TANGIPAHOA WATER DISTRICT
TANGIPAHOA PARISH COUNCIL

ANNUAL FINANCIAL STATEMENTS

As of December 31, 2023 and for the Year Ended
With Supplemental Information Schedules
(with 2022 summarized comparative information)

Hebert Johnson & Associates, Inc.
Certified Public Accountants

A Professional Accounting Corporation

Tangipahoa Water District

Annual Financial Statements
As of and for the Year Ended December 31, 2023
With Supplementary Information
(with 2022 summarized comparative information)

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A PROFESSIONAL ACCOUNTING CORPORATION

Independent Auditor's Report

To the Board of Commissioners
Tangipahoa Water District
Natalbany, Louisiana
Denham Springs, Louisiana 70438

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Tangipahoa Water District, a component unit of the Tangipahoa Parish Council, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District'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 business-type activities of the Tangipahoa Water District, as of December 31, 2023, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Tangipahoa Water District, 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 opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Tangipahoa Water District'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.

Auditor's Responsibility 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 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 Tangipahoa Water District'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 Tangipahoa Water District'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.

Report on Summarized Comparative Information

We have previously audited the District's December 31, 2022 financial statements, and we expressed an unmodified opinion on those audited financial statements in their report dated June 22, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 – 15, Schedule of the District's Proportionate Share of Net Pension Liability on page 46 and the Schedule of the Tangipahoa Water District's Contributions on page 47 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 response 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions of the financial statements that collectively comprise the District's basic financial statements. The information included in the accompanying schedules listed as Other Supplementary Information in the table of contents related to the 2023 financial statements, for the year ended December 31, 2023 is presented for purposes of additional analysis and is 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. In our opinion, the information included in the accompanying schedules listed as Other Supplementary Information in the table of contents related to the 2023 financial statements is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2024 on our consideration of the Tangipahoa Water District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not provide an opinion on the effectiveness of the District'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 the Tangipahoa Water District's internal control over financial reporting and compliance.

Respectfully Submitted,

Chris Johnson

Hebert Johnson & Associates, Inc.
A Professional Accounting Corporation
Albany, Louisiana
June 27, 2024

Required Supplementary Information (Part I)

Management's Discussion and Analysis

Tangipahoa Water District

Management's Discussion and Analysis
As of and for the Year Ended December 31, 2023
(with December 31, 2022 summarized comparative information)

Introduction

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

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

Since Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the District's basic financial statements and related notes, which follow management's discussion and analysis.

Financial Highlights

- On December 31, 2023, total assets and deferred outflows of resources were $66,313,693, and exceeded liabilities and deferred inflows of resources in the amount of $22,436,034 (i.e., net position). Of the total net position, $7,551,266 was unrestricted and available to support short-term operations, $45,072 was restricted for capital projects and debt service, and $14,839,696 was the net investment in capital assets.

- For the year ended December 31, 2023, user fee revenues (water sales) increased to $10,563,231 as compared to $9,841,698 for the fiscal year ending December 31, 2022. Residential and commercial customers increased by approximately 3.04 percent and 1.67 percent respectively.

- The District's operating expenses, other than depreciation and amortization expense, increased by $956,709 or approximately twenty-four percent to $4,977,339 as compared to $4,020,630 for the prior fiscal year. The major components of the increase included increases of $361,543 for retirement expense, $287,099 for water well maintenance and supplies, $106,703 for chlorination, $105,552 for repairs and maintenance, $70,908 for salaries, and $24,083 for hospitalization insurance.

- Property, plant, and equipment increased by $3,627,594 (net of accumulated depreciation) due to increases in construction in progress and water system improvements less depreciation. Construction costs of $521,626 were incurred during the fiscal year for the Fairhope Project (Series 2016 project). Construction costs of $634,239 were incurred during the fiscal year for the Hwy 22 water lines project, $2,532,455 for Hwy 40 West project, $171,223 for the Booker II tank project, $5,000 for the Loranger Project, and $400 for the New Administrative Office Building project. Other additions included $80,400 for land for the Booker II Tank project, $59,110 for land for the Loranger project, $686,576 for the Dutch Well casing replacement and improvement, $93,411 for generators and related installation for Woodhaven and Honeysuckle Wells and the new administrative office building, $49,863 for machinery and equipment, which included numerous communication and office equipment, $3,542 for office furniture, $3,935,134 for completion of the Fairhope project, $2,047,286 for the Hwy 22 water lines project, $46,695 for the Dutch Lane Driveway project, and $849,564 for other system improvements. Deletions included $54,773 in vehicles. Current year depreciation expense of $2,181,874 reduced the overall net increase in property, plant, and equipment.

- Total long-term debt, related to bonds payable, decreased by $1,240,000, before consideration of unamortized premium and discount, due to principal payments. Total long-term bonded debt was $39,350,000 at December 31, 2023 before unamortized discounts and premiums.

- The District has capitalized vehicles through right of use leases with a total cost of $366,080 and corresponding amortization of $190,187. Amortization for these assets was $103,047 in 2023. The related right of use lease payable at December 31, 2023 was $181,281.

Overview of the Annual Financial Report

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

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

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

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

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

Financial Analysis

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

Condensed Statements of Net Position
2023 and 2022

	2023	2022	Dollar Change	Percentage Change
Assets:		(Restated)		
Current and Other Assets	$ 15,127,324	$ 17,482,014	$ (2,354,690)	-13%
Capital Assets	48,833,428	45,205,834	3,627,594	8%
Total Assets	63,960,752	62,687,848	1,272,904	2%
Deferred Outflows of Resources:				
Refunding of Debt	1,548,972	1,628,411	(79,439)	-5%
Pension Related	803,969	205,912	598,057	290%
Total Deferred Outflows of Resources	2,352,941	1,834,323	518,618	28%
Liabilities:				
Long-Term Debt Outstanding	41,234,094	41,895,244	(661,150)	-2%
Other Liabilities	2,571,368	3,145,801	(574,433)	-18%
Total Liabilities	43,805,462	45,041,045	(1,235,583)	-3%
Deferred Inflows of Resources:				
Pension Related	72,197	638,467	(566,270)	-89%
Total Deferred Inflows of Resources	72,197	638,467	(566,270)	-89%
Net Position:				
Net Investment in Capital Assets	14,839,696	12,769,416	2,070,280	16%
Restricted for Capital Activity and Debt Service	45,072	-	45,072	-
Unrestricted	7,551,266	6,073,243	1,478,023	24%
Total Net Position	$ 22,436,034	$ 18,842,659	$ 3,593,375	19%

The major components of the change in "Current and Other Assets" are generated from decreases in restricted cash. Restricted cash remaining for the Series 2021 project totaled $5,106,876. Unrestricted cash increased $1,788,051. There was also an approximate $27,973 increase in accounts receivable.

Total Deferred Outflows of Resources increased by $518,618 due to increases of $598,057 related to pension and decreases of $79,439 for items related to the refunding of debt.

Long Term Debt decreased by $661,150 due to principal payments of $1,240,000 on water revenue bonds. The right of use payables for leases increased $27,148. This increase was due to the addition of right of use lease payables of $98,232 and increases due to amendments of the lease term of $38,648 less principal payments of $96,675 and lease terminations of $13,057. Other liabilities decreased by $574,433. There were decreases in construction payable of $633,296 and retainage payable of $162,456. There was an increase in customer deposits payable of $50,036 and accounts payable of $161,698.

Total Deferred Inflows of Resources decreased by $566,270 related to pension.

"Total Net Position" (total assets less total liabilities) increased by $3,593,375 for the fiscal year ending December 31, 2023. As components of this change, operating revenues increased eight percent and operating expenses increased seventeen percent.

Tangipahoa Water District

Management's Discussion and Analysis
As of and for the Year Ended December 31, 2023
(with December 31, 2022 summarized comparative information)

Condensed Statements of Revenues, Expenses and Changes in Net Position
2023 and 2022

	Year ended December 31, 2023	Year ended December 31, 2022 (Restated)	Dollar Change	Percentage Change
Revenues:				
Operating Revenues	$ 11,604,029	$ 10,791,759	$ 812,270	8%
Nonoperating Revenues	585,988	220,656	365,332	166%
Total Revenues	12,190,017	11,012,415	1,177,602	11%
Expenses:				
Depreciation Expense and Amortization	2,292,474	2,174,487	117,987	5%
Other Operating Expense	4,977,339	4,020,630	956,709	24%
Nonoperating Expense	1,326,829	1,342,128	(15,299)	-1%
Total Expenses	8,596,642	7,537,245	1,059,397	14%
Income (Loss) Before Contributions and Transfers	3,593,375	3,475,170	118,205	3%
Transfers In	-	-	-	-
Changes in Net Position	3,593,375	3,475,170	118,205	3%
Beginning Net Position	18,842,659	16,617,302	2,225,357	13%
Prior Period Adjustments Note 15	-	(1,249,813)	1,249,813	-100%
Adjusted Beginning Net Position	18,842,659	15,367,489	3,475,170	23%
Ending Net Position	$ 22,436,034	$ 18,842,659	$ 3,593,375	19%

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

- Total "Operating Revenues" (including water sales and revenues related to providing water and related services to customers) increased by eight percent as compared to a thirty-one percent increase in the prior year. There was an increase of 712 customers (2.94 percent) for the fiscal year ended. There was an overall increase of seventeen percent for total operating expenses which included increases of $361,543 for retirement expense, $287,099 for water well maintenance and supplies, $106,703 for chlorination, $105,552 for repairs and maintenance, $70,908 for salaries, and $24,083 for hospitalization insurance.
- Nonoperating revenues increased by $365,332 due to decreases of $33,131 for FEMA Revenue offset by increases of $164,854 in interest income, $206,164 in dividend income, $14,152 in gain on sale of capital assets, and $11,201 for insurance reimbursements. The nonoperating expense decreased $15,299 due to decreases of interest expense.

