
VILLAGE OF TANGIPAHOA, LOUISIANA

FINANCIAL REPORT

JUNE 30, 2023

VILLAGE OF TANGIPAHOA, LOUISIANA

FINANCIAL REPORT

JUNE 30, 2023

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INDEPENDENT AUDITORS' REPORT

To the Honorable Ms. Shelia Martin, Mayor
And Board of Aldermen and Alderwomen
Tangipahoa, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited 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, 2023, and the related notes to the financial statements, which collectively comprise the Village of Tangipahoa, Louisiana's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Village of Tangipahoa, Louisiana, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village of Tangipahoa, Louisiana and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village of Tangipahoa, Louisiana's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village of Tangipahoa, Louisiana's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village of Tangipahoa, Louisiana's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules on pages 29-30 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussions and analysis that the accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Tangipahoa, Louisiana's basic financial statements. The utility rates and schedule, schedule of number of utility customers, schedule of compensation paid to elected officials, schedule of compensation, benefits, and other payments to agency head, and justice system schedule-collecting/distributing entity, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2023, on our consideration of the Village of Tangipahoa, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village of Tangipahoa, Louisiana's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Village of Tangipahoa, Louisiana's internal control over financial reporting and compliance.

December 22, 2023
Gonzales, Louisiana

VILLAGE OF TANGIPAHOA
STATEMENT OF NET POSITION
JUNE 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 25,427	\$ 154,748	\$ 180,175
Receivables, net:			
Accounts receivable	-	4,466	4,466
Intergovernmental	11,036	-	11,036
Other	2,910	995	3,905
Franchise taxes	1,863	-	1,863
Prepaid insurance	7,571	3,184	10,755
Internal balances	<u>(1,646)</u>	<u>1,646</u>	<u>-</u>
Total current assets	<u>47,161</u>	<u>165,039</u>	<u>212,200</u>
Restricted Assets:			
Restricted cash and cash equivalents	-	42,681	42,681
Total restricted assets	<u>-</u>	<u>42,681</u>	<u>42,681</u>
Capital assets:			
Land	26,443	-	26,443
Construction in progress	-	58,434	58,434
Capital assets, net	<u>55,595</u>	<u>1,444,375</u>	<u>1,499,970</u>
Total capital assets	<u>82,038</u>	<u>1,502,809</u>	<u>1,584,847</u>
Total assets	<u>\$ 129,199</u>	<u>\$ 1,710,529</u>	<u>\$ 1,839,728</u>
LIABILITIES			
Accounts payable	\$ 11,728	\$ 4,711	\$ 16,439
Accrued expenses	1,943	851	2,794
Unclaimed properties	-	1,637	1,637
Deferred revenue	-	94,991	94,991
Customer deposits	-	38,970	38,970
Total liabilities	<u>13,671</u>	<u>141,160</u>	<u>154,831</u>
NET POSITION			
Net investment in capital assets	82,038	1,502,809	1,584,847
Restricted for:			
Customer deposits	-	3,711	3,711
Sales tax ordinance	23,135	-	23,135
Unrestricted	<u>10,355</u>	<u>62,849</u>	<u>73,204</u>
Total net position	<u>115,528</u>	<u>1,569,369</u>	<u>1,684,897</u>
Total liabilities and net position	<u>\$ 129,199</u>	<u>\$ 1,710,529</u>	<u>\$ 1,839,728</u>

The accompanying notes are an integral part of this financial statement.

VILLAGE OF TANGIPAHOA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 74,927	\$ 43,001	\$ -	\$ -	\$ (31,926)	\$ -	\$ (31,926)
Municipal court	1,650	-	-	-	(1,650)	-	(1,650)
Public safety	219,116	12,338	6,000	79,460	(121,318)	-	(121,318)
Public works	42,912	-	-	-	(42,912)	-	(42,912)
Sanitation	44,010	45,599	-	-	1,589	-	1,589
Total governmental activities	<u>382,615</u>	<u>100,938</u>	<u>6,000</u>	<u>79,460</u>	<u>(196,217)</u>	<u>-</u>	<u>(196,217)</u>
Business-type activities:							
Water	187,893	106,509	67,080	66,991	-	52,687	52,687
Sewer	<u>158,927</u>	<u>57,510</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(101,417)</u>	<u>(101,417)</u>
Total business-type activities	<u>346,820</u>	<u>164,019</u>	<u>67,080</u>	<u>66,991</u>	<u>-</u>	<u>(48,730)</u>	<u>(48,730)</u>
Total	<u>\$ 729,435</u>	<u>\$ 264,957</u>	<u>\$ 73,080</u>	<u>\$ 146,451</u>	<u>(196,217)</u>	<u>(48,730)</u>	<u>(244,947)</u>
General Revenues:							
Property taxes				9,130	-	9,130	
Sales taxes				101,702	-	101,702	
Franchise taxes				11,303	-	11,303	
Intergovernmental				13,185	-	13,185	
Interest				2	1,599	1,601	
Miscellaneous				1,624	-	1,624	
Operating transfers in (out)				<u>67,109</u>	<u>(67,109)</u>	<u>-</u>	
Total general revenues				<u>204,055</u>	<u>(65,510)</u>	<u>138,545</u>	
Change in net position				7,838	(114,240)	(106,402)	
Total net position - July 1, 2022				<u>107,690</u>	<u>1,683,609</u>	<u>1,791,299</u>	
Total net position - June 30, 2023				<u>\$ 115,528</u>	<u>\$ 1,569,369</u>	<u>\$ 1,684,897</u>	

The accompanying notes are an integral part of this financial statement.

