

Village of Tangipahoa, Louisiana

Annual Financial Statements

As of and For the Year Ended June 30, 2019

Village of Tangipahoa
Annual Financial Statements
As of and for the Year Ended June 30, 2019
With Supplemental Information Schedules

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Village of Tangipahoa
Annual Financial Statements
As of and for the Year Ended June 30, 2019
With Supplemental Information Schedules

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Minda B. Raybourn

Certified Public Accountant

Limited Liability Company

820 11th Avenue

Franklinton, Louisiana 70438

(985) 839-4413

Fax (985) 839-4402

Member
AICPA

Member
LCPA

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Honorable Trashica Robinson, Mayor,
And Members of the Board of Aldermen
Village of Tangipahoa, LA

I have reviewed the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Tangipahoa, Louisiana, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of Village of Tangipahoa, Louisiana. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic

financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. Management has omitted the management's discussion and analysis that the Governmental Accounting Standards Board requires to be presented to supplement the basic financial statements. Such missing information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. The supplementary information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but it has been compiled from information that is the representation of management. I have not audited or reviewed the supplementary information and accordingly, I do not express an opinion or provide any assurance on such supplementary information.

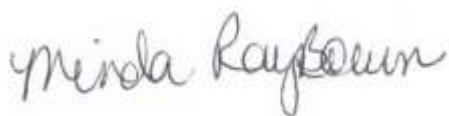
Other Information

My review was made primarily for the purposes of expressing a conclusion that there were no material modifications that should be made to the financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The supplementary information included in the accompanying Schedule of Compensation, Benefits, and Other Payments to Agency Head is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and I did not become aware of any material modifications that should be made to such information.

Going Concern

The accompanying financial statements have been prepared assuming that the Village will continue as a going concern. As discussed in Note 18 the Village suffered recurring losses from operations in the Governmental Funds and the Enterprise Funds and has stated that substantial doubt exists about the Village's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 18. The financial statements do not include any adjustments that result from the outcome of this uncertainty.

In accordance with the *Louisiana Government Audit Guide* and provisions of state law, I have issued a report dated January 24, 2020 on the results of my agreed-upon procedures.



Minda B. Raybourn, CPA
Franklinton, LA
January 26, 2020

Basic Financial Statements
Government-Wide Financial Statements

Village of Tangipahoa
Statement of Net Position
As of June 30, 2019

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
<i>Current Assets:</i>			
Cash and Cash Equivalents	\$ 7,502	\$ 81,474	\$ 88,976
Receivables, Net:	-	34,231	34,231
Intergovernmental	8,172	-	8,172
Other	3,448	-	3,448
Franchise Taxes	1,719	-	1,719
N Court	-	1,703	1,703
Prepaid Insurance	-	2,261	2,261
Due from Other Funds	9,275	3,560	12,835
Total Current Assets	30,116	123,229	153,345
<i>Restricted Assets:</i>			
Restricted Cash and Cash Equivalents	-	24,584	24,584
Total Restricted Assets	-	24,584	24,584
<i>Capital Assets:</i>			
Land	26,443	-	26,443
Capital Assets, Net	31,576	1,717,929	1,749,505
Total Capital Assets	58,019	1,717,929	1,775,948
Total Assets	88,135	1,865,742	1,953,877
Liabilities			
<i>Current Liabilities:</i>			
Accounts Payable	16,715	2,446	19,161
Other Accrued Payables	1,320	8	1,328
Bank Overdraft	251	-	251
Due to Other Funds	3,560	9,275	12,835
Unclaimed Properties	-	1,637	1,637
Customer Deposits	-	33,257	33,257
Total Current Liabilities	21,846	46,623	68,469
Total Liabilities	21,846	46,623	68,469
Net Position			
<i>Net Investment in Capital Assets</i>	58,019	1,717,929	1,775,948
Restricted for:			
Customer Deposits	-	24,584	24,584
Sales Tax Ordinance	5,457	-	5,457
Unrestricted	2,813	76,606	79,419
Total Net Position	\$ 66,289	\$ 1,819,119	\$ 1,885,408

See accompanying notes and independent accountant's report.

Village of Tangipahoa
Statement of Activities
For year ended June 30, 2019

	Program Revenues				Net (Expenses) Revenues	Net Expense Revenues and Changes of Primary Government		
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions		Governmental Activities	Business- Type Activities	Total
Governmental Activities								
General Government	\$ 48,804	\$ 28,141	\$ -	\$ -	\$ (20,663)	\$ (20,663)	\$ -	\$ (20,663)
Public Safety	75,915	6,233	6,000	-	(63,682)	(63,682)	-	(63,682)
Public Works	26,820	-	-	-	(26,820)	(26,820)	-	(26,820)
Sanitation	41,760	42,648	-	-	888	888	-	888
Total Governmental Activities	<u>193,299</u>	<u>77,022</u>	<u>6,000</u>	<u>-</u>	<u>(110,277)</u>	<u>(110,277)</u>	<u>-</u>	<u>(110,277)</u>
Business-type Activities								
Gas	-	-	-	-	-	-	-	-
Water	148,547	102,062	-	-	(46,485)	-	(46,485)	(46,485)
Sewer	111,543	58,048	-	-	(53,495)	-	(53,495)	(53,495)
Total Business-type Activities	<u>260,090</u>	<u>160,110</u>	<u>-</u>	<u>-</u>	<u>(99,980)</u>	<u>-</u>	<u>(99,980)</u>	<u>(99,980)</u>
Total	<u>\$ 453,389</u>	<u>\$ 237,132</u>	<u>\$ 6,000</u>	<u>\$ -</u>	<u>\$ (210,257)</u>			
General Revenue								
Taxes:								
Property Taxes						10,929	-	10,929
Sales Taxes						58,028	-	58,028
Franchise Taxes						5,743	-	5,743
Intergovernmental						8,211	-	8,211
Donations						2,640	-	2,640
Interest						6	714	720
Miscellaneous						4,614	-	4,614
Operating Transfers In (Out)						(18,821)	18,821	-
Total General Revenues and Transfers						<u>71,350</u>	<u>19,535</u>	<u>90,885</u>
Changes in Net Position						<u>(38,927)</u>	<u>(80,445)</u>	<u>(119,372)</u>
Net Position - Beginning						<u>105,216</u>	<u>1,899,564</u>	<u>2,004,780</u>
Net Position - Ending						<u>\$ 66,289</u>	<u>\$ 1,819,119</u>	<u>\$ 1,885,408</u>

See accompanying notes and independent accountant's report.

Basic Financial Statements
Fund Financial Statements

Village of Tangipahoa
Balance Sheet, Governmental Funds
As of June 30, 2019

	<u>General Fund</u>	<u>Sales Tax Fund</u>	<u>Capital Projects Fund (LCDBG)</u>	<u>Total Governmental Funds</u>
Assets				
Cash and Equivalents	\$ -	\$ 7,213	\$ 289	\$ 7,502
Due From Other Funds	13,441	-	-	13,441
Receivables, Net:	-	-	-	-
Intergovernmental	2,202	5,970	-	8,172
Employees	3,448	-	-	3,448
Franchise Taxes	1,719	-	-	1,719
N Court	-	-	-	-
Prepaid Insurance	-	-	-	-
Total Assets	<u>\$ 20,810</u>	<u>\$ 13,183</u>	<u>\$ 289</u>	<u>\$ 34,282</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts Payable	\$ 16,715	\$ -	\$ -	\$ 16,715
Other Accrued Payables	1,320	-	-	1,320
Bank Draft	251	-	-	251
Due to Other Funds	-	7,726	-	7,726
Due To Other Governments	-	-	-	-
Total Liabilities	<u>18,286</u>	<u>7,726</u>	<u>-</u>	<u>26,012</u>
Fund Balance:				
Nonspendable	-	-	-	-
Restricted Fund Balances	-	5,457	-	5,457
Unassigned Fund Balance	2,524	-	289	2,813
Total Fund Balances (Deficit)	<u>2,524</u>	<u>5,457</u>	<u>289</u>	<u>8,270</u>
Total Liabilities and Fund Balances	<u>\$ 20,810</u>	<u>\$ 13,183</u>	<u>\$ 289</u>	<u>\$ 34,282</u>

See accompanying notes and independent accountant's report.

Village of Tangipahoa
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Financial Statement of Net Position
As of June 30, 2019

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund Balances, Total Governmental Funds (Statement C)	\$	8,270
Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds.		
Governmental capital assets net of depreciation		58,019
Long-term liabilities including bonds payable, loans payable, and compensated absences are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Bonds Payable		-
Capital Leases Payable		-
Compensated Absences Payable		-
Net Position of Governmental Activities (Statement A)	<u>\$</u>	<u>66,289</u>

See accompanying notes and independent accountant's report.

Village of Tangipahoa
Statement of Revenue, Expenditures and Changes in Fund Balances
For the year ended June 30, 2019

	General Fund	Sales Tax Fund	Capital Projects Fund (LCDBG)	Total Governmental Funds
Revenues				
Taxes	\$ 16,672	\$ 58,028	\$ -	\$ 74,700
License and Permits	28,141	-	-	28,141
Intergovernmental	8,211	-	-	8,211
Sanitation	42,648	-	-	42,648
Fines and Forfeitures	6,233	-	-	6,233
Grants	-	-	-	-
Donations	2,640	-	-	2,640
Supplemental Pay Income	6,000	-	-	6,000
Miscellaneous	4,614	-	-	4,614
Total Revenues	115,159	58,028	-	173,187
Expenditures				
General Government	47,412	392	-	47,804
Public Safety:				
Police	61,885	-	-	61,885
Fire	8,200	-	-	8,200
Public Works	25,730	-	-	25,730
Sanitation	41,760	-	-	41,760
Capital Outlays	3,425	-	-	3,425
Total Expenditures	188,412	392	-	188,804
Excess (Deficiency) of Revenues Over (Under) (Expenditures)	(73,253)	57,636	-	(15,617)
Other Financing Sources (Uses)				
Interest Income	-	6	-	6
Operating Transfers In	38,821	-	-	38,821
Operating Transfers (Out)	-	(57,642)	-	(57,642)
Total Other Financing Sources (Uses)	38,821	(57,636)	-	(18,815)
Net Change in Fund Balances	(34,432)	-	-	(34,432)
Fund Balances, Beginning	36,956	5,457	289	42,702
Fund Balances, Ending	\$ 2,524	\$ 5,457	\$ 289	\$ 8,270

See accompanying notes and independent accountant's report.