Tangipahoa Water District

Management's Discussion and Analysis
As of and for the Year Ended December 31, 2023
(with December 31, 2022 summarized comparative information)

One of the methods for viewing changes from year-to-year is to compare revenue and expense data calculated per customer. For the data presented below, there were 24,919 and 24,207 customers at December 31, 2023 and 2022 respectively. This represents an increase in customers of approximately three percent from the prior fiscal year. This information below is also often used by lenders to calculate the water rates required to cover operating expenses and debt service requirements. The following table presents comparative data, computed as average monthly revenue and expenses, for the fiscal years ending December 31, 2023 and 2022:

Revenue and Expense Data Per Customer

	December 31, 2023	December 31, 2022	Increase (Decrease)
Water Sales	35.33	33.88	1.45
Operating Revenues	38.81	37.15	1.66
Total Revenues	40.76	37.91	2.85
Operating Expenses	24.31	21.33	2.98
Total Expenses	28.75	25.95	2.80

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

Budgetary Highlights

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

Budget vs. Actual - Fiscal Year ended December 31, 2023

	Budget Year ended December 31, 2023	Actual Year ended December 31, 2023	Favorable (Unfavorable) Variance
Revenues:			
Operating Revenues	$ 11,458,000	$ 11,604,029	$ 146,029
Nonoperating Revenues	587,450	585,988	(1,462)
Total Revenues	12,045,450	12,190,017	144,567
Expenses:			
Depreciation Expense	2,184,900	2,181,874	3,026
Other Operating Expense	4,954,000	5,087,939	(133,939)
Nonoperating Expense	1,321,100	1,326,829	(5,729)
Total Expenses	8,460,000	8,596,642	(136,642)
Income (Loss) before Contributions or Transfers	3,585,450	3,593,375	(7,925)
Capital Contributions or Transfers	-	-	-
Change in Net Position	$ 3,585,450	$ 3,593,375	$ (7,925)

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

Tangipahoa Water District

Management's Discussion and Analysis
As of and for the Year Ended December 31, 2023
(with December 31, 2022 summarized comparative information)

Other Significant Trends and Account Changes

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

General Operating Data

One key measure of a water district's profitability is the ability to generate positive cash flows and to collect accounts receivable on a timely basis. Presented below is an aged receivable listing for the fiscal years ending December 31, 2023 and 2022.

	Year Ended December 31, 2023	Year Ended December 31, 2022 (Restated)	Increase (Decrease)
Accounts Receivable			
Current	$ 541,856	$ 474,935	$ 66,921
31-60 Days Past Due	99,398	97,417	1,981
61-90 Days Past Due	24,634	35,707	(11,073)
Over 90 Days Past Due	137,562	184,958	(47,396)
Subtotal	803,450	793,017	10,433
Allowance for Uncollectible Accounts	(189,424)	(206,964)	17,540
Net Accounts Receivable	$ 614,026	$ 586,053	$ 27,973

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

Capital Assets, Right of Use Assets, and Debt Administration

Capital Assets

At the end of the fiscal year ending December 31, 2023, Tangipahoa Water District had $48,833,428 (net of accumulated depreciation) recorded in capital assets. This includes water utility systems and improvements, throughout the parish. Other significant capital assets include the District's improvements for water system equipment and supplies, and equipment and machinery, including vehicles, for water system operation. The changes in capital assets are presented in the table below.

	December 31, 2023	December 31, 2022	Increase (Decrease)	Percentage Change
Capital Assets				
Land	$ 801,336	$ 643,026	$ 158,310	25%
Water Distribution System	72,295,440	64,841,962	7,453,478	11%
Buildings and Improvements	828,061	780,517	47,544	6%
Equipment	2,290,752	2,080,232	210,520	10%
Furniture and Fixtures	27,389	23,847	3,542	15%
Construction in Progress	3,521,160	5,638,637	(2,117,477)	-38%
Subtotal	79,764,138	74,008,221	5,755,917	8%
Less: Accumulated Depreciation	(30,930,710)	(28,802,387)	(2,128,323)	7%
Net Capital Assets	$ 48,833,428	$ 45,205,834	$ 3,627,594	8%

The total increases during the fiscal year ending December 31, 2023, were $5,755,917 before depreciation.

Construction costs of $521,626 were incurred during the fiscal year for the Fairhope Project (Series 2016 project). Construction costs of $634,239 were incurred during the fiscal year for the Hwy 22 water lines project, $2,532,455 for Hwy 40 West project, $171,223 for the Booker II tank project, $5,000 for the Loranger Project, and $400 for the New Administrative Office Building project. Other additions included $80,400 for land for the Booker II Tank project, $59,110 for land for the Loranger project, $686,576 for the Dutch Well casing replacement and improvement, $93,411 for generators and related installation for Woodhaven and Honeysuckle Wells and the new administrative office building, $49,863 for machinery and equipment, which included numerous communication and office equipment, $3,542 for office furniture, $3,935,134 for completion of the Fairhope project, $2,047,286 for the Hwy 22 water lines project, $46,695 for the Dutch Lane Driveway project, and $849,564 for other system improvements.

Deletions included $54,773 in vehicles, that had $53,550 in accumulated depreciation.

Right of Use Assets

At the end of the fiscal year ending December 31, 2023, the District has capitalized vehicles acquired through right of use leases with a cost of $366,079 and corresponding accumulated amortization of $190,187. Amortization of these assets was $103,047 in 2023.

Long-Term Offerings

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

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

At the end of the fiscal year ending December 31, 2023, the District had right of use lease liabilities of $181,281 related to the right of use assets noted above.

Future Economic Plans

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

Requests for Information

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

Business-Type
Financial Statements

Statement A

Tangipahoa Water District
Statement of Net Position
As of December 31, 2023
(With Comparative Totals as of December 31, 2022)

	2023	2022 (Restated)
Assets		
Current Assets:		
Cash and Cash Equivalents - Operating	$ 6,918,498	$ 5,130,447
Receivables, Net :		
Accounts	614,026	586,053
Accrued Billings	423,128	414,338
Other	13,574	152,289
Inventory	179,165	183,397
Prepaid and Other Assets	71,022	65,993
Total Current Assets	8,219,413	6,532,517
Restricted Assets:		
Restricted Cash and Cash Equivalents	6,575,216	9,955,434
Total Restricted Assets	6,575,216	9,955,434
Property, Plant, and Equipment		
Land	801,336	643,026
Construction in Progress	3,521,160	5,638,637
Property, Plant and Equipment, Net	44,510,932	38,924,171
Total Property, Plant, and Equipment	48,833,428	45,205,834
Other Assets		
Bond Issue Insurance Costs and Other	156,802	164,355
Right of Use Assets, Net	175,893	150,153
Net Pension Asset	-	679,555
Total Other Assets	332,695	994,063
Total Assets	63,960,752	62,687,848
Deferred Outflows of Resources		
Refunding of Debt	1,548,972	1,628,411
Pension Related	803,969	205,912
Total Deferred Outflows of Resources	2,352,941	1,834,323
Liabilities		
Current Liabilities (Payable From Current Assets):		
Accounts Payable	314,329	152,631
Compensated Absences Payable	59,912	53,026
Right of Use Lease Payable	95,000	69,719
Other Accrued Payables	454,371	448,882
Total Current Liabilities (Payable From Current Assets)	923,612	724,258
Current Liabilities (Payable From Restricted Assets):		
Customer Deposits	1,423,268	1,373,232
Bonds Payable	1,270,000	1,240,000
Retainage Payable	148,534	310,990
Construction Payable	38,331	671,627
Accrued Interest Payable	132,623	135,413
Total Current Liabilities (Payable From Restricted Assets)	3,012,756	3,731,262
Long Term Liabilities:		
Bonds Payable	39,187,328	40,501,111
Net Pension Liability	595,485	-
Right of Use Lease Payable	86,281	84,414
Total Long Term Liabilities	39,869,094	40,585,525
Total Liabilities	43,805,462	45,041,045
Deferred Inflows of Resources		
Pension Related	72,197	638,467
Total Deferred Inflows of Resources	72,197	638,467
Net Position		
Net Investment in Capital Assets	14,839,696	12,769,416
Restricted for:		
Capital Projects and Debt Service	45,072	-
Unrestricted	7,551,266	6,073,243
Total Net Position	$ 22,436,034	$ 18,842,659

