

Village of Tangipahoa  
Basic Financial Statements  
As of and For the Year Ended June 30, 2017  
With Supplemental Information Schedules

*Minda B. Raybourn*

*Certified Public Accountant*

*Limited Liability Company*

820 11<sup>th</sup> Avenue

Franklinton, Louisiana 70438

(985) 839-4413

Fax (985) 839-4402

**Village of Tangipahoa**  
**Annual Financial Statements**  
**As of and for the Year Ended June 30, 2017**  
**With Supplemental Information Schedules**

TABLE OF CONTENTS

	Statement	Page
Independent Accountant’s Review Report .....		5
Required Supplemental Information (Part 1):		
Management’s Discussion and Analysis .....		8
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Position .....	A	17
Statement of Activities.....	B	18
Fund Financial Statements:		
Governmental Funds Financial Statements:		
Balance Sheet, Governmental Funds .....	C	20
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Financial Statement of Net Position .....	D	21
Statement of Revenues, Expenditures, and Changes in Fund Balances	E	22
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balances of Governmental funds to the Statement of Activities	F	23
Proprietary Fund Financial Statements:		
Statement of Net Position .....	G	24
Statement of Revenues, Expenses and Changes in Net Position.....	H	25
Statement of Cash Flows .....	I	26
Notes to the Financial Statements.....		29

**Village of Tangipahoa**  
**Annual Financial Statements**  
**As of and for the Year Ended June 30, 2017**  
**With Supplemental Information Schedules**

TABLE OF CONTENTS

	Schedule	Page
Required Supplemental Information (Part II):		
Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual – General Fund – Detail .....	1	48
Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual – Sales Tax Fund.....	2	51
Other Supplemental Information:		
Schedule of Revenues, Expenses and Changes in Net Position Budget (GAAP Basis) and Actual – Water.....	3	53
Schedule of Revenues, Expenses and Changes in Net Position Budget (GAAP Basis) and Actual – Sewer .....	4	54
Utility Rate Schedule .....	5	55
Schedule of Number of Utility Customers.....	5	55
Schedule of Compensation Paid to Board Members .....	6	56
Schedule of Compensation, Benefits, and Other Payments to Agency Head.....	7	57
Independent Accountant’s Report on Agreed-Upon Procedures.....		58
Current Year Findings.....		63
Prior Year Findings.....		70
Louisiana Attestation Questionnaire.....		74

This Page Intentionally Left Blank

# *Minda B. Raybourn*

*Certified Public Accountant*

*Limited Liability Company*

820 11<sup>th</sup> 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, 2017, 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. 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.

In accordance with the *Louisiana Government Audit Guide* and provisions of state law, I have issued a report dated November 25, 2018 on the results of my agreed-upon procedures.



Minda B. Raybourn, CPA

November 25, 2018

**Required Supplemental Information (Part I)**  
Management's Discussion and Analysis

## **Village of Tangipahoa**

### **Management's Discussion and Analysis As of and for the Year Ended June 30, 2017**

#### **Introduction**

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

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

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

#### **Financial Highlights**

- At June 30, 2017, the Village's assets exceeded its liabilities by \$2,086,592. Of this amount, \$96,335 may be used to meet the Village's ongoing obligations to its citizens.
- For the year ended June 20, 2017, the Village's total net position decreased by \$101,363.
- At June 30, 2017, the Village's governmental funds reported combined ending fund balances of \$10,558, an increase of 6,627. The General Fund had a positive fund balance of \$6,076 as of June 30, 2017. Within the Sales Tax Fund, a total of \$4,192 is restricted by a sales tax ordinance for sewer, garbage, and streets and drainage expenditures.
- At June 30, 2017, the Village's proprietary funds reported combined ending net position of \$2,008,426, a decrease of \$134,610 for the year. Of this amount, approximately four percent, or \$89,969 is available for spending at the Village's discretion (unrestricted net position).

#### **Overview of the Annual Financial Report**

The financial statement focus is on both the Village as a whole and on the major individual funds. Both perspectives, government-wide and major funds, allow the user to address relevant questions, broaden a basis for comparison, and enhance the Village's accountability. The statements then proceed to provide an increasingly detailed look at specific financial activities.

## **Village of Tangipahoa**

### **Management's Discussion and Analysis As of and for the Year Ended June 30, 2017**

The MD&A is intended to serve as an introduction to the Village's basic financial statements, which consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

#### **Government – Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances in a manner similar to a private-sector business. Governmental activities, which normally are supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for support are presented in separate columns along with a total column for the primary government. If the Village determines that presentation of component unit (which are other governmental units for which the Village can exercise significant influences or for which the Primary Government financial statements would be misleading if component unit information is not presented) is necessary to allow the reader to determine the relationship of the component unit and primary government, the component unit information is presented in a separate column of the financial statements or in a separate footnote. As of the current fiscal year, the Village of Tangipahoa has no component units.

The Statement of Net Position presents information on the Village's assets and liabilities using the accrual basis of accounting, in a manner similar to the accounting used by private business enterprises. The difference between the assets and liabilities is reported as net position. Over time, the increases or decreases in net position and changes in the components of net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The Statement of Activities presents information showing how the Village's net position changed during the most recent fiscal year, focusing on both the gross and net costs of various activities, both governmental and business-type, that are supported by the Village's general tax and other revenues. This is intended to summarize and simplify the reader's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

In both of the government-wide financial statements, the Village's activities are divided into two types:

**Governmental activities** – Most of the Village's basic services are reported here, including general government, public safety, streets and sanitation, health and welfare, and culture and recreation. These activities are financed primarily by property taxes, franchise taxes, sales taxes, and fines.

**Business-type activities** – The Village charges a fee to customers to help it cover all of the cost of the services provided. The Village's water, natural gas and sewer utility systems are reported in this section.

## **Village of Tangipahoa**

### **Management's Discussion and Analysis As of and for the Year Ended June 30, 2017**

#### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses funds accounting to ensure and demonstrate compliance with finance-related and legal requirements. The Village uses two categories of funds to account for financial transactions: governmental funds and proprietary funds. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar.

Governmental funds are used to account for most of the Village's basic services. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances that are left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measure cash and all other financial assets that can readily be converted to cash. The governmental funds statements provide a detailed short-term view of the Village's general government operations and the basic operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs.

Proprietary funds account for water, and sewer utility services provided by the Village to its customers. Proprietary funds statements provide the same type of information as the government-wide financial statements, but the fund presentation provides more detail.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, there are differences in the information presented for government funds and for governmental activities in the government-wide financial statements. Review of these differences provides the reader of the financial statements insight on the long-term impact of the Village's more immediate decisions on the current use of financial resources. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

## Village of Tangipahoa

### Management's Discussion and Analysis As of and for the Year Ended June 30, 2017

#### Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the Village's net position for the current year as compared to the prior year. For more detailed information, see the Statement of Net Position in this report.

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Assets:						
Current and Other Assets	\$ 57,701	\$ 22,062	\$ 158,486	\$ 195,752	\$ 216,187	\$ 217,814
Capital Assets	67,608	40,989	1,893,647	1,982,887	1,961,255	2,023,876
Total Assets	125,309	63,051	2,052,133	2,178,639	2,177,442	2,241,690
Liabilities:						
Long-term Debt Outstanding	-	-	-	-	-	-
Current Liabilities	47,143	18,131	43,707	35,602	90,850	53,733
Total Liabilities	47,143	18,131	43,707	35,602	90,850	53,733
Net Position:						
Net Investment in Capital Assets	67,608	40,989	1,893,647	1,982,887	1,961,255	2,023,876
Restricted	4,192	5,523	24,810	143	29,002	5,666
Unrestricted (Deficit)	6,366	(1,592)	89,969	160,007	96,335	158,415
Total Net Position	\$ 78,166	\$ 44,920	\$ 2,008,426	\$ 2,143,037	\$ 2,086,592	\$ 2,187,957

Approximately 94 percent of the Village's net position reflects its investment in capital assets (land, buildings, equipment, infrastructure, and improvements) net of any outstanding related debt used to acquire those capital assets. These capital assets are used to provide services to citizens and do not represent resources available for future spending.

