
VILLAGE OF TANGIPAHOA, LOUISIANA

FINANCIAL REPORT

JUNE 30, 2022

VILLAGE OF TANGIPAOHA, LOUISIANA

FINANCIAL REPORT

JUNE 30, 2022

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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, 2022, 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, 2022, 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 28-29 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 rate 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/disbursing 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 February 28, 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.



February 28, 2023
Gonzales, Louisiana

VILLAGE OF TANGIPAOA
STATEMENT OF NET POSITION
JUNE 30, 2022

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<u>ASSETS</u>			
Cash and cash equivalents	\$ 9,102	\$ 157,829	\$ 166,931
Receivables, net:			
Accounts receivable	-	9,357	9,357
Intergovernmental	8,181		8,181
Other	2,952	562	3,514
Franchise taxes	2,407	-	2,407
Insurance premiums taxes	42	-	42
Prepaid insurance	4,209	1,574	5,783
Internal	6,697	(6,697)	-
Total current assets	<u>33,590</u>	<u>162,625</u>	<u>196,215</u>
<i>Restricted Assets:</i>			
Restricted cash and cash equivalents	-	41,082	41,082
Total restricted assets	<u>-</u>	<u>41,082</u>	<u>41,082</u>
<i>Capital assets:</i>			
Land	26,443	-	26,443
Capital assets, net	<u>65,989</u>	<u>1,528,413</u>	<u>1,594,402</u>
Total capital assets	<u>92,432</u>	<u>1,528,413</u>	<u>1,620,845</u>
Total assets	<u>\$ 126,022</u>	<u>\$ 1,732,120</u>	<u>\$ 1,858,142</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 16,375	\$ 6,914	\$ 23,289
Accrued expenses	1,959	7	1,966
Unclaimed properties	-	1,637	1,637
Deferred revenue	-	4,073	4,073
Customer deposits	-	35,880	35,880
Total liabilities	<u>18,334</u>	<u>48,511</u>	<u>66,845</u>
<u>NET POSITION</u>			
Net investment in capital assets	92,432	1,528,413	1,620,845
Restricted for:			
Customer deposits	-	5,202	5,202
Sales tax ordinance	5,457	-	5,457
Unrestricted	<u>9,799</u>	<u>149,994</u>	<u>159,793</u>
Total net position	<u>107,688</u>	<u>1,683,609</u>	<u>1,791,297</u>
Total liabilities and net position	<u>\$ 126,022</u>	<u>\$ 1,732,120</u>	<u>\$ 1,858,142</u>

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

**VILLAGE OF TANGIPAHOA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

Function/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 80,052	\$ 36,297	\$ -	\$ -	\$ (43,755)	\$ -	\$ (43,755)
Municipal court	1,950	-	-	-	(1,950)	-	(1,950)
Public safety	127,033	3,854	6,000	36,330	(80,849)	-	(80,849)
Public works	28,828	-	-	-	(28,828)	-	(28,828)
Sanitation	43,635	48,133	-	-	4,498	-	4,498
Total governmental activities	<u>281,498</u>	<u>88,284</u>	<u>6,000</u>	<u>36,330</u>	<u>(150,884)</u>	<u>-</u>	<u>(150,884)</u>
Business-type activities:							
Water	166,336	112,522	76,963	-	-	23,149	23,149
Sewer	148,183	62,214	76,963	13,549	-	4,543	4,543
Total business-type activities	<u>314,519</u>	<u>174,736</u>	<u>153,926</u>	<u>13,549</u>	<u>-</u>	<u>27,692</u>	<u>27,692</u>
Total	<u>\$ 596,017</u>	<u>\$ 263,020</u>	<u>\$ 159,926</u>	<u>\$ 49,879</u>	<u>(150,884)</u>	<u>27,692</u>	<u>(123,192)</u>
General Revenues:							
Property taxes					16,279	-	16,279
Sales taxes					117,711	-	117,711
Franchise taxes					10,472	-	10,472
Intergovernmental					12,961	-	12,961
Interest					-	95	95
Miscellaneous					950	-	950
Operating transfers in (out)					32,880	(32,880)	-
Total general revenues					<u>191,253</u>	<u>(32,785)</u>	<u>158,468</u>
Change in net position					40,369	(5,093)	35,276
Total net position - July 1, 2021					<u>67,319</u>	<u>1,688,702</u>	<u>1,756,021</u>
Total net position - June 30, 2022					<u>\$ 107,688</u>	<u>\$ 1,683,609</u>	<u>\$ 1,791,297</u>