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

Statement B

Tangipahoa Water District
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended December 31, 2023
(With Comparative Totals for the Year Ended December 31, 2022)

	2023	2022 (Restated)
Operating Revenues		
Water Sales	$ 10,563,231	$ 9,841,698
Tap-In and Service Charges	406,261	461,150
Reconnect Charges	97,075	69,494
Penalty Charges	355,946	304,044
Billing Fees	152,713	89,418
Intergovernmental	14,417	11,934
Other	14,386	14,021
Total Operating Revenues	11,604,029	10,791,759
Operating Expenses		
Amortization	110,600	85,768
Bad Debts	78,360	78,360
Billing Costs	176,618	159,962
Chlorination	721,029	614,326
Computer Expense	74,568	91,091
Depreciation	2,181,874	2,088,719
Director's Expense	24,000	22,950
Employee Expense	9,479	9,121
Insurance - Hospitalization	343,813	319,730
Insurance - Business	186,271	170,209
Office Expenses	67,931	68,507
Other	78,176	58,818
Payroll Taxes	29,350	28,947
Professional Fees	63,778	53,371
Repairs and Maintenance	507,008	401,456
Salaries and Wages	1,319,882	1,248,974
Retirement Benefits	266,402	(95,141)
Telephone	61,183	54,235
Utilities	360,100	396,346
Vehicle Expenses	161,085	178,161
Water Well Maintenance and Supplies	448,306	161,207
Total Operating Expenses	7,269,813	6,195,117
Operating Income (Loss)	4,334,216	4,596,642
Nonoperating Revenues (Expenses)		
Federal Emergency Management Agency Reimbursement	-	33,131
Realized Gain (Loss) on Lease Terminations	2,298	-
Realized Gain (Loss) on Sale of Capital Assets	14,152	-
Interest Income	216,981	52,127
Interest Expense	(1,326,829)	(1,342,117)
Insurance Reimbursements	11,201	-
Other Income	341,356	135,398
Other Expense	-	(11)
Total Nonoperating Revenues (Expenses)	(740,841)	(1,121,472)
Change in Net Position	3,593,375	3,475,170
Total Net Position, Beginning	18,842,659	16,617,302
Prior Period Adjustments (Note 15)	-	(1,249,813)
Total Adjusted Net Position, Beginning	18,842,659	15,367,489
Total Net Position, Ending	$ 22,436,034	$ 18,842,659

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

Statement C

Tangipahoa Water District
Statement of Cash Flows
For the Year Ended December 31, 2023
(With Comparative Totals for the Year Ended December 31, 2022)

	2023	2022 (Restated)
Cash Flows From Operating Activities		
Received From Customers	$ 11,538,464	$ 10,071,915
Received for Meter Deposit Fees	50,036	(127,583)
Other Receipts	153,268	49,115
Payments for Operations	(2,842,512)	(2,582,310)
Payments to Employees	(1,836,588)	(1,737,698)
Net Cash Provided by Operating Activities	7,062,668	5,673,439
Cash Flows From Noncapital Financing Activities		
Other Receipts	352,557	135,398
Net Cash Provided (Used) by Noncapital Financing Activities	352,557	135,398
Cash Flows From Capital and Related Financing Activities		
Proceeds from Sale of Capital Acquisitions	15,375	-
Proceeds from Right of Use Lease Terminations	2,298	-
Federal Emergency Management Agency Reimbursements	-	33,131
(Payments for) Right of Use Lease Payable	(112,387)	(83,274)
(Payments for) Capital Acquisitions	(6,606,444)	(4,215,895)
(Payments for) Bond Issuance Costs	79,439	79,439
Principal (Repayments) for Long Term Debt	(1,240,000)	(1,365,000)
Interest Payments for Long Term Debt	(1,362,654)	(1,381,591)
Net Cash Provided (Used) by Capital and Related Financing Activities	(9,224,373)	(6,933,190)
Cash Flows From Investing Activities		
Receipt of Interest	216,981	52,127
Net Cash Provided by Investing Activities	216,981	52,127
Net Cash Increase (Decrease) in Cash and Cash Equivalents	(1,592,167)	(1,072,226)
Cash and Cash Equivalents, Beginning of Year	15,085,881	16,158,107
Cash and Cash Equivalents, End of Year	$ 13,493,714	$ 15,085,881
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:		
Cash and Cash Equivalents, Unrestricted	$ 6,918,498	$ 5,130,447
Cash and Cash Equivalents, Restricted	6,575,216	9,955,434
Total Cash and Cash Equivalents	$ 13,493,714	$ 15,085,881

(Continued)

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

Tangipahoa Water District
Statement of Cash Flows
For the Year Ended December 31, 20223
(With Comparative Totals for the Year Ended December 31, 2022)

		2023		2022 (Restated)
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	$	4,334,216	$	4,596,642
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation and Amortization		2,292,474		2,174,487
(Increase) decrease in Accounts Receivable		(27,972)		(571,966)
(Increase) decrease in Accrued Billings		(8,790)		(121,923)
(Increase) decrease in Due from Other Governments		124,445		23,160
(Increase) decrease in Other Receivables		20		-
(Increase) decrease in Inventory		4,232		(22,053)
(Increase) decrease in Prepaid Insurance		(5,029)		(4,882)
(Increase) decrease in Deferred Outflows of Resources-Pension		(598,057)		56,327
Increase (decrease) in Accounts Payable		161,698		(37,243)
Increase (decrease) in Compensated Absences		6,886		3,165
Increase (decrease) in Deferred Inflows of Resources-Pension		(566,270)		140,904
Increase (decrease) in Accrued Expenses		1,294,779		(435,596)
Increase (decrease) in Customer Deposits		50,036		(127,583)
Net Cash Provided by Operating Activities	$	7,062,668	$	5,673,439

(Concluded)

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

Tangipahoa Water District
Notes to the Financial Statements
As of and for the Year Ended December 31, 2023
(with December 31, 2022 summarized comparative information)

Introduction

On August 5, 1992, the Tangipahoa Parish Council voted to create a parish wide water District effective November 16, 1992, in accordance with *Louisiana Revised Statute 33:3811*, thus creating the Tangipahoa Water District. The purpose for creating Tangipahoa Water District (hereinafter referred to as the District) was initially to consolidate the existing Water Works District Number 2 of Tangipahoa Parish, but Second Ward Water District and Fourth Ward Water District, two active water districts in the northern part of Tangipahoa Parish, were eventually consolidated into Tangipahoa Water District for continued operation. During the fiscal year ending December 31, 2010, Tangipahoa Water District formally took over operation of the Fluker Water System. During the fiscal year ending December 31, 2004, the District formally took over operation of the Manchac Water System.

The Tangipahoa Water District is governed by a board of commissioners consisting of eight members. The board is appointed by the parish council and paid according to the number of meetings attended. Tangipahoa Water District encompasses the southern part of Tangipahoa Parish and parts of north Tangipahoa Parish with some exclusions for previously franchised areas of Tangipahoa Parish. At December 31, 2023, Tangipahoa Water District provided service to a total of 24,919 customers.

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

1. Summary of Significant Accounting Policies

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

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

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

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective for financial statement periods ending after December 15, 2012, provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. Concepts Statement No. 4, *Elements of Financial Statements,* introduced and defined *Deferred Outflows of Resources* as a consumption of net assets by the government that is applicable to a future reporting period, and *Deferred Inflows of Resources* as an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. GASB Concepts Statement 4 identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments,* and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The definition and reporting of net position is further described in *Footnote J – Net Position.* As required by the Governmental Accounting Standards Board (GASB), the District implemented GASB Statement No. 63 during the year ending December 31, 2012. The District had $1,548,972 of deferred outflows of resources due to debt refundings during the year ending December 31, 2023. The District also had deferred outflows and deferred inflows of resources related to pension of $803,969 and $72,197, respectively, at December 31, 2023.

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations, primarily the provision of water to rural areas of Tangipahoa Parish. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

B. Deposits and Investments

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

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

C. Inventories

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

D. Prepaid Items

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

E. Restricted Assets

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

F. Capital Assets

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

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

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Effective for fiscal year 2019, the District no longer capitalizes interest during the construction period on a prospective basis as per GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period.

G. Right of Use Assets

The District has recorded right of use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less incentives, and plus ancillary charges necessary to place the lease into service. Such assets are reported net of amortization. Right of use assets are amortized at the lesser of the useful life or lease term.

H. Compensated Absences

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

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

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

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

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

I. Long-Term Debt Offerings

Long-term liabilities are recognized within the Enterprise Fund. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are now expended in the period incurred under GASB 65.

The District has implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities,* and with the implementation of GASB 65, the recognition of bond-related costs, including the costs related to issuance and refunding of debt, are revised. This standard was intended to compliment GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.* Bond issuance costs, whether or not withheld from the actual debt proceeds received, are now expended in the period incurred under GASB 65. The District had no bond related costs in the year ending December 31, 2023.