VILLAGE OF TANGIPAHOA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Sales Tax Fund	Capital Projects Fund (LCDDBG)	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 9,498	\$ 15,703	\$ 226	\$ 25,427
Receivables, net:				
Intergovernmental	3,604	7,432	-	11,036
Other	2,910	-	-	2,910
Franchise taxes	1,863	-	-	1,863
Prepaid insurance	7,571	-	-	7,571
Total assets	<u>\$ 25,446</u>	<u>\$ 23,135</u>	<u>\$ 226</u>	<u>\$ 48,807</u>
LIABILITIES				
Accounts payable	\$ 11,728	\$ -	\$ -	\$ 11,728
Accrued expenses	1,943	-	-	1,943
Due to other funds	1,646	-	-	1,646
Total liabilities	<u>15,317</u>	<u>-</u>	<u>-</u>	<u>15,317</u>
FUND BALANCES				
Nonspendable	7,571	-	-	7,571
Restricted	-	23,135	-	23,135
Unassigned	2,558	-	226	2,784
Total fund balances	<u>10,129</u>	<u>23,135</u>	<u>226</u>	<u>33,490</u>
Total liabilities and fund balances	<u>\$ 25,446</u>	<u>\$ 23,135</u>	<u>\$ 226</u>	<u>\$ 48,807</u>

The accompanying notes are an integral part of this financial statement.

VILLAGE OF TANGIPAHOA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

Total fund balances at June 30, 2023 - Governmental funds \$ 33,490

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

Capital assets used in governmental activities are not current financial resources and,
therefore, are not reported in the governmental funds.

Cost of capital assets at June 30, 2023	208,317
Less: accumulated depreciation as of June 30, 2023	<u>(126,279)</u>
	<u>82,038</u>

Total net position at June 30, 2023 - Governmental Activities \$ 115,528

The accompanying notes are an integral part of this financial statement.

VILLAGE OF TANGIPAHOA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	General Fund	Sales Tax Fund	Capital Projects Fund (LCDDBG)	Total Governmental Funds
REVENUES				
Taxes	\$ 20,433	\$ 101,702	\$ -	\$ 122,135
License and permits	43,001	-	-	43,001
Intergovernmental	13,185	-	-	13,185
Sanitation	45,599	-	-	45,599
Fines and forfeitures	12,338	-	-	12,338
Supplemental pay income	6,000	-	-	6,000
Police grants	79,460	-	-	79,460
Miscellaneous	1,624	-	-	1,624
Interest income	-	2	-	2
Total revenues	<u>221,640</u>	<u>101,704</u>	<u>-</u>	<u>323,344</u>
EXPENDITURES				
General government	74,226	22	64	74,312
Municipal court	1,650	-	-	1,650
Public safety:				
Police	200,203	-	-	200,203
Fire	8,200	-	-	8,200
Public works	40,055	-	-	40,055
Sanitation	44,010	-	-	44,010
Capital outlay	3,790	-	-	3,790
Total expenditures	<u>372,134</u>	<u>22</u>	<u>64</u>	<u>372,220</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(150,494)</u>	<u>101,682</u>	<u>(64)</u>	<u>(48,876)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	151,113	-	-	151,113
Operating transfers out	-	(84,004)	-	(84,004)
Total other financing sources (uses)	<u>151,113</u>	<u>(84,004)</u>	<u>-</u>	<u>67,109</u>
Net change in fund balances	619	17,678	(64)	18,233
Fund balances at beginning of year	<u>9,510</u>	<u>5,457</u>	<u>290</u>	<u>15,257</u>
Fund balances at end of year	<u>\$ 10,129</u>	<u>\$ 23,135</u>	<u>\$ 226</u>	<u>\$ 33,490</u>

The accompanying notes are an integral part of this financial statement.

VILLAGE OF TANIGAPAHOA
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2023

Total net change in fund balances, total governmental funds, for the year ended June 30, 2023 \$ 18,233

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

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

Expenditures for capital assets	3,790
Depreciation expense for year ended June 30, 2023	<u>(14,185)</u>
	<u>(10,395)</u>

Change in net position - Governmental Activities	<u>\$ 7,838</u>
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The accompanying notes are an integral part of this financial statement.

VILLAGE OF TANGIPAHOA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

ASSETS

Current Assets:

Cash and cash equivalents	\$ 154,748
Receivables, net:	
Accounts receivable	4,466
N Court	995
Prepaid insurance	3,184
Due from other funds	1,646
Total current assets	<u>165,039</u>
Restricted Assets:	
Restricted cash and cash equivalents	42,681
Total restricted assets	<u>42,681</u>
Property, Plant, and Equipment	
Construction in progress	58,434
Property, plant, and equipment, net	1,444,375
Total Property, Plant, and Equipment	<u>1,502,809</u>
Total assets	<u>1,710,529</u>

LIABILITIES

Current Liabilities (Payable From Current Assets):

Accounts payable	4,711
Unclaimed properties	1,637
Accrued expenses	851
Deferred revenue	94,991
Total Current Liabilities (Payable from Current Assets)	<u>102,190</u>

Current Liabilities (Payable From Restricted Assets):

Customer deposits	38,970
Total Current Liabilities (Payable from Restricted Assets)	<u>38,970</u>
Total liabilities	<u>141,160</u>

NET POSITION

Net investment in capital assets	1,502,809
Restricted For:	
Customer deposits	3,711
Unrestricted	62,849
Total Net Position	<u>\$ 1,569,369</u>

The accompanying notes are an integral part of this financial statement.