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

VILLAGE OF TANGIPAHOA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	<u>General</u> <u>Fund</u>	<u>Sales Tax</u> <u>Fund</u>	<u>Capital</u> <u>Projects Fund</u> <u>(LCDBG)</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
ASSETS				
Cash and cash equivalents	\$ 8,653	\$ 160	\$ 289	\$ 9,102
Due from other funds	6,698	562	-	7,260
Receivables, net:				
Intergovernmental	3,446	4,735	-	8,181
Employees	2,952	-	-	2,952
Franchise taxes	2,407	-	-	2,407
Insurance premiums taxes	42	-	-	42
Prepaid insurance	4,209	-	-	4,209
Total assets	<u>\$ 28,407</u>	<u>\$ 5,457</u>	<u>\$ 289</u>	<u>\$ 34,153</u>
LIABILITIES				
Accounts payable	\$ 16,375	\$ -	\$ -	\$ 16,375
Accrued expenses	1,959	-	-	1,959
Due to other funds	563	-	-	563
Total liabilities	<u>18,897</u>	<u>-</u>	<u>-</u>	<u>18,897</u>
FUND BALANCES				
Nonspendable	4,209	-	-	4,209
Restricted	-	5,457	-	5,457
Unassigned	5,301	-	289	5,590
Total fund balances	<u>9,510</u>	<u>5,457</u>	<u>289</u>	<u>15,256</u>
Total liabilities and fund balances	<u>\$ 28,407</u>	<u>\$ 5,457</u>	<u>\$ 289</u>	<u>\$ 34,153</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, 2022

Total fund balances at June 30, 2022 - Governmental funds		\$ 15,256
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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, 2022	204,526	
Less: accumulated depreciation as of June 30, 2022	<u>(112,094)</u>	92,432

Total net position at June 30, 2022 - Governmental Activities		<u>\$ 107,688</u>
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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, 2022

	<u>General Fund</u>	<u>Sales Tax Fund</u>	<u>Capital Projects Fund (LCDBG)</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes	\$ 26,751	\$ 117,711	\$ -	\$ 144,462
License and permits	36,297	-	-	36,297
Intergovernmental	12,961	-	-	12,961
Sanitation	48,133	-	-	48,133
Fines and forfeitures	3,854	-	-	3,854
Supplemental pay income	6,000	-	-	6,000
Police grants	36,330	-	-	36,330
Miscellaneous	950	-	-	950
Total revenues	<u>171,276</u>	<u>117,711</u>	<u>-</u>	<u>288,987</u>
EXPENDITURES				
General government	78,517	345	-	78,862
Municipal court	1,950	-	-	1,950
Public safety:				
Police	112,125	-	-	112,125
Fire	8,200	-	-	8,200
Public works	25,906	-	-	25,906
Sanitation	43,635	-	-	43,635
Capital outlay	54,515	-	-	54,515
Total expenditures	<u>324,848</u>	<u>345</u>	<u>-</u>	<u>325,193</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(153,572)</u>	<u>117,366</u>	<u>-</u>	<u>(36,206)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	150,246	-	-	150,246
Operating transfers (out)	-	(117,366)	-	(117,366)
Total other financing sources (uses)	<u>150,246</u>	<u>(117,366)</u>	<u>-</u>	<u>32,880</u>
Net change in fund balances	(3,326)	-	-	(3,326)
Fund balances at beginning of year	<u>12,836</u>	<u>5,457</u>	<u>289</u>	<u>18,582</u>
Fund balances at end of year	<u>\$ 9,510</u>	<u>\$ 5,457</u>	<u>\$ 289</u>	<u>\$ 15,256</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, 2022

Total net change in fund balances, total governmental funds, for the year ended June 30, 2022 \$ (3,326)

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	54,515	
Depreciation expense for year ended June 30, 2022	<u>(10,820)</u>	<u>43,695</u>

Change in net position - Governmental Activities	<u>\$ 40,369</u>
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The accompanying notes are an integral part of this financial statement.

