

**TANGIPAHOA PARISH MOSQUITO ABATMENT
DISTRICT NO. 1**

(A Component Unit of the Tangipahoa Parish Government)

Amite, Louisiana

ANNUAL FINANCIAL REPORT

As of and for the year ended

December 31, 2023

ANNUAL FINANCIAL REPORT
As of and for the Year Ended
December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of
Commissioners of Tangipahoa Parish
Mosquito Abatement District No. 1
Hammond, Louisiana

Report on the Audit of Financial Statements

Opinions

I have audited the accompanying financial statements of the governmental activities and each major fund of the Tangipahoa Parish Mosquito Abatement District No. 1 (the District) a component unit of the Tangipahoa Parish Government, 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 my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the Tangipahoa Parish Mosquito Abatement District No.1, Louisiana, as of December 31, 2023, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my 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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the District, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Responsibilities of Management 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 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 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 Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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*, I:

- Exercise professional judgement 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 responsible 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 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time

I am 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 I identify during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 37, Schedule of Proportionate Share of Net Pension Liability (Asset) on page 38, and the Schedule of Contributions on page 39 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. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions of the financial statements that collectively comprise the District's basic financial statements. The accompanying Schedule of Compensation, Benefits, and Other Payments to Agency Head and the Schedule of Compensation Paid to Board Members are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion the Schedule of Compensation, Benefits, and Other Payments to Agency Head and the Schedule of Compensation Paid to Board Members are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

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


Certified Public Accountant

June 27, 2024

**REQUIRED SUPPLEMENTAL INFORMATION
(PART I)**

TANGIPAHOA PARISH MOSQUITO ABATEMENT
DISTRICT NO. 1
(A Component Unit of the Tangipahoa Parish Government)

MANAGEMENT’S DISCUSSION AND ANALYSIS
As of and for the year ended December 31, 2023

Introduction

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

The District’s management 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.

As with other sections of this financial report, the information contained within this Management’s Discussion and Analysis should be considered only a part of a greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and the other Required Supplemental Information (“RSI”) that is provided in addition to this Management’s Discussion and Analysis.

Financial Highlights

- At December 31, 2023, the District’s assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$8,896,336 (net position). The District’s unrestricted net position of \$7,727,154 may be used to meet the District’s ongoing obligations for mosquito protection. For the year ended December 31, 2023, the District’s total net position increased \$324,727.
- At December 31, 2023, the District’s government fund reported an ending fund balance of \$7,750,797 an increase of \$448,690 for the year. Of this amount, \$5,288,794 is unassigned and available for spending for mosquito protection and \$1,800,000 is committed for future projects.
- For the year ended December 31, 2023, the District’s total liabilities increased by \$442,498 or approximately 134.50% due primarily to an increase in compensated absences and net pension liability.
- Interest income for the year ended December 31, 2023, was \$292,550 an increase of \$199,474. This increase is due primarily to higher account balances and higher interest rates.
- Ad valorem taxes for the year ended December 31, 2023 were \$2,993,059 which represents an increase of \$204,453.

Overview of the Annual Financial Report

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

TANGIPAHOA PARISH MOSQUITO ABATEMENT
DISTRICT NO. 1
(A Component Unit of the Tangipahoa Parish Government)

MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the year ended December 31, 2023

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

Government-Wide Financial Statements

The Government-Wide Financial Statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business.

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

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

In both the Government-Wide Financial Statements, the District's activities are of a single type:

- Governmental activities – The District's basic services are reported here, and are financed primarily through ad valorem taxes.

The Government-Wide Financial Statements can be found on page 12 and 13 of this report.

Fund Financial Statements

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

Governmental funds are used to account for all the District's basic services. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances that are left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The basic governmental fund financial statement can be found on page 14 and 16 of this report.

TANGIPAHOA PARISH MOSQUITO ABATEMENT
DISTRICT NO. 1
(A Component Unit of the Tangipahoa Parish Government)

MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the year ended December 31, 2023

Because the focus of governmental funds is narrower than that of the government-wide financial statements, there are differences in the information presented for government funds and for governmental activities in the government-wide financial statements. Review of these differences provides the reader of the financial statements insight on the long-term impact of the District's more immediate decisions on the current use of financial resources. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The reconciliation can be found on pages 15 and 17 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19 through 35 of this report.

Government-Wide Financial Analysis

As stated earlier, net position may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the District's net position for the current year as compared to the prior year. For more detailed information, see the Statement of Net Position on page 12 of this report.

Condensed Statements of Net Position
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>	<u>\$Change</u>	<u>%Change</u>
			Governmental Activities	
Assets:				
Current and Other Assets	\$8,013,704	\$7,997,895	\$ 15,809	0.2%
Capital Assets (net)	<u>1,169,182</u>	<u>1,188,082</u>	<u>(18,900)</u>	-2%
Total Assets	<u>9,182,886</u>	<u>9,185,977</u>	<u>(3,091)</u>	-0.03%
Deferred Outflows of Resources				
Subscriptions	13,085	-	13,085	100%
Pension Related	<u>521,432</u>	<u>129,302</u>	<u>392,130</u>	303%
Total Deferred Outflows of Resources	<u>534,517</u>	<u>129,302</u>	<u>405,215</u>	313%
Liabilities:				
Long-Term Debt Outstanding	583,299	156,308	426,991	273%
Other Liabilities	<u>188,182</u>	<u>172,675</u>	<u>15,507</u>	9%
Total Liabilities	<u>771,481</u>	<u>328,983</u>	<u>442,498</u>	135%
Deferred Inflows of Resources				
Pension Related	<u>49,586</u>	<u>414,687</u>	<u>(365,101)</u>	-88%
Total Deferred Inflows of Resources	<u>49,586</u>	<u>414,687</u>	<u>(365,101)</u>	-88%
Net Position:				
Invested in Capital Assets, Net	1,169,182	1,188,082	(18,900)	-2%
Unrestricted	<u>7,727,154</u>	<u>7,383,527</u>	<u>343,627</u>	5%
Total Net Position	<u>\$8,896,336</u>	<u>\$8,571,609</u>	<u>\$ 324,727</u>	4%

TANGIPAHOA PARISH MOSQUITO ABATEMENT
DISTRICT NO. 1
(A Component Unit of the Tangipahoa Parish Government)

MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the year ended December 31, 2023

Approximately 13% of the District's net position reflects its investment in capital assets (furniture, equipment, and buildings) net of any outstanding debt used to acquire those assets (no debt in 2023). These capital assets are used to provide services to citizens and do not represent resources available for future spending.