Village of Tangipahoa

**Reconciliation of Statement of Revenues, Expenditures and Change in Fund Balances of
Governmental Funds to the Statement of Activities
As of June 30, 2019**

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

Net Change in Fund Balance, Total Governmental Funds, Statement E \$ (34,432)

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

Expenditures for capital assets	\$ 3,425	
Less:		
Current year depreciation	(7,920)	(4,495)

Changes in Net Position of Governmental Activities, Statement B \$ (38,927)

See accompanying notes and independent accountant's report.

Statement G

Village of Tangipahoa
Statement of Net Position - Proprietary Funds
As of June 30, 2019

Assets

Current Assets:

Cash and Cash Equivalents	\$ 81,474
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Receivables, Net:

Accounts	31,614
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Accrued Billings	2,617
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N Court	1,703
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Prepaid Insurance	2,261
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Due From Sales Tax Fund	3,560
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Total Current Assets	123,229
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Restricted Assets:

Restricted Cash and Cash Equivalents	24,584
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Total Restricted Assets	24,584
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Property, Plant, and Equipment

Property, Plant and Equipment, Net	1,717,929
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Total Property, Plant and Equipment	1,717,929
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Total Assets	1,865,742
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Liabilities

Current Liabilities (Payable From Current Assets):

Accounts Payable	2,446
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Unclaimed Properties	1,637
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Other Accrued Payables	8
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Due to Other Funds	9,275
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Total Current Liabilities (Payable From Current Assets):	13,366
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Current Liabilities (Payable From Restricted Assets):

Customer Deposits	33,257
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Total Current Liabilities (Payable From Restricted Assets)	33,257
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Total Liabilities	46,623
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Net Position

Net Investment in Capital Assets	1,717,929
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Restricted for:

Customer Deposits	24,584
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Unrestricted	76,606
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Total Net Position	\$ 1,819,119
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See accompanying notes and independent accountant's report.

Village of Tangipahoa
Statement of Revenues, Expenses and
Changes in Net Position - Proprietary Funds
For the year ended June 30, 2019

	<u>Water/Utility System</u>	<u>Sewer/Utility System</u>	<u>Total</u>
Operating Revenues			
Water Sales	\$ 93,697	\$ -	\$ 93,697
Sewer Service Charges	-	52,956	52,956
Connection Fees	195	-	195
Delinquent Charges	5,047	5,092	10,139
Other	3,123	-	3,123
Total Operating Revenues	<u>102,062</u>	<u>58,048</u>	<u>160,110</u>
Operating Expenses			
Accounting	9,000	9,000	18,000
Bad Debts	17,031	17,031	34,062
Bank Charges	732	609	1,341
Billing Costs	982	982	1,964
Casual Labor	1,265	475	1,740
Chlorine	4,477	-	4,477
Depreciation	39,807	47,094	86,901
Dues and Registration	425	-	425
Insurance	2,118	1,337	3,455
Licenses & Fees	785	61	846
Payroll Taxes	1,082	1,082	2,164
Repairs and Maintenance	40,758	13,763	54,521
Safe Drinking Water Fees	3,429	-	3,429
Salaries and Wages	14,137	14,154	28,291
Supplies	650	342	992
Truck and Tractor	329	992	1,321
Utilities	9,479	4,354	13,833
Water Testing	1,401	-	1,401
Other	660	267	927
Total Operating Expenses	<u>148,547</u>	<u>111,543</u>	<u>260,090</u>
Operating Income (Loss)	<u>(46,485)</u>	<u>(53,495)</u>	<u>(99,980)</u>
Nonoperating Revenues (Expenses)			
Interest Income	-	714	714
Grants	-	-	-
Transfer Out General Fund	(5,000)	(5,000)	(10,000)
Transfer In Sales Tax Fund	-	28,821	28,821
Total Nonoperating Revenues (Expenses)	<u>\$ (5,000)</u>	<u>\$ 24,535</u>	<u>\$ 19,535</u>
Change in Net Position			(80,445)
Total Net Position, Beginning			<u>1,899,564</u>
Total Net Position, Ending			<u>\$ 1,819,119</u>

See accompanying notes and independent accountant's report.

Village of Tangipahoa
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2019

Statement I

	Enterprise Fund
Cash Flow From Operating Activities	
Received From Customers	\$ 123,099
Payments for Operations	(119,718)
Payments to Employees	(24,617)
Net Cash Provided (Used) by Operating Activities	(21,236)
Cash Flow From Noncapital Financing Activities	
Transfer From (To) Other Funds	18,821
Change in Due (From) To Other Funds	3,437
Change in Due (From) To Other Governments	1,115
Net Cash Provided (Used) by Noncapital Financing Activities	23,373
Cash Flows From Capital and Related Financing Activities	
Proceeds from Capital Grants	-
Net Cash Provided (Used) by Capital and Related Financing Activities	-
Cash Flows From Investing Activities	
Receipt of Interest	714
Net Cash Provided (Used) by Investing Activities	714
Net Cash Increase (Decrease) in Cash and Cash Equivalents	2,851
Cash and Cash Equivalents, Beginning of Year	103,208
Cash and Cash Equivalents, End of Year	\$ 106,059
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:	
Cash and Cash Equivalents, Unrestricted	81,475
Cash and Cash Equivalents, Restricted	24,584
Total Cash and Cash Equivalents	\$ 106,059

See accompanying notes and independent accountant's report.

Village of Tangipahoa
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2019

**Reconciliation of Operating Income (Loss) to Net Cash Provided
(Used) by Operating Activities**

Operating Income (Loss)	\$ (99,980)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Depreciation	86,901
(Increase) decrease in Accounts Receivable	(11,270)
Increase (decrease) in Accounts Payable	964
Increase (decrease) in Prepaid Expense	635
Increase (decrease) in Customer Deposits	1,515
Net Cash Provided (Used) by Operating Activities	<u>\$ (21,235)</u>

See accompanying notes and independent accountant's report.

Basic Financial Statements
Notes to the Financial Statements

Village of Tangipahoa
Notes to the Financial Statements
As of and for the Year Ended June 30, 2019

Introduction

The Village of Tangipahoa, Louisiana was incorporated on July 1, 1959 under the provisions of the Lawrason Act. The Village is located approximately four miles south of Kentwood, Louisiana, on Highway 51 east of Interstate 55. The total population of the Village of Tangipahoa, Louisiana is 748, as reported by the U.S. Census Bureau, Census 2010.

The Village operates under a Mayor/Board of Aldermen form of government, with the Mayor and each of three aldermen elected at large for four-year terms. The Village provides police protection services, services to maintain or develop street, drainage, sanitation, support of recreation activities, general and administrative services, and utilities services for area residents. The Village provides water to 266 customers, garbage service to 230 customers, and sewer utility services to 200 customers. The Village employs four full-time employees in addition to the Mayor and Board of Aldermen.

The accounting and reporting policies of the Village conform with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513 and to the guides set forth in the Louisiana *Governmental Audit Guide* and to industry audit guide, *Audits of State and Local Governmental Units*.

The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, Basic Financial Statements, and Management's Discussion and Analysis-for Tate and Local Governments, issued in June 1999. Management has elected to not present the Management's Discussion and Analysis.

1. Summary of Significant Accounting Policies

A. Reporting Entity

Governmental Accounting Standards Board (GASB) Statement NO. 14 established criteria for determining the identification of a primary government unit for financial reporting purposes. The GASB has set forth criteria to be considered in determining which governmental entities are primary governments. An Entity is a primary government if it satisfies all of the following criteria:

1. The entity has a separate governing body elected by the citizenry in a general, popular election.
2. The entity is legally separate from other entities.
3. The entity is fiscally independent of other state and local governmental entities.

Based on the above criteria the Village has determined that the Village of Tangipahoa, Louisiana is a primary government and financial reporting entity in accordance with GASB Statement No. 14. The

Village of Tangipahoa
Notes to the Financial Statements
As of and for the Year Ended June 30, 2019

Village has also determined that there are no component units that should be considered part of the Village for Financial Reporting.

B. Government-Wide and Fund Financial statements

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

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

Separate financial statements are provided for governmental funds and proprietary funds. And fiduciary funds, if any, even though the latter are excluded from the government-wide financial statements.

The focus of governmental and proprietary fund financial statements is on “major” funds. Fund statements present in separate columns the General Fund, followed by major funds, if any, with non-major funds aggregated and displayed in a separate column. GASB 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise fund combined) for determination of major funds. In addition to the funds that meet the major fund criteria, any other governmental or enterprise fund that the government’s officials believe is particularly important so financial statement users may be reported as major fund.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Village of Tangipahoa
Notes to the Financial Statements
As of and for the Year Ended June 30, 2019

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

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

The Village reports the following major governmental funds:

The *General Funds* is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Special Revenue Funds* account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. For the fiscal year ending June 30, 2018, the Village elected to report all special revenue funds, including the *Sales Tax Fund* as major governmental funds.

The *Capital Project Fund* accounts for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in other governmental funds.

The Village reports the following major proprietary funds:

The *Enterprise Funds* account for operations (a) that are financed and operated in a manner similar to private business enterprise where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user fees, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

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

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

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

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

When restricted, committed, assigned, or unassigned fund balances are available for use, the Village considers amounts to have been spend first out of restricted funds, committed funds, then assigned funds, and finally unassigned funds as needed unless the Village has provided otherwise in commitment or assignment actions.