VILLAGE OF TANGIPAHOA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2023

	Water/Utility System	Capital Sewer/Utility System	Total
OPERATING REVENUES			
Water sales	\$ 99,027	\$ -	\$ 99,027
Sewer service charges	-	55,107	55,107
Delinquent charges	4,034	2,403	6,437
Safe drinking water	3,118	-	3,118
Other	330	-	330
Total operating revenues	<u>106,509</u>	<u>57,510</u>	<u>164,019</u>
OPERATING EXPENSES			
Accounting	15,175	15,175	30,350
Advertising	-	580	580
Bad debts	839	839	1,678
Billing costs	2,002	1,978	3,980
Chlorine	17,092	-	17,092
Depreciation	35,368	48,670	84,038
Drug testing	59	42	101
Dues and registration	569	194	763
Grant writer	10,107	3,443	13,550
Insurance	1,686	1,352	3,038
Licenses and fees	1,070	190	1,260
Payroll taxes	1,495	1,495	2,990
Safe drinking water fees	3,652	-	3,652
Repairs and maintenance	60,006	51,123	111,129
Salaries and wages	19,963	19,963	39,926
Sewer treatment operations	-	6,060	6,060
Supplies	56	-	56
Utilities	13,803	7,823	21,626
Water testing	4,580	-	4,580
Other	371	-	371
Total operating expenses	<u>187,893</u>	<u>158,927</u>	<u>346,820</u>
OPERATING LOSS	(81,384)	(101,417)	(182,801)
NONOPERATING REVENUES			
Interest income	-	1,599	1,599
	<u>-</u>	<u>1,599</u>	<u>1,599</u>
TRANSFERS AND CAPITAL GRANTS			
Grants	66,991	-	66,991
American Rescue funds	33,540	33,540	67,080
Transfer out general fund	(54,556)	(54,554)	(109,110)
Transfer in sales tax fund	-	42,001	42,001
Total nonoperating revenues	<u>45,975</u>	<u>24,185</u>	<u>66,962</u>
Change in net position			<u>(114,240)</u>
Total net position, beginning			<u>1,683,609</u>
Total net position, ending			<u>\$ 1,569,369</u>

The accompanying notes are an integral part of this financial statement.

VILLAGE OF TANGIPAHOA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2023

Cash flow from operating activities	
Received from customers	\$ 171,567
Payments for operations	(222,768)
Payments to employees	(42,983)
Net cash used in operating activities	<u>(94,184)</u>
Cash flow from noncapital financing activities	
Transfer to other funds	(109,111)
Transfer from other funds	42,001
Change in due to other funds	(8,343)
Proceeds from operating grants	<u>157,999</u>
Net cash provided by noncapital financing activities	<u>82,546</u>
Cash flows from capital and related financing activities	
Purchases of fixed assets	(58,434)
Proceeds from capital grants	<u>66,991</u>
Net cash provided by capital and related financing activities	<u>8,557</u>
Cash flows from investing activities	
Receipt of interest	<u>1,599</u>
Net cash provided by investing activities	<u>1,599</u>
Net cash decrease in cash and cash equivalents	(1,482)
Cash and cash equivalents, beginning of year	198,911
Cash and cash equivalents, end of year	<u>\$ 197,429</u>
Reconciliation of operating loss to net cash used in operating activities	
Operating loss	\$ (182,802)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	84,038
Decrease in accounts receivable	4,891
Increase in Ncourt receivable	(431)
Decrease in accounts payable	(2,203)
Increase in prepaid expense	(1,610)
Increase in accrued payables	843
Increase in customer deposits	3,090
Net cash used in operating activities	<u>\$ (94,184)</u>
Reconciliation of Cash to the statement of net position	
Cash	\$ 154,748
Restricted cash	<u>42,681</u>
	<u>\$ 197,429</u>

The accompanying notes are an integral part of this financial statement.

VILLAGE OF TANGIPAHOA

NOTES TO THE FINANCIAL STATEMENTS

Introduction

The Village of Tangipahoa, Louisiana was incorporated on July 1, 1959 under the provisions of the Lawrason Act. The Village is located approximately four miles south of Kentwood, Louisiana, on Highway 51 east of Interstate 55. The total population of the Village of Tangipahoa, Louisiana is 748, as reported by the U.S. Census Bureau, Census 2020.

The Village operates under a Mayor/Board of Aldermen and Alderwomen form of government, with the mayor and each of three aldermen/alderwomen elected at large for four-year terms. The Village provides police protection services, services to maintain or develop street, drainage, sanitation, support of recreation activities, general and administrative services, and utilities services for area residents. The Village provides water to 263 customers, garbage service to 222 customers, and sewer utility services to 196 customers. The Village employs three full-time employees and one part-time employee in addition to the Mayor and Board of Aldermen and Alderwomen.

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

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

1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

This report includes all funds which are controlled by or dependent on the Village's Mayor and Village's Aldermen and Alderwomen. Control by or dependence on the Village was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, fiscal interdependency, imposition of will, and whether financial benefit/burden relationship existed between the Village and potential component unit. Also, consideration of a component unit was determined based on whether the nature and significance of the organization's relationship with the Village is such that exclusion would cause the Village's financial statements to be misleading or incomplete. The criteria in GASB No. 61 have been considered.

Governmental Accounting Standards Board (GASB) Statement No. 61 established criteria for determining the reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the Village of Tangipahoa is considered a primary government, since it is a special 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. 61, 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. Since the Village of Tangipahoa has no component units, these financial statements include only information on the primary government.

VILLAGE OF TANGIPAHOA

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

B. Government-Wide and Fund Financial statements

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

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund 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.