Approximately 87% of the District's net position are unrestricted and may be used to meet the District's ongoing obligations to its citizens.

At the end of the current fiscal year, the District was able to report positive balances in its sole category of net position, governmental activities. The same held true for the prior fiscal year.

The District's activities increased its net position by \$324,727, the total increase is attributable to its governmental activities.

In order to further understand what makes up the changes in net position, the following table provides a summary of the results of the District's activities for the current year as compared to the prior year. An analysis of the primary sources of these changes follows the table. For more detailed information, see the Statement of Activities on page 13 of this report.

Condensed Statement of Activities
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>	<u>\$Change</u>	<u>%Change</u>
<u>Governmental Activities</u>				
Revenues:				
Program Revenues:				
Operating Grants and Contributions	\$ -	\$ 320,696	\$ (320,696)	-100%
General Revenues:				
Ad Valorem Taxes	2,993,059	2,788,606	204,453	7%
Intergovernmental	6,713	31,430	(24,717)	-79%
Support revenue	9,365	7,690	1,675	22%
Gain (Loss) on Sale of Assets	-	1,363	(1,363)	-100%
Interest Earnings	292,550	93,076	199,474	214%
Miscellaneous Income	24,033	46,877	(22,844)	-49%
Total Revenues	<u>3,325,720</u>	<u>3,289,738</u>	<u>35,982</u>	<u>1%</u>
Expenses:				
Mosquito Abatement	3,000,993	2,405,094	595,899	25%
Total Expenses	<u>3,000,993</u>	<u>2,405,094</u>	<u>595,899</u>	<u>25%</u>
Changes in Net Position	324,727	884,644	(559,917)	-63%
Net Position, Beg	8,571,609	7,686,965	884,644	12%
Net Position, Ending	<u>\$8,896,336</u>	<u>\$ 8,571,609</u>	<u>\$ 324,727</u>	<u>4%</u>

TANGIPAHOA PARISH MOSQUITO ABATEMENT
DISTRICT NO. 1
(A Component Unit of the Tangipahoa Parish Government)

MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the year ended December 31, 2023

Governmental Activities

The District's governmental net position increased by \$324,727, or 4% of the prior year ending net position, to \$8,896,336. Changes in net position decreased by \$559,917 compared to the prior year; total revenues increased by \$35,982 expenses increased by \$595,899.

The increase in revenues is primarily due to an increase in interest earnings.

The increase in expenses and other charges noted above is primarily comprised of increases in cost of chemicals, salaries and benefits.

Fund Financial Analysis

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has only one fund type, governmental funds.

Government Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the year. The basic governmental fund financial statements can be found on pages 14 and 16 of this report.

At the end of the current year, the District's governmental fund reported ending fund balances \$7,750,797. This represents an increase of \$448,690 or 6% of the prior year's ending balances.

Major Governmental Fund Budgetary Highlights

Tangipahoa Mosquito Abatement District Number One of the Parish of Tangipahoa adopts an annual operating budget in accordance with requirements of the Local Government Budget Act. As required by state law, actual revenues and other sources were within five percent of budgeted revenues, and actual expenditures did not exceed budgeted expenditures by five percent. The budget provides an estimate for the current fiscal year of the proposed expenditures and the revenues that will finance the operation of the District. A Budget schedule detailing budget compliance is included as required supplementary information, following the footnotes of the financial statements.

Capital Assets and Debt Administration

Capital Assets

The District's investment in capital assets for its governmental activities as of December 31, 2023 and 2022 amounted to \$1,169,182 and \$1,188,082 respectively (net of depreciation). Asset purchases during 2023 and 2022 respectively were \$130,514 and \$85,660.

TANGIPAHOA PARISH MOSQUITO ABATEMENT
DISTRICT NO. 1
(A Component Unit of the Tangipahoa Parish Government)

MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the year ended December 31, 2023

The following table provides a summary of the District's capital assets (net of depreciation) at the end of the current year as compared to the prior year. For more detailed information see Note 7 to the financial statements on page 29 of this report.

Capital Assets (Net of Depreciation)
December 31, 2023 and 2022

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
Buildings	\$1,333,065	\$1,333,065
Equipment	1,353,766	1,264,572
Office Furniture and Equipment	<u>278,520</u>	<u>276,259</u>
	2,965,351	2,873,896
Less: Accumulated Depreciation	<u>(1,796,169)</u>	<u>(1,685,814)</u>
Capital Assets, Net	<u>\$1,169,182</u>	<u>\$1,188,082</u>

Long-Term Debt

At December 31, 2023, the District had no long-term debt outstanding, other than compensated absences and net pension liability.

Contacting the District's Financial Management

This financial report is designed to provide the District's users with a general overview of the District's finances and show the District's accountability for the money it receives. Questions regarding this report or requests for additional information should be addressed to Tangipahoa Mosquito Abatement District No.1 of the Parish of Tangipahoa, 15483 Club Deluxe Road, Hammond, Louisiana 70403. The District's telephone number is (985) 543-0454.