D. Deposits and Investments

The Village's cash and cash equivalents are considered to be cash on hand, demand deposits, time deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Village's investment policy allows the Village to invest in collateralized certificates of deposit, government-backed securities, commercial paper, the state-sponsored investment pool, and mutual funds consisting solely of government-backed securities.

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Village of Tangipahoa
Notes to the Financial Statements
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Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable government funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectible amounts.

Property taxes are levied on a calendar year basis and become due on January 1 of each year. The following is a summary of authorized and levied ad valorem taxes:

	Authorized Millage	Levied Millage
General Corporate Purposes	5.95 mills	5.95 mills
Fire Protection	10.00 mills	10.00 mills

F. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out method. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

G. Restricted Assets

Cash held for customer’s meter deposits is set aside in separate cash accounts and classified as a restricted asset on the balance sheet.

H. Capital Assets

Capital assets, which include property, plant equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Village maintains a threshold level of \$500 or more for capitalizing capital assets.

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

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

Village of Tangipahoa
Notes to the Financial Statements
As of and for the Year Ended June 30, 2019

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings	15 - 30 Years
Improvements	20 - 45 Years
Vehicles and Equipment	5 - 15 Years
Infrastructure	20 - 45 Years
Water System	20 - 45 Years
Sewer System	20 - 45 Years

I. Compensated Absences

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

All regular employees of the Village of Tangipahoa earn one day of sick leave each month. Vacation and sick leave must be used in the year earned.

In accordance with GASB-16, *Accounting for Compensated Absences*, no liability has been accrued for unused employee sick leave.

J. 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 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. 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

Village of Tangipahoa
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As of and for the Year Ended June 30, 2019

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.

In the fund statements, governmental fund equity is classified as fund balance. The Village adopted GASB 54 for the year ended December 31, 2011. As such, fund balances of governmental funds are classified as follows:

- **Nonspendable.** These are amounts that cannot be spent either, because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- **Restricted.** These are amounts that can be spent only for specific purposes, because of constitutional provisions, enabling legislation or constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- **Committed.** These are amounts that can be used only for specific purposes determined by a formal vote of the Board, which is the highest level of decision making authority for the Village.
- **Assigned.** These are amounts that do not meet the criteria to be classified as restricted or committed, but are intended to be used for specific purpose based on the discretion of the Board.
- **Unassigned.** These are all other spendable amounts. This also includes expenditure amounts incurred for specific purposes which exceed the amounts restricted, committed, or assigned to those purposes.

Village of Tangipahoa
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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 Village, 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 estimate.

M. Reconciliations of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position is presented in Statement D of the basic financial statements. Explanation of certain differences between the governmental fund statement of revenues, expenses, and changes in fund balances and the government-wide statement of activities is presented in Statement F of the basic financial statements.

2. Stewardship, Compliance and Accountability

The Village uses the following budget practices:

1. The Village Clerk prepares a proposed budget and submits it to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.

Village of Tangipahoa
Notes to the Financial Statements
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5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving the increase in expenditures resulting from revenues exceeding estimated amounts require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for the general and enterprise funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets for enterprise funds are presented on the accrual basis of accounting. Other governmental funds are presented on the modified accrual basis of accounting. Accordingly, the budgetary comparison schedules present actual expenditures in accordance with the accounting principles generally accepted in the United States on a basis consistent with the legally adopted budgets as amended. All budgetary amounts presented reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

3. Levied Taxes

On May 3, 1972, the Village adopted Ordinance 62 authorizing the Village to levy a one cent sales and use tax. The proceeds of this one cent sales and use tax, levied by the Village, are for the purposes of purchasing and or constructing sewers, drains, drainage canals, pumping plants, sewerage disposal works, and all facilities necessary or convenient for the completion and maintenance of an adequate sewerage disposal system. In addition, the proceeds are for the purposes of acquiring necessary property or equipment, or for any one or more of any such purposes, or for any lawful corporate purpose in connection with the acquisition, construction, and or maintenance of such a sewerage system.

On April 10, 1985, the Village adopted Ordinance 1, authorizing the collection of an additional one cent sales tax. Up to fifty percent of the proceeds was restricted for the purpose of establishing the regular collection of garbage, and acquiring necessary equipment for the maintenance of such garbage systems and the remainder of the proceeds is to be used for the purpose of constructing and improving streets and street lights and acquiring necessary equipment for maintenance. This sales tax expired in 2005. Starting in May 2014, since the Village was still collecting this tax, the school board began holding the collected taxes in an escrow account until a new tax was passed. This one percent sales tax for perpetuity was passed during the election November 4, 2014 and can be used for any lawful corporate purpose of the Village of Tangipahoa from and after January 1, 2015. The amount held by the school board was paid to the Village of Tangipahoa during the fiscal year ended June 30, 2019.

Village of Tangipahoa
Notes to the Financial Statements
As of and for the Year Ended June 30, 2019

On July 21, 2014, the Village adopted a resolution levying an ad valorem tax of 5.95 mills on the assessed valuation of all property subject to taxation within the Village. The millage of 5.95 is for “general corporate purposes”. The Village also collects 10.00 mills for fire protection that is to be transferred to the Tangipahoa Parish Rural Fire #2. The amount paid for fire protection for 2019 was \$8,200.

For the year ending June 30, 2019, the Village assessed Entergy, Inc. public utilities franchise taxes totaling \$7,768 for the privilege of providing services to the Village’s citizens.

4. Cash and Cash Equivalents

At June 30, 2019, the Village has cash and cash equivalents (book balances) as follows:

	June 30, 2019
Demand Deposits	\$ 83,035
Louisiana Asset Management Pool	30,525
	<u>\$ 113,560</u>

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

Custodial credit risk as it relates to cash deposits is the risk that in the event of a bank failure, the government’s deposits may not be returned. At June 30, 2019, the Village has \$90,840 in deposits. Collected bank balances, other than LAMP, consisted of \$60,314 in demand deposits. These demand deposits are secured from risk by \$250,000 of federal deposit insurance.

LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The Village records its LAMP deposits within cash and cash equivalents.

5. Investments

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the Village or its agent in the Village’s name
2. Uninsured and unregistered, with securities held by the counterparty’s trust department or agent in the Village’s name

Village of Tangipahoa
Notes to the Financial Statements
As of and for the Year Ended June 30, 2019

3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Village's name

In accordance with GASB Codification Section I50.165, the investment in LAMP at June 30, 2018, is 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 share, which is the same as the fair value, and has been categorized as cash equivalents. LAMP is administered by LAMP, Inc., a nonprofit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. The corporation is governed by a board of directors comprised of the State Treasurer, representatives from various organizations of local government, the Government Finance Office Association of Louisiana, and the Society of Louisiana CPA's. Only local governments having contracted to participate in 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.

LAMP is subject to the regulator oversight of the state treasurer and board of directors. LAMP is not registered with the SEC as an investment company.

While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which governs registered money market funds. 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 LSA-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 AAA 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 pool 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: 2a7-like investments pools are excluded from this disclosure requirement per paragraph 15 of the GASB 40 statement. However, LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is

Village of Tangipahoa
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As of and for the Year Ended June 30, 2019

restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM or LAMP's total investments, as provided by LAMP, is 50 days as of June 30, 2018.

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

LAMP is designed to be highly liquid to give its participants immediate access to their account balances. 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 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.

In the current year, the Village did not have any assets classified as investments. The Village records its LAMP deposits within cash and cash equivalents.

In the current year the Village did not have any assets classified as investments. The Village records its LAMP deposits within cash and cash equivalents.

Interest Rate Risk: The Village does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value arising from increasing interest rates.

6. Receivables

The Governmental Fund receivables at June 30, 2019 consist of the following:

Government Receivables	General Fund	Sales Tax Fund	Capital Projects Fund (LCDBG)	Total Governmental Funds
Public Utility Franchise	\$ 1,719	\$ -	\$ -	\$ 1,719
Intergovernmental:	-	-	-	-
Sales and Use Tax	-	5,970	-	5,970
State of Louisiana, Beer Tax	2,202	-	-	2,202
Total Government Receivables	\$ 3,921	\$ 5,970	\$ -	\$ 9,891

**Village of Tangipahoa
Notes to the Financial Statements
As of and for the Year Ended June 30, 2019**

The Enterprise Fund accounts receivable at June 30, 2019 consist of the following:

Accounts Receivables	Year Ended June 30, 2019
Current	\$ 12,376
31 - 60 Days	10,829
61 - 90 Days	8,409
Over 90 Days	6,480
120 Day and Over	36,423
Subtotal	<u>74,517</u>
Less Allowance for Bad Debt	<u>(42,903)</u>
Accounts Receivables, Net	31,614
Accrued Billings	<u>2,617</u>
Total Accounts Receivables	<u>\$ 34,231</u>

7. Interfund Receivables/Payables

The Village had the following interfund receivables and payables outstanding for the Village's fund financial statements at June 30, 2019.

General Fund	Due From	Due To
Sales Tax Fund	\$ 4,166	\$ -
Enterprise Fund	9,275	
Special Revenue Fund		
Sales Tax Fund	-	-
General Fund	-	4,166
Enterprise Fund	-	3,560
Enterprise Fund		
General Fund	-	9,275
Sales Tax Fund	<u>3,560</u>	<u>-</u>
Totals	<u>\$ 17,001</u>	<u>\$ 17,001</u>

The interfund receivable from the sales tax fund is due to the transfer of sales tax to the General Fund and Enterprise Fund and is payable within one year. The interfund receivable from the Enterprise Fund is for the reimbursement of salary, benefits and garbage collections and is payable within one year.