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

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

VILLAGE OF TANGIPAHOA

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

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

The Village reports the following major governmental funds:

The *General Fund* 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, 2023, the Village elected to report the *Sales Tax Fund* as a major governmental fund.

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.

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 the enterprise fund 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.

The business-type activities and the proprietary fund financial statements follow guidance included in GASB Statement No. 62-Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 1989 FASB and AICPA Pronouncements.

VILLAGE OF TANGIPAHOA

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

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

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 spent first out of restricted funds, committed funds, then assigned funds, and finally unassigned funds as needed unless the Village has provided otherwise in commitment or assignment actions.

D. Deposits and Investments

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

E. Receivables and Payables

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

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.

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:

	<u>Authorized Mileage</u>	<u>Levied Millage</u>
General Corporate Purposes	5.95 mills	5.95 mills
Fire Protection	10.00 Mills	10.00 mills

VILLAGE OF TANGIPAHOA

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

F. Prepaid Items

Prepaid items contain payments made to vendors applicable to future accounting periods in both the government-wide and proprietary fund financial statements. The cost of a prepaid item is recorded as an expense when consumed rather than purchased.

G. Restricted Assets

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

H. Capital Assets

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

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

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

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

<u>Descriptions</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

VILLAGE OF TANGIPAHOA

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

I. Compensated Absences

Compensated absences consist of vacation and sick leave earned by employees based on services already rendered. Employees may accumulate up to a maximum number of hours depending on years of service. Vacation and sick leave must be used in the year earned.

In accordance with GASB-16, *Accounting/or Compensated Absences*, no liability is necessary to be accrued for unused employee sick leave.

J. Net Position

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as follows:

- **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.
- **Restricted Component of Net Position** - The restricted component of net position consists of net position that has external restrictions imposed by creditors, grantors, contributors, laws or regulations of other governments, and restrictions imposed by law through enabling legislation.
- **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.

VILLAGE OF TANGIPAHOA

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

J. Net Position (continued)

In the fund statements, governmental funds report the fund balance into classifications that comprise a hierarchy based on the extent to which the Village is bound to honor constraints on the specific purpose for which those funds can be spent. The classifications of fund balance are 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 expenditures amounts incurred for specific purposes which exceed the amounts restricted, committed, or assigned to those purposes.

When expenditures are incurred for the purposes for which both restricted and unrestricted amounts are available, the Village reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for committed, assigned, and unassigned amounts are available, the Village reduces committed amounts first, followed by assigned amounts and then unassigned amounts.

K. Extraordinary and Special Items

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

L. Estimates

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

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 on page 7 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 on page 9 of the basic financial statements.

VILLAGE OF TANGIPAHOA

NOTES TO THE FINANCIAL STATEMENTS

2. Stewardship, Compliance and Accountability

The Village uses the following budget practices:

1. The Village Clerk prepares a proposed budget and submits it to the Mayor and Board 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.
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 and Alderwomen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for the general and enterprise funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets for enterprise funds are presented on the accrual basis of accounting. Other governmental funds are presented on the modified accrual basis of accounting. Accordingly, the budgetary comparison schedules present actual expenditures in accordance with the accounting principles generally accepted in the United States on a basis consistent with the legally adopted budgets as amended. All budgetary amounts presented reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

VILLAGE OF TANGIPAHOA

NOTES TO THE FINANCIAL STATEMENTS

3. Levied Taxes

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

On April 10, 1985, the Village adopted Ordinance 1, authorizing the collection of an additional one cent sales tax. Up to fifty percent of the proceeds was restricted for the purpose of establishing the regular collection of garbage, and acquiring necessary equipment for the maintenance of such garbage systems and the remainder of the proceeds is to be used for the purpose of constructing and improving streets and street lights and acquiring necessary equipment for maintenance. This sales tax expired in 2005. Starting in May 2014, since the Village was still collecting this tax, the school board began holding the collected taxes in an escrow account until a new election occurred. A 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, 2023.

On July 21, 2014, the Village adopted a resolution levying an ad valorem tax of 5.95 mills on the assessed valuation of all property subject to taxation within the Village. The millage of 5.95 is for "general corporate purposes". The Village also collects 10.00 mills for fire protection that is to be transferred to the Tangipahoa Parish Rural Fire #2. The amount paid for fire protection for 2023 was \$8,200.

For the year ending June 30, 2023, the Village assessed Entergy, Inc. public utilities franchise taxes totaling \$8,240 for the privilege of providing services to the Village's citizens.

4. Cash and Cash Equivalents

At June 30, 2023, the Village has cash and cash equivalents (book balances) as follows:

	<u>June 30, 2023</u>
Demand Deposits	\$ 180,174
Louisiana Asset Management Pool	42,681
	<u>\$ 222,855</u>

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

Custodial credit risk as it relates to cash deposits is the risk that in the event of a bank failure, the government's deposits may not be returned. At June 30, 2023, the Village has \$115,845 in 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 LAMP deposits within cash and cash equivalents.

VILLAGE OF TANGIPAHOA

NOTES TO THE FINANCIAL STATEMENTS

4. Cash and cash equivalents (continued)

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
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 150.165, the investment in LAMP at June 30, 2023, is not categorized in the three risk categories provided by GASB Codification Section 150.164 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 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.

Interest rate risk: 2a7-investment like pools are excluded from this disclosure requirement per 15 of the GASB 40 statement. However, the LAMP prepares its own interest rate risk disclosures using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM or LAMP's total investments, as provided by LAMP, is 50 days as of June 30, 2023.