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

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

Paragraph 187 of GASB Statement 62 establishes standards of accounting and financial reporting for debt issuance costs. Paragraph 12 of Statement 7 indicates that debt issuance costs include all costs incurred to issue the bonds, including but not limited to insurance costs (net of rebates from the old debt, if any), financing costs (such as rating agency fees), and other related costs (such as printing, legal, administrative, and trustee expenses). Debt issuance costs, except any portion related to prepaid insurance costs, should be recognized as an expense in the period incurred. Prepaid insurance costs should be reported as an asset and recognized as an expense in a systematic and rational manner over the duration of the related debt.

J. Net Position

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

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

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

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

K. Comparative Data/Reclassifications

The financial statements are presented with certain prior year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

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

L. Extraordinary and Special Items

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

M. Estimates

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

2. Cash and Cash Equivalents

At December 31, 2023, the District has cash and cash equivalents (book balances) as follows:

Interest-Bearing Demand Deposits	$	7,964,397
Louisiana Asset Management Pool (LAMP)		5,529,317
	$	13,493,714

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

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District does not have a formal policy for custodial risk. At December 31, 2023, the District has $2,661,805 in deposits (collected bank balances) other than LAMP. These deposits were in a single financial institution with cash deposits secured by $250,000 of federal deposit insurance and an excess of pledged securities held by the custodial bank pledged to the District's account (GASB Category 2) to cover the remaining deposits of $2,411,805. The $2,411,805 is exposed to custodial credit risk because while the amount is secured by pledged securities, such securities are held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

The District has remaining deposits related to the issuance and related construction costs of Tangipahoa Water District Revenue Bonds of $5,106,876 from the Series 2021 Revenue Bonds. Under the terms of the agreement with Whitney Bank, the bank maintains control of the construction funds and disburses funds at the District's request. All funds are fully collateralized by the Trust Department of the respective bank.

At December 31, 2023, the District had $5,529,317 in deposits in LAMP. The District designated $1,785,703 of LAMP deposits for future construction costs and $3,743,411 for future operations. The remaining $203 of LAMP is restricted for customer deposits.

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

GASB Statement No. 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 an investment pool that, to the extent practical, invest in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

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

of 397 days. The WAM for LAMP's total investments, as provided by LAMP, is 53 days as of December 31, 2023.

5. Foreign currency risk: Not applicable.

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

LAMP, Inc. is subject to the regulatory oversight of the State Treasurer and the Board of Directors. LAMP is not registered with the SEC as an investment company. If you have any questions, please feel free to contact the LAMP administrative office at (800) 249-5267.

3. Receivables

The following is a summary of receivables at December 31, 2023 and 2022:

	Year Ended December 31, 2023	Year Ended December 31, 2022 (Restated)	Increase (Decrease)
Accounts Receivable			
Current	$ 541,856	$ 474,935	$ 66,921
31-60 Days Past Due	99,398	97,417	1,981
61-90 Days Past Due	24,634	35,707	(11,073)
Over 90 Days Past Due	137,562	184,958	(47,396)
Subtotal	803,450	793,017	10,433
Allowance for Uncollectible Accounts	(189,424)	(206,964)	17,540
Net Accounts Receivable	$ 614,026	$ 586,053	$ 27,973

All customer receivables are reported at gross value and reduced by the portion that is expected to be uncollectible. The Board of Commissioners of Tangipahoa Water District established a monthly allowance for uncollectible accounts, and periodically the board reviews the aging of receivables and determines the actual amount uncollectible. Per board approval, uncollectible amounts are written off against accounts receivable, and the allowance for doubtful accounts is adjusted to a reasonable estimate of uncollectibility. For the fiscal year ending December 31, 2023, the District had $78,360 in bad debt expense.

Estimated unbilled receivables are recognized at the end of each fiscal year on a pro-rata basis. The estimated amount is based on billing during the month following the close of the fiscal year. Accrued billings at fiscal year-end totaled $423,128.

Tangipahoa Water District
Notes to the Financial Statements
As of and for the Year Ended December 31, 2023
(with December 31, 2022 summarized comparative information)

4. Restricted Assets

At December 31, 2023 and 2022, the District had restricted assets as follows:

	December 31, 2023	December 31, 2022
Restricted Assets		
Customer Deposits	$ 1,146,318	$ 960,672
Bond Sinking Account	318,106	327,967
Construction - System Improvements	3,916	3,916
Construction - Series 2021 Projects	5,106,876	8,662,879
Total Restricted Assets	$ 6,575,216	$ 9,955,434

5. Capital Assets

A summary of changes in capital assets during the fiscal year ending December 31, 2023 is as follows:

	Beginning Balance 12/31/23	Additions and Reclassifications	Deletions and Reclassifications	Ending Balance 12/31/23
Capital Assets				
Land	$ 643,026	$ 158,310	$ -	$ 801,336
Building	781,366	46,695	-	828,061
Equipment	2,144,464	201,061	(54,773)	2,290,752
Furniture and Fixtures	23,847	3,542	-	27,389
Water Distribution System	64,776,880	7,518,560	-	72,295,440
Total Capital Assets in Service	68,369,583	7,928,168	(54,773)	76,242,978
Construction in Progress	5,638,637	3,911,638	(6,029,115)	3,521,160
Total Capital Assets	74,008,220	11,839,806	(6,083,888)	79,764,138
Less Accumulated Depreciation	(28,802,386)	(2,181,874)	53,550	(30,930,710)
Total Capital Assets, Net	$ 45,205,834	$ 9,657,932	$ (6,030,338)	$ 48,833,428

The total increases during the fiscal year ending December 31, 2023, were $5,755,917 before depreciation.

Construction costs of $521,626 were incurred during the fiscal year for the Fairhope Project (Series 2016 project). Construction costs of $634,239 were incurred during the fiscal year for the Hwy 22 water lines project, $2,532,455 for Hwy 40 West project, $171,223 for the Booker II tank project, $5,000 for the Loranger Project, and $400 for the New Administrative Office Building project. Other additions included $80,400 for land for the Booker II Tank project, $59,110 for land for the Loranger project, $686,576 for the Dutch Well casing replacement and improvement, $93,411 for generators and related installation for Woodhaven and Honeysuckle Wells and the new administrative office building, $49,863 for machinery and equipment, which included numerous communication and office equipment, $3,542 for office furniture, $3,935,134 for completion of the Fairhope project, $2,047,286 for the Hwy 22 water lines project, $46,695 for the Dutch Lane Driveway project, and $849,564 for other system improvements.

Deletions included $54,773 in vehicles, that had $53,550 in accumulated depreciation

All assets are depreciated under the straight-line method. Depreciation expense for the fiscal year ending December 31, 2023, totaled $2,181,874.

Right of Use Assets

At the end of the fiscal year ending December 31, 2023, the District has capitalized vehicles acquired through right of use leases with a cost of $366,080 and corresponding accumulated amortization of $190,187. Amortization of these assets was $103,047 in 2023.

	Beginning Balance	Additions	Deletions	Ending Balance
Right of Use Assets				
Leased Vehicles	$ 300,529	$ 112,287	$ (46,736)	$ 366,080
Total Right to Use Assets	300,529	112,287	(46,736)	366,080
Less Accumulated Amortization	(150,376)	(103,047)	63,236	(190,187)
Right to Use Assets, Net	$ 150,153	$ 9,240	$ 16,500	$ 175,893

6. Other Current Liabilities

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

	December 31, 2023	December 31, 2022
Other Accrued Payables:		
Due to Other Districts - Collections of Billings	$ 258,178	$ 272,428
Accrued Wages	26,154	20,894
Accrued Audit Fees	19,000	19,000
Other Accrued Payables	151,039	136,560
Total Other Accrued Payables	$ 454,371	$ 448,882

7. Compensated Absences

At December 31, 2023, employees of Tangipahoa Water District have accumulated and vested $59,912 of employee leave benefits, consisting of accrued vacation leave computed in accordance with GASB Codification Section C60. This accrual represents the value of vacation leave benefits at fiscal year-end including the value of any leave accrual that must be taken by the employee within the employees' annual anniversary hire date. In addition, the District recorded $26,154 in accrued wages at fiscal year-end.

8. Short-Term Debt

The District had no short-term debt at December 31, 2023.

9. Retirement Systems

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

As reported by the State of Louisiana Deferred Compensation Program, for the fiscal year ending December 31, 2023, the aggregate account balance for employees of Tangipahoa Water District participating in the plan was $1,249,722, as compared to $1,178,823 for the fiscal year ending December 31, 2022. Employer contributions for the fiscal year ending December 31, 2023 totaled $12,203, as compared to $15,656 for the fiscal year ended December 31, 2022.

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

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

Plan Description: Parochial Employees' Retirement System of Louisiana is the administrator of a cost sharing multiple employer defined benefit pension plan. The System was established and provided for by R.S. 11:1901 of the Louisiana Revised Statute (LRS). The System provides retirement benefits to employees of taxing districts of a parish or any branch or section of a parish within the State which does not have their own retirement system and which elect to become members of the System.

Substantially all full-time employees of Tangipahoa Water District, except the four described above in the Deferred Compensation Program, are members of the Parochial Employees' Retirement System of Louisiana (System). The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All participating employees of the District are members of Plan A.