Village of Tangipahoa
Notes to the Financial Statements
As of and for the Year Ended June 30, 2019

8. Restricted Assets

Restricted assets for the Enterprise Fund at June 30, 2019 is as follows:

	June 30, 2019
Restricted Cash and Cash Equivalents	
Customer Deposits	\$ 24,584
Total Restricted Assets	\$ 24,584

9. Capital Assets

Capital assets and depreciation activity as of and for the year ended June 30, 2019 for governmental activities is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities Capital Assets:				
Capital Assets Not Being Depreciated				
Land	\$ 26,443	\$ -	\$ -	\$ 26,443
Construction in Progress	-	-	-	-
Total Capital Assets Not Being Depreciated	26,443	-	-	26,443
Capital Assets Being Depreciated:				
Buildings and Improvements	23,000	-	-	23,000
Furniture and Fixtures	1,246	-	-	1,246
Vehicles	27,174	3,425	-	30,599
Equipment	60,723	-	-	60,723
Total Capital Assets Being Depreciated	112,143	3,425	-	115,568
Less Accumulated Depreciation for:				
Building and Improvements	(12,390)	(1,000)	-	(13,390)
Furniture and Fixtures	(1,246)	-	-	(1,246)
Vehicles	(6,394)	(5,651)	-	(12,045)
Equipment	(56,042)	(1,269)	-	(57,311)
Total Accumulated Depreciation	(76,072)	(7,920)	-	(83,992)
Total Capital Assets Being Depreciated Net	36,071	(4,495)	-	31,576
Total Governmental Activities Capital Assets, Net of Depreciation	\$ 62,514	\$ (4,495)	\$ -	\$ 58,019

Village of Tangipahoa
Notes to the Financial Statements
As of and for the Year Ended June 30, 2019

Depreciation was charged to governmental functions as follows:

General Government	\$ 1,000
Public Safety	5,830
Public Works	1,090
	\$ 7,920

Capital assets and depreciation activity as of and for the year ended June 30, 2019 for business-type activities is as follows:

Business - Type Activities Capital Assets:	Beginning Balance	Increase	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ -	\$ -	\$ -	\$ -
Construction in Progress	-	-	-	-
Total Capital Assets Not Being Depreciated	-	-	-	-
Capital Assets Being Depreciated:				
Buildings and Improvements	31,414	-	-	31,414
Vehicles and Equipment	89,285	-	-	89,285
Water Utility System	1,648,741	-	-	1,648,741
Sewer Utility System	1,779,190	-	-	1,779,190
Total Capital Assets Being Depreciated	3,548,630	-	-	3,548,630
Less Accumulated Depreciation for:				
Buildings and Improvements	17,989	1,069	-	19,058
Vehicles and Equipment	87,692	1,594	-	89,286
Water Utility System	569,508	38,475	-	607,983
Sewer Utility System	1,068,610	45,763	-	1,114,373
Total Accumulated Depreciation	1,743,799	86,901	-	1,830,700
Total Capital Assets Being Depreciated, Net	1,804,831	(86,901)	-	1,717,930
Total Business - Type Activities Capital Assets, Net of Depreciation	\$ 1,804,831	\$ (86,901)	\$ -	\$ 1,717,930

Village of Tangipahoa
Notes to the Financial Statements
As of and for the Year Ended June 30, 2019

10. Interfund Transfers

The following is a detailed list of interfund transfers reported in the fund financial statements on June 30, 2019:

Interfund Transfers	Transfers In	Transfers Out
General Fund		
Sales Tax Fund	\$ 28,821	\$ -
Enterprise Fund	10,000	-
Special Revenue Funds		
Sales Tax Fund	-	-
General Fund	-	28,821
Enterprise Fund	-	28,821
Enterprise Fund		
General Fund	-	10,000
Sales Tax Fund	28,821	-
Total Interfund Transfers	\$ 67,642	\$ 67,642

The primary reason for the interfund transfers is expenditures in the General Fund exceed General Fund revenues.

11. Accounts, Salaries, and Other Payables

The Governmental Fund payables at June 30, 2019 are as follows:

	General Fund	Special Revenue Funds	Capital Projects Fund	Enterprise Fund	Total
Current Payables					
Accounts	\$ 16,715	\$ -	\$ -	\$ 2,445	\$ 19,160
Due to Other Governments	-	-	-	1,637	1,637
Customer Deposits	-	-	-	33,527	33,527
Payroll Taxes	849	-	-	-	849
Other	471	-	-	8	479
Total Current Payables	\$ 18,035	\$ -	\$ -	\$ 37,617	\$ 55,652

Village of Tangipahoa
Notes to the Financial Statements
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12. Capital Leases

The Village entered into a capital lease with the Tangipahoa Parish School Board on June 25, 2015 for the lease of property described a Lots 83, 84 and 85 facing on Soule Street and Lots 96, 97, 98, 99 and 100 facing on Tarpley Street in square bounded by north by Ramsey, east by Tarpley, south by Jackson and west by Soule Street in the amount of \$11,043. The remaining balance of the lease was paid in full to the Tangipahoa Parish School Board on November 17, 2015.

13. Intergovernmental Cooperative Agreement

On December 12, 1984, the Village entered into an agreement with the Tangipahoa Parish Council to allow the Parish Housing Choice Voucher Program to operate within its corporate limits. The U.S. Department of Housing and Urban Development (HUD) allows these programs to operate within communities without such programs. The Village has attempted to find such assistance through federal and state rental subsidy programs, but has been turned down for such assistance because of its small size.

14. Sanitation Contract

The Village has a contract with a company to pick up and dispose of solid waste. Sales tax in the amount of one half of one percent is dedicated to pay for the cost of this contract.

15. Fund Balances/Net Position

At June 30, 2019, the Village reported positive fund balances in all funds.

16. Risk Management

The Village is exposed to various risks of loss related to theft, damage, or destruction of assets, torts, injuries, natural disasters, and many other unforeseeable events. The Village purchases commercial insurance policies and bonds for any and all claims related to the aforementioned risks. The Village's payment of the insurance policy deductible is the only liability associated with these policies and bonds. There has been no significant decrease in insurance coverage from the prior year, and the amount of settlements has not exceeded the insurance coverage for the past three fiscal years.

Village of Tangipahoa
Notes to the Financial Statements
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17. Contingent Liabilities

At June 30, 2019, the Village was not involved in any outstanding litigation or claims.

18. On-Behalf Payments

The State of Louisiana made on behalf payments in the form of supplement pay to the Village's policemen. In accordance with GASB 24, the Village recorded \$6,000 of on behalf payments as revenue and as an expenditure in the General Fund.

19. Going Concern

As shown in the accompanying financial statements, the Village incurred a net loss of \$34,432 from the Governmental Funds and a net loss of \$80,445 from the Enterprise Fund. Total cash from all funds decreased from \$161,103 at June 30, 2017 to \$97,903 at November 30, 2019. This is a decline of \$63,200. However the cash balance at June 30, 2018 included \$51,500 proceeds from the sale of land. Without the proceeds from the sale of land the decrease in cash for the same period would be \$114,700. Of the \$97,903 cash balance at November 30, 2019 approximately \$24,580 is restricted for customer deposits.

The possible effect is the Village may run out of unrestricted money within one year or less from the date of this report.

The Mayor of the Village has evaluated these conditions and has issued the following response:

The Village of Tangipahoa's water system does not have the proper cut off valves to cut off all of the non-paying customers. Many of the non-paying customers are on water lines with paying customers and the cut off valve cuts off water to all of the customers on that line both paying and non-paying. The Village has applied for a grant for \$995,000 to address these issues. In 2017 one of the Village's two maintenance workers retired. He was not replaced but a part-time police officer was hired adding additional expense to the General Fund. The General Fund's expenditures are supplemented by the Utility Fund. Since the Utility Customers are not paying their bills on a timely basis the Village is running out of cash. The Mayor has addressed these issues with the current board on several occasions but no action has been taken. The Mayor will address these issues with the Board again.

20. Subsequent Events

Subsequent events were evaluated by management through January 26, 2020, the date the financial statements were available for issuance. The Village reported a Going Concern in Footnote 19.

Required Supplemental Information (Part II)

Village of Tangipahoa
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund - Detail
For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts GAAP Basis	Favorable (Unfavorable)
Revenues				
Taxes				
Ad Valorem	\$ 15,500	\$ 15,500	\$ 10,929	\$ (4,571)
Franchise Taxes	8,600	8,600	5,743	(2,857)
Total Taxes	<u>24,100</u>	<u>24,100</u>	<u>16,672</u>	<u>(7,428)</u>
Licenses and Permits				
Licenses and Permits	4,600	3,200	4,651	1,451
Tax on Insurance Premiums	18,800	21,500	23,490	1,990
Total Licenses and Permits	<u>23,400</u>	<u>24,700</u>	<u>28,141</u>	<u>3,441</u>
Intergovernmental				
Supplemental Pay	6,000	6,000	6,000	-
State Grants	4,000	-	-	-
Louisiana Beer Tax Distribution	5,700	5,700	8,211	2,511
Total Intergovernmental	<u>15,700</u>	<u>11,700</u>	<u>14,211</u>	<u>2,511</u>
Miscellaneous Revenues				
Fines and Forfeitures	29,000	7,300	6,233	(1,067)
Donations	1,000	2,700	2,640	(60)
Miscellaneous Revenues	700	5,400	4,614	(786)
Sanitation	41,600	42,600	42,648	48
Total Miscellaneous Revenues	<u>72,300</u>	<u>58,000</u>	<u>56,135</u>	<u>(1,865)</u>
Total Revenues	<u>135,500</u>	<u>118,500</u>	<u>115,159</u>	<u>(3,341)</u>

Continued

Village of Tangipahoa
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund - Detail
For the year ended June 30, 2019