VILLAGE OF TANGIPAHOA

NOTES TO THE FINANCIAL STATEMENTS

4. Cash and cash equivalents (continued)

4. 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 value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and 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.

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.

5. Receivables

The Governmental Fund receivables at June 30, 2023 consist of the following:

Government Receivables	General Fund	Sales Tax Fund	Total Governmental Funds
Public Utility Franchise	\$ 1,863	\$ -	\$ 1,863
Intergovernmental:			
Sales and Use Tax	-	7,432	7,432
State of Louisiana, Beer Tax	3,604	-	3,604
Other	<u>2,910</u>	-	<u>2,910</u>
Total Government Receivables	\$ 8,377	\$ 7,432	\$ 15,809

The Enterprise Fund accounts receivable at June 30, 2023 consist of the following:

Accounts Receivables	Year Ended
	June 30, 2023
Current	\$ -
31 - 60 Days	6,505
61 – 90 Days	774
Over 90 Days	245
120 Day and Over	(651)
Subtotal	6,873
Less Allowance for Bad Debt	(2,407)
Accounts Receivables, Net	4,466
Total Accounts Receivables	\$ 4,466

VILLAGE OF TANGIPAHOA

NOTES TO THE FINANCIAL STATEMENTS

6. Interfund Receivables/Payables

The Village had the following interfund receivables and payables outstanding for the Village's fund financial statements at June 30, 2023.

	Due From	Due To
General Fund		
Sales Tax Fund	\$ -	\$ -
Enterprise Fund	- -	1,646
Special Revenue Fund		
Sales Tax Fund	- -	- -
General Fund	- -	- -
Enterprise Fund	- -	- -
Enterprise Fund		
General Fund	1,646	- -
Sales Tax Fund	- -	- -
Totals	\$ 1,646	\$ 1,646

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

7. Restricted Assets

Restricted assets for the Enterprise Fund at June 30, 2023 are as follows:

Restricted Cash	June 30, 2023
Customer Deposits	\$ 42,681
Total Restricted Assets	\$ 42,681

VILLAGE OF TANGIPAHOA

NOTES TO THE FINANCIAL STATEMENTS

8. Capital Assets

Capital assets and depreciation activity as of and for the year ended June 30, 2023 for governmental activities is as follows:

Governmental Activities Capital Assets:	Beginning Balances	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated				
Land	\$ 26,443	\$ -	\$ -	\$ 26,443
Construction on Progress	-	-	-	-
Total Capital Assets Not Being Depreciated	<u>26,443</u>	<u>-</u>	<u>-</u>	<u>26,443</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	23,000	-	-	23,000
Furniture and Fixtures	1,246	-	-	1,246
Vehicles	71,369	-	-	71,369
Equipment	82,469	3,790	-	86,259
Total Capital Assets Being Depreciated:	<u>178,084</u>	<u>3,790</u>	<u>-</u>	<u>181,874</u>
Less Accumulated Depreciation for:				
Building and Improvements	(16,296)	(615)	-	(16,911)
Furniture and Fixtures	(1,246)	-	-	(1,246)
Vehicles	(30,357)	(10,713)	-	(41,070)
Equipment	(64,195)	(2,857)	-	(67,052)
Total Accumulated Depreciation	<u>(112,094)</u>	<u>(14,185)</u>	<u>-</u>	<u>(126,279)</u>
Total Capital Assets Being Depreciated, Net	<u>65,990</u>	<u>(10,395)</u>	<u>-</u>	<u>55,595</u>
Total Governmental Activities Capital Assets, net of depreciation	\$ 92,433	\$ (10,395)	\$ -	\$ 82,038

Depreciation was charged to governmental functions as follows:

General Government	\$ 615
Public Safety	10,713
Public Works	2,857
	<u>\$ 14,185</u>

VILLAGE OF TANGIPAHOA

NOTES TO THE FINANCIAL STATEMENTS

8. Capital Assets (continued)

Capital assets and depreciation activity as of and for the year ended June 30, 2023 for business-type activities is as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business- Type Capital Assets:				
Capital Assets Not Being Depreciated				
Construction on Progress	\$ -	\$ 58,434	\$ -	\$ 58,434
Total Capital Assets Not Being Depreciated	-	58,434	-	58,434
Capital Assets Being Depreciated:				
Buildings and Improvements	31,414	-	-	31,414
Vehicles and Equipment	90,522	-	-	90,522
Water Utility System	1,655,516	-	-	1,655,516
Sewer Utility System	1,835,294	-	-	1,835,294
Total Capital Assets Being Depreciated:	<u>3,612,746</u>	<u>-</u>	<u>-</u>	<u>3,612,746</u>
Less Accumulated Depreciation for:				
Building and Improvements	(22,266)	(1,068)	-	(23,334)
Vehicles and Equipment	(89,494)	(248)	-	(89,742)
Water Utility System	(721,727)	(34,710)	-	(756,437)
Sewer Utility System	(1,835,294)	(48,012)	-	(1,298,858)
Total Accumulated Depreciation	<u>(2,084,333)</u>	<u>(84,038)</u>	<u>-</u>	<u>(2,168,371)</u>
Total Capital Assets Being Depreciated Net	<u>1,528,413</u>	<u>(84,038)</u>	<u>-</u>	<u>1,444,375</u>
Total Business-Type Activities Capital Assets, net of depreciation	<u>\$ 1,528,413</u>	<u>\$ (25,604)</u>	<u>\$ -</u>	<u>\$1,502,809</u>

The Village incurred \$58,434 in engineering fees on a water system improvement project. At June 30, 2023, the project is in the process of being let out for bids. The total cost of the project has not been determined.