VILLAGE OF TANGIPAHOA
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2022

ASSETS

Current Assets:

Cash and cash equivalents	\$	157,829
Receivables, net:		
Accounts receivable		9,357
N Court		562
Prepaid insurance		1,574
Due from other funds		563
Total current assets		169,885

Restricted Assets:

Restricted cash and cash equivalents		41,082
Total restricted assets		41,082

Property, Plant, and Equipment

Property, plant, and equipment, net		1,528,413
Total Property, Plant, and Equipment		1,528,413
Total assets		1,739,380

LIABILITIES

Current Liabilities (Payable From Current Assets):

Accounts payable		6,914
Unclaimed properties		1,637
Accrued expenses		7
Due to other funds		7,260
Deferred revenue		4,073
Total Current Liabilities (Payable from Current Assets)		19,891

Current Liabilities (Payable From Restricted Assets):

Customer deposits		35,880
Total Current Liabilities (Payable from Restricted Assets)		35,880
Total liabilities		55,771

NET POSITION

Net investment in capital assets		1,528,413
Restricted For:		
Customer deposits		5,202
Unrestricted		149,994
Total Net Position	\$	1,683,609

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

VILLAGE OF TANGIPAOA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2022

	<u>Water/Utility System</u>	<u>Capital Sewer/Utility System</u>	<u>Total</u>
OPERATING REVENUES			
Water sales	\$ 103,900	\$ -	\$ 103,900
Sewer service charges	-	58,949	58,949
Connection fees	-	300	300
Delinquent charges	4,381	2,434	6,815
Other	4,241	531	4,772
Total operating revenues	<u>112,522</u>	<u>62,214</u>	<u>174,736</u>
OPERATING EXPENSES			
Accounting	9,375	9,375	18,750
Advertising	-	753	753
Bank charges	376	4	380
Billing costs	1,948	2,097	4,045
Chlorine	7,740	-	7,740
Depreciation	37,432	46,328	83,760
Drug testing	84	84	168
Dues and registration	1,378	-	1,378
Grant writer	9,956	12,060	22,016
Insurance	2,756	2,552	5,308
Licenses and fees	902	-	902
Payroll taxes	1,472	1,472	2,944
Professional fees	2,750	2,750	5,500
Repairs and maintenance	54,793	30,623	85,416
Safe drinking water fees	3,446	-	3,446
Salaries and wages	19,241	19,241	38,482
Sewer treatment operations	-	11,400	11,400
Supplies	122	160	282
Utilities	12,403	8,144	20,547
Water testing	-	1,140	1,140
Other	162	-	162
Total operating expenses	<u>166,336</u>	<u>148,183</u>	<u>314,519</u>
OPERATING LOSS	(53,814)	(85,969)	(139,783)
NONOPERATING REVENUES (EXPENSES)			
Interest income	-	95	95
Sewer grants	-	13,549	13,549
American recovery grant	76,963	76,963	153,926
Transfer out general fund	(45,782)	(45,781)	(91,563)
Transfer in sales tax fund	-	58,683	58,683
Total nonoperating revenues (expenses)	<u>31,181</u>	<u>103,509</u>	<u>134,690</u>
Change in net position			<u>(5,093)</u>
Total net position, beginning			1,688,702
Total net position, ending			<u>\$ 1,683,609</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, 2022

Cash flow from operating activities	
Received from customers	\$ 198,487
Payments for operations	(188,446)
Payments to employees	(41,425)
Net cash used in operating activities	<u>(31,384)</u>
Cash flow from noncapital financing activities	
Transfer to other funds	(32,880)
Change in due to other funds	5,546
Proceeds from operating grants	157,999
Net cash used in noncapital financing activities	<u>130,665</u>
Cash flows from capital and related financing activities	
Purchases of fixed assets	(64,116)
Proceeds from capital grants	13,549
Net cash provided by capital and related financing activities	<u>(50,567)</u>
Cash flows from investing activities	
Receipt of interest	95
Net cash provided by investing activities	<u>95</u>
Net cash increase in cash and cash equivalents	48,809
Cash and cash equivalents, beginning of year	150,102
Cash and cash equivalents, end of year	<u>\$ 198,911</u>
Reconciliation of operating loss to net cash used in operating activities	
Operating loss	\$ (139,783)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	83,760
Decrease in accounts receivable	21,515
Decrease in Ncourt receivable	218
Increase in accounts payable	806
Increase in prepaid expense	1,824
Increase in customer deposits	276
Net cash used in operating activities	<u>\$ (31,384)</u>
Reconciliation of Cash to the statement of net position	
Cash	\$ 157,829
Restricted cash	41,082
	<u>\$ 198,911</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 273 customers, garbage service to 227 customers, and sewer utility services to 205 customers. The Village employs three full-time employees and two part-time employees in addition to the Mayor and Board of Aldermen.