Less than one percent of the Village's net position represents resources that are subject to external restriction on how they may be used. The Village's restricted net position consists of cash reserves required by revenue bond agreements and cash for customer deposits net of corresponding liabilities.

Approximately five percent of the Village's net position is unrestricted and may be used to meet the Village's ongoing obligations to its citizens.

At the end of the current fiscal year, the Village was able to report positive balances in all three categories of net position for governmental and business-type activities. Overall net position decreased by \$101,363.

## Village of Tangipahoa

### Management's Discussion and Analysis As of and for the Year Ended June 30, 2017

In order to further understand what makes up the changes in net position, the following table provides a summary of the results of the Village's activities for the current year as compared to the prior year. An analysis of the primary sources of these changes follows the table.

#### Changes in Net Position

For the years ended June 30, 2017 and 2016

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>Revenues:</b>						
<i>Program Revenues:</i>						
Charges for Services	\$ 57,488	\$ 23,884	\$ 158,322	\$ 181,125	\$ 215,810	\$ 205,009
Operating Grants and Contributions	36,321	50,074	7,331	12,235	43,652	62,309
Capital Grants and Contributions	-	16,042	-	-	-	16,042
<i>General Revenues:</i>						
Property Taxes	17,860	16,942	-	-	17,860	16,942
Sales Taxes	71,009	61,331	-	-	71,009	61,331
Franchise Taxes	7,502	8,390	-	-	7,502	8,390
Intergovernmental	5,711	11,448	-	-	5,711	11,448
Interest Income	-	-	198	69	198	69
Donations	1,000	15,000	-	-	1,000	15,000
Miscellaneous	549	3,513	297	341	846	3,854
Gain on Sale of Assets	650	(165)	-	-	650	(165)
<b>Total Revenues</b>	198,090	206,459	166,148	193,770	364,238	400,229
<b>Expenses:</b>						
General Government	69,449	45,987	-	-	69,449	45,987
Public Safety	48,035	54,806	-	-	48,035	54,806
Public Works	44,314	34,400	-	-	44,314	34,400
Sanitation	45,021	49,201	-	-	45,021	49,201
Health and Welfare	-	424	-	-	-	424
Water and Sewer Utility	-	-	258,782	245,863	258,782	245,863
<b>Total Expenses</b>	206,819	184,818	258,782	245,863	465,601	430,681
Change in Net Position Before Transfers	(8,729)	21,641	(92,634)	(52,093)	(101,363)	(30,452)
Transfers (Out) In	41,975	(6,858)	(41,976)	6,858	-	-
<b>Change in Net Position</b>	33,246	14,783	(134,610)	(45,235)	(101,363)	(30,452)
Net Position, Beginning	44,920	30,137	2,143,037	2,188,272	2,187,957	2,218,409
<b>Net Positions, Ending</b>	\$ 78,166	\$ 44,920	\$ 2,008,427	\$ 2,143,037	\$ 2,086,594	\$ 2,187,957

## Village of Tangipahoa

### Management's Discussion and Analysis As of and for the Year Ended June 30, 2017

#### Governmental Activities

The Village's governmental net position increased by \$33,246 compared to the prior year ending net position, to \$78,166. The most notable change was an increase in the amount transferred in from the Utility Fund of \$77,865.

#### Business-Type Activities

The Village's business-type net position decreased by \$134,610, or six percent of the prior year ending net position, to \$2,008,427. Total operating revenues decreased by \$22,803 in water and sewer billings with a decrease in customers billed due to the severe flooding in August 2016.

Operating expenses increased by \$12,919 due primarily to increases in bad debt write offs of uncollectible accounts. The change in net position is best summarized in *Statement H* which provides more detail of operating expenses. The Schedule of Revenues, Expenses, and Changes in Net Position, Schedule 4 also provides comparative totals for a more detailed report of the business-type activities.

#### Fund Financial Analysis

As noted earlier, the Village uses fund accounting ensure and demonstrate compliance with finance-related legal requirements.

##### Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Village's met resources available for spending at the end of the year.

At the end of the current year, the Village's governmental funds reported a combined ending fund balances of \$10,558. Within the Sales Tax Fund, a total of \$4,192 is restricted for sewer, garbage, and streets and drainage expenditures.

The general fund is the chief operating fund of the Village. At the end of the current year, the total fund balance for the general fund was \$6,076.

##### Proprietary Funds

The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

## **Village of Tangipahoa**

### **Management's Discussion and Analysis As of and for the Year Ended June 30, 2017**

#### **Governmental Fund Budgetary Highlights**

The Village of Tangipahoa is required to demonstrate legal compliance by adopting and amending its budget in accordance with provisions of the Local Government Budget Act. State law requires that actual revenues and other sources not be less than five percent of budgeted revenues and other sources, and actual expenditures and other uses not be greater than five percent of budgeted and other uses. The Village's General Fund, was in compliance with Local Government Budget Act for the fiscal year ending June 30, 2017. The Sales Tax Fund, a special revenue fund, was not in compliance with the Local Government Budget Act for the fiscal year ending June 30, 2017 due to additional operating transfers to the General Fund and Utility Fund in the amount of \$4,780. The amount was due primarily to an increase in sales tax revenue which is transferred to the General Fund and Utility Fund. For further information, see Note 2.

#### **Capital Assets and Debt Administration**

##### **Capital Assets**

The Village's investment in capital assets for its governmental and business-type activities as of June 30, 2017 amounts to \$1,961,255 (net of depreciation). The total decrease in the Village's investment in capital assets for the current fiscal year was \$62,621 (net of depreciation). The decrease is due to depreciation expense of \$93,528 and the purchase of a police car and accessories in the amount of \$30,909.

The following table provides a summary of the Village's capital assets (net of depreciation) at the end of the current year as compared to the prior year. For more detailed information, see Note 9 to the financial statements in this report.

## Village of Tangipahoa

### Management's Discussion and Analysis As of and for the Year Ended June 30, 2017

#### Capital Assets (Net of Depreciation) 2017 and 2016

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>Capital Assets</b>						
Land	\$ 26,443	\$ 26,443	\$ -	\$ -	\$ 26,443	\$ 26,443
Building and Improvements	23,000	23,000	31,414	31,414	54,414	54,414
Furniture and Fixtures	1,246	1,246	-	-	1,246	1,246
Vehicles	32,109	43,546	-	-	32,109	43,546
Equipment	55,836	55,836	89,285	89,285	145,121	145,121
Water Utility System	-	-	1,648,741	1,648,741	1,648,741	1,648,741
Sewer Utility System	-	-	1,779,190	1,779,190	1,779,190	1,779,190
Subtotal Capital Assets	138,634	150,071	3,548,630	3,548,630	3,687,264	3,698,701
Less: Accumulated Depreciation	(71,026)	(109,082)	(1,654,981)	(1,565,743)	(1,726,007)	(1,674,825)
<b>Capital Assets, Net</b>	\$ 67,608	\$ 40,989	\$ 1,893,649	\$ 1,982,887	\$ 1,961,257	\$ 2,023,876

#### Other Factors Affecting the Village

The Village of Tangipahoa's management approach is conservative. When possible, the Mayor and Aldermen attempt to provide services for the Village based on existing revenues and to finance long-term projects only when absolutely necessary. The Village also attempts to keep utility rates at the minimum required to cover the costs of utility system operation. Many of the Village's residents were displaced with the August 2016 flood. Many of those residents have not been able to move back into their homes.

#### Contacting the Village's Financial Management

The financial report is designed to provide the Village's citizens, taxpayers, creditors and investors with a general overview of the Village's finances and show the Village's accountability for the money it receives. Questions regarding this report or requests for additional information should be addressed to the Village of Tangipahoa at Post Office Box 156, Tangipahoa, Louisiana 70465, telephone (985) 229-8300.