9. Interfund Transfers

The following is a detailed list of interfund transfers reported in the fund financial statements on June 30, 2023:

	<u>Transfer In</u>	<u>Transfer Out</u>
Interfund Transfers		
General Fund		
Enterprise Fund	\$ 42,003	\$ -
Sales Tax Fund	109,110	-
Sales Tax Fund		
General Fund	-	42,003
Enterprise Fund	-	42,001
Enterprise Fund		
General Fund	-	109,110
Sales Tax Fund	42,001	-
Total Interfund Transfers	<u>\$ 193,114</u>	<u>\$ 193,114</u>

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

VILLAGE OF TANGIPAHOA

NOTES TO THE FINANCIAL STATEMENTS

10. Accounts, Salaries, and Other Payables

The Governmental Fund and Enterprise payables at June 30, 2023 are as follows:

Current Payables	General		Enterprise	Total
	Fund	Fund		
Accounts	\$ 11,728	\$ 4,711		\$ 16,439
Due to Other Governments	-	1,637		1,637
Customer Deposits	-	38,970		38,970
Payroll Taxes	1,943	-		1,943
Deferred Revenue	-	94,991		94,991
Other	-	851		851
Total Current Payables	<u>\$ 13,671</u>	<u>\$ 141,160</u>		<u>\$ 154,831</u>

11. 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.

12. Pension Plan

Some of the police department employees of the Village of Tangipahoa are members of the Municipal Police Employees' Retirement System of Louisiana (System). This system is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Pertinent information relative to the plan follows:

Plan Description. All full-time department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3% of their final-average salary for each year of creditable service. Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (225) 929-7411.

Funding Policy. Plan members are required by state statute to contribute 10% of their annual covered salary and the Village of Tangipahoa is required to contribute at an actuarially determined rate. The contribution rate for the fiscal year ended June 30, 2023 was 31.25% of annual covered payroll. The contribution requirements of plan members and the Village of Tangipahoa are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the result of the valuation for the prior fiscal year. The Village of Tangipahoa's contributions to the System for the year ending June 30, 2023, were \$7,813 equal to the required contributions for the year.

VILLAGE OF TANGIPAHOA

NOTES TO THE FINANCIAL STATEMENTS

12. Pension Plan (continued)

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

At June 30, 2023, the Employer did not report a liability for its proportionate share of the net pension liability. The net pension liability is measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability is determined by an actuarial valuation as of that date. Since the Village did not participate in the retirement system as of June 30, 2022, a net pension liability was not determined.

13. Sanitation Contract

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

14. Fund Balances/Net Position

At June 30, 2023, the Village reported positive fund balances/net position in all funds.

15. 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 was a significant decrease in insurance coverage from the prior year. There were no settlements that exceeded the insurance coverage for the past three fiscal years.

16. Contingent Liabilities

At June 30, 2023, the Village was not involved in any outstanding litigation or claims.

17. Subsequent Events

Subsequent events were evaluated by management through December 22, 2023 the date the financial statements were available for issuance.

The Village has been awarded funds under the Louisiana Community Development Block Grant to be used for well site improvements due to the existing well site. The Village is working with their engineer to bid the project. The Village does not have an estimated cost of the project as of the date of this report.

Required Supplemental Information (Part II)

VILLAGE OF TANGIPAHOA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes	\$ 27,700	\$ 27,700	\$ 20,433	\$ (7,267)
License and permits	25,000	19,800	43,001	23,201
Intergovernmental	12,800	12,800	13,185	385
Sanitation	54,000	46,300	45,599	(701)
Fines and forfeitures	5,000	9,800	12,338	2,538
Supplemental pay income	6,000	6,000	6,000	-
Police grants	25,000	63,500	79,460	15,960
Miscellaneous	1,000	100	1,624	1,524
Total revenues	<u>156,500</u>	<u>186,000</u>	<u>221,640</u>	<u>35,640</u>
EXPENDITURES				
General government	57,290	68,200	74,226	(6,026)
Municipal court	1,800	1,800	1,650	150
Public safety:				
Police	95,270	201,300	200,203	1,097
Fire	8,300	8,200	8,200	-
Public works	31,912	40,600	40,055	545
Sanitation	42,200	44,000	44,010	(10)
Capital outlay	-	-	3,790	(3,790)
Total expenditures	<u>236,772</u>	<u>364,100</u>	<u>372,134</u>	<u>(8,034)</u>
Deficiency of revenues under expenditures	<u>(80,272)</u>	<u>(178,100)</u>	<u>(150,494)</u>	<u>27,606</u>
OTHER FINANCING SOURCES				
Operating transfers in	87,150	201,800	151,113	(50,687)
Total other financing sources	<u>87,150</u>	<u>201,800</u>	<u>151,113</u>	<u>(50,687)</u>
Net change in fund balance	6,878	23,700	619	(23,081)
Fund balance at beginning of year	<u>12,836</u>	<u>9,510</u>	<u>9,510</u>	<u>-</u>
Fund balance at end of year	<u>\$ 19,714</u>	<u>\$ 33,210</u>	<u>\$ 10,129</u>	<u>\$ (23,081)</u>