BASIC FINANCIAL STATEMENTS

TANGIPAHOA PARISH MOSQUITO ABATEMENT
DISTRICT NO. 1
(A Component Unit of the Tangipahoa Parish Government)

Statement of Net Position
December 31, 2023

Assets

Cash and cash equivalents	\$ 4,382,440
Receivables, net	2,982,346
Chemical inventory	623,066
Prepaid insurance	25,852
Capital assets, net of accumulated depreciation	<u>1,169,182</u>
Total Assets	<u>9,182,886</u>

Deferred Outflows of Resources

Subscriptions	13,085
GASB 68-pension	<u>521,432</u>
Total Deferred Outflows of Resources	<u>534,517</u>

Liabilities

Accounts and other payables	56,916
Accrued salaries	17,216
Deductions from ad valorem tax	114,050
Noncurrent Liabilities:	
Due in More Than One Year	
Compensated absences	196,488
Net pension liability	<u>386,811</u>
Total Liabilities	<u>771,481</u>

Deferred Inflows of Resources

49,586

Net Position

Investment in capital assets	1,169,182
Unrestricted	<u>7,727,154</u>
Total Net Position	<u>\$ 8,896,336</u>

The accompanying notes are an integral part of this statement.

TANGIPAHOA PARISH MOSQUITO ABATEMENT
DISTRICT NO. 1
(A Component Unit of the Tangipahoa Parish Government)

Statement of Activities
For the year ended December 31, 2023

Expenses

Mosquito Abatement services:

Salary and related benefits	\$ 1,244,396
Chemicals	922,574
Insurance	129,506
Other charges	360,856
Professional fees	22,550
Repairs and maintenance	53,398
Telephone	3,556
Utilities	16,116
Intergovernmental expenditures	114,050
Loss on sale of assets	4,770
Depreciation	<u>129,221</u>
Total Expenses	<u>3,000,993</u>

General Revenues

Ad valorem taxes	2,993,059
Intergovernmental	6,713
Interest earnings	292,550
Miscellaneous income	24,033
Support revenue	<u>9,365</u>
Total General Revenues	<u>3,325,720</u>

Change in Net Position 324,727

Net Position- Beginning of the year 8,571,609

Net Position- End of year \$ 8,896,336

The accompanying notes are an integral part of this statement

TANGIPAHOA PARISH MOSQUITO ABATEMENT
DISTRICT NO. 1
(A Component Unit of the Tangipahoa Parish Government)

BALANCE SHEET – GOVERNMENTAL FUND
GENERAL FUND
December 31, 2023

Assets

Cash and cash equivalents	\$	4,382,440
Receivables, ad valorem taxes, net		2,982,346
Chemicals inventory		623,066
Prepaid insurance		25,852
Total Assets	\$	<u>8,013,704</u>

Deferred Outflows of Resources

Prepayment of multi-year subscription	\$	<u>13,085</u>
Total Deferred Outflows of Resources	\$	<u>13,085</u>

Liabilities, Deferred Inflows of Resources, and Fund Balance

Liabilities

Accounts and other payables	\$	56,916
Accrued salaries		17,216
Deductions from ad valorem tax		<u>114,050</u>
Total Liabilities		<u>188,182</u>

Deferred Inflows of Resources

Ad valorem tax revenue		<u>87,810</u>
Total Deferred Inflows of Resources		<u>87,810</u>

Fund Balance:

Nonspendable		662,003
Committed		1,800,000
Unassigned		<u>5,288,794</u>
Total Fund Balance		<u>7,750,797</u>

Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$	<u>8,026,789</u>
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The accompanying notes are an integral part of this statement

TANGIPAHOA PARISH MOSQUITO ABATEMENT
DISTRICT NO. 1
(A Component Unit of the Tangipahoa Parish Government)

Reconciliation of the Balance Sheet- Governmental Fund
to the Statement of Net Position
December 31,2023

Fund Balance, Governmental Fund (Statement C)	\$	7,750,797
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p style="padding-left: 40px;">Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:</p>		
Governmental capital assets, net of depreciation		1,169,182
Ad valorem taxes collected after year-end, but not available soon enough to pay for current expenditures and, therefore, are reported as deferred inflows of resources in the governmental funds.		87,810
<p>Some assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.</p>		
Net pension liability		(386,811)
<p>Long-term liabilities are not due and payable in the current period, and therefore are not reported in the funds.</p>		
Compensated absences payable		(196,488)
<p>Deferred outflows and inflows of resources are not financial resources or currently payable. These consist of:</p>		
Deferred outflows-pension related		521,432
Deferred inflows-pension related		<u>(49,586)</u>
Net Position, Governmental Activities (Statement A)	\$	<u>8,896,336</u>

The accompanying notes are an integral part of this statement.

TANGIPAHOA PARISH MOSQUITO ABATEMENT
DISTRICT NO. 1
(A Component Unit of the Tangipahoa Parish Government)

Statement of Revenues, Expenditures, and Changes
in Fund Balance Governmental Fund Type- General Fund
For the year ended December 31, 2023

Revenues	
Ad valorem taxes	\$ 2,990,480
Intergovernmental	6,713
Interest earnings	292,550
Miscellaneous income	24,033
Total Revenues	3,313,776
 Expenditures	
Salaries and benefits	1,127,384
Chemicals	922,574
Insurance	129,506
Other charges	360,856
Professional fees	22,550
Repairs and maintenance	53,398
Telephone	3,556
Utilities	16,116
Intergovernmental expenditures	114,050
Capital outlay	130,514
Total Expenditures	2,880,504
 Excess of Revenues Over Expenditures	 433,272
 Other Financing Sources	
Proceeds from sale of capital assets	15,418
 Net Change in Fund Balance	 448,690
Fund Balance Beginning of Year	7,302,107
Fund Balance End of Year	\$ 7,750,797

The accompanying notes are an integral part of this statement

TANGIPAHOA PARISH MOSQUITO ABATEMENT
DISTRICT NO. 1
(A Component Unit of the Tangipahoa Parish Government)

Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balance of Governmental Fund
to the Statement of Activities
For the year ended December 31, 2023

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

Net Change in Fund Balance, Governmental Fund (page 16) \$ 448,690

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense.

These differences consist of:

Capital outlay	130,514
Depreciation expense	(129,221)
Proceeds from sale of assets	(15,418)
Loss on sale of assets	(4,770)

Some expenses in the statement of activities do not require the use current financial resources; therefore, are not reported as expenditures in the governmental fund.