Expenditures	Budget Amounts		Actual	Variance
	Original	Final	Amounts GAAP Basis	Favorable (Unfavorable)
General Government				
Salaries	\$ 18,850	\$ 15,900	\$ 15,688	\$ 212
Payroll Taxes	1,200	1,600	1,539	61
General and Administrative	2,400	300	4,428	(4,128)
Capital Expenditure	4,000	3,400	-	3,400
Insurance	10,600	11,200	10,414	786
Legal Expenses	5,300	1,600	4,356	(2,756)
Office Expense	4,100	3,500	1,919	1,581
Professional Fees	-	400	325	75
Repairs and Maintenance	200	200	-	200
Supplies	6,400	3,600	-	3,600
Dues and Subscription	1,700	900	933	(33)
Telephone	6,000	5,200	5,138	62
Travel	100	100	81	19
Utilities	1,500	2,800	2,591	209
Total General Government	62,350	50,700	47,412	3,288
Public Safety:				
Police				
Salaries	34,800	34,800	34,800	-
Payroll Taxes	3,100	2,900	2,808	92
Capital Outlay Equipment	2,500	-	-	-
Capital Outlay Police Car	-	-	-	-
Insurance	8,400	8,900	8,677	223
Vehicle Expenses	5,000	5,100	4,912	188
Supplies	100	100	102	(2)
Supplemental Pay Income	6,000	6,000	6,000	-
Other Operating	1,200	1,300	1,137	163
Telephone	3,400	3,300	3,449	(149)
Total Police	64,500	62,400	61,885	515
Fire				
Other Operating	8,200	8,200	8,200	-
Total Fire	8,200	8,200	8,200	-
Total Public Safety	72,700	70,600	70,085	515

Continued

Village of Tangipahoa
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund - Detail
For the year ended June 30, 2019

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>Favorable (Unfavorable)</u>
Public Works				
Salaries	\$ 11,300	\$ 11,300	\$ 6,701	\$ 4,599
Payroll Taxes	1,500	900	487	413
Capital Expenditure	2,500	-	3,425	(3,425)
Insurance	1,300	1,300	1,289	11
Sanitation	38,700	38,300	41,760	(3,460)
Repairs and Maintenance	1,900	1,900	392	1,508
Supplies	500	100	75	25
Street Lights	16,400	16,700	15,624	1,076
Telephone	600	-	511	(511)
Vehicle Expense	-	-	651	(651)
Total Public Works	<u>74,700</u>	<u>70,500</u>	<u>70,915</u>	<u>(415)</u>
Total Expenditures	<u>209,750</u>	<u>191,800</u>	<u>188,412</u>	<u>3,388</u>
Excess Revenues (Expenditures)	<u>(74,250)</u>	<u>(73,300)</u>	<u>(73,253)</u>	<u>47</u>
Other Financing Sources (Uses)				
Operating Transfers In	74,250	39,400	38,821	(579)
Total Other Financing Sources (Uses)	<u>74,250</u>	<u>39,400</u>	<u>38,821</u>	<u>(579)</u>
Net Changes in Fund Balance	<u>-</u>	<u>(33,900)</u>	<u>(34,432)</u>	<u>(532)</u>
Fund Balances, Beginning	<u>49,847</u>	<u>36,956</u>	<u>36,956</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 49,847</u>	<u>\$ 3,056</u>	<u>\$ 2,524</u>	<u>\$ (532)</u>

Concluded

See independent accountant's review report.

Village of Tangipahoa
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Special Revenue Fund - Sales Tax Fund
For the year ended June 30, 2019

	Budget Amounts		Actual Amounts GAAP Basis	Variance Favorable (Unfavorable)
Revenues				
Sales Taxes	\$ 58,000	\$ 56,900	\$ 58,028	\$ 1,128
Total Revenues	<u>58,000</u>	<u>56,900</u>	<u>58,028</u>	<u>1,128</u>
Expenditures				
Sanitation				
General and Administrative	400	400	392	8
Total Expenditures	<u>400</u>	<u>400</u>	<u>392</u>	<u>8</u>
Excess Revenue (Expenditures)	<u>57,600</u>	<u>56,500</u>	<u>57,636</u>	<u>1,136</u>
Other Financing Sources (Uses)				
Interest Income	-	-	6	6
Operating Transfers (Out)	(57,600)	(56,400)	(57,642)	(1,242)
Total Other Financing Sources (Uses)	<u>(57,600)</u>	<u>(56,400)</u>	<u>(57,636)</u>	<u>(1,236)</u>
Net Change in Fund Balances	-	100	-	(100)
Fund Balances, Beginning	<u>4,142</u>	<u>5,457</u>	<u>5,457</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 4,142</u>	<u>\$ 5,557</u>	<u>\$ 5,457</u>	<u>\$ (100)</u>

See independent accountant's review report.

Other Supplemental Information

Village of Tangipahoa
Schedule of Revenue, Expenses and Changes in Net Position
Budget (GAAP Basic) and Actual, Proprietary Fund Type, Water Utility System
For the year ended June 30, 2019

	Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues			
Water Sales	\$ 94,400	\$ 93,697	\$ (703)
Connection Fees	-	195	195
Delinquent Charges	8,400	5,047	(3,353)
Other	1,350	3,123	1,773
Total Operating Revenues	<u>104,150</u>	<u>102,062</u>	<u>(2,088)</u>
Operating Expenses			
Accounting	11,100	9,000	2,100
Bad Debts	6,400	17,031	(10,631)
Bank Charges	200	732	(532)
Billing Costs	1,000	982	18
Casual Labor	1,500	1,265	235
Chlorine	3,900	4,477	(577)
Depreciation	40,600	39,807	793
Dues and Registration	500	425	75
Insurance	1,600	2,118	(518)
Licenses & Fees	900	785	115
Payroll Taxes	1,000	1,082	(82)
Repairs and Maintenance	48,300	40,758	7,542
Safe Drinking Water Fees	3,100	3,429	(329)
Salaries and Wages	13,400	14,137	(737)
Sales Tax	-	-	-
Supplies	1,000	650	350
Truck and Tractor	300	329	(29)
Utilities	9,400	9,479	(79)
Water Testing	1,200	1,401	(201)
Other	500	660	(160)
Total Operating Expenses	<u>145,900</u>	<u>148,547</u>	<u>(2,647)</u>
Operating Income (Loss)	<u>(41,750)</u>	<u>(46,485)</u>	<u>(4,735)</u>
Nonoperating Revenues (Expenses)			
Grants	-	-	-
Transfer Out General Fund	(7,500)	(5,000)	2,500
Total Nonoperating Revenues (Expenses)	<u>(7,500)</u>	<u>(5,000)</u>	<u>2,500</u>
Change in Net Position	<u>\$ (49,250)</u>	<u>\$ (51,485)</u>	<u>\$ (2,235)</u>

See independent accountant's review report.

Village of Tangipahoa
Schedule of Revenue, Expenses and Changes in Net Position
Budget (GAAP Basic) and Actual, Proprietary Fund Type, Sewer Utility System
For the year ended June 30, 2019

	Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues			
Sewer Charges	\$ 52,800	\$ 52,956	\$ 156
Sewer Penalties	4,150	5,092	942
Other	1,700	-	(1,700)
Total Operating Revenues	<u>58,650</u>	<u>58,048</u>	<u>(602)</u>
Operating Expenses			
Accounting	11,100	9,000	2,100
Bad Debts	6,400	17,031	(10,631)
Bank Charges	100	609	(509)
Billing Costs	1,000	982	18
Casual Labor	600	475	125
Depreciation	49,000	47,094	1,906
Insurance	900	1,337	(437)
Lab Tests	100	61	39
Payroll Taxes	1,000	1,082	(82)
Repairs and Maintenance	12,800	13,763	(963)
Salaries and Wages	13,400	14,154	(754)
Submersible Pump	-	-	-
Supplies	300	342	(42)
Truck and Tractor	300	992	(692)
Utilities	4,200	4,354	(154)
Other	1,200	267	933
Total Operating Expenses	<u>102,400</u>	<u>111,543</u>	<u>(9,143)</u>
Operating Income (Loss)	<u>(43,750)</u>	<u>(53,495)</u>	<u>(9,745)</u>
Nonoperating Revenues (Expenses)			
Interest Income	300	714	414
Transfer In Sales Tax Fund	28,200	28,821	621
Transfer Out General Fund	(7,500)	(5,000)	2,500
Total Nonoperating Revenues (Expenses)	<u>21,000</u>	<u>24,535</u>	<u>3,535</u>
Change in Net Position	<u>\$ (22,750)</u>	<u>\$ (28,960)</u>	<u>\$ (6,210)</u>

See independent accountant's review report.

Schedule 5

**Village of Tangipahoa
Utility Rate Schedule
Proprietary Fund Type
For the year ended June 30, 2019**

Water		
\$ 30.75	-	Flat Monthly Fee
Sewer		
\$ 23.75	-	Flat Monthly Fee
Garbage		
\$ 16.50	-	Flat Monthly Fee

**Schedule of Number of Customers
Proprietary Fund Type
For the year ended June 30, 2019**

Water	266
Sewer	200
Garbage	230

See independent accountant's review report.

Village of Tangipahoa
Schedule of Compensation Paid to Board Members
For the year ended June 30, 2019

<u>Name and Title/Contact Number</u>	<u>Address</u>	<u>Term Expires</u>	<u>Compensation Received</u>
Trashica Robinson, Mayor (985) 507-8130	70218 Soule Street Tangipahoa, LA 70465	12/31/2020	\$ 3,000
Shelia Martin, Alderwoman (985) 229-2820	P.O. Box 5 Tangipahoa, LA 70465	12/31/2020	1,200
Ricky Coleman, Alderman (985) 351-7409	13046 Claiborne Street Tangipahoa, LA 70465	12/31/2020	1,200
Debrah Scott-Cyprian, Alderwoman (985) 327-9118	70196 N. Rainey Tangipahoa, LA 70465	12/31/2020	1,200
Darrell Martin, Police Chief (985) 229-2820	P.O. Box 5 Tangipahoa, LA 70465	12/31/2020	25,250
			<u>\$ 31,850</u>

See independent accountant's review report.

Schedule 7

**Village of Tangipahoa
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the year ended June 30, 2019**

Agency Head Name: Trashica Robinson, Mayor

Purpose	Amount
Salary/Compensation	\$ 3,000
Employer Paid Medicare & Social Security Taxes	249
Travel-Mileage	-
Registration Fees	-
Total	<u>\$ 3,249</u>

See independent accountant's review report.

