll Taxes	30,461	30,005	456	31,381
Professional Fees	66,516	61,603	4,913	68,334
Repairs and Maintenance	249,296	229,528	19,768	269,115
Salaries and Wages	1,091,646	1,088,741	2,905	1,100,340
Retirement Benefits	111,746	250,355	(138,609)	118,590
Telephone	71,304	71,472	(168)	69,124
Utilities	271,810	271,301	509	250,780
Vehicle Expenses	120,636	112,625	8,011	106,959
Water Well Maintenance and Supplies	69,020	82,418	(13,398)	83,459
Total Operating Expenses	5,257,254	5,403,629	(146,375)	5,174,033
Operating Income (Loss)	2,353,710	2,287,654	(66,056)	2,231,676
Nonoperating Revenues (Expenses)				
Realized Gain (Loss) on Sale of Capital Assets	16,000	15,524	(476)	8,057
Interest Income	89,669	86,428	(3,241)	52,451
Interest Expense	(1,307,978)	(1,308,230)	(252)	(1,227,478)
Donations	-	78,000	78,000	-
Insurance Reimbursements	227	227	-	6,845
Other Income	78,173	78,156	(17)	95,513
Total Nonoperating Revenues (Expenses)	(1,123,909)	(1,049,895)	74,014	(1,064,612)
Income (Loss) Before Contributions and Transfers	1,229,801	1,237,759	7,958	1,167,064
Contributions and Transfers				
Operating Transfers In from Tangipahoa Parish Council	-	-	-	25,826
Operating Transfers In	-	-	-	-
Change in Net Position	1,229,801	1,237,759	7,958	1,192,890
Total Net Position, Beginning	13,051,565	12,790,567	-	11,898,425
Prior Period Adjustments (Note 15)	-	(3,762)	-	(304,510)
Total Adjusted Net Position, Beginning	13,051,565	12,786,805	-	11,593,915
Total Net Position, Ending	$ 14,281,366	$ 14,024,564	$ 7,958	$ 12,786,805

See independent auditor's report.

Schedule 4

Tangipahoa Water District
Schedule of Insurance
For the year ended December 31, 2019

Insurance Company / Policy Number	Coverage	Amount	Period
The Charter Oak Fire	Commercial Liability Coverages:		5/1/2019 to 5/1/2020
Insurance	General Liability Limit Aggregate	$ 2,000,000	
Pol. # ZLP-14R32703	Products Complete Operations Aggregate	2,000,000	
	Personal & Advertising Injury Limit	1,000,000	
	Each Occurrence, Including Failure to Supply	1,000,000	
	Public Entity Management ($5,000 deductible)	1,000,000	
	Fire Damage	100,000	
	Employment Related Practices Liability ($25,000 deductible)	1,000,000	
The Travelers Indemnity	Commercial Excess Liability (Umbrella)	5,000,000	5/1/2019 to 5/1/2020
Company	(Retention Limit of $10,000)		
Policy # ZUP-14R32715			
Travelers Property Casualty	Commercial Package Coverages:		5/1/2019 to 5/1/2020
Company	Blanket Property Coverage	6,420,000	
Pol. # H-660-9738M496	Equipment Floater - Scheduled	238,126	
	Equipment Floater - Non Owned (Rented/leased)	50,000	
	Crime Insurance:		
	Employee Dishonesty (Blanket Fidelity Cov.)	500,000	
	Theft, Disappearance Inside	35,000	
	Theft, Disappearance Outside	35,000	
	Computer Fraud	35,000	
The Travelers Indemnity	Commercial Auto:		5/1/2019 to 5/1/2020
Company	Commercial Auto Liability Limit (Combined single limit)	1,000,000	
Pol. # H-810-3031P077	Comprehensive & Collision - $1,000 Deductible	As Scheduled	
LUBA Casualty Insurance	Workers Compensation:		5/1/2019 to 5/1/2020
Company	Part One - at Statutory Limits		
Pol. # 28000016758119	Part Two - Employers Liability		
	Statutory Louisiana Limits	Included	
	Employers Liability (Each Accident)	500,000	
	Disease Policy Limit	500,000	
	Disease Each Employee	500,000	

See independent auditor's report.

Schedule 5

Tangipahoa Water District
Schedule of Compensation Paid to Board Members
For the year ended December 31, 2019

Name and Title / Contact Number	Address		Per Diem	Term Expiration
Bruce Bordelon, President (985) 507-2324	10698 Kellie Dr Hammond, LA 70401	$	3,600	March 2021
John S. Wilde, Vice-President (985) 969-1540	23353 Stepp Road Ponchatoula, LA 70454		3,600	March 2020
Jason Lipscomb, Secretary (985) 634-6434	41520 Rue Maison Ponchatoula, LA 70454		3,150	February 2020
Don Marshall, Treasurer (985) 467-9125	28463 Grasshopper Trail Ponchatoula, LA 70454		3,450	September 2020
Gary Kelly (985) 351-3845	15465 Hwy. 442 Tickfaw, LA 70466		3,600	May 2020
Guy Buckley, Jr. (985) 514-8720	14342 Hwy 38 Kentwood, LA 70444		3,450	September 2020
Devon Wells (985) 510-0922	601 Mooney Ave Hammond, LA 70403		3,600	April 2021
Lawrence H. Byers, II (985) 351-5838	39693 Howes Lane Ponchatoula, LA 70454		1,500	July 2023
Carol Kinchen (985) 320-9614	735 E. Beech Street Ponchatoula, LA 70454		1,950	Expired July 2019
Total Compensation Paid		$	27,900	

See independent auditor's report.