VILLAGE OF TANGIPAHOA
BUDGETARY COMPARISON SCHEDULE
SALES TAX FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Sales taxes	\$ 125,200	\$ 100,038	\$ 101,702	\$ 1,664
Interest income	3	3	2	(1)
Total revenues	<u>125,200</u>	<u>100,038</u>	<u>101,704</u>	<u>1,663</u>
EXPENDITURES				
General administrative	400	100	22	78
Total expenditures	<u>400</u>	<u>100</u>	<u>22</u>	<u>78</u>
Excess of revenues over expenditures	124,800	99,938	101,682	1,741
OTHER FINANCING USES				
Operating transfers out	<u>(124,800)</u>	<u>(99,938)</u>	<u>(84,004)</u>	<u>15,934</u>
Net change in fund balance	-	-	17,678	17,675
Fund balance, beginning of year	<u>5,457</u>	<u>5,457</u>	<u>5,457</u>	<u>-</u>
Fund balance, end of year	<u>\$ 5,457</u>	<u>\$ 5,457</u>	<u>\$ 23,135</u>	<u>\$ 17,675</u>

VILLAGE OF TANGIPAHOA
UTILITY RATES AND SCHEDULE OF NUMBER OF UTILITY CUSTOMERS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2023

<u>Flat Monthly Fee</u>		
Water	\$	30.75
Sewer	\$	23.75
Garbage	\$	16.50
<u>Number of Customers</u>		
Water		263
Sewer		196
Garbage		222

VILLAGE OF TANGIPAHOA
SCHEDULE OF COMPENSATION PAID TO ELECTED OFFICIALS
YEAR ENDED JUNE 30, 2023

<u>Name and Title/Contact Number</u>	<u>Address</u>	<u>Term Expires</u>	<u>Compensation Received</u>
Shelia Martin, Mayor (985) 229-2820	P.O. Box 5 Tangipahoa, LA 70465	12/31/2024	\$ 3,600
Margarett Morris, Alderwoman (985) 614-0450	P.O. Box 331 Tangipahoa, LA 70465	12/31/2024	1,800
Shanita McKnight, Alderwoman (985) 614-9605	P.O. Box 515 Tangipahoa, LA 70465	12/31/2024	1,725
Willis Smith, Alderman (985) 520-7602	P.O. Box 252 Tangipahoa, LA 70465	12/31/2024	1,800
Darrell Martin, Police Chief (985) 229-2820	P.O. Box 5 Tangipahoa, LA 70465	12/31/2024	30,000
			<u>\$ 38,925</u>

VILLAGE OF TANGIPAHOA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2023

Agency Head Name/Title: Shelia Martin, Mayor

Purpose	Amount
Salary	\$ 3,600
Travel-Mileage	-
Conventions	135
Cell Phone	1,095
Registration Fees	-
Total	<u><u>\$ 4,830</u></u>

VILLAGE OF TANGIPAHOA
JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION
JUNE 30, 2023

	First Six Month Period Ended <u>12/31/22</u>	Second Six Month Period Ended <u>6/30/23</u>
Cash Basis Presentation		
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$ 52	\$ 125
Add: Collections		
Criminal Court Costs/Fees	-	-
Criminal Fines - Other	3,755	8,761
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)	-	-
Subtotal Collections	<u>3,755</u>	<u>8,761</u>
Less: Disbursements To Governments & Nonprofits:		
DHH Traumatic Head & Spinal Cord Injury Trust Fund, Criminal Court Cost Fees	25	10
Treasurer, State of Louisiana -CMIS Court Costs	30	64
Florida Parishes Juvenile Justice Commission	215	140
Louisiana Supreme Court Criminal Court Cost Fees	35	28
LA Commission on Law Enforcement Criminal Court Fees	106	72
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	-	-
Criminal Fees - Other	3,271	8,514
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Payments to 3rd Party Collection/Processing Agencies	-	-
Subtotal Disbursements/Retainage	<u>3,682</u>	<u>8,828</u>
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	<u>\$ 125</u>	<u>\$ 58</u>

VILLAGE OF TANGIPAHOA
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2023

A. SUMMARY OF AUDITOR'S RESULTS

1. The independent auditors' report expresses an unmodified opinion on whether the financial statements of The Village of Tangipahoa were prepared in accordance with GAAP.
2. No significant deficiencies were disclosed during the audit of the financial statements is reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. No material weaknesses were noted.
3. No instances of noncompliance material to the financial statements of Village of Tangipahoa which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

None noted.

C. FINDINGS- NON-COMPLIANCE WITH STATE LAWS AND REGULATIONS

None noted.

VILLAGE OF TANGIPAHOA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2023

A. FINDINGS – FINANCIAL STATEMENT AUDIT

2022-001 Lack of Documentation and Approval on Credit Cards
Significant Deficiency

Condition: Four credit card statements were selected for testing. Two out of the ten transactions on the statements did not have receipts to support the credit card charges. One statement did not have approval and three statements included late charges.

Current Status: No similar finding reported in the current year.

B. FINDINGS- NON-COMPLIANCE WITH STATE LAWS AND REGULATIONS

2022-002 Budget Law

Condition: Actual expenditures in the General fund had an unfavorable variance of 6.30% to the final budgeted expenditures and other uses. The Sales tax fund had an unfavorable variance of 5.05% compared to the final budgeted revenues.

Current Status: No similar finding reported in the current year.

2022-003 Financial Statements

Condition: The Village did not comply with the revised statute that requires financial statements to be filed with the Louisiana Legislative Auditor's office within six months of the close the fiscal year.

Current Status: No similar finding reported in the current year.

2022-04 Mayor's Court Costs

Condition: The Village has not submitted costs to various agencies as required by law during the period of July through January of the current fiscal year nor were any payments made to cover prior year collections.