These differences consist of :

Pension expense for GASB 68	(76,832)
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Some revenues in the statement of activities do not provide current financial resources and are not reported as revenue in the governmental fund:

Ad Valorem taxes collected more than 60 days after year end	2,579
Contributions from non-contributing entity. GASB 68	9,365

The net change in long-term liabilities is reported in the government-wide statements, but not in the governmental fund statements.

Increase in compensated absences	<u>(40,180)</u>
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Change in Net Position, Governmental Activities (page 13) \$ 324,727

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

Tangipahoa Parish Mosquito Abatement
District No. 1
(A Component Unit of the Tangipahoa Parish Government)

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Introduction

The Tangipahoa Mosquito Abatement District No. 1 of the Parish of Tangipahoa (hereinafter referred to as “the District”), was created by the Tangipahoa Parish Council by Tangipahoa Parish Ordinance Number 01-18 on June 25, 2001, under the authority conferred by Chapter 23 of Title 33 of the Louisiana Revised Statutes of 1950, and thereby constitutes a political subdivision of the State of Louisiana. The District is governed by a board of commissioners consisting of seven (7) members. Five (5) of the commissioners are appointed by the Tangipahoa Parish Council, and one (1) commissioner is to be appointed by the governing authority of the City of Hammond, and one (1) commissioner is to be appointed by the governing authority of the City of Ponchatoula. Commissioners receive no compensation for serving on the District board. The board has the authority to purchase, maintain, and operate machinery and equipment necessary or useful in the eradication, abatement, or control of mosquitoes and other arthropods of public health importance, and to maintain an adequate administrative staff.

The financial statements of the District have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard setting body for governmental accounting and financial reporting.

Governmental Accounting Standards Board (GASB) Statement No. 14, *The Reporting Entity*, as amended, establishes criteria for determining the reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the Tangipahoa Mosquito Abatement District No. 1 is considered a component unit of the Tangipahoa Parish Government. As a component unit, the accompanying financial statements are to be included within the reporting of the primary government, either blended within those financial statements or separately reported as a discrete component unit. Under provisions of this statement, there are no component units of the District.

1. Summary of Significant Accounting Policies

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Government activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, a primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The District does not have any business-type activities and reports only governmental activities. The District has only one fund and as such, there is no interfund activity.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental fund and major individual enterprise funds are presented as separate columns in the fund financial statements. The

District reports only one fund: a governmental fund – the general fund,

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

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

The District implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures.

The District previously 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 or 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 Obligations*.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, was implemented which establishes new financial requirements for governments that provide their employees with pension benefits. Additional information about the District’s net pension liability (asset) is presented in the notes to the financial statements.

GASB Statement No. 77, *Tax Abatement Disclosures*, was implemented which improves financial reporting by providing financial statement users with essential information about the nature and magnitude of the reduction in tax revenues through tax abatement programs. As a result of implementation of this statement, additional disclosures related to tax abatements are included in Note 10.

The District implemented policies established under GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of the financial statement users by improving accounting and financial reporting for leases by governments. The Statement requires all leases (contract that convey control of the right to use another entity’s nonfinancial asset as specified in the contract for a period of time in an exchange-like transaction) to be reported under a single accounting model for both lessors and lessees. Certain leases that were previously classified as operating leases are to be recognized as lease assets and liabilities. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities.

During the year, the District implemented policies established under GASB Statement No. 96, *Subscription Based Information Technology Agreements (SBITAs)*. This statement provides guidance on the accounting and financial reporting for SBITAs for government end users. This Statement (1) defines a SBITA; (2) established that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are

based on the standards established in Statement No. 87, *Leases*, as amended. The adoption of this statement did not materially impact the District’s governmental activity for the year ended December 31, 2023.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Property taxes and interest earnings associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The District reports the following major governmental fund:

The General Fund is the primary operating fund of the District. It accounts for all financial resources of the general government.

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

C. Cash, Cash Equivalents and Investments

The District’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law allows the District to deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits in state banks organized under Louisiana law or national banks having principle offices in Louisiana. State law also limits the District to investments allowed under R.S. 33:2955.

The state investment pool, the Louisiana Asset Management Pool (LAMP), operates in accordance with state laws and regulations and is considered a cash equivalent by the District. Investments for the District are reported at fair value, except any nonparticipating investment contracts which are reported at cost.

D. Receivables, Leased Asset Receivable, and Revenues

Property tax receivables are shown net of an allowance for uncollectible. The District uses .5 to 2.5 % of the property tax receivable as an allowance for uncollectible depending on information available. Property taxes are levied on a calendar year basis and become due on January 1 of each year. The taxes are generally collected in December of the current year, and January and February of the ensuing year. The following is a summary of authorized and levied ad valorem taxes:

Authorized Millage	Levied Millage	Expiration Date
5.00	4.98	2026

These taxes are used for acquiring, purchasing, maintaining and operating machinery, facilities, equipment and materials necessary or useful in the eradication, abatement or control of mosquitoes and other arthropods of public health importance.

Leased asset receivables are a result of leases in which the District has entered into a contract with a lessee that delivers the right to use a nonfinancial asset of the District as specified by the contract for a period of time in an exchange or exchange-like transaction. Such receivables are reported on the government-wide financial statements at present value of the lease payments to be received during the lease term. Additionally, the District would recognize a deferred inflow of resources that is reported at the value of the lease receivable plus any payment received at or before commencement of the lease for future periods. Assets of agreement entered into in which the District is the lessor are retained as capital assets of the District and are reported in the government-wide financial statements as described in the first paragraph of Note G. The District has not entered into any agreements delivering control of a right to use a nonfinancial asset to a lessee as described above as of December 31, 2023.

E. Inventory and Prepaid Items

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

F. Restricted Assets

Certain proceeds of specific revenue sources that are legally restricted to expenditures for a specified purpose are classified as restricted assets because their use is limited to specific expenditures. Such assets have been restricted by bond indenture, law, or contractual obligations. The District has no restricted assets as of December 31, 2023.

G. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated costs if historical costs are not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$500 or more for capitalizing capital assets.