**Basic Financial Statements**  
Government-Wide Financial Statements

**Village of Tangipahoa**  
**Statement of Net Position**  
**As of June 30, 2017**

	<b>Primary Government</b>		<b>Total</b>
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	
<b>Assets</b>			
<i>Current Assets:</i>			
Cash and Cash Equivalents	\$ 44,347	\$ 96,555	\$ 140,902
Receivables, Net:		23,545	23,545
Intergovernmental	5,005	-	5,005
Other	3,132	-	3,132
Franchise Taxes	1,633	-	1,633
Prepaid Insurance	3,584	4,001	7,585
Due From Sales Tax Fund	-	9,575	9,575
<b>Total Current Assets</b>	<b>57,701</b>	<b>133,676</b>	<b>191,377</b>
<i>Restricted Assets:</i>			
Restricted Cash and Cash Equivalents	-	24,810	24,810
<b>Total Restricted Assets</b>	<b>-</b>	<b>24,810</b>	<b>24,810</b>
<i>Capital Assets:</i>			
Land	26,443	-	26,443
Capital Assets, Net	41,165	1,893,647	1,934,812
<b>Total Capital Assets</b>	<b>67,608</b>	<b>1,893,647</b>	<b>1,961,255</b>
<b>Total Assets</b>	<b>125,309</b>	<b>2,052,133</b>	<b>2,177,442</b>
<b>Liabilities</b>			
<i>Current Liabilities:</i>			
Accounts Payable	28,285	14,529	42,814
Other Accrued Payables	9,283	24	9,307
Due to Other Funds	9,575	-	9,575
Unclaimed Properties	-	522	522
Customer Deposits	-	28,632	28,632
<b>Total Current Liabilities</b>	<b>47,143</b>	<b>43,707</b>	<b>90,850</b>
<b>Total Liabilities</b>	<b>47,143</b>	<b>43,707</b>	<b>90,850</b>
<b>Net Position</b>			
<i>Net Investment in Capital Assets</i>	67,608	1,893,647	1,961,255
Restricted for:			
Customer Deposits	-	24,810	24,810
Sales Tax Ordinance	4,192	-	4,192
Unrestricted	6,366	89,969	96,335
<b>Total Net Position</b>	<b>\$ 78,166</b>	<b>\$ 2,008,426</b>	<b>\$ 2,086,592</b>

See accompanying notes and independent accountant's review report.

Village of Tangipahoa  
Statement of Activities  
For year ended June 30, 2017

	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
<b>Governmental Activities</b>								
General Government	\$ 69,449	\$ 12,422	\$ 1,000	\$ -	\$ (56,027)	\$ (56,027)	\$ -	\$ (56,027)
Public Safety	48,035	2,310	27,900	-	(17,825)	(17,825)	-	(17,825)
Public Works	44,314	-	7,421	-	(36,893)	(36,893)	-	(36,893)
Sanitation	45,021	42,756	-	-	(2,265)	(2,265)	-	(2,265)
<b>Total Governmental Activities</b>	<b>206,819</b>	<b>57,488</b>	<b>36,321</b>	<b>-</b>	<b>(113,010)</b>	<b>(113,010)</b>	<b>-</b>	<b>(113,010)</b>
<b>Business-type Activities</b>								
Gas	-	-	-	-	-	-	-	-
Water	136,612	103,818	-	-	(32,794)	-	(32,794)	(32,794)
Sewer	122,170	54,504	7,331	-	(60,335)	-	(60,335)	(60,335)
<b>Total Business-type Activities</b>	<b>258,782</b>	<b>158,322</b>	<b>7,331</b>	<b>-</b>	<b>(93,129)</b>	<b>-</b>	<b>(93,129)</b>	<b>(93,129)</b>
<b>Total</b>	<b>\$ 465,601</b>	<b>\$ 215,810</b>	<b>\$ 43,652</b>	<b>\$ -</b>	<b>\$ (206,139)</b>			
<b>General Revenue</b>								
Taxes:								
Property Taxes						17,860	-	17,860
Sales Taxes						71,009	-	71,009
Franchise Taxes						7,502	-	7,502
Intergovernmental						5,711	-	5,711
Donations						1,000	-	1,000
Interest						-	198	198
Miscellaneous						549	297	846
Operating Transfers In (Out)						41,975	(41,976)	(1)
Gain (Loss) on Sale of Assets						650	-	650
<b>Total General Revenues and Transfers</b>						<b>146,256</b>	<b>(41,481)</b>	<b>104,775</b>
<b>Changes in Net Position</b>						<b>33,246</b>	<b>(134,610)</b>	<b>(101,364)</b>
<b>Net Position - Beginning</b>						<b>44,920</b>	<b>2,143,036</b>	<b>2,187,956</b>
<b>Net Position - Ending</b>						<b>\$ 78,166</b>	<b>\$ 2,008,426</b>	<b>\$ 2,086,592</b>

See accompanying notes and independent accountant's review report.

**Basic Financial Statements**  
Fund Financial Statements

**Village of Tangipahoa**  
**Balance Sheet, Governmental Funds**  
**As of June 30, 2017**

	<b>General Fund</b>	<b>Sales Tax Fund</b>	<b>Capital Projects Fund (LCDBG)</b>	<b>Total Government al Funds</b>
<b>Assets</b>				
Cash and Equivalents	\$ 29,461	\$ 14,596	\$ 290	\$ 44,347
Due From Other Funds	4,365	-	-	4,365
Receivables, Net:				-
Intergovernmental	1,469	3,536	-	5,005
Employees	3,132	-	-	3,132
Franchise Taxes	1,633	-	-	1,633
Prepaid Insurance	3,584	-	-	3,584
<b>Total Assets</b>	<b>\$ 43,644</b>	<b>\$ 18,132</b>	<b>\$ 290</b>	<b>\$ 62,066</b>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts Payable	\$ 28,285	\$ -	\$ -	\$ 28,285
Other Accrued Payables	9,283	-	-	9,283
Due to Other Funds	-	13,940	-	13,940
Due To Other Governments	-	-	-	-
<b>Total Liabilities</b>	<b>37,568</b>	<b>13,940</b>	<b>-</b>	<b>51,508</b>
Fund Balance:				
Nonspendable	3,584	-	-	3,584
Restricted Fund Balances	-	4,192	-	4,192
Unassigned Fund Balance	2,492	-	290	2,782
<b>Total Fund Balances (Deficit)</b>	<b>6,076</b>	<b>4,192</b>	<b>290</b>	<b>10,558</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 43,644</b>	<b>\$ 18,132</b>	<b>\$ 290</b>	<b>\$ 62,066</b>

See accompanying notes and independent accountant's review report.

**Village of Tangipahoa**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Financial Statement of Net Position**  
**As of June 30, 2017**

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

<b>Fund Balances, Total Governmental Funds (Statement C)</b>	\$	10,558
--	----	--------

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		67,608
---	--	--------

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		-

<b>Net Position of Governmental Activities (Statement A)</b>	<b>\$</b>	<b>78,166</b>
--	-----------	---------------

See accompanying notes and independent accountant's review report.

**Village of Tangipahoa**  
**Statement of Revenue, Expenditures and Changes in Fund Balances**  
**For the year ended June 30, 2017**

	<b>General Fund</b>	<b>Sales Tax Fund</b>	<b>Capital Projects Fund (LCDBG)</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>				
Taxes	\$ 25,362	\$ 71,009	\$ -	\$ 96,371
License and Permits	12,422	-	-	12,422
Intergovernmental	5,711	-	-	5,711
Sanitation	42,756	-	-	42,756
Fines and Forfeitures	2,310	-	-	2,310
Grants	30,321	-	-	30,321
Donations	1,000	-	-	1,000
Supplemental Pay Income	6,000	-	-	6,000
Miscellaneous	549	-	-	549
<b>Total Revenues</b>	<b>126,431</b>	<b>71,009</b>	<b>-</b>	<b>197,440</b>
<b>Expenditures</b>				
General Government	67,850	560	-	68,410
Public Safety:				
Police	36,915	-	-	36,915
Fire	8,200	-	-	8,200
Public Works	43,983	-	-	43,983
Sanitation	45,021	-	-	45,021
Capital Outlays	30,909	-	-	30,909
<b>Total Expenditures</b>	<b>232,878</b>	<b>560</b>	<b>-</b>	<b>233,438</b>
<b>Excess (Deficiency) of Revenues Over (Under) (Expenditures)</b>	<b>(106,447)</b>	<b>70,449</b>	<b>-</b>	<b>(35,998)</b>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	113,755	-	-	113,755
Operating Transfers (Out)	-	(71,780)	-	(71,780)
Sales of Fixed Assets	650	-	-	650
<b>Total Other Financing Sources (Uses)</b>	<b>114,405</b>	<b>(71,780)</b>	<b>-</b>	<b>42,625</b>
<b>Net Change in Fund Balances</b>	<b>7,958</b>	<b>(1,331)</b>	<b>-</b>	<b>6,627</b>
<b>Fund Balances, Beginning</b>	<b>(1,882)</b>	<b>5,523</b>	<b>290</b>	<b>3,931</b>
<b>Fund Balances, Ending</b>	<b>\$ 6,076</b>	<b>\$ 4,192</b>	<b>\$ 290</b>	<b>\$ 10,558</b>

See accompanying notes and independent accountant's review 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, 2017**

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

**Net Change in Fund Balance, Total Governmental Funds, Statement E** **\$ 6,627**

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	\$ 30,909	
Less:		
Current year depreciation	(4,290)	26,619

**Changes in Net Position of Governmental Activities, Statement B** **\$ 33,246**

See accompanying notes and independent accountant's review report.