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

The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, Basic Financial Statements, and Management's Discussion and Analysis-for 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, 2022, 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 includes 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.

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

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

	Authorized Mileage	Levied Millage
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. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.
- **Restricted Component of Net Position** - The restricted component of net position consists of 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 of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
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).

The General Fund's expenditures exceeded budgeted expenditures by \$19,248 or 6.30%.

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General	<u>\$ 305,600</u>	<u>\$ 324,848</u>	<u>\$ (19,248)</u>

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, 2022.

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 2022 was \$8,200.

For the year ending June 30, 2022, the Village assessed Entergy, Inc. public utilities franchise taxes totaling \$10,472 for the privilege of providing services to the Village's citizens.

4. Cash and Cash Equivalents

At June 30, 2022, the Village has cash and cash equivalents (book balances) as follows:

	<u>June 30, 2022</u>
Demand Deposits	\$ 166,931
Louisiana Asset Management Pool	41,082
	<u>\$ 208,013</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, 2022, the Village has \$174,930 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, 2022, 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 (WAW) 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 of LAMP's total investments, as provided by LAMP, is 50 days as of June 30, 2022.

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, 2022 consist of the following:

	<u>General Fund</u>	<u>Sales Tax Fund</u>	<u>Total Governmental Funds</u>
Government Receivables			
Public Utility Franchise	\$ 2,407	\$ -	\$ 2,407
Intergovernmental:			
Sales and Use Tax	-	4,735	4,735
State of Louisiana, Beer Tax	3,446	-	3,446
Insurance Premiums Tax	42	-	42
Other	2,952	-	2,952
Total Government Receivables	<u>\$ 8,847</u>	<u>\$ 4,735</u>	<u>\$ 13,582</u>

The Enterprise Fund accounts receivable at June 30, 2022 consist of the following:

	<u>Year Ended June 30, 2022</u>
Accounts Receivables	
Current	\$ 1,912
31 - 60 Days	7,445
61 - 90 Days	3,426
Over 90 Days	802
120 Day and Over	1,130
Subtotal	14,715
Less Allowance for Bad Debt	(5,358)
Accounts Receivables, Net	9,357
Total Accounts Receivables	<u>\$ 9,357</u>

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, 2022

General Fund	<u>Due From</u>	<u>Due To</u>
Sales Tax Fund	\$ -	\$ 281
Enterprise Fund	6,979	563
Special Revenue Fund		
Sales Tax Fund	-	-
General Fund	281	-
Enterprise Fund	281	-
Enterprise Fund		
General Fund	563	6,979
Sales Tax Fund	-	281
Totals	<u>\$ 8,104</u>	<u>\$ 8,104</u>

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

7. Restricted Assets

Restricted assets for the Enterprise Fund at June 30, 2022 is as follows:

<u>Restricted Cash</u>	<u>June 30, 2022</u>
Customer Deposits	<u>\$ 41,082</u>
Total Restricted Assets	<u>\$ 41,082</u>

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, 2022 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	26,443	-	-	26,443
Capital Assets Being Depreciated:				
Buildings and Improvements	23,000	-	-	23,000
Furniture and Fixtures	1,246	-	-	1,246
Vehicles	30,599	40,770	-	71,369
Equipment	68,723	13,745	-	82,468
Total Capital Assets Being Depreciated:	123,568	54,515	-	178,083
Less Accumulated Depreciation for:				
Building and Improvements	(15,392)	(904)	-	(16,296)
Furniture and Fixtures	(1,246)	-	-	(1,246)
Vehicles	(23,347)	(7,010)	-	(30,357)
Equipment	(61,289)	(2,906)	-	(64,195)
Total Accumulated Depreciation	(101,274)	(10,820)	-	(112,094)
Total Capital Assets Being Depreciated, Net	22,294	43,695	-	65,989
Total Governmental Activities Capital Assets,				
Net of Depreciation	\$ 48,737	\$ 43,695	\$ -	\$ 92,432

Depreciation was charged to governmental functions as follows:

General Government	\$ 1,190
Public Safety	6,708
Public Works	2,922
	\$ 10,820

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, 2022 for business-type activities is as follows:

Business- Type Capital Assets:	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated				
Land	\$ -	\$ -	\$ -	\$ -
Construction on Progress	-	-	-	-
Total Capital Assets Not Being Depreciated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	31,414	-	-	31,414
Vehicles and Equipment	89,285	1,237	-	90,522
Water Utility System	1,648,741	6,775	-	1,655,516
Sewer Utility System	1,779,190	56,104	-	1,835,294
Total Capital Assets Being Depreciated:	<u>3,548,630</u>	<u>64,116</u>	<u>-</u>	<u>3,612,746</u>
Less Accumulated Depreciation for:				
Building and Improvements	(21,198)	(1,068)	-	(22,266)
Vehicles and Equipment	(89,287)	(207)	-	(89,494)
Water Utility System	(684,932)	(36,795)	-	(721,727)
Sewer Utility System	(1,205,156)	(45,690)	-	(1,250,846)
Total Accumulated Depreciation	<u>(2,000,573)</u>	<u>(83,760)</u>	<u>-</u>	<u>(2,084,333)</u>
Total Capital Assets Being Depreciated Net	<u>1,548,057</u>	<u>(19,644)</u>	<u>-</u>	<u>1,528,413</u>
Total Business-Type Activities Capital Assets, Net of Depreciation	<u>\$ 1,548,057</u>	<u>\$ (19,644)</u>	<u>\$ -</u>	<u>\$ 1,528,413</u>

9. Interfund Transfers

The following is a detailed list of interfund transfers reported in the fund financial statements on June 30, 2022:

Interfund Transfers	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund		
Enterprise Fund	\$ 91,563	\$ -
Sales Tax Fund	58,683	-
Sales Tax Fund		
General Fund	-	58,683
Enterprise Fund	-	58,683
Enterprise Fund		
General Fund	-	91,563
Sales Tax Fund	58,683	-
Total Interfund Transfers	<u>\$ 208,929</u>	<u>\$ 208,929</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, 2022 are as follows:

	General Fund	Enterprise Fund	Total
Current Payables			
Accounts	\$ 16,375	\$ 6,914	\$ 23,289
Due to Other Governments	-	1,637	1,637
Customer Deposits	-	35,880	35,880
Payroll Taxes	1,959	-	1,959
Deferred Revenue	-	4,073	4,073
Other	-	7	7
Total Current Payables	<u>\$ 18,334</u>	<u>\$ 48,511</u>	<u>\$ 66,845</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. 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.

13. Fund Balances/Net Position

At June 30, 2022, the Village reported positive fund balances/net position in all funds.

14. 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 because the Village failed to renew the insurance on the Village's City Hall. There were no settlements that exceeded the insurance coverage for the past three fiscal years.

15. Contingent Liabilities

At June 30, 2022, the Village was not involved in any outstanding litigation or claims.

16. Subsequent Events

Subsequent events were evaluated by management through February 28, 2023 the date the financial statements were available for issuance. On October 3, 2022, the Village received the second half of the American Rescue Program funding totaling \$157,999.

Required Supplemental Information (Part II)

VILLAGE OF TANGIPAHOA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes	\$ 24,700	\$ 27,400	\$ 26,751	\$ (649)
License and permits	30,700	24,800	36,297	11,497
Intergovernmental	6,000	12,700	12,961	261
Sanitation	49,300	53,500	48,133	(5,367)
Fines and forfeitures	5,000	4,800	3,854	(946)
Supplemental pay income	6,000	6,000	6,000	-
Police grants	25,000	28,400	36,330	7,930
Miscellaneous	1,100	1,600	950	(650)
Total revenues	<u>147,800</u>	<u>159,200</u>	<u>171,276</u>	<u>12,076</u>
EXPENDITURES				
General government	57,290	80,600	78,517	2,083
Municipal court	1,800	1,800	1,950	(150)
Public safety:				
Police	95,270	145,100	112,125	32,975
Fire	8,300	8,200	8,200	-
Public works	31,912	26,300	25,906	394
Sanitation	42,200	43,600	43,635	(35)
Capital outlay	-	-	54,515	(54,515)
Total expenditures	<u>236,772</u>	<u>305,600</u>	<u>324,848</u>	<u>(19,248)</u>
Deficiency of revenues under expenditures	<u>(88,972)</u>	<u>(146,400)</u>	<u>(153,572)</u>	<u>(7,172)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	47,150	61,800	150,246	88,446
Operating transfers (out)	40,000	84,600	-	(84,600)
Total other financing sources (uses)	<u>87,150</u>	<u>146,400</u>	<u>150,246</u>	<u>3,846</u>
Net change in fund balances	(1,822)	-	(3,326)	(3,326)
Fund balance at beginning of year	<u>12,836</u>	<u>12,836</u>	<u>12,836</u>	<u>-</u>
Fund balance at end of year	<u>\$ 11,014</u>	<u>\$ 12,836</u>	<u>\$ 9,510</u>	<u>\$ (3,326)</u>