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

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

<u>Description</u>	<u>Estimated Lives</u>
Equipment	5 - 20 Years
Office Furniture and Equipment	5 – 10 Years
Building and Building Improvements	20 – 40 Years

Right-of-use assets are a result of leases in which the District has entered into a contract with a lessor that conveys control of the right-to-use the lessor’s nonfinancial asset as specified by the contract for a period of time in an exchange or exchange-like transaction. Such assets are reported on the government-wide financial statements net of amortization. A corresponding lease liability will be recognized on the government-wide financial statements at the commencement of the lease term at the present value of payments expected to be made during the lease term (less any lease incentive). Right-of-use assets are amortized at the lessor of the useful life or lease term. The District has not entered into any agreements gaining control of the right-to-use a lessor’s nonfinancial asset as described above at December 31, 2023.

A subscription-based information technology arrangement (SBITA) results from a contract that conveys control of the right-to-use another party’s (a SBITA vendor’s) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. Such assets are recognized on the government-wide financial statements as a right-of-use SBITA, net of amortization. A corresponding subscription liability should be recognized on the government-wide financial statements at the present value of the subscription payments expected to be made during the subscription term. The District has not entered into any agreements gaining control of the right-to-use SBITA assets as described above at December 31, 2023.

H. Compensated Absences

The District has the following policy related to annual and sick leave.

All full-time employees are entitled to annual and sick leave as follows:

	Minimum Years of Service		
	1 to 5	5 to 15	15+
Employees hired on or before June 13, 2018:			
Annual leave-hours per two week pay period	4	6	8
Sick leave-hours per two week pay period	4	4	4
Employees hired after June 13, 2018			
Annual leave-hours per two week pay period	3.0769	4.6154	6.1538
Sick leave-hours per two week pay period	3.0769	3.0769	3.0769

The following limits are the maximum number of accrued hours which may be carried over to the following year:

Employees hired on or before June 13, 2018	
Annual leave	400 hours
Sick leave	600 hours
Employees hired after June 13, 2018	
Annual leave	240 hours
Sick leave	360 hours

At the time of separation from the District, employees are to be paid for any unused annual leave at the straight time rate of pay earned at the time of separation (up to the carryover maximum).

At the time of retirement, unpaid sick leave may be converted to additional service credit subject to the rules of the Parochial Employee Retirement System of Louisiana (PERSLA). Employees also have the option to be paid for any unused sick leave at the straight time rate of pay earned at the time of separation (up to the carryover maximum).

The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized in the governmental funds as current-year expenditure when leave is actually taken. The compensated absences payable balance is recorded in the government-wide financial statement of net position.

I. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Under GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, debt issuance costs, other than prepaid insurance costs, recorded in the current fiscal year are expensed. Any prepaid insurance costs on any new debt issuance should be reported as an asset and recognized as an expense in a systematic and rational manner over the duration of the related debt. If applicable, bond premiums and discounts continue to be amortized over the life of the bonds, using the effective interest method, and bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond insurance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. At December 31, 2023 the District had no such debt and no long-term obligations, outstanding, other than compensated absences liability and net pension liability. At December 31, 2023, the compensated absences payable and net pension liability were \$196,488 and \$386,811 respectively.

J. Net Position and Fund Balance

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 for the government-wide financial statements 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. The District does not have any capital related debt or capital related deferred inflows of resources, and as such, the component is *investment in capital assets* in the current year.

- **Restricted Component of Net Position.** This component of net position consists of constraints placed on their use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions of enabling legislation.
- **Unrestricted Component of Net Position.** This component of net position consists of net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund statements, Governmental fund equity is classified as fund balance. GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions* provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purpose for which resources can be used.

- **Nonspendable.** These are amounts that cannot be spent either, because they are in a nonspendable form or because they are legally or contractually required to be maintained intact. Nonspendable reflects inventory of \$623,066, prepaid insurance of \$25,852, and \$13,085 for subscriptions reported as deferred outflows of resources.
- **Restricted.** These are amounts that can be spent only for specific purposes, because of constitutional provisions, enabling legislation or constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

The District does not have anything that can be classified as Restricted Fund Balance.

- **Committed.** These are amounts that can be used only for specific purposes determined by a formal decision of the highest level of decision-making authority. To be reported as committed these amounts cannot be used for any other purposes unless the government takes the same highest-level action to remove or change the constraint.

The board at their meeting on November 29, 2023, recommitted \$1,800,000 of fund balance for the following:

- a) Larger aircraft for aerial mosquito control spraying \$800,000
- b) Emergency reserves for mosquito control chemicals \$500,000
- c) Emergency aerial spraying \$500,000

- **Assigned.** These are amounts that do not meet the criteria to be classified as restricted or committed, but are intended to be used for specific purposes based on the discretion of the board.

The District does not have anything that can be classified as Assigned Fund Balance.

- **Unassigned.** These are amounts that have not been assigned to other funds and amounts that have not been restricted, committed, or assigned to specific purposes within the general fund. Also, within other governmental funds, these include expenditure amounts incurred for specific purposes which exceed the amounts restricted, committed or assigned for those purposes.

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

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

K. Extraordinary and Special Items

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

L. Estimates

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

M. Reconciliations of Government-Wide and Fund Financial Statements

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

2. Stewardship, Compliance, and Accountability

A. Budget Information

The Mosquito Abatement District uses the following budget practices:

1. The District prepares budgets on the modified accrual basis of accounting in accordance with generally accepted accounting principles (GAAP).
2. The District’s director prepares the proposed budget and submits it to the board of commissioners no later than fifteen (15) days prior to the beginning of each fiscal year. The proposed budget for 2023 was presented to the board of commissioners on September 14, 2022.
3. The proposed budget for 2023 was adopted on November 9, 2022.
4. Budgetary amendments require the approval of the Board of Commissioners. The amended budget was adopted on November 29, 2023.
5. All budgetary appropriations lapse at year-end.
6. Periodic budget comparisons are made as a part of interim reporting. Budgeted amounts included in accompanying financial statements include the originally adopted budget amounts and all subsequent amendments legally adopted prior to year-end.