**Village of Tangipahoa**  
**Statement of Net Position - Proprietary Funds**  
**As of June 30, 2017**

**Assets**

## Current Assets:

Cash and Cash Equivalents	\$ 96,555
Receivables, Net:	
Accounts	20,871
Accrued Billings	2,674
Prepaid Insurance	4,001
Due From Sales Tax Fund	9,575

Total Current Assets	<u>133,676</u>
----------------------	----------------

## Restricted Assets:

Restricted Cash and Cash Equivalents	<u>24,810</u>
--------------------------------------	---------------

Total Restricted Assets	<u>24,810</u>
-------------------------	---------------

## Property, Plant, and Equipment

Property, Plant and Equipment, Net	<u>1,893,647</u>
------------------------------------	------------------

Total Property, Plant and Equipment	<u>1,893,647</u>
-------------------------------------	------------------

<b>Total Assets</b>	<u><u>2,052,133</u></u>
---------------------	-------------------------

**Liabilities**

## Current Liabilities (Payable From Current Assets):

Accounts Payable	14,529
Unclaimed Properties	522
Other Accrued Payables	24

Total Current Liabilities (Payable From Current Assets):	<u>15,075</u>
--	---------------

## Current Liabilities (Payable From Restricted Assets):

Customer Deposits	<u>28,632</u>
-------------------	---------------

Total Current Liabilities (Payable From Restricted Assets)	<u>28,632</u>
--	---------------

<b>Total Liabilities</b>	<u><u>43,707</u></u>
--------------------------	----------------------

**Net Position**

Net Investment in Capital Assets	1,893,647
----------------------------------	-----------

## Restricted for:

Customer Deposits	24,810
-------------------	--------

Unrestricted	<u>89,969</u>
--------------	---------------

<b>Total Net Position</b>	<u><u>\$ 2,008,426</u></u>
---------------------------	----------------------------

See accompanying notes and independent accountant's review report.

**Village of Tangipahoa**  
**Statement of Revenues, Expenses and**  
**Changes in Net Position - Proprietary Funds**  
**For the year ended June 30, 2017**

	<u>Water/Utility System</u>	<u>Sewer/Utility System</u>	<u>Total</u>
<b>Operating Revenues</b>			
Water Sales	\$ 95,806	\$ -	\$ 95,806
Sewer Service Charges	-	54,504	54,504
Connection Fees	635	-	635
Delinquent Charges	6,315	-	6,315
State Grants	-	7,331	7,331
Other	1,062	297	1,359
<b>Total Operating Revenues</b>	<u>103,818</u>	<u>62,132</u>	<u>165,950</u>
<b>Operating Expenses</b>			
Bad Debts	12,528	12,528	25,056
Bank Charges	432	-	432
Billing Costs	3,241	1,349	4,590
Casual Labor	1,047	2,159	3,206
Depreciation	40,554	48,684	89,238
Dues and Registration	2,875	-	2,875
Insurance	9,162	9,124	18,286
Lab Tests	-	373	373
Repairs and Maintenance	9,515	9,347	18,862
Payroll Taxes	1,230	1,230	2,460
Professional Fees	22,949	13,864	36,813
Safe Drinking Water Fees	1,710	-	1,710
Salaries and Wages	13,615	13,615	27,230
Supplies	1,926	4,765	6,691
Truck and Tractor	1,609	1,014	2,623
Utilities	9,056	3,151	12,207
Other	5,163	967	6,130
<b>Total Operating Expenses</b>	<u>136,612</u>	<u>122,170</u>	<u>258,782</u>
<b>Operating Income (Loss)</b>	<u>(32,794)</u>	<u>(60,038)</u>	<u>(92,832)</u>
<b>Nonoperating Revenues (Expenses)</b>			
Interest Income	99	99	198
Transfer Out General Fund	(39,610)	(38,256)	(77,866)
Transfer In Sales Tax Fund	-	35,890	35,890
<b>Total Nonoperating Revenues (Expenses)</b>	<u>\$ (39,511)</u>	<u>\$ (2,267)</u>	<u>\$ (41,778)</u>
<b>Change in Net Position</b>			(134,610)
<b>Total Net Position, Beginning</b>			<u>2,143,036</u>
<b>Total Net Position, Ending</b>			<u><u>\$ 2,008,426</u></u>

See accompanying notes and independent accountant's review report.

**Statement I**

**Village of Tangipahoa  
Statement of Cash Flows  
Proprietary Funds  
For the year ended June 30, 2017**

	<u><b>Enterprise Fund</b></u>
<b>Cash Flow From Operating Activities</b>	
Received From Customers	\$ 159,746
Payments for Operations	(105,036)
Payments to Employees	(32,936)
Net Cash Provided (Used) by Operating Activities	<u>21,774</u>
<b>Cash Flow From Noncapital Financing Activities</b>	
Transfer From (To) Other Funds	(42,089)
Change in Due (From) To Other Funds	(9,575)
Change in Due (From) To Other Governments	522
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(51,142)</u>
<b>Cash Flows From Capital and Related Financing Activities</b>	
Proceeds from Capital Grants	<u>5,378</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>5,378</u>
<b>Cash Flows From Investing Activities</b>	
Receipt of Interest	<u>198</u>
Net Cash Provided (Used) by Investing Activities	<u>198</u>
<b>Net Cash Increase (Decrease) in Cash and Cash Equivalents</b>	(23,792)
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>145,157</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$ 121,365</u></u>
<b>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:</b>	
Cash and Cash Equivalents, Unrestricted	96,555
Cash and Cash Equivalents, Restricted	<u>24,810</u>
Total Cash and Cash Equivalents	<u><u>\$ 121,365</u></u>

See accompanying notes and independent accountant's review report.

**Statement I**

**Village of Tangipahoa  
Statement of Cash Flows  
Proprietary Funds  
For the year ended June 30, 2017**

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

Operating Income (Loss)	\$ (92,832)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Depreciation	89,238
(Increase) decrease in Accounts Receivable	26,968
(Increase) decrease in Prepaid Insurance	(164)
Increase (decrease) in Accounts Payable	(1,604)
Increase (decrease) in Accounts Expenses	(46)
Increase (decrease) in Customer Deposits	214
Net Cash Provided (Used) by Operating Activities	<u>\$ 21,774</u>

See accompanying notes and independent accountant's review 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, 2017**

**Introduction**

The Village of Tangipahoa, Louisiana was incorporated on July 1, 1959 under the provisions of the Lawrason Act. 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 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 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 284 customers, garbage service to 238 customers, and sewer utility services to 200 customers. The Village employs six full-time employees in addition to the Mayor and Board of Aldermen.

Governmental Accounting Standards Board (GASB) Statement NO. 14, The Reporting Entry, established criteria for determining the governmental reporting entity and component units that should be included with the reporting entity. Under provisions of this statement, the Village is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As used in GASB Statement No. 14, fiscally independent means that the Village may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. There are no component units which the Village of Tangipahoa has an oversight relationship.