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

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

For employees hired prior to January 1, 2007:

1. Any age with thirty (30) or more years of creditable service.
2. Age 55 with twenty-five (25) years of creditable service.
3. Age 60 with a minimum of ten (10) years of creditable service.
4. Age 65 with a minimum of seven (7) years of creditable service.

For employees hired after January 1, 2007:

1. Age 55 with 30 years of service
2. Age 62 with 10 years of service
3. Age 67 with 7 years of service

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

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

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

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

Disability Benefits:
For Plan A, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007 and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to three percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or three percent multiplied by years of service assuming continued service to age sixty for those members who are enrolled prior to January 1, 2017 and to age 62 for those members who are enrolled January 1, 2007 and later.

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

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

Funding Policy. Contributions for all members are established by state statute. Under Plan A, members are required to contribute 9.5 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate, according to state statue. The current rate is 11.50 percent of annual covered payroll. Contributions to the System include one-fourth (1/4) of one percent of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. These tax dollars and revenue sharing are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. These additional sources of income are used as additional employer contributions and are considered support from non-contributing entities. Non-employer contributions are recognized as revenue and excluded from pension. During the year ending December 31, 2023, the District recognized revenue as a result of support received from non-employer contributing entities of $14,417 for its participation in Parochial Employees' Retirement System of Louisiana-Plan A.

The Tangipahoa Water District contributions to the System under Plan A for the years ending December 31, 2023 and 2022 were $129,070, and $120,704 respectively, equal to the required contributions for each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At December 31, 2023, the District reported a liability of $595,485 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of December 31, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contribution of all participating, actuarially determined. At December 31, 2022, the District's proportion was 0.154720%, which was an increase of 0.010454% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the District recognized pension expense for the Parochial Employees' Retirement System of $254,200 representing its proportionate share of the System's net expense, including amortization of deferred amounts.

At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to the Parochial Employees' Retirement System from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 22,016	$ (65,608)
Changes of Assumptions	19,004	-
Net difference between projected and actual earnings on pension plan investments	628,641	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	5,238	(6,589)
Employer contributions subsequent to the measurement date	129,070	
Total	$ 803,969	$ (72,197)

The District reported a total of $129,070 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of December 31, 2022, which will be recognized as a reduction in net pension liability in the year ended December 31, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year	
2023	$ 21,056
2024	$ 101,269
2025	$ 198,536
2026	$ 281,779
	$ 602,640

Actuarial Assumptions. A summary of the actuarial methods and assumptions used in determining the total pension asset as of December 31, 2022, is as follows:

Valuation Date	December 31, 2022
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.40%, net of investment expense, including inflation
Expected Remaining Service Lives	4 years
Projected Salary Increases	4.75%
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 103% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.
Inflation Rate	2.30%

The discount rate used to measure the total pension liability/asset was 6.40%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability/asset.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (top-down), a treasury yield curve approach (bottom-up), and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.10% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.70% for the year ended December 31, 2022.

Best estimates of real rates of return for each major asset class included in Parochial Employees' Retirement System target asset allocation as of December 31, 2022 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed Income	33%	1.17%
Equity	51%	3.58%
Alternatives	14%	0.73%
Real Assets	2%	0.12%
Totals	100%	5.60%
Inflation		2.10%
Expected Arithmetic Nominal Return		7.70%

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

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the participating employers calculated using the discount rate of 6.40%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate as of December 31, 2022:

	1% Decrease	Current Discount Rate	1% Increase
Rates	5.40%	6.40%	7.40%
Tangipahoa Water District Share of NPL/(NPA)	$ 1,472,654	$ 595,485	$ (139,909)

10. Long-Term Obligations

Bonds

The following is a summary of long-term bond obligation transactions for the year ended December 31, 2023:

Description	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Long-Term Debt					
Water Revenue Bonds, Series 2013	$ 150,000	$ -	$ (150,000)	$ -	$ -
Water Revenue Bonds, Series 2014 A	3,180,000	-	(240,000)	2,940,000	250,000
Water Revenue Bonds, Series 2016	2,740,000	-	(80,000)	2,660,000	80,000
Water Revenue Bonds, Series 2017	5,595,000	-	(135,000)	5,460,000	140,000
Water Revenue Refunding Bonds, Series 2020	19,840,000	-	(635,000)	19,205,000	800,000
Water Revenue Bonds, Series 2021	9,085,000	-	-	9,085,000	-
Total Bonds	40,590,000	-	(1,240,000)	39,350,000	1,270,000
Less: Unamortized Premium (Discount)	1,151,111	-	(43,783)	1,107,328	(40,627)
Total Long Term Debt	$ 41,741,111	$ -	$ (1,283,783)	$ 40,457,328	$ 1,229,373

Bonds Payable as of December 31, 2023 is as follows:

			Bonds Payable End of Year	Due Within One Year
Water System Revenue Bonds	$ 4,030,000			
Series 2014A Revenue bonds sold to private lender,	Dated	12/16/2014		
due in semi-annual installments of principal and interest averaging		$ 143,282		
through 12/31/2035 interest at ranges from 1.75% to 4.00%			$ 2,940,000	$ 250,000
Water System Revenue Bonds	$ 3,180,000			
Series 2016 Revenue bonds sold to private lender,	Dated	10/26/2016		
due in semi-annual installments of principal and interest averaging		$ 169,442		
through 12/15/2046 interest at ranges from 1.50% to 3.625%			2,660,000	80,000
Water Revenue Refunding Bonds	$ 6,235,000			
Series 2017 Revenue bonds sold to private lender,	Dated	2/22/2017		
due in semi-annual installments of principal and interest averaging		$ 177,226		
through 4/1/2047 interest at ranges from 1.00% to 4.00%			5,460,000	140,000
Water Revenue Refunding Bonds	$ 20,825,000			
Series 2020 Revenue bonds sold to private lender,	Dated	6/25/2020		
due in semi-annual installments of principal and interest averaging		$ 606,812		
through 12/1/2044 interest at ranges from 0.95% to 3.375%			19,205,000	800,000
Water Revenue Bonds	$ 9,085,000			
Series 2021 Revenue bonds sold to private lender,	Dated	12/9/2021		
due in semi-annual installments of principal and interest averaging		$ 290,393		
through 12/1/2051 interest at ranges from 2.125% to 4.000%			9,085,000	-
			$ 39,350,000	$ 1,270,000

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

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

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

Bond, Series 1999A, dated June 10, 1999, issued in the original principal amount of $300,000 (the "Series 1999A Bond").

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

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

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

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

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

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

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

On June 25, 2020, the District issued Water Revenue Refunding Bonds, Series 2020 in the amount of $20,825,000. This refunding issue provided for partial refunding of the Series 2011A Water Revenue Refunding Bonds, originally issued November 10, 2011, in the amount of $4,515,000; partial refunding of the Series 2011B Water Revenue Refunding Bonds, originally issued November 10, 2011, in the amount of $2,595,000; refunding of Series 2011C Water Revenue Refunding Bonds, originally issued November 10, 2011, in the amount of $5,365,000; partial refunding of the Series 2013 Water Revenue Bonds, originally issued November 6, 2013, in the amount of $6,145,000; refunding of Series 2014B Water Revenue Refunding Bonds, originally issued December 16, 2014, in the amount of $5,000,000. The Series are due in semi-annual principal and interest installments ranging from 0.95% to 3.375% from December 1, 2020 through December 1, 2044. The bond proceeds plus $53,079 of Refunded Debt Service Funds were used to purchase US government securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for the December 1, 2020 debt service payment on the refunded bonds listed above. The Series 2011A, Series 2011B, and Series 2011C will be called on November 1, 2022 at a price equal to the principal amount thereof plus accrued interest to the call date. The Series 2013 will be called on November 1, 2023 at a price equal to the principal amount thereof plus accrued interest to the call date. The Series 2014B was called on December 1, 2020 at a price equal to the principal amount thereof plus accrued interest to the call date. As a result, bonds listed were considered in-substance defeased and the liability for the bond was removed from the District's books at December 31, 2020. As part of the 2020 bond issuance, the District recorded a total of $467,819 in bond issuance costs, plus a bond discount of $104,663 to be amortized over the remaining term on the Series 2020 bond issue. The District reported $1,497,428 in deferred outflows of resources at December 31, 2020 related to the difference between the reacquisition price and the net carrying amount of the old debt for advance refunding resulting in defeasance of debt during the current year.

On December 9, 2021, the District issued Water Revenue Bonds, Series 2021 in the amount of $9,085,000, providing funding for water system improvements. The Series are due in semi-annual principal and interest installments ranging from 2.125% to 4.000% from June 1, 2023 through December 1, 2051. As part of the 2021 bond issuance, the District recorded a total of $253,449 in bond issuance costs, plus a total of $57,366 in bond insurance costs and bond premium of $1,228,618 to be amortized over the remaining term on the Series 2021 bond issue.