Current Status: No similar finding reported in the current year.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS***

To the Honorable Ms. Shelia Martin, Mayor
and the Board of Aldermen and Alderwomen
Tangipahoa, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of Village of Tangipahoa, Louisiana, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Village of Tangipahoa, Louisiana's basic financial statements, and have issued our report thereon dated December 22, 2023.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Village of Tangipahoa, Louisiana's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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



Gonzales, Louisiana
December 22, 2023

VILLAGE OF TANGIPAHOA

TANGIPAHOA, LOUISIANA

STATEWIDE AGREED UPON PROCEDURES

JUNE 30, 2023



INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Mayor Angela Elmore, Board Members, and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Village of Tangipahoa (the Village) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022 through June 30, 2023. The Village's management is responsible for those C/C areas identified in the SAUPs.

Village of Port Vincen has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

I) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
Written policies and procedures were obtained and address the functions noted above.
 - ii. **Purchasing**, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
Written policies and procedures were obtained and address the functions noted above except how vendors are added to the list.
 - iii. **Disbursements**, including processing, reviewing, and approving.
Written policies and procedures were obtained and address the functions noted above.
 - iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
Written policies and procedures were obtained and address the functions noted above.

- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- Written policies and procedures were obtained and address the functions noted above.*
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- No policy was provided.*
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- Written policies and procedures were obtained and address the functions noted above with exception stating the dollar thresholds by category of expense.*
- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- Written policies and procedures were obtained and address the functions noted above.*
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- Written policies and procedures were obtained and address the functions noted above.*
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- Not applicable.*
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- No policy was provided.*
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.
- Written policies and procedures were obtained and address the functions noted above.*
- Management's response: Management intends to review and amend its written policies and procedures to address the items noted above.*

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
No exceptions noted.
 - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
No exceptions noted.
 - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
Not applicable.
 - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.
No written communication was documented regarding updates of the progress of resolving audit findings.

Management's response: The prior audit findings have been resolved.

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- Obtained listing of client bank accounts for the fiscal period from management and management's representation that listing is complete.*
- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

The bank reconciliations did not provide evidence that they were prepared within 2 months of the related closing date.

Management's response: This procedure is being performed timely. Bank statements are reconciled within 1 to 7 days after the close of the month by the 3rd party CPA. Reconciliations will be initialed and dated going forward.

- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

No evidence of a bank reconciliation review was noted.

Management's response: Going forward, a member of management or a board member will initial as evidence of review of the bank reconciliation.

- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exceptions noted.

4) Collections (excluding electronic funds transfers)

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

Obtained a listing of deposit sites and management's representation that listing is complete.

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

Obtained a listing of collection locations and management's representation that listing is complete.

- i. Employees responsible for cash collections do not share cash drawers/registers;

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
No exceptions noted.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
No exceptions noted.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- i. Observe that receipts are sequentially pre-numbered.
Receipts were not provided for two of the deposits selected.
Management's response: Receipts will be attached to the deposits going forward.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
No exceptions noted.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
No exceptions noted.
 - iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
The Village did not have document of the receipt date for two deposits selected. Therefore, we were unable to determine the timing of the collection to the date of deposit.
Management's response: Date of collection will be marked on check receipts and deposits will be made within one day of collection as deemed practical.
 - v. Trace the actual deposit per the bank statement to the general ledger.
No exceptions noted.

5) Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Obtained listing of locations that process payments and management's representation that listing is complete.

- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
No exceptions noted.
 - ii. At least two employees are involved in processing and approving payments to vendors;
No exceptions noted.
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
No exceptions noted.
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
No exceptions noted.
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
No exceptions noted.
- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
No exceptions noted.
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
No exceptions noted.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner

should select an alternative month and/or account for testing that does include electronic disbursements.

No exceptions noted.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Obtained listing of the credit cards and management's representation that listing is complete.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

No exceptions noted.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

No exceptions noted.

- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

No exceptions noted.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected

Obtained listing of travel and related expense reimbursements and management's representation that listing is complete.

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
No exceptions noted.
- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
No exceptions noted.
- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
No exceptions noted.
- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.
No exceptions noted.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and
Obtained listing of contracts initiated or renewed during the fiscal period and management's representation that listing is complete.
 - i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
No exceptions noted.
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
No exceptions noted.
 - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
No exceptions noted.

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions noted.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Obtained listing of employees and management's representation that listing was complete. Agreed paid salaries to authorized salaries/pay rates in the personnel file without exception.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

No exceptions are noted.

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

No exceptions noted.

- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

No exceptions noted.

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

No exceptions noted.

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

Obtained listing of terminated employees and management's representation that listing was complete. Two employees resigned during the fiscal year end and were not eligible for termination payments.

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums,

garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions noted.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
 - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
No exceptions noted.
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
No exceptions noted.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.
No exceptions noted.

11) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
Not applicable.
- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).
Not applicable.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

Management asserted that the entity did not have any misappropriations of public funds or assets.

- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

The notice is posted on the premises; however, the Village does not have a website. No exception noted.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**

- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.

- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

- iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

No certificate was provided for one employee selected.

Management's response: All certificates will be kept in personnel file in office.

- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

No exceptions noted.

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

- i. Number and percentage of public servants in the agency who have completed the training requirements;

No exceptions noted.

- ii. Number of sexual harassment complaints received by the agency;

No exceptions noted.

- iii. Number of complaints which resulted in a finding that sexual harassment occurred;

No exceptions noted.

- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

No exceptions noted.

- v. Amount of time it took to resolve each complaint.

No exceptions noted.

We were engaged by Village of Tangipahoa to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Village of Tangipahoa and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Dier, Dupuy & Ruiz
Gonzales, Louisiana
December 22, 2023