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Minda B. Raybourn

Certified Public Accountant

Limited Liability Company

820 11th Avenue

Franklinton, Louisiana 70438

(985)839-4413

Fax (985)839-4402

Member
AICPA

Member
LCPA

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

The Honorable Trashica Robinson, Mayor
And Members of the Board of Aldermen
Village of Tangipahoa, Louisiana

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the Village Of Tangipahoa, and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village's compliance with certain laws and regulations during the period ended June 30, 2019 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representations regarding the sufficiency of the procedures described below neither for the purpose for which this report has been requested nor for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$154,450, and determine whether such purchases were made in accordance with LAS-RS 38:2211-2251 (the public bid law).

The Village did not have any purchases that exceeded \$30,000. The Village did not have any public works purchases that exceeded \$154,450.

Code of Ethics for Public Officials and Public Employees

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

Management provided me with the required list of board members. I did not get a complete list of outside business interests. I scanned cash disbursements journals for any related- party transactions. There were none that came to my attention.

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

The Village provided me with a list of all employees paid during the fiscal year ended June 30, 2019.

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

One of the members of the board and the chief of police are married. The chief of police was elected on November 6, 2012. The alderwoman who is his wife qualified in August 2012 and was automatically elected as there was no opposition. She officially became an alderwoman on January 2013.

Accounting and Reporting

5. Randomly select six disbursements made during the period under examination and:

- (a) Trace payments to supporting documentation as to proper amount and payee:

The six disbursements selected did have supporting documentation. A credit card payment had the statement but no receipts or invoices were attached to support the purchases.

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

The payments were properly coded to the correct fund and general ledger account.

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

Three payments did not have approval noted from the mayor or board.

Meetings

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

The Village's mayor and board of aldermen meet monthly. The notice of meeting and agenda is posted on the door of the Town Hall two days prior to each meeting. Management has asserted that the agenda was properly posted.

Debt

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

I inspected copies of all bank deposits for the period under examination and did not detect any deposits, which appeared to be proceeds of bank loans, bonds or like indebtedness.

Advances and Bonuses

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

I scanned cash disbursement records and minutes for evidence of any payments, which may constitute employee bonuses, employee advances, or gifts to Board members. None were noted.

Budgeting

9. Obtain a copy of the legally adopted budget and its amendments.

I obtained a copy of the original budget and amended budget.

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

The minutes do not reflect adoption of the budget.

11. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if the actual revenues failed to meet budgeted revenues by 5% or more, or if actual expenditures exceed budgeted expenditures by 5% or more.

The Village's actual to amended budget results were in compliance with the Local Government Budget Act.

Prior Year Findings

12. Review any prior year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

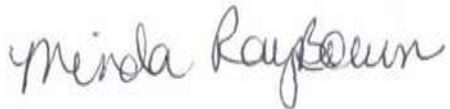
Prior year findings are included in the accompanying schedule on page 56. The findings that have been resolved were Finding 2018-1 compliance with the local government budget act and finding 2018- regarding late payments of garnishments. Finding 2018-9 regarding customers receiving utility bills late was partially resolved. The other findings have not been resolved.

Other Current Year Findings

Current year findings are included in the accompanying schedule on page 45.

I was not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures; other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of the Village of Tangipahoa, the Legislative Auditor, the State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.



Minda B. Raybourn
Certified Public Accountant
Franklinton, LA

January 26, 2020

**Village of Tangipahoa
Schedule of Current Year Findings and Responses
For the Year Ended June 30, 2019**

Internal Control over Reporting

2019-1 Utility Accounts Receivable (Repeat Finding)

Criteria:

Strong internal controls over utility billing accounts receivable will ensure the delinquency of utility accounts are kept to a minimum.

Condition:

The Village wrote off delinquent accounts in the amount of \$27,903. This is approximately 19% of the total utility revenues. In 2018, the Village wrote off \$16,604 or 11% of utility revenues. In 2017, the Village wrote off \$25,057 or 15% of utility revenues.

Cause:

The Village lacks enforcement of timely collection of utility accounts. This is a repeat finding (2018-2).

Effect:

Lack of timely collection of utility accounts impacts the cash flows and stability of the Village's utility system in a negative way. The utilities are to be maintained and operated in a way to earn a surplus at the end of the fiscal year for the Village. Failure to enforce good collection practices will result in the Village losing money every year.

Recommendation:

I recommend the Village review its policies and procedures and develop practices to ensure timely collection of utility accounts. This includes cut off of services of delinquent accounts. The Village needs to enforce cut off practices to ensure that delinquent accounts can be managed. I also recommend the Village review a listing of aged accounts receivable and determine what accounts are uncollectible.

Management Response:

The Mayor concurs with the recommendation.

**Village of Tangipahoa
Schedule of Current Year Findings and Responses
For the Year Ended June 30, 2019**

Internal Control over Reporting

2019-2 Utility Customer Deposits (Repeat Finding)

Criteria:

Strong internal controls over the processing of utility customer deposits are essential to help ensure written policies and procedures are followed, to ensure that customer deposit listing in the utility billing system is accurate, that customer deposit payments are processed correctly, and refunds of customer deposits are processed accurately and correctly.

Condition:

The Village discontinued the sale of gas in October 2014. While some of the customer deposits for the gas customers have been refunded to the appropriate customers, not all have been refunded. As of June 30, 2015, the Village had \$6,609 in gas customer deposits recorded. Of this amount, \$2,875 has been refunded. As of June 30, 2016, \$3,734 of the gas deposits have not been refunded.

During the year June 30, 2017, only \$195 in gas deposits have been refunded. This leaves a balance of \$3,538 in utility deposits for gas customers that still need to be refunded. In 2018 and 2019, there were no gas customer deposits refunded as the balance in the liability account is still \$3,538.

In addition, there appears to be no progress in reconciling the customer deposits per the general ledger to the utility billing system deposit listing.

Cause:

Gas customers were not refunded the deposits after the gas services were discontinued. In addition, there was no reconciliation of the customer deposits. This is a repeat finding (2016-3).

Effect:

Failure to maintain adequate records of customer deposits on the utility billing system creates an environment in which customer deposits are not being refunded correctly, payments and refunds are not being processed adequately in the utility billing system, and reconciliations are not performed on the customer deposit listing and accounting records.

Recommendation:

I recommend the deposit listing in the utility billing system be reviewed for active and inactive customers. Inactive customers who are still on the deposit register should be researched to see if their deposit has actually been remitted back to the customer. If so, they should be cleared from the deposit register. Inactive customers who are still due a refund should have their refund of the deposit processed as soon as possible. I recommend the Village implement procedures to reconcile

**Village of Tangipahoa
Schedule of Prior Year Findings and Responses
For the Year Ended June 30, 2018**

the customer deposit listing from the utility system to the accounting records each month. Immediately, the gas customers should have their deposits refunded to them.

Management Response:

The Mayor concurs with the recommendation.

Internal Control over Fuel Purchases

2019-3 Fuel Purchases and Allegations of Fuel Theft (Repeat Finding)

Criteria:

Strong internal controls over fuel card purchases are essential to the purchase and usage is reasonable, authorized, and that only municipality-owned vehicles and equipment are receiving fuel. Management should review the fuel card statement each month for dates, odometer readings, gallons purchased, and location of purchase to ensure that the purchases are valid and reasonable. The total number of gallons purchases, the total number of miles traveled, and the miles per gallon should be calculated each month to determine if the purchases are reasonable.

Condition:

I received an allegation regarding misuse of the Village's fuel card. The card is assigned to a 2017 Ford Explorer that the police department uses. A review of the monthly fuel statements from July 2017 through June 2018 showed purchases nearly every week at an average cost of \$28 to \$36. The purchases occur between 2 and 4 times a week.

A review of the monthly fuel statements showed that the average fuel cost per month for this card was \$324 and that the average miles per gallon was between 11 and 13. The fuel economy on this particular vehicle is 19 miles to the gallon in the city and 29 miles to the gallon on the highway (source: www.fueleconomy.gov). The total land area of the village is 1 square mile. Considering the small size of the village and the number of times the vehicle is fueled, the fuel costs appear to be excessive.

The Village uses a fuel card for all fuel purchases of police and maintenance vehicles. Upon inspection of some the statements provided, some of the odometer meetings were missing. There was no approval from anyone in management for payment and no proof of review was provided. Management is not calculating the miles per gallon each month on all purchases and vehicles to determine if purchases are reasonable.

**Village of Tangipahoa
Schedule of Current Year Findings and Responses
For the Year Ended June 30, 2019**

In addition, further analysis was done on the ticket revenues and vehicle expense for the police department for the last 3 years as shown below. While fuel expense increased between 2017 and 2018, the revenues from fines and forfeitures have not changed.

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Fines and Forfeitures	3,619	2,310	5,491
Vehicle Expense	5,145	3,461	3,046

Cause:

The Village has no procedures in place to monitor fuel purchases.

Effect:

Failure to monitor fuel purchases could result in unauthorized purchases of fuel. Failure to monitor fuel purchases on the fuel card could result in large purchases going undetected. Purchases of fuel that are not related to the public purpose of the Village may be a violation of state law.

Recommendation:

The Village should put in place procedures to review all fuel purchases before payment, review of completeness by ensuring odometer readings (beginning and ending) are on the statement, and obtaining explanation for any unusual purchases. The Village should put in place procedures to calculate the total number of gallons purchased, the number of miles traveled, and the miles per gallon on each vehicle each month.

The Village also needs to do a further review of all travel that is occurring on the vehicles. Mileage logs could be implemented to account for the miles traveled on the vehicle.

Management's Response:

The Mayor concurs with the recommendation.

**Village of Tangipahoa
Schedule of Current Year Findings and Responses
For the Year Ended June 30, 2019**

Internal Controls over Disbursements

Finding 2019-4 Lack of Documentation on Credit Cards (Repeat Finding)

Criteria:

Adequately designed and operating internal controls over financial reporting provides adequate documentation to support transactions and to allow for proper review and approval of transactions including disbursements.

Condition:

In the agreed upon procedures of disbursements, six disbursements were selected for testing of supporting documentation. Of the six, a credit card payment that did not have receipts or invoices attached to the statement. The total purchases were \$237.21.