7. There were no budget variances that would result in unfavorable variances in violation of the Local Government Budget Act for the fiscal year ended December 31, 2023.

3. Cash and Cash Equivalents

At December 31, 2023, the District had cash and cash equivalents (book balances) totaling \$4,382,440 as follows:

Interest-bearing demand deposits	\$ 3,805,987
Louisiana Asset Management Pool	<u>576,453</u>
	<u>\$ 4,382,440</u>

These demand 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.

At December 31, 2023, the District had \$3,810,410 in bank deposits (collected bank balances) in one financial institution. These demand deposits are secured from risk by \$250,000 of federal deposit insurance per institution and the remaining \$3,560,410 is secured by pledged securities. The \$3,560,410 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).

Even though the pledged securities are 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 ten (10) days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

Custodial credit risk as it relates to cash deposits is the risk that in the event of bank failure, the government's deposits may not be returned. The District does not have a formal policy for custodial credit risk.

At December 31, 2023, the District had additional cash equivalents considered to be a demand deposit in the Louisiana Asset Management Pool (LAMP) of \$576,453.

The investment in the Louisiana Asset Management Pool (LAMP) – an external investment pool, is stated at the value of the pool shares, which is the same as fair value and consists of securities of the United States Government or its agencies and as such do not require additional pledged collateral.

In accordance with GASB-31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, all investments are carried at fair value, with the estimate of fair value based on quoted market prices.

LAMP is administered by LAMP, Inc., a non-profit 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. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the

Tangipahoa Mosquito Abatement District No. 1
Notes to the Financial Statements – continued
December 31, 2023

U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

Effective August 1, 2001, LAMP’s investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA-R.S. 33:2955 (A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in “Investment grade (A-1/P-1) commercial paper of domestic United States corporations.” Effective October 1, 2001, LAMP’s Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the 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.

LAMP, Inc. issues an annual publicly available financial report that includes financial statements and required supplementary information for LAMP, Inc. That report may be obtained by writing to LAMP, Inc., 228 St. Charles Avenue, Suite 1123, New Orleans, Louisiana 70130, or by calling (504) 525-5267.

4. Investments

The Tangipahoa Mosquito Abatement District No. 1 did not hold any assets considered to be investments at December 31, 2023.

5. Receivables

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

Class of Receivable:	
Ad valorem taxes	<u>\$3,004,226</u>
Total	3,004,226
Less allowance for uncollectible	
Ad valorem taxes	<u>(21,880)</u>
Total	<u>\$2,982,346</u>

The District used .73% of the property tax receivable as an allowance for uncollectible.

6. Interfund Receivable/Payable

Interfund receivables and payables are recorded when one fund overpays or underpays its portion of an expenditure. The District had no interfund receivables and payables since it had only one fund.

Tangipahoa Mosquito Abatement District No. 1
Notes to the Financial Statements – continued
December 31, 2023

7. Capital Assets

Capital assets and depreciation for governmental activities as of and for the year ended December 31, 2023 is as follows:

	Balance 12/31/22	Increases	Decreases	Balance 12/31/23
Capital Assets Being Depreciated:				
Building	\$1,333,065	\$ -	\$ -	\$1,333,065
Equipment	1,264,572	125,791	36,597	1,353,766
Office Furniture and Equipment	276,259	4,723	2,462	278,520
Total Capital Assets Being Depreciated	<u>2,873,896</u>	<u>130,514</u>	<u>39,059</u>	<u>2,965,351</u>
Depreciated				
Less Accumulated Depreciation For:				
Building	428,036	34,181	-	462,217
Equipment	1,019,271	82,759	16,408	1,085,622
Office Furniture and Equipment	238,507	12,281	2,458	248,330
Total Accumulated Depreciation	<u>1,685,814</u>	<u>129,221</u>	<u>18,866</u>	<u>1,796,169</u>
Capital Assets Being Depreciated, net	<u>1,188,082</u>	<u>1,293</u>	<u>20,193</u>	<u>1,169,182</u>
Government Activities Capital Assets, Net	<u>\$1,188,082</u>	<u>\$ 1,293</u>	<u>\$ 20,193</u>	<u>\$1,169,182</u>

Depreciation expenses of \$129,221 for the year ended December 31, 2023, were charged to the Governmental activities.

8. Long-Term Obligations

The District has no long-term debt outstanding at December 31, 2023. Long-term obligations include compensated absences in the amount of \$196,488 and net pension liability of \$386,811.

9. Pension Plan

Part-Time employees of the District are members of the social security system. In addition to employee payroll deductions, District funds are remitted to match the employee contributions. Aggregate contributions to the social security system for the year ended December 31, 2023, were \$10,585 of which \$5,293 was contributed by the District.

A. Parochial Employees’ Retirement System of Louisiana

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 elects to become members of the System.

Substantially all full-time employees of the District 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.

Eligibility Requirements:

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.

Retirement Benefits:

Any member of Plan A can retire providing her/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 3% 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.

Survivor Benefits:

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.

Deferred Retirement Option Plan (DROP) Benefits:

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 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, 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 (DROP) on or after January 1, 2004, all amounts which remain credited to the individuals 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 Systems, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of DROP 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 DROP 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 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 60.

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 65 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. Under Plan A, members are required by state statute to contribute 9.5% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 11.5% of annual covered payroll. Contributions to the System include one-fourth (1/4) of one (1%) percent of the ad valorem 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. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. 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 expense for the year ended December 31, 2023. During the year ending December 31, 2023, the District recognized revenue as a result of support received from non-employer contributing entities of \$9,365 for its participation in Parochial Employees' Retirement System of Louisiana – Plan A.

The District's contributions to the System under Plan A for the years ending December 31, 2023 and 2022 were \$86,051 and \$78,406 respectively, each equal to the required contributions for that year.

Pension Liabilities, Pension Expense, and Deferred Outflows and Resources and Deferred Inflows of Resources:

At December 31, 2023, the District reported a liability of \$386,811 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2022 and the total pension asset used to calculate the net pension liability (asset) was determined by an actuarial valuation of that date. The District’s proportion of the net pension liability (asset) was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2022, the District’s proportion was 0.100502.