The annual requirements to amortize all bonds outstanding as of December 31, 2023, including interest payments of $18,881,052 are as follows:

Year Ending December 31	Series 2014 A Water Revenue Bonds $4,030,000 Principal	Interest	Total	Series 2016 Water Revenue Bonds $3,180,000 Principal	Interest	Total	Series 2017 Water Revenue Bonds $6,235,000 Principal	Interest	Total
2024	250,000	98,388	$ 348,388	80,000	87,850	$ 167,850	140,000	208,938	$ 348,938
2025	255,000	90,888	345,888	85,000	85,850	170,850	145,000	203,938	348,938
2026	260,000	83,238	343,238	85,000	83,725	168,725	155,000	197,938	352,938
2027	275,000	75,438	350,438	90,000	81,600	171,600	160,000	191,638	351,638
2028	280,000	67,188	347,188	90,000	78,900	168,900	165,000	185,138	350,138
2029 to 2033	1,355,000	190,863	1,545,863	495,000	351,800	846,800	935,000	818,538	1,753,538
2034 to 2038	265,000	16,000	281,000	580,000	267,488	847,488	1,125,000	621,844	1,746,844
2039 to 2043	-	-	-	680,000	160,500	840,500	1,350,000	390,575	1,740,575
2044 to 2048	-	-	-	475,000	34,981	509,981	1,285,000	105,100	1,390,100
2049 to 2053	-	-	-	-	-	-	-	-	-
	$ 2,940,000	$ 622,003	$ 3,562,003	$ 2,660,000	$ 1,232,694	$ 3,892,694	$ 5,460,000	$ 2,923,647	$ 8,383,647

Year Ending December 31	Series 2020 Water Revenue Refunding Bonds $20,825,000 Principal	Interest	Total	Series 2021 Water Revenue Bonds $9,085,000 Principal	Interest	Total	Total Principal	Interest	Total
2024	800,000	533,787	$ 1,333,787	$ -	$ 331,469	$ 331,469	$ 1,270,000	$ 1,260,432	$ 2,530,432
2025	810,000	521,467	1,331,467	-	331,469	331,469	$ 1,295,000	$ 1,233,612	2,528,612
2026	820,000	507,049	1,327,049	-	331,469	331,469	$ 1,320,000	$ 1,203,419	2,523,419
2027	840,000	490,977	1,330,977	-	331,469	331,469	$ 1,365,000	$ 1,171,122	2,536,122
2028	860,000	473,085	1,333,085	-	331,469	331,469	$ 1,395,000	$ 1,135,780	2,530,780
2029 to 2033	4,620,000	2,048,669	6,668,669	115,000	1,657,344	1,772,344	$ 7,520,000	$ 5,067,214	12,587,214
2034 to 2038	5,360,000	1,365,872	6,725,872	1,125,000	1,563,744	2,688,744	$ 8,455,000	$ 3,834,948	12,289,948
2039 to 2043	4,835,000	470,031	5,305,031	975,000	1,347,613	2,322,613	$ 7,840,000	$ 2,368,719	10,208,719
2044 to 2048	260,000	8,775	268,775	3,230,000	1,161,950	4,391,950	$ 5,250,000	$ 1,310,806	6,560,806
2049 to 2053	-	-	-	3,640,000	295,000	3,935,000	$ 3,640,000	$ 295,000	3,935,000
	$19,205,000	$ 6,419,712	$25,624,712	$ 9,085,000	$ 7,682,996	$16,767,996	$39,350,000	$18,881,052	$58,231,052

Right of Use Leases

The District has leases related to fleet vehicles. These vehicles are leased for 36-to-60-month terms and various monthly payments ranging from $451 to $689. These leases are presented as right of use lease payables. The District incurred interest expense of $10,747 on the right of use leases in 2023.

The annual requirements to amortize right of use leases outstanding as of December 31, 2023, are as follows:

Year Ending December 31	Principal	Interest	Total
2024	$ 84,700	$ 10,656	$ 95,356
2025	47,388	5,968	53,356
2026	29,323	2,641	31,964
2027	12,233	1,240	13,473
2028	7,637	222	7,859
	$ 181,281	$ 20,727	$ 202,008

11. Flow of Funds, Restrictions on Use

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

The Series 2013 Water Revenue Bonds, issued November 6, 2013, were issued in parity with the existing bonds of the District. With the issuance of the 2013 Water Revenue Bonds, bank accounts were created to record the bond proceeds, issuance costs, and to record funds for construction. During 2014, there were two new bond issuances in parity with existing bonds of the District, the Series 2014A Water Revenue Refunding Bonds dated December 16, 2014, and the Series 2014B Water Revenue Bonds dated December 16, 2014. During 2016, the Series 2016 Water Revenue Bonds were issued in parity with existing bond issuances of the District. During 2020, the Series 2020 Water Revenue Refunding Bonds were issued in parity with existing bond issuances of the District. During 2021, the Series 2021 Water Revenue Bonds were also issued in parity with existing bond issuances of the District. Provisions of bond covenants relating to establishment of Reserve Fund, Debt Service Sinking Fund, and relating to pledge of Net Revenues are continued, with any variations noted in the following paragraphs.

The Reserve Funds, established for the benefit of holders of the outstanding parity bonds, are funded with the purchase of Surety Bonds, which are to be held and maintained by the Paying Agent. The Reserve Funds shall be retained solely for the purpose of paying the principal and interest on the outstanding bonds payable from the Sinking Funds to which there would be default. If a disbursement is made under a surety bond deposited in the Reserve Funds, the Issuer shall be obligated to reinstate the maximum limits of such surety bond immediately following such disbursement as required by the terms of the surety bond. At fiscal year-end, disbursements were not required from the Reserve Funds. Total interest expense from all water revenue bonds equaled $1,280,425 for the year ending December 31, 2023. The gross water revenue recognized during the current period was $11,575,226.

Each of the parity bonds require creation of a Waterworks Bond Debt Service Account (the "Sinking Fund") sufficient in amount to pay promptly and fully the principal of and the interest on the bonds by transferring from the Revenue Fund to the fiscal agent of the Issuer, monthly in advance, sums as may be required for monthly installments to service and pay future debt installments. The Series 2011 Bonds, the Series 2014A and Series 2014B bonds, and the Series 2016 Bonds require deposit by the 5^{th} day of each month a sum equal to 1/6 of the interest falling due on the next interest payment date and 1/12 of the principal falling due on the next principal payment date, together with such additional proportionate sum as may be required to pay said principal and interest as they become due. The Series 2013, Series 2017, Series 2020, and Series 2021 bonds require the same proportionate deposit of interest and principal payments, but require deposit by the 25^{th} of each month. At December 31, 2023, the Sinking Funds of the District totaled $318,106, and exceeded the required deposits at fiscal year-end.

The Issuer also covenants to fix, establish, maintain, and collect such rates, fees, rents, or other charges for the services and facilities of the system, and all parts thereof, and to revise the same from time to time whenever necessary, as will always provide revenues in each fiscal year sufficient to pay the reasonable and necessary expenses of operating and maintaining the system in each fiscal year, and as will provide

"Net Revenues" at least equal to 120% of the principal and interest falling due in such year on all bonds or other obligations payable from the system and as will provide revenues at least sufficient to pay all reserve or sinking funds or other payments required for such fiscal year. "Net Revenue", per the applicable bond provisions, means the revenues, after provision has been made for the payment therefrom of the reasonable and necessary expenses of maintaining and operating the system. For the fiscal year ending December 31, 2023, the District maintained a ratio of "Net Revenues" to debt principal and interest obligations that exceeded the required ratio of 120%.

12. Restricted and Designated Net Position

At December 31, 2023, Tangipahoa Water District recorded $45,072 in Restricted Net Position (Restricted for Capital Activity and Debt Service), representing the District's funds restricted by revenue bond debt covenants, contracts with customers for meter deposits, and the unspent portion of capital debt related to amounts restricted for capital projects less liabilities related to these restricted funds. A liability relates to restricted assets if the asset results from incurring the liability or if the liability will be liquidated with the restricted assets. In accordance with provisions of GASB Statement No. 34, as amended, a category of restricted net position cannot be negative. If the liabilities relating to the restricted assets are greater than those assets, then no balance should be reported as restricted net position. The negative amount is reported as a reduction of unrestricted net position.

13. Litigation and Claims

There is no outstanding litigation at December 31, 2023.

14. Construction Commitments

During the fiscal year ending December 31, 2023, the District entered a contract with Spangler Engineering for $311,498 for Contract A-Hwy 40W Well project. The District has incurred $207,886 in costs related this project. There is approximately $103,612 remaining in contracts related to the Contract A project.

During the fiscal year ending December 31, 2023, the District entered a contract with Griner Drilling for $3,059,900 for Contract A-Hwy 40W Well project. The District has incurred $807,970 in costs related this project. There is approximately $2,251,930 remaining in contracts related to the Contract A project.

During the fiscal year ending December 31, 2023, the District entered a contract with Spangler Engineering for $242,940 for Contract B-Hwy 40W Tank project. The District has incurred $229,277 in costs related to this project. There is approximately $13,663 remaining in contracts related to the Contract B project.

During the fiscal year ending December 31, 2023, the District entered a contract with Maguire Iron for $2,195,950 for Contract B-Hwy 40W Tank project. The District has incurred $2,080,939 in costs related to this project. There is approximately $115,011 remaining in contracts related to the Contract B project.