Cause:

The Village did not have invoices or receipts attached to the credit card statement.

Effect:

Without adequate documentation to support disbursements, there is no proof the expenditure was properly initiated, approved for payment, and reviewed for adequacy. There is no proof that the disbursements were paid to the appropriate vendors. Lack of adequate documentation demonstrates the Village's lack of internal controls over disbursements. Lack of proper documentation exposes the Village to possible fraud and misappropriation of assets.

Recommendation:

The Village should put in place internal controls to ensure that proper documentation is provided to support charges on the credit card statement. Internal controls need to be put in place to ensure that management reviews and approves the charges and the statement.

Management's Response:

The Mayor concurs with the recommendation.

**Village of Tangipahoa
Schedule of Current Year Findings and Responses
For the Year Ended June 30, 2019**

Internal Controls over Utilities

Finding 2019-5 Allegations of Illegal Water Tie-ins (Repeat Finding)

Criteria:

Strong controls over the use of the utility resources are needed to ensure that the Village's utilities are being managed responsibly and effectively.

Condition:

I received four separate allegations that there are some people that have multiple locations tied into one water line.

Effect:

The Village will incur loss of revenues and cash flows if multiple locations are illegally tied into one water line. If more than property is tied into one water line, theft of Village resources may have occurred and this may be a violation of state law.

Cause:

The Village failed to effectively manage the utility system.

Recommendation:

I recommend the Village consult with an outside contractor to evaluate the entire water system for illegal tie-ins to the Village's water system. I recommend these sites be inspected by an independent contractor. The illegal tie-ins to the water and sewer system should be immediately shut down.

Management's Response:

The Mayor concurs with the recommendation.

**Village of Tangipahoa
Schedule of Current Year Findings and Responses
For the Year Ended June 30, 2019**

**Finding 2019-6 Allegations of Employee Working on Residents Homes On Village Time
(Repeat Finding)**

Criteria:

Employees should not be doing private work on resident's homes on Village time. This is a violation of federal and state law.

Condition:

I received allegations that Village staff has done repair work on residents homes while on Village time. The allegation stated that the employee installed sheetrock one morning while working for the Village. Pictures of the homes where work was done were provided. I asked for time sheets or work orders for the last six months of the fiscal year. However, I was provided pay stubs. The employee is paid a salary every two weeks.

Cause:

The Village lacks documentation to support the work the employee is performing.

Recommendation:

The Village needs to put in place a system of documentation to support the work the public works staff are performing. This includes work orders completed and time sheets documenting the time at the Village.

Management's Response:

The Mayor concurs with the recommendation.

**Village of Tangipahoa
Schedule of Current Year Findings and Responses
For the Year Ended June 30, 2019**

Finding 2019-7 Allegations of Receiving Utility Bills Late from the Village (Repeat Finding)

Criteria:

Utility billing processes must include the timely remittal of bills to customers. If this is not performed, inadequate cash flows and inaccurate data in billing systems will be the result. Strong internal controls include processes for the monthly processing of the bills on time.

Condition:

I received allegations that the Village utility bills are mailed two or three months late. Inquiries with the Mayor last year had revealed the Village had switched billing systems. Data conversion from the old to the new did was not seamless. There were accounts with multiple names with the same address, missing data, and issues with balances. In addition, the Village went through several municipal clerks in the past year. As a result, the utility billing was delayed several times.

For the fiscal year ended June 30, 2019, it appears the Village is sending utility bills to customers monthly.

Cause:

The Village's conversion to the new utility system was not effective.

Recommendation:

The Village needs to put in place policies and procedures for monthly billing of all services. Monthly reporting from the system needs to be submitted to the accountant each month for balancing.

Management's Response:

The Mayor concurs with the recommendation.

**Village of Tangipahoa
Schedule of Current Year Findings and Responses
For the Year Ended June 30, 2019**

Finding 2019-8 Late Submittal of Audit Report

Criteria:

Audit reports are due no more than six months after the close of the entity's fiscal year.

Condition:

The report was submitted past the statutory due date.

Cause:

The Village has been late in submitting the audit report the last two fiscal years due to lack of office administration and a change in accountants.

Recommendations:

The Village needs to have policies and procedures in place regarding the year-end closing.

Management's Response:

The Mayor concurs with the recommendation.

Finding 2019-9 Contributions to Social Security and Municipal Police Employees' Retirement System (MPERS)

Criteria:

Under R.S. 11:2214(A)(1) any person who becomes an employee as defined in R.S. 11:2213 on and after September 9, 1977 "shall become a member as a condition of his employment, provided he is under 50 years of age at the date of employment."

For employers who mandate Social Security participation, a person falling within the definition of "employee" is mandated to be enrolled in MPERS by the municipality unless the municipality on or before January 1, 1978, enacted an ordinance exempting the municipality from the provisions. Under R.S. 11:157 (C)(1), any member who elects not to become a member of MPERS shall, before such an election can become valid, execute and file with MPERS an affidavit stating that his election not to be a member is of his own free will and is his own voluntary act and deed. Until then, the employer and employee owe contributions to MPERS.

**Village of Tangipahoa
Schedule of Current Year Findings and Responses
For the Year Ended June 30, 2019**

In addition, persons employed as fulltime police officers by a municipality which is mandatorily covered by social security and has not excluded its police officers from such coverage are not mandated to become members. Again, membership is at the sole option of the employee and an affidavit opting out of MPERS will be required.

Condition:

MPERS sent a letter dated October 18, 2019 stating they have not received any affidavits from the Village where the police employees are opting out.

Cause:

Unknown.

Effect:

It is possible the Village may owe contributions to MPERS if the affidavits were not filed. This would financially devastate the Village. The Village has a going concern disclosure on the review report.

Recommendation:

I suggest that the Village discuss with the employees the option to enroll or opt out of MPERS. If the employee elects to opt out of MPERS, the employee will need to complete the affidavit per R.S. 11:157(C)(1).

I also strongly suggest that the Village research its ordinances regarding participation in MPERS to see if one exists.

Management's Response:

The Mayor concurs with the recommendation.

**Village of Tangipahoa
Schedule of Prior Year Findings and Responses
For the Year Ended June 30, 2018**

2018-1 Compliance (Local Government Budget Act)

Criteria:

The Village must comply with certain provisions of the Local Government Budget Act set forth in state law, LSA R.S. 39:1301-1314. The Act contains various budget requirements for the General Fund and special revenue funds regarding public notification and disclosure, and requires budget to be amended when:

- 1) Total revenues, or other sources plus project revenue and other sources for the remainder of the year are failing to meet total budgeted expenditures and other sources by five percent or more.
- 2) Total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year are failing to meet total budgeted expenditures and other uses by five percent or more
- 3) Actual beginning fund balance within a fund, fails to meet estimated beginning fund balance by five percent or more and fund balance is being used to fund current year expenditures.

Condition:

For the fiscal year ended June 30, 2018, general fund expenditures were over budget by 7.22%.

Effect:

If the budget is not monitored on a monthly basis and amended as required and if expenditures exceed available funds, an entity is in violation of the Local Government Budget Act.

Cause:

The Village failed to amend the budget appropriately.

Recommendation:

The Village needs to insure before year end that the budget is amended properly for all expenditure and transfer items.

Management Response:

The Mayor concurs with the recommendation.

Status:

Resolved.

**Village of Tangipahoa
Schedule of Prior Year Findings and Responses
For the Year Ended June 30, 2018**

Internal Control over Reporting

2018-2 Utility Accounts Receivable (Repeat Finding)

Criteria:

Strong internal controls over utility billing accounts receivable will ensure the delinquency of utility accounts are kept to a minimum.

Condition:

The Village wrote off delinquent accounts in the amount of \$16,604. This is approximately 11% of the total utility revenues. In 2017, the Village wrote off \$25,057 or 15% of utility revenues.

Cause:

The Village lacks enforcement of timely collection of utility accounts. This is a repeat finding (2017-2).

Effect:

Lack of timely collection of utility accounts impacts the cash flows and stability of the Village's utility system in a negative way. The utilities are to be maintained and operated in a way to earn a surplus at the end of the fiscal year for the Village. Failure to enforce good collection practices will result in the Village losing money every year.

Recommendation:

I recommend the Village review its policies and procedures and develop practices to ensure timely collection of utility accounts. This includes cut off of services of delinquent accounts. The Village needs to enforce cut off practices to ensure that delinquent accounts can be managed. I also recommend the Village review a listing of aged accounts receivable and determine what accounts are uncollectible.

Management Response:

The Mayor concurs with the recommendation.

Status:

Not resolved.

**Village of Tangipahoa
Schedule of Prior Year Findings and Responses
For the Year Ended June 30, 2018**

Internal Control over Reporting

2018-3 Utility Customer Deposits (Repeat Finding)

Criteria:

Strong internal controls over the processing of utility customer deposits are essential to help ensure written policies and procedures are followed, to ensure that customer deposit listing in the utility billing system is accurate, that customer deposit payments are processed correctly, and refunds of customer deposits are processed accurately and correctly.

Condition:

The Village discontinued the sale of gas in October 2014. While some of the customer deposits for the gas customers have been refunded to the appropriate customers, not all have been refunded. As of June 30, 2015, the Village had \$6,609 in gas customer deposits recorded. Of this amount, \$2,875 has been refunded. As of June 30, 2016, \$3,734 of the gas deposits have not been refunded.

During the year June 30, 2017, only \$195 in gas deposits have been refunded. This leaves a balance of \$3,538 in utility deposits for gas customers that still need to be refunded. In 2018, there were not gas customer deposits refunded as the balance in the liability account is still \$3,538.

In addition, there appears to be no progress in reconciling the customer deposits per the general ledger to the utility billing system deposit listing.

Cause:

Gas customers were not refunded the deposits after the gas services were discontinued. In addition, there was no reconciliation of the customer deposits. This is a repeat finding (2016-3).