Schedule 6

Tangipahoa Water District

Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head

For the year ended December 31, 2019

Agency Head Name: Charles Schlicher, Manager

Purpose		Amount
Salary	$	84,207
Benefits-Insurance		6,357
Benefits-Retirement		9,684
Employer Paid Medicare & Social Security		1,103
Conference Travel		665
Fuel Expense		1,675
Telephone		3,182
Miscellaneous		140
	$	107,013

See independent auditor's report.

Tangipahoa Water District
Schedule of Water Rates
For the year ended December 31, 2019

Water

Residential Rates

Metered

$ 14.00	-	First 3,000 Gallons
$ 2.28	-	Per 1,000 Gallons of Water over 3,000 Gallons

Apartments

Metered

$ 14.00	-	First 3,000 Gallons
$ 2.28	-	Per 1,000 Gallons of Water over 3,000 Gallons

Dairy Farms

$ 48.00	-	First 30,000 Gallons
$ 1.55	-	Per 1,000 Gallons of Water over 30,000 Gallons

Schools

Billed according to meter size.

Commercial Rates

Meter			
1"	$ 28.00	-	First 10,000 Gallons
	$ 2.28	-	Per 1,000 Gallons of Water over 10,000 Gallons
1 1/2"	$ 48.00	-	First 20,000 Gallons
	$ 2.28	-	Per 1,000 Gallons of Water over 20,000 Gallons
2"	$ 68.00	-	First 30,000 Gallons
	$ 2.28	-	Per 1,000 Gallons of Water over 30,000 Gallons
3"	$ 88.00	-	First 40,000 Gallons
	$ 2.28	-	Per 1,000 Gallons of Water over 40,000 Gallons
4"	$ 108.00	-	First 50,000 Gallons
	$ 2.28	-	Per 1,000 Gallons of Water over 50,000 Gallons

See independent auditor's report.

See independent auditor's report.

Tangipahoa Water District
Schedule of Water Customers
For the years ended December 31, 2019 and 2018

	December 31, 2019	December 31, 2018	Increase (Decrease)
Customers			
Residential	20,186	19,316	870
Commercial	1,009	981	28
Apartments	224	226	(2)
Dairy Farms	1	1	-
Total Customers	21,420	20,524	896

See independent auditor's report.

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 Governmental Auditing Standards

CHARLES P. HEBERT, CPA

CHRISTOPHER S. JOHNSON, CPA, MBA

MEMBER
American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants

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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

Board of Commissioners
Tangipahoa Water District
Tangipahoa Parish Council

We have audited, in accordance with the 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 business-type activities of the Tangipahoa Water District, Natalbany, Louisiana, a component unit of the Tangipahoa Parish Council, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated August 17, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District'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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Current Year Audit Findings, Recommendations, and Responses as items 2019-01 through 2019-04 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Tangipahoa Water District's Response to Findings

Tangipahoa Water District's response to the findings identified in our audit is described in the accompanying Schedule of Current Year Audit Findings, Recommendations, and Responses. Tangipahoa Water District'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. This report is intended solely for the information and use of management, the Louisiana Legislative Auditor, and the Rural Utilities Office. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Sincerely,

Phil Hebert

Phil Hebert, CPA
A Professional Accounting Corporation
Ponchatoula, Louisiana
August 17, 2020

Tangipahoa Water District
Schedule of Current Year Audit Findings, Recommendations and Responses
For the Year Ended December 31, 2019

We have audited the basic financial statements of Tangipahoa Water District as of and for the year ended December 31, 2019 and have issued our report thereon dated August 17, 2020. 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. Our audit of the financial statements as of December 31, 2019 resulted in an unmodified opinion.

Section I Summary of Auditor's Report

a. Report on internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness, Yes Significant Deficiencies, No

Compliance

Compliance Material to Financial Statements, No

b. Federal Awards

Not applicable

Was management letter issued? No

Tangipahoa Water District
Schedule of Findings and Responses
December 31, 2019

2019-01 Numerous Closed Water Accounts with Small Credit and Debit Balances

Condition:
When testing the accounts receivables we noted numerous closed accounts with small balances both credit and debit.

Criteria:
Closed accounts should be closed out by applying payments and customer deposits to the account balances. Remaining balances should be written off and turned over to a collection agency. Unused customer deposits should be refunded to the customer.