For the year ended December 31, 2023, the District recognized pension expense of \$165,198 less amortization of deferred amounts from changes in proportion of \$2,226, for a net pension expense of \$162,972.

At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 14,301	\$ 42,617
Changes of assumptions	12,345	-
Net difference between projected and actual earnings on pension plan investments	408,348	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	6,969
Employer contribution subsequent to the measurement date	86,051	-
Total	<u>\$ 521,432</u>	<u>\$ 49,586</u>

The District reported \$86,051 as deferred outflows of resources related to pension contributions made subsequent to the measurement date, which will be recognized as a reduction in net pension liability (asset) for the year ended December 31, 2023.

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 ended December 31:	
2023	\$ 9,920
2024	65,007
2025	128,828
2026	183,059
Thereafter	-

Tangipahoa Mosquito Abatement District No. 1
Notes to the Financial Statements – continued
December 31, 2023

Actuarial Assumptions:

A summary of actuarial methods and assumptions used in determining the total net pension liability as of December 31, 2022 is as follows:

Valuation Date	December 31, 2022
Actuarial Cost Method Plan A	Entry Age Normal
Expected Remaining Service Lives	4 years
Investment Rate of Return	6.40%, (net of investment expense, including inflation)
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 provision 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. 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 actuarial assumptions used in the December 31, 2022, valuation (excluding Mortality) was based on actuarial funding valuation and results of an actuarial experience study for the period January 1, 2013, to December 31, 2017, unless otherwise specified.

The discount rate used to measure the total pension liability was 6.40% for Plan A. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution 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.

Tangipahoa Mosquito Abatement District No. 1
Notes to the Financial Statements – continued
December 31, 2023

Best estimates of arithmetic real rates of return for each major class included in the System’s 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%

Sensitivity of the Employer’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate:

The following table represents the District’s proportionate share of the net pension liability (asset) of the participating employers as of December 31, 2022 calculated using the discount rate of 6.40% as well as the District’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower 5.40% or one percentage point higher 7.40% than the current rate:

	1% Decrease 5.40%	Current Discount Rate 6.40%	1% Increase 7.40%
Net Pension Liability (Asset)	\$ 956,597	\$ 386,811	\$ (90,881)

Payables to the Pension Plans:

At December 31, 2023, payables to the Parochial Employees’ Retirement System were \$35,655 for the month of December 2023 employee and employer legally required contributions.

10. Tax Abatements

The Louisiana Industrial Ad Valorem Tax Exemption Program (ITEP) is an original state incentive program which offers attractive tax incentives for manufacturers within the state. The program abates, for up to ten years, local property taxes (ad valorem) on a manufacturer’s new investment and annual capitalized additions related to the manufacturing site. The exemption is granted per contract with the Louisiana Department of Economic

Development and will specify the buildings and/or personal property items covered by the exemption. There are currently twenty-five tax abatements in Tangipahoa Parish, related to twelve companies, under the Louisiana ITEP. For the 2023 calendar year, the estimated forgone ad valorem taxes in the District due to this abatement program was \$18,216.

11. Risk Management

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District attempts to minimize risk from significant losses through the purchase of commercial insurance.

12. Contingent Liabilities

At December 31, 2023, the District was not involved in any outstanding litigation or claims.

13. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 27, 2024, and determined that the following event occurred that require disclosure.

On May 8, 2024, the District awarded Spartan Building Corporation the bid to construct an airplane hangar in the amount of \$728,500.00.

No subsequent events occurring after June 27, 2024, have been evaluated for inclusion in these financial statements.

REQUIRED SUPPLEMENTAL INFORMATION (PART II)

TANGIPAHOA PARISH MOSQUITO ABATEMENT
DISTRICT NO. 1
(A Component Unit of Tangipahoa Parish Government)

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) to Actual
Governmental Fund Type- General Fund
For the Year Ended December 31, 2023

	GENERAL FUND			
	Budgeted Amounts		Actual Amounts:	Variance with Final Budget:
	Original	Amended (Final)	GAAP Basis	Favorable (Unfavorable)
Revenues				
Ad valorem taxes	\$2,811,811	\$2,811,811	\$2,990,480	\$178,669
Intergovernmental	-	-	6,713	6,713
Interest income	60,000	231,675	292,550	60,875
Miscellaneous income	20,000	30,746	24,033	(6,713)
Total Revenues	2,891,811	3,074,232	3,313,776	239,544
Expenditures				
Personal services and benefits	1,194,944	1,195,944	1,127,384	68,560
Materials and supplies	800,000	1,000,000	922,574	77,426
Other charges	769,611	888,811	700,032	188,779
Capital outlays	1,070,000	175,000	130,514	44,486
Total expenditures	3,834,555	3,259,755	2,880,504	379,251
Excess(Deficiency) of Revenues over Expenditures	(942,744)	(185,523)	433,272	618,795
Other Financing Sources				
Proceeds from sale of capital assets	5,000	15,418	15,418	-
Total Other Financing Sources	5,000	15,418	15,418	-
Net Change in Fund Balance	(937,744)	(170,105)	448,690	618,795
Fund Balance at Beginning of Year	7,302,107	7,302,107	7,302,107	-
Fund Balance at End of Year	\$6,364,363	\$7,132,002	\$7,750,797	\$618,795

See Independent Auditor's Report

TANGIPAHOA PARISH MOSQUITO ABATEMENT
DISTRICT NO. 1
(A Component Unit of the Tangipahoa Parish Government)

Schedule of the District's Proportionate
Share of Net Pension Liability (Asset)
Parochial Employees' Retirement System of Louisiana
For the Year Ended December 31, 2023