Effect:

Failure to maintain adequate records of customer deposits on the utility billing system creates an environment in which customer deposits are not being refunded correctly, payments and refunds are not being processed adequately in the utility billing system, and reconciliations are not performed on the customer deposit listing and accounting records.

Recommendation:

I recommend the deposit listing in the utility billing system be reviewed for active and inactive customers. Inactive customers who are still on the deposit register should be researched to see if their deposit has actually been remitted back to the customer. If so, they should be cleared from the deposit register. Inactive customers who are still due a refund should have their refund of the deposit processed as soon as possible. I recommend the Village implement procedures to reconcile

**Village of Tangipahoa
Schedule of Prior Year Findings and Responses
For the Year Ended June 30, 2018**

the customer deposit listing from the utility system to the accounting records each month. Immediately, the gas customers should have their deposits refunded to them.

Management Response:

The Mayor concurs with the recommendation.

Status:

Not resolved.

Internal Control over Fuel Purchases

2018-4 Fuel Purchases and Allegations of Fuel Theft

Criteria:

Strong internal controls over fuel card purchases are essential to the purchase and usage is reasonable, authorized, and that only municipality-owned vehicles and equipment are receiving fuel. Management should review the fuel card statement each month for dates, odometer readings, gallons purchased, and location of purchase to ensure that the purchases are valid and reasonable. The total number of gallons purchases, the total number of miles traveled, and the miles per gallon should be calculated each month to determine if the purchases are reasonable.

Condition:

I received an allegation regarding misuse of the Village's fuel card. The card is assigned to a 2017 Ford Explorer that the police department uses. A review of the monthly fuel statements from July 2017 through June 2018 showed purchases nearly every week at an average cost of \$28 to \$36. The purchases occur between 2 and 4 times a week.

A review of the monthly fuel statements showed that the average fuel cost per month for this card was \$324 and that the average miles per gallon was between 11 and 13. The fuel economy on this particular vehicle is 19 miles to the gallon in the city and 29 miles to the gallon on the highway (source: www.fueleconomy.gov). The total land area of the village is 1 square mile. Considering the small size of the village and the number of times the vehicle is fueled, the fuel costs appear to be excessive.

The Village uses a fuel card for all fuel purchases of police and maintenance vehicles. Upon inspection of some the statements provided, some of the odometer meetings were missing. There was no approval from anyone in management for payment and no proof of review was provided. Management is not calculating the miles per gallon each month on all purchases and vehicles to determine if purchases are reasonable.

**Village of Tangipahoa
Schedule of Prior Year Findings and Responses
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In addition, further analysis was done on the ticket revenues and vehicle expense for the police department for the last 3 years as shown below. While fuel expense increased between 2017 and 2018, the revenues from fines and forfeitures have not changed.

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Fines and Forfeitures	3,619	2,310	5,491
Vehicle Expense	5,145	3,461	3,046

Cause:

The Village has no procedures in place to monitor fuel purchases.

Effect:

Failure to monitor fuel purchases could result in unauthorized purchases of fuel. Failure to monitor fuel purchases on the fuel card could result in large purchases going undetected. Purchases of fuel that are not related to the public purpose of the Village may be a violation of state law.

Recommendation:

The Village should put in place procedures to review all fuel purchases before payment, review of completeness be ensuring odometer readings (beginning and ending) are on the statement, and obtaining explanation for any unusual purchases. The Village should put in place procedures to calculate the total number of gallons purchases, the number of miles traveled, and the miles per gallon on each vehicle each month.

The Village also need to do a further review of all travel that is occurring on the vehicles. Mileage logs could be implemented to account for the miles traveled on the vehicle.

Management's Response:

The Mayor concurs with the recommendation.

Status:

Not resolved.

**Village of Tangipahoa
Schedule of Prior Year Findings and Responses
For the Year Ended June 30, 2018**

Internal Controls over Disbursements

Finding 2018-5 Lack of Documentation on Credit Cards

Criteria:

Adequately designed and operating internal controls over financial reporting provides adequate documentation to support transactions and to allow for proper review and approval of transactions including disbursements.

Condition:

In the agreed upon procedures of disbursements, six disbursements were selected for testing of supporting documentation. Of the six, a credit card payment that did not have receipts or invoices attached to the statement. The total purchases were \$2,270.97.

Cause:

The Village did not have invoices or receipts attached to the credit card statement.

Effect:

Without adequate documentation to support disbursements, there is no proof the expenditure was properly initiated, approved for payment, and reviewed for adequacy. There is no proof that the disbursements were paid to the appropriate vendors. Lack of adequate documentation demonstrates the Village's lack of internal controls over disbursements. Lack of proper documentation exposes the Village to possible fraud and misappropriation of assets.

Recommendation:

The Village should put in place internal controls to ensure that proper documentation is provided to support charges on the credit card statement. Internal controls need to be put in place to ensure that management reviews and approves the charges and the statement.

Management's Response:

The Mayor concurs with the recommendation.

Status:

Not resolved.

**Village of Tangipahoa
Schedule of Prior Year Findings and Responses
For the Year Ended June 30, 2018**

Internal Controls over Utilities

Finding 2018-6 Allegations of Illegal Water Tie-ins

Criteria:

Strong controls over the use of the utility resources are needed to ensure that the Village's utilities are being managed responsibly and effectively.

Condition:

I received four separate allegations that there are some people that have multiple locations tied into one water line.

Effect:

The Village will incur loss of revenues and cash flows if multiple locations are illegally tied into one water line. If more than property is tied into one water line, theft of Village resources may have occurred and this may be a violation of state law.

Cause:

The Village failed to effectively manage the utility system.

Recommendation:

I recommend the Village consult with an outside contractor to evaluate the entire water system for illegal tie-ins to the Village's water system. I recommend these sites be inspected by an independent contractor. The illegal tie-ins to the water and sewer system should be immediately shut down.

Management's Response:

The Mayor concurs with the recommendation.

Status:

Not resolved.

**Village of Tangipahoa
Schedule of Prior Year Findings and Responses
For the Year Ended June 30, 2018**

Payroll Procedures

Finding 2018-7 Late Payments of Garnishments

Criteria:

Payroll garnishments should be paid as directed by the court order.

Condition:

I received an allegation of late payments of an employee's bankruptcy garnishment. The employee received notice from the bankruptcy trustee that the payments from the Village were late. This would place him in an unfavorable position with the court on this bankruptcy case. I reviewed the garnishment account on the general ledger for the fiscal year. From July 2017 through December 2017, the employee had \$235 withheld from his paycheck for a total of \$2,820. These funds were remitted to the trustee on January 10, 2018. After this date, the garnishments were paid each month.

Effect:

If the Village does not pay garnishments according to the court order, the employee and Village will be in violation of the court. In addition, the Village may be in violation of labor laws.

Cause:

The Village has been through several municipal clerks. This turnover caused the paper work to be remitted late to the accountant.

Recommendation:

I recommend the Village put procedures in place for the timely payment of garnishments.

Management's Response:

The Village is paying the garnishments timely. We have procedures in place to ensure all paperwork is forwarded to the accountant for timely payment.

Status:

Resolved.

**Village of Tangipahoa
Schedule of Prior Year Findings and Responses
For the Year Ended June 30, 2018**

Finding 2018-8 Allegations of Employee Working on Residents Homes On Village Time

Criteria:

Employees should not be doing private work on resident's homes on Village time. This is a violation of federal and state law.

Condition:

I received allegations that Village staff has done repair work on residents homes while on Village time. The allegation stated that the employee installed sheetrock one morning while working for the Village. Pictures of the homes where work was done were provided. I asked for time sheets or

work orders for the last six months of the fiscal year. However, I was provided pay stubs. The employee is paid a salary every two weeks.

Cause:

The Village lacks documentation to support the work the employee is performing.

Recommendation:

The Village needs to put in place a system of documentation to support the work the public works staff are performing. This includes work orders completed and time sheets documenting the time at the Village.

Management's Response:

The Mayor concurs with the recommendation.

Status:

Not resolved.

**Village of Tangipahoa
Schedule of Prior Year Findings and Responses
For the Year Ended June 30, 2018**

Finding 2018-9 Allegations of Receiving Utility Bills Late from the Village

Criteria:

Utility billing processes must include the timely remittal of bills to customers. If this is not performed, inadequate cash flows and inaccurate data in billing systems will be the result. Strong internal controls include processes for the monthly processing of the bills on time.

Condition:

I received allegations that the Village utility bills are mailed two or three months late. Inquiries with the Mayor last year had revealed the Village had switched billing systems. Data conversion from the old to the new did was not seamless. There were accounts with multiple names with the same address, missing data, and issues with balances. In addition, the Village had went through several municipal clerks in the past year. As a result, the utility billing was delayed several times.

Cause:

The Village's conversion to the new utility system was not effective.

Recommendation:

The Village needs to put in place policies and procedures for monthly billing of all services. Monthly reporting from the system needs to be submitted to the accountant each month for balancing.

Management's Response:

The Mayor concurs with the recommendation.

Status:

Partially resolved.

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

October 10, 2019 (Date Transmitted)

Minda B. Raybourn CPA LLC
820 11th Ave
Franklinton, LA 70438

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of June 30, 2019 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes No

Code of Ethics for Public Officials and Public Employees

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

Yes No

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

Yes No

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes No

Accounting and Reporting

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

Yes No

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes No

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes No

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes No

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes No

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.
Yes [X] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.
Yes [X] No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.
Yes [X] No []

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.
Yes [] No [X]

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.
Yes [X] No []

We have evaluated our compliance with these laws and regulations prior to making these representations.
Yes [X] No []

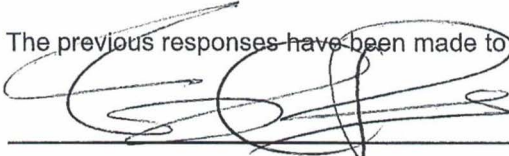
We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.
Yes [X] No []

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.
Yes [X] No []

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.
Yes [X] No []

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.
Yes [X] No []

The previous responses have been made to the best of our belief and knowledge.



Mayor 11/13/19 Date