During the fiscal year ending December 31, 2023, the District entered a contract with Spangler Engineering for $285,661 for Booker II Tank project. The District has incurred $148,373 in costs related to this project. There is approximately $137,288 remaining in contracts related to the Booker II Tank project.

During the fiscal year ending December 31, 2023, the District entered a contract with Caldwell Tanks for $2,948,000 for Booker II Tank project. The District has not incurred any costs related to this project.

During the fiscal year ending December 31, 2023, the District entered a contract with Gasaway Gasaway Bankston Architects for $97,588 for the new administrative office building project. The District has not incurred any costs related to this project.

During the fiscal year ending December 31, 2023, the District entered a contract with McLin Construction, LLC for $1,234,000 for the new administrative office building project. The District has not incurred any costs related to this project.

15. Prior Period Adjustments

At December 31, 2023, the District had a prior period adjustment to remove other entity's balances from accounts receivable and to adjust the receivable from FEMA.

		2023	2022
Beginning Net Position Before Prior Period Adjustments	$	18,842,659	16,617,302
Removal of Sewer District and City of Hammond Accounts Receivable		-	(1,202,732)
To Adjust Fema Reimbursement Received.			(47,081)
Beginning Net Position After Prior Period Adjustments	$	18,842,659	15,367,489

16. Subsequent Events

Subsequent events have been evaluated by management through June 27, 2024, the date the financial statements were available to be issued and these financial statements considered subsequent events through such date. No events were noted that require recording or disclosure in the financial statements for the fiscal year ending December 31, 2023.

Required Supplementary Information
(Part II)

Schedule I

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

Parochial Employees' Retirement System of Louisiana (Plan A)

	Employer's Proportion of the Net Pension Liability (Assets)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered-Employee Payroll	Employer's Proportionate Share of the Net Position Liability (Asset) as a Percentage of its Covered-Employee	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.112900%	$ 30,868	$ 294,811	10.4704%	99.1464%
2016	0.111531%	$ 293,582	$ 639,473	45.9100%	92.2301%
2017	0.121462%	$ 250,153	$ 720,339	34.7271%	94.1489%
2018	0.123882%	$ (91,951)	$ 762,505	-12.0591%	1.0198%
2019	0.135615%	$ 601,908	$ 833,700	72.1972%	88.8618%
2020	0.131914%	$ 6,210	$ 836,434	0.7424%	99.8851%
2021	0.136242%	$ (238,889)	$ 906,969	-26.3393%	103.9981%
2022	0.144266%	$ (679,555)	$ 967,924	-70.2075%	110.4560%
2023	0.154720%	$ 595,485	$ 1,049,600	56.7345%	91.7389%

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

See independent auditor's report.

Schedule 2

Tangipahoa Water District
Schedule of the District's Contributions
For the Year Ended December 31, 2023

Parochial Employees' Retirement System of Louisiana (Plan A)

	Contractually Required Contribution	Contributions in Relation to Contractually Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2015	$ 92,724	$ 92,724	$ -	$ 639,473	14.5001%
2016	93,644	93,644	-	720,339	13.0000%
2017	95,314	95,314	-	762,505	12.5001%
2018	95,876	95,876	-	833,700	11.5001%
2019	96,190	96,190	-	836,434	11.5000%
2020	111,471	111,471	-	909,969	12.2500%
2021	118,722	118,722	-	967,924	12.2656%
2022	120,704	120,704	-	1,049,600	11.5000%
2023	129,070	129,070	-	1,122,072	11.5028%

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

See independent auditor's report.

Other Supplementary Information

Tangipahoa Water District
Schedule of Revenues, Expenses, and Changes in Net Position-Budget (GAAP Basis) and Actual
For the year ended December 31, 2023
(With comparative amounts for the fiscal year ended December 31, 2022)

	2023 Budget	2023 Actual	Variance Favorable (Unfavorable)	2022 Actual (Restated)
Operating Revenues				
Water Sales	$ 10,456,600	$ 10,563,231	$ 106,631	$ 9,841,698
Tap-In and Service Charges	391,600	406,261	14,661	461,150
Reconnect Charges	94,600	97,075	2,475	69,494
Penalty Charges	352,600	355,946	3,346	304,044
Billing Fees	148,200	152,713	4,513	89,418
Intergovernmental	-	14,417	14,417	11,934
Other	14,400	14,386	(14)	14,021
Total Operating Revenues	11,458,000	11,604,029	146,029	10,791,759
Operating Expenses				
Amortization	7,600	110,600	(103,000)	85,768
Bad Debts	78,400	78,360	40	78,360
Billing Costs	174,800	176,618	(1,818)	159,962
Chlorination	722,000	721,029	971	614,326
Computer Expense	73,000	74,568	(1,568)	91,091
Depreciation	2,184,900	2,181,874	3,026	2,088,719
Director's Expense	24,000	24,000	-	22,950
Employee Expense	9,800	9,479	321	9,121
Insurance - Hospitalization	351,100	343,813	7,287	319,730
Insurance - Business	190,100	186,271	3,829	170,209
Office Expenses	67,500	67,931	(431)	68,507
Other	62,400	78,176	(15,776)	58,818
Payroll Taxes	30,100	29,350	750	28,947
Professional Fees	83,500	63,778	19,722	53,371
Repairs and Maintenance	792,600	507,008	285,592	401,456
Salaries and Wages	1,311,600	1,319,882	(8,282)	1,248,974
Retirement Benefits	144,900	266,402	(121,502)	(95,141)
Telephone	62,100	61,183	917	54,235
Utilities	368,600	360,100	8,500	396,346
Vehicle Expenses	279,800	161,085	118,715	178,161
Water Well Maintenance and Supplies	120,100	448,306	(328,206)	161,207
Total Operating Expenses	7,138,900	7,269,813	(130,913)	6,195,117
Operating Income (Loss)	4,319,100	4,334,216	15,116	4,596,642
Nonoperating Revenues (Expenses)				
Federal Emergency Management Agency Reimbursement	-	-	-	33,131
Realized Gain (Loss) on Lease Terminations	-	2,298	2,298	-
Realized Gain (Loss) on Sale of Capital Assets	15,300	14,152	(1,148)	-
Interest Income	198,700	216,981	18,281	52,127
Interest Expense	(1,321,100)	(1,326,829)	(5,729)	(1,342,117)
Donations	-	11,201	11,201	-
Insurance Reimbursements	16,200	-	(16,200)	-
Other Income	357,250	341,356	(15,894)	135,398
Other Expense	-	-	-	(11)
Total Nonoperating Revenues (Expenses)	(733,650)	(740,841)	(7,191)	(1,121,472)
Income (Loss) Before Contributions and Transfers	3,585,450	3,593,375	7,925	3,475,170
Change in Net Position	3,585,450	3,593,375	7,925	3,475,170
Total Net Position, Beginning	18,842,659	18,842,659	-	16,617,302
Prior Period Adjustments (Note 15)	-	-	-	(1,249,813)
Total Adjusted Net Position, Beginning	18,842,659	18,842,659	-	15,367,489
Total Net Position, Ending	$ 22,428,109	$ 22,436,034	$ 7,925	$ 18,842,659

See independent auditor's report.

Tangipahoa Water District
Schedule of Insurance
For the year ended December 31, 2023

Insurance Company / Policy Number	Coverage		Amount	Period
The Charter Oak Fire Insurance Pol. # ZLP-14R32703-23	Commercial Liability Coverages:			5/1/2023 to 5/1/2024
	General Liability Limit Aggregate	$	2,000,000	
	Products Complete Operations Aggregate		2,000,000	
	Personal & Advertising Injury Limit		1,000,000	
	Each Occurrence, Including Failure to Supply		1,000,000	
	Public Entity Management ($5,000 deductible)		1,000,000	
	Fire Damage		100,000	
	Employment Related Practices Liability ($25,000 deductible)		1,000,000	
Wright National Flood Insurance Policy # 171152000472303	Flood Insurance Coverages:			10/22/2023 to 10/22/2024
	Building Basic Limit		121,000	
	Content Basic Limit		29,000	
The Travelers Indemnity Company Policy # ZUP-14R32715	Commercial Excess Liability (Umbrella) (Retention Limit of $10,000)		5,000,000	5/1/2023 to 5/1/2024
Travelers Property Casualty Company Pol. # 660-9738M496	Commercial Package Coverages:			5/1/2023 to 5/1/2024
	Blanket Property Coverage		6,420,000	
	Equipment Floater - Scheduled		330,755	
	Crime Insurance:			
	Employee Dishonesty (Blanket Fidelity Cov.)		500,000	
	Forgery or Alteration		35,000	
	Theft, Disappearance Inside		35,000	
	Theft, Disappearance Outside		35,000	
	Computer Fraud		35,000	
The Travelers Indemnity Company Pol. # BA-3031P077-23	Commercial Auto:			5/1/2023 to 5/1/2024
	Commercial Auto Liability Limit (Combined single limit)		1,000,000	
	Comprehensive & Collision - $1,000 Deductible		As Scheduled	
LUBA Casualty Insurance Company Pol. # 28000016758123	Workers Compensation:			5/1/2023 to 5/1/2024
	Part One - at Statutory Limits			
	Part Two - Employers Liability			
	Statutory Louisiana Limits		Included	
	Employers Liability (Each Accident)		500,000	
	Disease Policy Limit		500,000	
	Disease Each Employee		500,000	

See independent auditor's report.