**1. Summary of Significant Accounting Policies**

**A. 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 and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

These financial statements are presented in accordance with GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*. Statement No. 34 established standards for financial reporting, with presentation requirements originally including a statement of net position (or balance sheet), a statement of activities, and a statement of cash flows. The definition and composition of these statements, as originally defined in GASB Statement No. 34, are as amended by GASB Statements included in the following paragraphs. The Village has also adopted the

**Village of Tangipahoa**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

provisions of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions* that require capital contributions to the Village to be presented as a change in net position.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective for financial statement periods ending after December 15, 2012, provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial positions and related disclosures. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined *Deferred Outflows of Resources* as a consumption of net assets by the government that is applicable of a future reporting period, and *Deferred Inflows of Resources* as an acquisition of net position by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. GASB Concepts Statement 3 identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, and other pronouncements by incorporating deferred outflow of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The definition and reporting of net position is further described in *Footnote I – Net Position*.

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. Major individual governmental funds and major individual enterprise funds are presented as separate columns in the fund financial statements.

**B. 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, 2017**

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 done.

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, 2017, 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**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

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.

**C. 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.

**D. 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**  
**As of and for the Year Ended June 30, 2017**

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	5.93 mills	5.93 mills
Fire Protection	9.96 mills	9.96 mills

**E. 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.

**F. 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.

**G. 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, 2017**

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

**H. 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.

**I. Net Position**

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

- **Net Investment in Capital Assets Component of Net Position** – The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or 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**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

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.

**J. Comparative Data/Reclassifications**

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**Village of Tangipahoa**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

**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 wither 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 same 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**  
**As of and for the Year Ended June 30, 2017**

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 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).

The Village's Sales Tax Fund, a special revenue fund, was in compliance with the Local Government Budget Act for the fiscal year ending June 30, 2017. However, the Sales Tax Fund was not in compliance with the Local Government Budget Act for the fiscal year ending June 30, 2017. Budgeted expenditures to actual expenditures variance exceeded the five percent variance due to an increase in transfers from the Sales Tax Fund to the General Fund in the amount of \$4,780.

### **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 refuse, 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, 2105.

**Village of Tangipahoa**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

On August 25, 2018, the Village adopted a resolution levying an ad valorem tax of 5.93 mills on the assessed valuation of all property subject to taxation within the Village. The millage of 5.93 is for “general corporate purposes”. The Village also collects 9.96 mills for fire protection that is to be transferred to the Tangipahoa Parish Rural Fire #2. The amount paid for fire protection for 2017 was \$8,200.

For the year ending June 30, 2017, the Village assessed Entergy, Inc. public utilities franchise taxes totaling \$7,502 for the privilege of providing services to the Village’s citizens.

**4. Cash and Cash Equivalents**

At June 30, 2017, the Village has cash and cash equivalents (book balances) as follows:

	<b>June 30, 2017</b>	<b>June 30, 2016</b>
Demand Deposits	\$ 136,290	\$ 123,643
Louisiana Asset Management Pool	29,422	28,619
	\$ 165,712	\$ 152,262

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, 2017, the Village has \$136,290 in deposits. Collected bank balances, other than LAMP, consisted of \$145,375 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, 2017**

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, 2017, 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**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

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, 2017.

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, 2017 consist of the following:

<b>Government Receivables</b>	<b>General Fund</b>	<b>Sales Tax Fund</b>	<b>Capital Projects Fund (LCDBG)</b>	<b>Total Governmental Funds</b>
Accounts	\$ 3,132	\$ -	\$ -	\$ 3,132
Franchise Taxes:				
Public Utility Franchise	1,633	-	-	1,633
Intergovernmental:				
Sales and Use Tax	-	3,536	-	3,536
State of Louisiana, Beer Tax	1,469	-	-	1,469
<b>Total Government Receivables</b>	<b>\$ 6,234</b>	<b>\$ 3,536</b>	<b>\$ -</b>	<b>\$ 9,770</b>

**Village of Tangipahoa**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

The Enterprise Fund accounts receivable at June 30, 2017 and 2016 consist of the following:

	<b>Year Ended</b>	<b>Year Ended</b>
<b>Accounts Receivables</b>	<b>June 30, 2017</b>	<b>June 30, 2016</b>
Current	\$ 16,357	\$ 15,617
31 - 60 Days	6,728	10,703
61 - 90 Days	2,838	4,768
Over 90 Days	1,786	14,513
Subtotal	<u>27,709</u>	<u>45,601</u>
Less Allowance for Bad Debt	<u>(6,838)</u>	<u>(6,838)</u>
Accounts Receivables, Net	20,871	38,763
Accrued Billings	2,675	2,617
<b>Total Accounts Receivables</b>	<u><u>\$ 23,546</u></u>	<u><u>\$ 41,380</u></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, 2017.

	<b>Due From</b>	<b>Due To</b>
<b>General Fund</b>		
Sales Tax Fund	\$ 4,365	\$ -
<b>Special Revenue Fund</b>		
Sales Tax Fund		
General Fund	-	4,365
Enterprise Fund	-	9,575
<b>Enterprise Fund</b>		
Sales Tax Fund	<u>9,575</u>	<u>-</u>
Totals	<u><u>\$ 13,940</u></u>	<u><u>\$ 13,940</u></u>

**8. Restricted Assets**

Restricted assets for the Enterprise Fund at June 30, 2017 and 2016 were as follows:

	<b>June 30, 2017</b>	<b>June 30, 2016</b>
<b>Restricted Cash and Cash Equivalents</b>		
Customer Deposits	<u>\$ 24,810</u>	<u>\$ 28,561</u>
Total Restricted Assets	<u><u>\$ 24,810</u></u>	<u><u>\$ 28,561</u></u>

**Village of Tangipahoa**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

**9. Capital Assets**

Capital assets and depreciation activity as of and for the year ended June 30, 2017 for governmental activities is as follows:

<b>Governmental Activities Capital Assets:</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Capital Assets Not Being Depreciated				
Land	\$ 26,443	\$ -	\$ -	\$ 26,443
Construction in Progress	-	-	-	-
<b>Total Capital Assets Not Being Depreciated</b>	<b>\$ 26,443</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 26,443</b>
Capital Assets Being Depreciated:				
Buildings and Improvements	23,000	-	-	23,000
Furniture and Fixtures	1,246	-	-	1,246
Vehicles	43,546	30,909	42,346	32,109
Equipment	55,836	-	-	55,836
<b>Total Capital Assets Being Depreciated</b>	<b>123,628</b>	<b>30,909</b>	<b>42,346</b>	<b>112,191</b>
Less Accumulated Depreciation for:				
Building and Improvements	(10,389)	(1,001)	-	(11,390)
Furniture and Fixtures	(1,246)	-	-	(1,246)
Vehicles	(43,126)	(369)	39,795	(3,700)
Equipment	(54,322)	(2,920)	2,552	(54,690)
<b>Total Accumulated Depreciation</b>	<b>(109,083)</b>	<b>(4,290)</b>	<b>42,347</b>	<b>(71,026)</b>
<b>Total Capital Assets Being Depreciated Net</b>	<b>14,545</b>	<b>26,619</b>	<b>84,693</b>	<b>41,165</b>
<b>Total Governmental Activities Capital Assets, Net of Depreciation</b>	<b>\$ 40,988</b>	<b>\$ 26,619</b>	<b>\$ (84,693)</b>	<b>\$ 67,608</b>

Depreciation was charged to governmental functions as follows:

General Government	\$ 1,039
Public Safety	2,920
Public Works	331
	<u>\$ 4,290</u>

The major addition during the fiscal year ending June 30, 2017, was for a police car and equipment.