VILLAGE OF TANGIPAHOA
BUDGETARY COMPARISON SCHEDULE
SALES TAX FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Sales Taxes	\$ 94,500	\$ 123,969	\$ 117,711	\$ (6,258)
Total revenues	<u>94,500</u>	<u>123,969</u>	<u>117,711</u>	<u>(6,258)</u>
EXPENDITURES				
General administrative	300	369	345	24
Total expenditures	<u>300</u>	<u>369</u>	<u>345</u>	<u>24</u>
Excess of revenues over expenditures	94,200	123,600	117,366	(6,234)
OTHER FINANCING USES				
Operating transfers (out)	<u>(94,300)</u>	<u>(123,600)</u>	<u>(117,366)</u>	<u>6,234</u>
Net change in fund balance	(100)	-	-	-
Fund balance, beginning of year	<u>4,292</u>	<u>5,457</u>	<u>5,457</u>	<u>-</u>
Fund balance, end of year	<u>\$ 4,192</u>	<u>\$ 5,457</u>	<u>\$ 5,457</u>	<u>\$ -</u>

VILLAGE OF TANGIPAHOA
UTILITY RATES AND SCHEDULE OF NUMBER OF UTILITY CUSTOMERS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2022

		<u>Flat Monthly Fee</u>
Water	\$	30.75
Sewer	\$	23.75
Garbage	\$	16.50
		<u>Number of Customers</u>
Water		273
Sewer		205
Garbage		227

VILLAGE OF TANGIPAHOA
SCHEDULE OF COMPENSATION PAID TO ELECTED OFFICIALS
YEAR ENDED JUNE 30, 2022

<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	\$ 8,450
Margarett Morris, Alderwoman (985) 614-0450	P.O. Box 331 Tangipahoa, LA 70465	12/31/2024	2,100
Shanita McKnight, Alderwoman (985) 614-9605	P.O. Box 515 Tangipahoa, LA 70465	12/31/2024	2,100
Willis Smith, Alderman (985) 520-7602	P.O. Box 252 Tangipahoa, LA 70465	12/31/2024	2,100
Darrell Martin, Police Chief (985) 229-2820	P.O. Box 5 Tangipahoa, LA 70465	12/31/2024	34,519
			\$ 49,269

VILLAGE OF TANGIPAHOA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2022

Agency Head Name/Title: Shelia Martin, Mayor

Purpose	Amount
Salary	\$ 8,450
Travel-Mileage	-
Conventions	300
Cell Phone	1,022
Registration Fees	-
Total	<u>\$ 9,772</u>

VILLAGE OF TANGIPAHOA
JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION
JUNE 30, 2022

Cash Basis Presentation	First Six Month Period Ended 12/31/21	Second Six Month Period Ended 6/30/22
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$ 2,406	\$ 15
Add: Collections		
Criminal Court Costs/Fees	-	-
Criminal Fines - Other	1,300	2,555
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)	-	-
Subtotal Collections	<u>1,300</u>	<u>2,555</u>
Less: Disbursements To Governments & Nonprofits:		
DHH Traumatic Head & Spinal Cord Injury Trust Fund, Criminal Court Cost Fees	-	5
Treasurer, State of Louisiana -CMIS Court Costs	-	12
Florida Parishes Juvenile Justice Commission	-	60
Louisiana Supreme Court Criminal Court Cost Fees	-	16
LA Commission on Law Enforcement Criminal Court Fees	-	24
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	-	-
Criminal Fees - Other	3,691	2,402
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Payments to 3rd Party Collection/Processing Agencies	-	-
Subtotal Disbursements/Retainage	<u>3,691</u>	<u>2,518</u>
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	<u>\$ 15</u>	<u>\$ 52</u>

VILLAGE OF TANGIPAHOA
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2022

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. One significant deficiency 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. Three instances of noncompliance material to the financial statements of Village of Port Tangipahoa which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

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

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

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.