Cause:
Some possible reasons for credit and debit balances in water accounts receivable:

- Water account balances are offset by changes in DHH, Contract Fees and Misc. Categories. Some of these categories have debit balances which offset the credit balance in water accounts receivable.
- Payments were applied to the accounts after the account was written off in the Utility System resulting in a credit balance.
- Customer deposits were not appropriately applied to the balance resulting in a debit balance.

Effect:
- There are numerous accounts with small credit and debit balances.

Recommendation:
- We recommend the District's internal accountant and staff continue working to finalize their review of the closed accounts with credit and debit balances.

- We recommend the District create policies and procedures to avoid credit balances. One of those procedures would involve the change in recording receipt of payment after the account has been written off. These payments would be recorded outside of the Utility Billing Software in the general ledger as a recovery of bad debt.

- We recommend that management continue to work with the software vendor to modify and correct monthly reports to have a more accurate reporting.

Management's Response:
The internal accountant and staff are reviewing and correcting the closed accounts with credit and debit balances. Their plan is to have reviewed and corrected all closed accounts with balances by December 31, 2020.

Management disabled the customer's ability to make payments online to their accounts after the account has been closed. The payment must be paid in person.

Management continues to work with the software vendor to modify and correct monthly reports.

Responsible Party is Charles Schlicher, Manager.

2019-02 Sewer District Write Off Policy

Condition:
In 2020 the Sewer Board has approved the write off of approximately $205,501 in uncollectible sewer accounts. Approximately $172,940 of these accounts date back to 2013 and before.

Criteria:
Closed accounts should be closed out by applying payments and customer deposits to the account balances. Remaining balances should be written off and turned over to a collection agency. Unused customer deposits should be refunded to the customer.

Cause:
Through the years the Sewer District did not have a policy that allowed the Water District to write off uncollectible closed accounts. This amount has accumulated through the years.

Effect:
The receivables for the Sewer District are overstated. The Sewer District might have lost additional revenues by not writing off the uncollectible accounts in a timely manner and turning the accounts over to a collection agency.

Recommendation:
We recommend the Tangipahoa Water District provide the Sewer District a list of accounts of sewer customers that are inactive on a regular basis. We also recommend the Sewer District adopt a policy to review the list and approve the write off of those accounts in a public meeting. The policy should also include the provision for the Sewer District to turn over the uncollectible accounts to a collection agency.

Management's Response:
The manager of Tangipahoa Water District has contacted the manager of the Sewer District to discuss the cutoff policy. Responsible Party is Charles Schlicher, Manager.

2019-03 Sewer District Rate Schedule

Condition:
When testing the Sewer utility billings we noted some commercial customers are billed at different rates. We requested a rate schedule from the Manager at the Sewer District. He was not able to provide a rate schedule.

Criteria:
The Sewer District should have an approved rate schedule.

Cause:
The cause is unknown.

Effect:
The Water District does not have an updated rate schedule for the Sewer District. We were not able to verify if the commercial customers were billed at the correct rates.

Recommendation:
We recommend the Sewer District adopt a standard rate structure for residential and commercial customers in a public meeting. The Sewer District should provide a copy of the updated schedule to the Tangipahoa Water District.

Management's Response:
The manager of Tangipahoa Water District has contacted the manager of the Sewer District to discuss the Sewer District's rate schedule. Responsible Party is Charles Schlicher, Manager.

2019-04 Incorrect Allocation of Payments on Receivables

Condition:
While reviewing the allocation of payments it was noted by the internal accountant that many of the payments were being allocated to rate codes that do not exist for the account such as Sewer District, Fluker Sewer, Hammond Garbage and Hammond Sewer.

Criteria:
Payments should be accurately allocated to the balances of charges on each account

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Cause:
The internal accountant contacted the software company's technician. He stated that the reasons for the incorrect balance allocations vary greatly. Some are from incorrect input by office personnel when creating and entering adjustments on accounts. Some are issues the company encountered in the past when payments coming from credit card payment processors where the overpayments were not being ran through the same code as a manually entered payment when it determined what services the account actually had, and then running the allocation through the overpayment allocation percentage by Service that are set up in the system. Instead, it would just post the overpayment to all services based on the percentages even if the account did not have those services. This was an issued that was resolved for future payments, but some of the accounts made these overpayments back in 2017, 2016 etc. before the issue was discovered.

Effect:
This resulted in incorrect aging of receivables and credit and debit balances on customer accounts.

Recommendation:
The software company believes this problem has been corrected for all future payments. However the only thing that can be done is to go through account by account and reallocate the overpayments or credit adjustments to the correct service.

Management's Response:
The internal accountant has reviewed all of the accounts and identified the ones that have an incorrect allocation of payment. His plan is to work through the identified accounts and properly allocate the payments.by December 31, 2020 Responsible Party is Charles Schlicher, Manager.