**Village of Tangipahoa**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

Capital assets and depreciation activity as of and for the year ended June 30, 2017 for business-type activities is as follows:

<b>Business - Type Activities Capital Assets:</b>	<b>Beginning Balance</b>	<b>Increase</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Capital Assets Not Being Depreciated:</b>				
Land	\$ -	\$ -	\$ -	\$ -
Construction in Progress	-	-	-	-
<b>Total Capital Assets Not Being Depreciated</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital Assets Being Depreciated:</b>				
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
<b>Total Capital Assets Being Depreciated</b>	<b>3,548,630</b>	<b>-</b>	<b>-</b>	<b>3,548,630</b>
<b>Less Accumulated Depreciation for:</b>				
Buildings and Improvements	15,784	1,137	-	16,921
Vehicles and Equipment	81,650	3,021	-	84,671
Water Utility System	492,558	38,475	-	531,033
Sewer Utility System	975,751	46,605	-	1,022,356
<b>Total Accumulated Depreciation</b>	<b>1,565,743</b>	<b>89,238</b>	<b>-</b>	<b>1,654,981</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>1,982,887</b>	<b>(89,238)</b>	<b>-</b>	<b>1,893,649</b>
<b>Total Business - Type Activities Capital Assets, Net of Depreciation</b>	<b>\$ 1,982,887</b>	<b>\$ (89,238)</b>	<b>\$ -</b>	<b>\$ 1,893,649</b>

**Village of Tangipahoa**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

**10. Interfund Transfers**

The following is a detailed list of interfund transfers reported in the fund financial statements on June 30, 2017:

<b>Interfund Transfers</b>	<b>Transfers In</b>	<b>Transfers Out</b>
<b>General Fund</b>		
Sales Tax Fund	\$ 35,890	\$ -
Enterprise Fund	77,865	-
<b>Special Revenue Funds</b>		
Sales Tax Fund		-
General Fund	-	35,890
Enterprise Fund	-	35,890
<b>Enterprise Fund</b>		
General Fund	-	77,865
Sales Tax Fund	35,890	-
<b>Total Interfund Transfers</b>	<b>\$ 149,645</b>	<b>\$ 149,645</b>

The primary reason for the interfund transfers is related to expenditures per the Village's sales tax issue for sewer services, garbage collections, and street lights.

**11. Accounts, Salaries, and Other Payables**

The Governmental Fund payables at June 30, 2017 are as follows:

<b>Current Payables</b>	<b>General Fund</b>	<b>Special Revenue Funds</b>	<b>Capital Projects Fund</b>	<b>Enterprise Fund</b>	<b>Total</b>
Accounts	\$ 28,285	\$ -	\$ -	\$ 14,529	\$ 42,814
Due to Other Governments	-	-	-	522	522
Customer Deposits	-	-	-	28,632	28,632
Payroll Taxes	9,283	-	-	-	9,283
Other	-	-	-	24	24
<b>Total Current Payables</b>	<b>\$ 37,568</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 43,707</b>	<b>\$ 81,275</b>

**Village of Tangipahoa**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

**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 contracts with Waste Management Inc. for the pickup and disposal 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, 2017, the Village reported positive fund balances in all funds.

**Village of Tangipahoa**  
**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2017**

**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.

**17. Contingent Liabilities**

At June 30, 2017, the Village was not involved in any outstanding litigation or claims.

**18. Subsequent Events**

On October 27, 2017 the Village sold approximately 14.3 acres for \$50,000.

Subsequent events have been evaluated by management through November 25, 2018, the date the financial statements were available for issuance. No additional events were noted that require recording or disclosure in the financial statements for the fiscal year ending June 30, 2017.

## 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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Favorable</u>
			<u>GAAP Basis</u>	<u>(Unfavorable)</u>
<b>Revenues</b>				
<b>Taxes</b>				
Ad Valorem	\$ 16,800	\$ 15,100	\$ 17,860	\$ 2,760
Delinquent Notice and Interest	850	400	-	(400)
Franchise Taxes	9,300	8,400	7,502	(898)
<b>Total Taxes</b>	<b>26,950</b>	<b>23,900</b>	<b>25,362</b>	<b>1,462</b>
<b>Licenses and Permits</b>				
Licenses and Permits	18,000	10,200	11,458	1,258
Permits	1,800	700	964	264
<b>Total Licenses and Permits</b>	<b>19,800</b>	<b>10,900</b>	<b>12,422</b>	<b>1,522</b>
<b>Intergovernmental</b>				
Entergy	-	-	1,000	1,000
State Grants	9,000	8,400	7,421	(979)
Louisiana Beer Tax Distribution	5,500	5,500	5,711	211
<b>Total Intergovernmental</b>	<b>14,500</b>	<b>13,900</b>	<b>14,132</b>	<b>232</b>
<b>Miscellaneous Revenues</b>				
Fines and Forfeitures	6,000	4,200	2,310	(1,890)
Supplemental Pay	6,000	6,000	6,000	-
Police Department Grants	-	21,900	21,900	-
Donations	-	400	1,000	600
Miscellaneous Revenues	6,000	100	549	449
Sanitation	46,000	42,800	42,756	(44)
<b>Total Miscellaneous Revenues</b>	<b>64,000</b>	<b>75,400</b>	<b>74,515</b>	<b>(885)</b>
<b>Total Revenues</b>	<b>125,250</b>	<b>124,100</b>	<b>126,431</b>	<b>2,331</b>

**Continued**

See independent accountant's review report.

**Village of Tangipahoa**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**General Fund - Detail**  
**For the year ended June 30, 2017**

Expenditures	Budget Amounts		Actual	Variance
	Original	Final	Amounts GAAP Basis	Favorable (Unfavorable)
<b>General Government</b>				
Salaries	\$ 6,600	\$ 18,600	\$ 18,966	\$ (366)
Payroll Taxes	500	1,100	1,494	(394)
General and Administrative	1,800	3,200	12,302	(9,102)
Capital Expenditure	10,000	-	-	-
Insurance	4,500	4,700	3,141	1,559
Legal Expenses	10,000	9,500	10,070	(570)
Other Operating	5,400	3,500	3,603	(103)
Professional Fees	-	700	700	-
Repairs and Maintenance	600	100	142	(42)
Supplies	7,250	9,300	1,502	7,798
Dues and Subscription	1,600	1,700	1,734	(34)
Telephone	-	11,100	10,568	532
Travel	800	400	368	32
Utilities	15,000	2,600	3,260	(660)
<b>Total General Government</b>	<b>64,050</b>	<b>66,500</b>	<b>67,850</b>	<b>(1,350)</b>
<b>Public Safety:</b>				
<b>Police</b>				
Salaries	36,000	19,200	19,200	-
Payroll Taxes	3,250	1,900	1,767	133
Capital Outlay Equipment	-	5,100	4,935	165
Capital Outlay Police Car	-	26,000	25,974	26
Insurance	5,000	4,900	3,386	1,514
Vehicle Expenses	5,000	2,400	3,461	(1,061)
Supplies	1,000	1,100	1,018	82
Supplemental Pay Income	6,000	6,000	6,000	-
Other Operating	1,800	1,800	2,083	(283)
<b>Total Police</b>	<b>58,050</b>	<b>68,400</b>	<b>67,824</b>	<b>576</b>
<b>Fire</b>				
Other Operating	8,200	8,200	8,200	-
<b>Total Fire</b>	<b>8,200</b>	<b>8,200</b>	<b>8,200</b>	<b>-</b>
<b>Total Public Safety</b>	<b>66,250</b>	<b>76,600</b>	<b>76,024</b>	<b>576</b>

Continued

See independent accountant's review report.

**Village of Tangipahoa**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**General Fund - Detail**  
**For the year ended June 30, 2017**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Favorable</b>
			<b>GAAP Basis</b>	<b>(Unfavorable)</b>
<b>Public Works</b>				
Salaries	\$ 18,200	\$ 16,900	\$ 18,272	\$ (1,372)
Payroll Taxes	1,550	1,200	1,125	75
Capital Expenditure	9,500	-	-	-
Insurance	-	1,000	-	1,000
Sanitation	48,000	46,200	45,021	1,179
Repairs and Maintenance	1,000	400	119	281
Other	500	100	143	(43)
Supplies	200	1,400	1,434	(34)
Street Signs	-	-	7,421	(7,421)
Utilities	15,000	16,400	15,469	931
<b>Total Public Works</b>	<u>93,950</u>	<u>83,600</u>	<u>89,004</u>	<u>(5,404)</u>
<b>Total Expenditures</b>	<u>224,250</u>	<u>226,700</u>	<u>232,878</u>	<u>(6,178)</u>
<b>Excess Revenues (Expenditures)</b>	<u>(99,000)</u>	<u>(102,600)</u>	<u>(106,447)</u>	<u>3,847</u>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	98,500	102,400	113,755	11,355
Sale of Fixed Assets	-	-	650	650
<b>Total Other Financing Sources (Uses)</b>	<u>98,500</u>	<u>102,400</u>	<u>114,405</u>	<u>12,005</u>
<b>Net Charges in Fund Balance</b>	<u>(500)</u>	<u>(200)</u>	<u>7,958</u>	<u>15,852</u>
<b>Fund Balances, Beginning</b>	<u>20,672</u>	<u>(1,882)</u>	<u>(1,882)</u>	<u>-</u>
<b>Fund Balances, Ending</b>	<u>\$ 20,172</u>	<u>\$ (2,082)</u>	<u>\$ 6,076</u>	<u>\$ 15,852</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, 2017**