Cause: The Village did not have adequate receipts to support the credit card charges. One statement was not approved and three statements were not paid timely.

Effect: Lack of adequate receipts and approval creates the potential for errors, fraud, waste or abuse to occur and not be detected in a timely manner. Late charges are being assessed for untimely payments.

Recommendation: The Village should put controls in place to ensure proper documentation is maintained to support charges on the credit card statements. Procedures should also be put in place to ensure transactions are approved and the bill is paid timely.

Management's corrective action plan: The mayor concurs with the recommendation.

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

2022-002 Budget Law

Criteria: The local budget act provides that the governing authority to amend the budget whenever there is a 5% unfavorable variance in revenue or expenditures.

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.

VILLAGE OF TANGIPAHOA
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2022

C. FINDINGS- NON-COMPLIANCE WITH STATE LAWS AND REGULATIONS (continued)

2022-002 Budget Law (continued)

Cause: The Village's general fund expenditures were over budget by \$19,248 or 6.30%. The sales tax fund revenues were under budget by \$6,258 or 5.05%.

Effect: The Village was not in compliance with the Louisiana budget law.

Recommendation: The Village should continue to monitor its budgets and amend the budgets appropriately in accordance with state statutes.

Management's corrective action plan: The Village will continue to monitor its budget on a monthly basis to ensure compliance. An amendment was prepared for its general fund budget as part of the monitoring process; however, unanticipated expenditures were incurred between the date of the budget amendment and the Village's fiscal year end, which resulted in actual expenditures and other uses exceeding final budget appropriations by more than 5%.

2022-003 Financial Statements

Criteria: R.S. requires financial statements to be submitted within sixty days of the close of the fiscal year.

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 sixty days of the close the fiscal year.

Cause: The Village did not timely contract a CPA to perform the audit.

Effect: The Village's requested a non-emergency extension since the financial statements were not submitted timely.

Recommendation: The Village should engage an auditor near the close of the fiscal year end to ensure financial statements can be submitted timely.

Management's Response: The Village will implement procedures to ensure the financial statements are submitted timely in the future.

2022-04 Mayor's Court Costs

Criteria: There are mandatory costs that are required to be paid on all mayor's court cases.

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.

Cause: Procedures were not implemented until February 2022 to ensure all mayor's court costs were paid to the appropriate agencies.

VILLAGE OF TANGIPAOA
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2022

C. FINDINGS- NON-COMPLIANCE WITH STATE LAWS AND REGULATIONS (continued)

2022-004 Mayor's Court Costs (continued)

Effect: The Village did not comply with regulations regarding the payment and reporting of Mayor's costs.

Recommendation: Management should calculate and determine which costs and fees associated with traffic fines collected are still outstanding to other entities and make the proper remittance to each agency.

Management's Response: Procedures have been implemented to pay the appropriate agencies going forward and payments due to other entities have been made subsequent to year end.

VILLAGE OF TANGIPAHOA
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
JUNE 30, 2022

NONCOMPLIANCE FINDINGS

2021-001 Noncompliance with Local Government Budget Act

Condition: The Village's sale tax fund expenditures were over budget by 10.09%.

Current year status: Similar finding reported in the current year.

2021-002 Agendas and Minutes of Board Meetings

Condition: Agendas and minutes were not provided for July 2020 through December 2020. Agendas and minutes were provided for January 2021 through December 2021.

Current year status: No similar finding noted in the current year.

2021-003 Mayor's Court Cost

Condition: The Village has not submitted court cost to various agencies as required by law during the fiscal year of June 30, 2021.

Current year status: 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, 2022, 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 February 28, 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. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2022-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

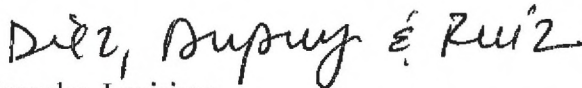
As part of obtaining reasonable assurance about whether Village of Tangipahoa, Louisiana's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have 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 three instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2022-002, 2022-003 and 2022-004.

Village of Tangipahoa, Louisiana's Repose to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Village of Tangipahoa, Louisiana's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. Village of Tangipahoa, Louisiana's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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
February 28, 2023