Schedule 5

Tangipahoa Water District
Schedule of Compensation Paid to Board Members
For the year ended December 31, 2023

Name and Title / Contact Number	Address	Per Diem	Term Expiration
John S. Wilde, President (985) 969-1540	23353 Stepp Road Ponchatoula, LA 70454	$ 3,450	March 2024
Lawrence H. Byers, II, Vice-President (985) 351-5838	39693 Howes Lane Ponchatoula, LA 70454	3,750	July 2027
Jason Lipscomb, Secretary (985) 634-6434	41520 Rue Maison Ponchatoula, LA 70454	2,550	February 2024
Don Marshall, Treasurer (985) 467-9125	39726 Bluff CT Ponchatoula, LA 70454	-	September 2024
Gary Kelly (985) 351-3845	15465 Hwy 442 Tickfaw, LA 70466	3,750	May 2024
Marlon Milton (985) 514-1899	71975 Hwy 1054 Kentwood, LA 70444	3,750	September 2024
Gary Bankston (985) 969-0708	19211 Wild Oak Ponchatoula, LA 70454	3,300	March 2025
Charlie Harrison (985) 969-7292	P.O. Box 1083 Natalbany, LA 70451	3,450	March 2025
Total Compensation Paid		$ 24,000	

See independent auditor's report.

Schedule 6

Tangipahoa Water District
Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head
For the year ended December 31, 2023

Agency Head Name: Charles Schlicher, Executive Director

Purpose		Amount
Salary	$	94,775
Benefits-Insurance		13,472
Benefits-Retirement		10,899
Employer Paid Medicare & Social Security		1,246
Travel - Lodging		459
Continuing Professional Education Fees		355
Fuel Expense		1,848
Special Meals		68
Telephone		2,237
Uniforms		1,074
	$	126,433

See independent auditor's report.

Schedule 7

Tangipahoa Water District
Schedule of Water Rates
For the year ended December 31, 2023

Water

Residential Rates

Metered

$	18.00	-	First 3,000 Gallons
$	3.28	-	Per 1,000 Gallons of Water over 3,000 Gallons

Apartments

Metered

$	18.00	-	First 3,000 Gallons
$	3.28	-	Per 1,000 Gallons of Water over 3,000 Gallons

Dairy Farms

$	52.00	-	First 30,000 Gallons
$	2.55	-	Per 1,000 Gallons of Water over 30,000 Gallons

Schools

Billed according to meter size.

Commercial Rates

Meter				
1"	$	32.00	-	First 10,000 Gallons
	$	3.28	-	Per 1,000 Gallons of Water over 10,000 Gallons
1 1/2"	$	52.00	-	First 20,000 Gallons
	$	3.28	-	Per 1,000 Gallons of Water over 20,000 Gallons
2"	$	72.00	-	First 30,000 Gallons
	$	3.28	-	Per 1,000 Gallons of Water over 30,000 Gallons
3"	$	92.00	-	First 40,000 Gallons
	$	3.28	-	Per 1,000 Gallons of Water over 40,000 Gallons
4"	$	112.00	-	First 50,000 Gallons
	$	3.28	-	Per 1,000 Gallons of Water over 50,000 Gallons

See independent auditor's report.

Schedule 8

Tangipahoa Water District
Schedule of Water Customers
For the years ended December 31, 2023 and 2022

	December 31, 2023	December 31, 2022	Increase (Decrease)
Customers			
Residential	23,603	22,907	696
Commercial	1,097	1,079	18
Apartments	217	219	(2)
Dairy Farms	2	2	-
Total Customers	24,919	24,207	712

See independent auditor's report.

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CHRISTOPHER S. JOHNSON, CPA, MBA
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A PROFESSIONAL ACCOUNTING CORPORATION

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Commissioners
Tangipahoa Water District
Tangipahoa Parish Council

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Tangipahoa Water District, a component unit of the Tangipahoa Parish Council, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Tangipahoa Water District's basic financial statements and have issued our report dated June 27, 2024.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Tangipahoa Water District '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 the Tangipahoa Water District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Tangipahoa Water District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Tangipahoa Water District's financial statements are free of 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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of current year findings, recommendations, and responses as item 2023-01.

Tangipahoa Water District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Tangipahoa Water District's response to the findings in our audit and described in the accompanying schedule of current year findings, recommendations, and responses. The Tangipahoa Water District's response was 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 controls 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; however, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Chris Johnson

Hebert Johnson & Associates, Inc.
A Professional Accounting Corporation
Albany, Louisiana
June 27, 2024

Tangipahoa Water District
Schedule of Current Year Findings, Recommendations, and Responses
For the Year Ended December 31, 2023

We have audited the basic financial statements of the Tangipahoa Water District as of and for the year ended December 31, 2023, and have issued our report thereon dated June 27, 2024. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2023 resulted in an unmodified opinion.

Section I - Summary of Auditor's Reports

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

Internal Control
Material Weakness, No   Significant Deficiencies, No

Compliance
Compliance Material to Financial Statements, Yes

b. Federal Awards

Not Applicable

Was a management letter issued? No

Section II – Financial Statement Findings

Compliance

2023-01 Violation of Public Bid Law

Criteria:
According to LSA-RS 38:2212P, after an emergency has been certified by the public entity at a public meeting, the Public Bid Law may be waived provided that notice was given to the public by publishing in the official journal within 10 days of declaring the public emergency.

Condition:
In April 2023, the District's water well on Dutch Lane experienced a blowout resulting in the concrete wall and steel casing being forcefully blown inward creating a hole. This emergency caused the District to immediately respond and obtain a company to investigate and make necessary repairs as soon as possible. The District did not certify this emergency in a public meeting and did not publish in the official journal within 10 days of declaring an emergency.

Cause:
The emergency repair to the Dutch Lane well was declared in an open meeting; however, the board minutes approved at the subsequent meeting did not include this declaration. This omission also resulted in the emergency declaration not being published in the official journal within 10 days of declaring an emergency the District.

Effect:
The District is in violation of the Public Bid Law.

Recommendation:
We recommend the District, when an emergency occurs, to certify the emergency in an open meeting and publish a notice in the official journal within 10 days.

Management's Response:
Management agrees with the recommendation and has implemented a policy and procedure to ensure when an emergency occurs, it is certified in an open meeting and a notice published in the official journal within 10 days. Responsible Party is Larry Byers, Board President (985) 345-6457.

TANGIPAHOA WATER DISTRICT
TANGIPAHOA PARISH COUNCIL

STATEWIDE AGREED-UPON PROCEDURES REPORT

Fiscal Period January 1, 2023 through December 31, 2023

Hebert Johnson
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Certified Public Accountants

A Professional Accounting Corporation

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A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES FOR THE YEAR ENDED DECEMBER 31, 2023

To the Board of Commissioner of
Tangipahoa Water District
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2023 through December 31, 2023. Tangipahoa Water District's management is responsible for those C/C areas identified in the SAUPs.

Tangipahoa Water District 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 January 1, 2023 through December 31, 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:

1) Written Policies and Procedures

1. 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:

    a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

    b) ***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.

    c) ***Disbursements***, including processing, reviewing, and approving.

d) ***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).

e) ***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.

f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

g) ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

h) ***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).

i) ***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.

j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

k) ***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.

l) ***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.

No exceptions were found as a result of these procedures.

2) Board or Finance Committee

2. 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.

   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 comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, 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.*

   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.

   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 exceptions were found as a result of these procedures.

3) Bank Reconciliations

3. 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:

   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);

   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 within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and

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 were found as a result of these procedures.

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).

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

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

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;

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

iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

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.

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.

ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

iii. Trace the deposit slip total to the actual deposit per the bank statement.

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).

v. Trace the actual deposit per the bank statement to the general ledger.

No exceptions were found as a result of these procedures.

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

8. 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).

9. 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;

   ii. At least two employees are involved in processing and approving payments to vendors;

   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;

   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

   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.

   [Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

10. 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

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.

11. 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 were found as a result of these procedures.

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.

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

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

C. Using the monthly statements or combined statements selected under procedure #7B above, <u>excluding fuel cards</u>, 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 were found as a result of these procedures.

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

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);

ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

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

iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions were found as a result of these procedures.

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

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;

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);

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

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 were found as a result of these procedures.

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.

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);

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

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

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

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.

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 were found as a result of these procedures.

10) *Ethics*

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

   a. 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

   b. 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.

23. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

No exceptions were found as a result of these procedures.

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.

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).

No exceptions were found as a result of these procedures.

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.

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.

No exceptions were found as a result of these procedures.

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.

   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.

   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.

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

C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- Hired before June 9, 2020 - completed the training; and
- Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

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.

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).

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;

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

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

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

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

No exceptions were found as a result of these procedures.

We were engaged by Tangipahoa Water District 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 Tangipahoa Water District 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.

Chris Johnson

Hebert Johnson & Associates, Inc.
A Professional Accounting Corporation
Albany, Louisiana
June 27, 2024