	<b>Budget Amounts</b>		<b>Actual Amounts GAAP Basis</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>				
Sales Taxes	\$ 67,000	\$ 68,300	\$ 71,009	\$ 2,709
<b>Total Revenues</b>	<u>67,000</u>	<u>68,300</u>	<u>71,009</u>	<u>2,709</u>
<b>Expenditures</b>				
Sanitation				
General and Administrative	450	400	560	(160)
<b>Total Expenditures</b>	<u>450</u>	<u>400</u>	<u>560</u>	<u>(160)</u>
<b>Excess Revenue (Expenditures)</b>	<u>66,550</u>	<u>67,900</u>	<u>70,449</u>	<u>2,549</u>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers (Out)	(67,000)	(67,000)	(71,780)	(4,780)
<b>Total Other Financing Sources (Uses)</b>	<u>(67,000)</u>	<u>(67,000)</u>	<u>(71,780)</u>	<u>(4,780)</u>
<b>Net Change in Fund Balances</b>	(450)	900	(1,331)	(2,231)
<b>Fund Balances, Beginning</b>	5,872	5,523	5,523	-
<b>Fund Balances, Ending</b>	<u>\$ 5,422</u>	<u>\$ 6,423</u>	<u>\$ 4,192</u>	<u>\$ (2,231)</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, 2017**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Operating Revenues</b>			
Water Sales	\$ 95,700	\$ 95,806	\$ 106
Connection Fees	-	635	635
Delinquent Charges	12,000	6,315	(5,685)
Other	1,000	1,062	62
<b>Total Operating Revenues</b>	<u>108,700</u>	<u>103,818</u>	<u>(4,882)</u>
<b>Operating Expenses</b>			
Bad Debts	3,500	12,528	(9,028)
Bank Charges	400	432	(32)
Billing Costs	3,600	3,241	359
Casual Labor	2,800	1,047	1,753
Depreciation	40,600	40,554	46
Dues and Registration	1,700	2,875	(1,175)
Insurance	5,400	9,162	(3,762)
Payroll Taxes	1,000	1,230	(230)
Professional Fees	23,400	22,949	451
Repairs and Maintenance	11,700	9,515	2,185
Safe Drinking Water Fees	1,700	1,710	(10)
Salaries and Wages	13,400	13,615	(215)
Supplies	2,800	1,926	874
Truck and Tractor	3,100	1,609	1,491
Utilities	5,400	9,056	(3,656)
Other	2,600	5,163	(2,563)
<b>Total Operating Expenses</b>	<u>123,100</u>	<u>136,612</u>	<u>(13,512)</u>
<b>Operating Income (Loss)</b>	<u>(14,400)</u>	<u>(32,794)</u>	<u>(18,394)</u>
<b>Nonoperating Revenues (Expenses)</b>			
Interest Income	93	99	6
Transfer Out General Fund	(34,050)	(39,610)	(5,560)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(33,957)</u>	<u>(39,511)</u>	<u>(5,554)</u>
<b>Change in Net Position</b>	<u>\$ (48,357)</u>	<u>\$ (72,305)</u>	<u>\$ (23,948)</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, 2017**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Operating Revenues</b>			
Sewer Charges	\$ 54,500	\$ 54,504	\$ 4
State Grants	-	7,331	7,331
Other	1,000	297	(703)
<b>Total Operating Revenues</b>	<u>55,500</u>	<u>62,132</u>	<u>6,632</u>
<b>Operating Expenses</b>			
Bad Debts	3,500	12,528	(9,028)
Billing Costs	1,900	1,349	551
Casual Labor	2,500	2,159	341
Depreciation	48,700	48,684	16
Insurance	4,900	9,124	(4,224)
Lab Tests	400	373	27
Payroll Taxes	1,300	1,230	70
Permits	1,200	-	1,200
Professional Fees	14,300	13,864	436
Repairs and Maintenance	7,400	9,347	(1,947)
Salaries and Wages	13,400	13,615	(215)
Supplies	1,900	4,765	(2,865)
Truck and Tractor	1,300	1,014	286
Utilities	4,200	3,151	1,049
Other	1,200	967	233
<b>Total Operating Expenses</b>	<u>108,100</u>	<u>122,170</u>	<u>(14,070)</u>
<b>Operating Income (Loss)</b>	<u>(52,600)</u>	<u>(60,038)</u>	<u>(7,438)</u>
<b>Nonoperating Revenues (Expenses)</b>			
Interest Income	93	99	6
Transfer In Sales Tax Fund	33,524	35,890	2,366
Transfer Out General Fund	(34,050)	(38,256)	(4,206)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(433)</u>	<u>(2,267)</u>	<u>(1,834)</u>
<b>Change in Net Position</b>	<u>\$ (53,033)</u>	<u>\$ (62,305)</u>	<u>\$ (9,272)</u>

See independent accountant's review report.

**Schedule 5**

**Village of Tangipahoa  
Utility Rate Schedule  
Proprietary Fund Type  
For the year ended June 30, 2017**

<b>Water</b>		
\$ 30.75	-	Flat Monthly Fee

<b>Sewer</b>		
\$ 23.75	-	Flat Monthly Fee

<b>Garbage</b>		
\$ 16.50	-	Flat Monthly Fee

**Schedule of Number of Customers  
Proprietary Fund Type  
For the year ended June 30, 2017**

Gas	-
Water	284
Sewer	200
Garbage	238

See independent accountant's review report.

**Schedule 6**

**Village of Tangipahoa  
Schedule of Compensation Paid to Board Members  
For the year ended June 30, 2017**

<u>Name and Title/Contact Number</u>	<u>Address</u>	<u>Term Expires</u>	<u>Compensation Received</u>
Brenda Nevels, Mayor (985) 229-2422	P.O. Box 133 Tangipahoa, LA 70465	12/31/2016	\$ 1,500
Trashica Robinson, Mayor (985) 507-8130	70218 Soule Street Tangipahoa, LA 70465	12/31/2020	1,500
Larinda Mearidy, Mayor Pro-Term (985) 514-3780	P.O. Box 523 Tangipahoa, LA 70465	12/31/2016	600
Shelia Martin, Alderwoman (985) 229-2820	P.O. Box 5 Tangipahoa, LA 70465	12/31/2020	1,200
Vanessa Williams, Alderwoman (985) 229-5663	P.O. Box 473 Tangipahoa, LA 70465	12/31/2016	600
Ricky Coleman, Alderman (985) 351-7409	13046 Claiborne Street Tangipahoa, LA 70465	12/31/2020	600
Debrah Scott-Cyprian, Alderwoman (985) 327-9118	70196 N. Rainey Tangipahoa, LA 70465	12/31/2020	600
Darrell Martin, Police Chief (985) 229-2820	P.O. Box 5 Tangipahoa, LA 70465	12/31/2020	19,200
			<u>\$ 25,800</u>

See independent accountant's review report.

**Village of Tangipahoa**  
**Schedule of Compensation, Benefits, and Other Payments to Agency Head**  
**For the year ended June 30, 2017**

**Agency Head Name: Brenda Nevels, Mayor**

<b>Purpose</b>	<b>Amount</b>
Salary/Compensation	\$ 1,500
Employer Paid Medicare & Social Security Taxes	115
Travel-Mileage	447
Registration Fees	-
<b>Total</b>	<u><u>\$ 2,062</u></u>

**Agency Head Name: Trashica Robinson, Mayor**

<b>Purpose</b>	<b>Amount</b>
Salary/Compensation	\$ 1,500
Employer Paid Medicare & Social Security Taxes	115
Travel-Mileage	-
Registration Fees	21
<b>Total</b>	<u><u>\$ 1,636</u></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 11<sup>th</sup> 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, 2017 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, 2017.

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.

The findings are as follows:

- The clerk and one of the members of the board are sisters. The clerk has been employed with the Village since 2008. The alderwoman whom is her sister qualified in August 2012 and was automatically elected as there was no opposition. She officially became an alderwoman on January 2013. The clerk left employment with the Village in January 2017. The alderwoman is no longer on the board effective January 2017.
- 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 whom 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:

Four of the six disbursements selected did not have supporting documentation. Another disbursement for 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.

Of the six payments I examined, five payments did not have supporting documentation. Without this information, I cannot determine if the five payments were coded to the correct fund and general ledger account.

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

Four of the six disbursements selected did not have supporting documentation. A credit card payment selected did not have any approval noted. One disbursement that had supporting documentation did not have approval noted.

### 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. Examine the minutes and compare the actual and amended budgets to determine that the Village complied with the Local Government Budget Act (LRS- RS 39:1301-1315).

The original budget for 2017 was adopted on June 27, 2016. The amended budget for 2017 and original budget for 2018 was supposed to be adopted on June 29, 2017 but minutes of this meeting were not provided. I could not determine if the amended budget for June 30, 2017 and original budget for June 30, 2018 were adopted. General fund revenues and expenditures were in compliance with the Local Government Budget Act. The sales tax fund revenues were compliant. However, the expenditures in the sales tax fund were over budget by 7%.

### Prior Year Findings

10. 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 70. None of the prior year findings are resolved.

### Other Current Year Findings

Current year findings are included in the accompanying schedule on page 63.

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*

---

Minda B. Raybourn  
Certified Public Accountant

November 25, 2018

**Village of Tangipahoa  
Schedule of Current Year Findings and Responses  
For the Year Ended June 30, 2017**

**2017-1 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, 2017 in the sales tax fund, actual expenditures and other uses of funds were above budgeted amounts by 7%. It appears operating transfers were over budget by \$4,780. The sales tax fund was not in compliance with the Local Government Budget Act.

**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.

**Village of Tangipahoa**  
**Schedule of Current Year Findings and Responses**  
**For the Year Ended June 30, 2017**

**Internal Control over Reporting**

**2017-2 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 \$25,057. This is approximately 15% of the total utility revenues.

**Cause:**

The Village lacks enforcement of timely collection of utility accounts. This is a repeat finding (2016-2).

**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 offs 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 to 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, 2017**

**Internal Control over Reporting**

**2017-3 Utility Customer Deposits (Repeat Finding)**

**Criteria:**

Strong internal controls over the processing of utility customer deposits is 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 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 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.

**Village of Tangipahoa  
Schedule of Current Year Findings and Responses  
For the Year Ended June 30, 2017**

**Management Response:**

The Mayor concurs with the recommendation.

**Internal Control over Fuel Purchases**

**2017-4 Fuel Purchases**

**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:**

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.

**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.

**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.

**Village of Tangipahoa  
Schedule of Current Year Findings and Responses  
For the Year Ended June 30, 2017**

**Management's Response:**

The Mayor concurs with the recommendation.

**Compliance with Louisiana State Law**

**2017-5 Meeting Minutes**

**Criteria:**

Per Louisiana R.S. 42:20, municipalities are required to keep written minutes of all public meetings. These minutes must include the following: 1) The date, time, and place of the meeting; 2) The members of the public body recorded as either present or absent; 3) The substance of all matters decided, and, at the request of any member, a record, by individual member, of any votes taken; and 4) Any other information that the public body requests be included or reflected in the minutes.

**Condition:**

Minutes were requested numerous times and were not presented upon request. I did not receive the minutes until November 20, 2018. The minutes for the special meeting held on June 29, 2017 to adopt the amended budget for 2017 and the original budget for 2018 were not provided.

**Cause:**

Unknown.

**Effect:**

Failure of the Village to keep written minutes of all open public meetings is a violation of R.S.42:20.

**Recommendation:**

The Village should keep original minutes of all open public meetings and should have them readily available upon any requests.

**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, 2017**

**Internal Controls over Disbursements**

**Finding 2017-6 Lack of Documentation on Disbursements**

**Criteria:**

Adequately designed and operating internal controls over financial reporting provides for 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, only one had supporting documentation. Four disbursements had invoices that could not be found. Another was a credit card payment that did not have receipts or invoices attached to the statement. After inquiries, the Mayor did find the documentation to support the disbursements. In addition, all but one credit card receipts was found.

**Cause:**

At the time of testing, the Village did not have invoices or receipts to support 5 out of 6 disbursements. It was after inquiries were done that the documentation was found.

**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 all disbursements. Internal controls need to be put in place to ensure that management reviews and approves all disbursements.

**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, 2017**

**Compliance with Louisiana State Audit Law**

**2017-7 Compliance with State Audit Law**

**Criteria:**

Per Louisiana law, a municipality must submit an annual report no later than six months after the end of the entity's fiscal year.

**Condition:**

The Village's review report was submitted in December 2018.

**Cause:**

The Village was late submitting accounting records to the independent accountant.

**Effect:**

The Village was in violation of state audit law.

**Recommendation:**

The Village must ensure that the accounting records are submitted to the independent accountant in a timely manner to ensure there is time for review procedures to be completed.

**Management's Response:**

The Mayor agrees with the recommendation.

**Village of Tangipahoa  
Schedule of Prior Year Findings and Responses  
For the Year Ended June 30, 2016**

**2016-1 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:

- 4) 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.
- 5) 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.
- 6) 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, 2016 in the general fund, actual revenues and other sources of revenue were below budgeted amounts by 22%. It appears operating transfers into the general fund were under budget by \$34,662. In addition, state grants were under budget by \$27,083. Expenditures and other uses of the general fund were in line with budgeted amounts. The sales tax fund was in compliance with the Local Government Budget Act.

**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 revenue and transfer items.

**Management Response:**

The Mayor concurs with the recommendation.

**Village of Tangipahoa  
Schedule of Prior Year Findings and Responses  
For the Year Ended June 30, 2016**

**Status:**

The finding is not resolved.

**Internal Control over Reporting**

**2016-2 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 total utility accounts receivable at year end is \$45,601. Of this amount, the total that is 90 days and older is \$14,513. This amounts to 32% of all accounts that are 3 months and older. Last fiscal year, accounts 3 months and older were 23% of the total accounts receivable.

**Cause:**

The Village lacks enforcement of timely collection of utility accounts.

**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 offs 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 to uncollectible.

**Management Response:**

The Mayor concurs with the recommendation.

**Status:**

The finding is not resolved.

**Village of Tangipahoa  
Schedule of Current Year Findings and Responses  
For the Year Ended June 30, 2016**

**Internal Control over Reporting**

**2016-3 Utility Customer Deposits (Repeat Finding)**

**Criteria:**

Strong internal controls over the processing of utility customer deposits is 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:**

I compared the listing of total customer deposits from the utility billing system to the accounting records. The customer deposit listing reflects a total of \$41,904 and the accounting records have a recorded total of \$28,418 for a total difference of \$13,486.

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.

**Cause:**

The Village does not have a process of reconciling the customer deposits per the utility billing system to the underlying accounting records. Gas customers were not refunded the deposits after the gas services were discontinued.

**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 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.

**Village of Tangipahoa**  
**Schedule of Current Year Findings and Responses**  
**For the Year Ended June 30, 2016**

**Management Response:**

The Mayor concurs with the recommendation.

**Status:**

The finding is not resolved.

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Governmental Agencies)**

November 21, 2018 (Date Transmitted)

Minda B. Raybourn CPA LLC  
820 11<sup>th</sup> 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, 2017 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 [ X ] 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 [ X ] 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 [ X ] 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 [ X ]

**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 [ X ] No [ ]

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

Yes [ X ] No [ ]

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

Yes [ X ] 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 [ X ] 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 [ X ] No [ ]

**Meetings**

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

**Prior-Year Comments**

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

**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  No

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

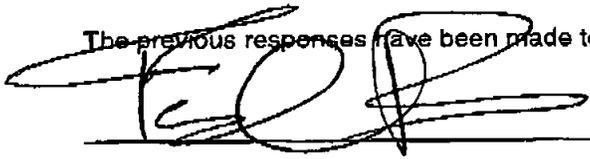
We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.  
Yes  No

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

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



Mayor

12/27/17 Date