Year Ended December 31,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share Of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position As a Percentage Of the Total Pension Liability
2015	0.088522%	\$ 24,203	\$ 517,892	4.6877%	99.15%
2016	0.090051%	\$ 237,040	\$ 537,372	45.9096%	92.23%
2017	0.090610%	\$ 186,612	\$ 545,137	34.2322%	94.15%
2018	0.088566%	\$ 65,738	\$ 552,690	9.8152%	101.98%
2019	0.093538%	\$ 415,155	\$ 605,513	68.5625%	88.86%
2020	0.095495%	\$ 4,495	\$ 600,892	0.7481%	99.89%
2021	(0.090702)%	\$ (159,038)	\$ 623,702	(25.4990)%	(103.99)%
2022	(0.092960)%	\$ (437,882)	\$ 681,787	(54.4974)%	(110.46)%
2023	0.100502%	\$ 386,811	\$ 748,271	51.6939%	91.74%

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

Data reported measured as of December 31, 2022 (measurement date)

See Independent Auditor's Report

TANGIPAHOA PARISH MOSQUITO ABATEMENT
DISTRICT NO. 1
(A Component Unit of the Tangipahoa Parish Government)

Schedule of District's Contributions
Parochial Employees' Retirement System of Louisiana
For the Year Ended December 31, 2023

Year Ended December 31,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions As a % of Covered Employee Payroll
2015	\$ 74,866	\$ 74,866	\$ -	\$ 517,892	14.50%
2016	\$ 69,858	\$ 69,858	\$ -	\$ 537,372	13.00%
2017	\$ 68,142	\$ 68,142	\$ -	\$ 545,137	12.50%
2018	\$ 63,559	\$ 63,559	\$ -	\$ 552,690	11.50%
2019	\$ 69,634	\$ 69,634	\$ -	\$ 605,513	11.50%
2020	\$ 73,609	\$ 73,609	\$ -	\$ 600,892	12.25%
2021	\$ 76,403	\$ 76,403	\$ -	\$ 623,702	12.25%
2022	\$ 78,406	\$ 78,406	\$ -	\$ 681,787	11.50%
2023	\$ 86,051	\$ 86,051	\$ -	\$ 748,271	11.50%

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

Data reported measured as of December 31, 2022 (measurement date)

See Independent Auditor's Report.

OTHER SUPPLEMENTAL INFORMATION

TANGIPAHOA PARISH MOSQUITO ABATEMENT
DISTRICT NO. 1
(A Component Unit of the Tangipahoa Parish Government)

Schedule of Board Members
For the Year Ended December 31, 2023

<u>BOARD MEMBER</u>	<u>TITLE</u>	<u>TERM EXPIRES</u>
Debbie Edwards	Chairwoman	July 2025
James Harper	Member	July 2024
Charlie Ciolino	Member	July 2025
Crain Inman	Member	July 2025
Jimmy Wolfe	Vice Chairman	July 2025
Erin Horzelski	Secretary	July, 2025

No compensation is paid to these members.

See Independent Auditor's Report.

TANGIPAHOA PARISH MOSQUITO ABATEMENT
DISTRICT NO. 1
(A Component Unit of the Tangipahoa Parish Government)

Schedule of Compensation, Reimbursements, Benefits, and Other
Payments to Agency Head
For the Year Ended December 31, 2023

Agency Head: Dennis Walette, Jr., Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$130,506
Benefits – Retirement (11.50% parochial employee)	15,008
Benefits – Insurance	13,669
Benefits – Medicare	1,987
Benefits – Car allowance	6,000
Travel	8,367
Meeting registrations	1,315
Computer products, work supplies, misc	766
Cell phone, ipad, MiFi	<u>558</u>
Total	<u>\$178,176</u>

See Independent Auditor's Report.

FINDINGS AND OTHER INDEPENDENT AUDITOR'S REPORT



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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

To the Members of the Board of Commissioners of the
Tangipahoa Parish Mosquito Abatement District No.1
Hammond, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Tangipahoa Parish Mosquito Abatement District No 1 (District), a component unit of Tangipahoa Parish Government, 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 and have issued my report thereon dated June 27, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the 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 my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, I do not express an opinion on the effectiveness of the District's internal control.

My consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider a material weakness. However, material weaknesses or significant deficiencies may exist that have not been identified.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. I did not identify any deficiencies in internal control over financial reporting that I consider to be a material weakness as defined above.

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. I did not identify any deficiencies in internal control over financial reporting that I consider to be a significant deficiency as define above

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, I 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 statement. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed the following instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying current year audit findings as item, TMAD 23-01.

The District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in my audit is described in the accompanying schedule of findings and responses. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on the response.

Purpose of This Report

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

This report is intended solely for the information and use of the governing council, management, others within the entity, the Legislative Auditor, and the federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.


Certified Public Accountant

June 27, 2024

TANGIPAHOA PARISH MOSQUITO ABATEMENT
 DISTRICT NO. 1
 (A Component Unit of the Tangipahoa Parish Government)

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended December 31, 2023

SECTION 1. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS	
TMAD 22-01 Louisiana Budget Law Violation	Resolved
SECTION 2. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
NONE	
SECTION 3. MANAGEMENT LETTER	
NONE	

TANGIPAHOA PARISH MOSQUITO ABATEMENT
DISTRICT NO. 1
(A Component Unit of the Tangipahoa Parish Government)

SCHEDULE OF CURRENT YEAR AUDIT FINDINGS,
RECOMMENDATIONS, AND RESPONSES
Year Ended December 31, 2023

SECTION I - SUMMARY OF AUDITOR'S RESULTS

I have audited the financial statements of Tangipahoa Parish Mosquito Abatement District No.1 as of and for the year ended December 31, 2023, and have issued my report thereon dated June 27, 2024. I conducted my 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. My audit of the financial statements as of December 31, 2023, resulted in:

- Ø An unqualified opinion has been expressed on the financial statements of the governmental activation of the District.

Report on Internal Control and Compliance Material to the Financial Statements

Internal control

Material weaknesses identified? _____ yes X no

Significant deficiencies identified not

considered to be material weaknesses? _____ yes X no

Compliance

Noncompliance material to financial statements noted? X yes _____no

Management Letter

Was a management letter issued? _____ yes X no

SECTION II - FINANCIAL STATEMENT FINDINGS

This section is used to identify the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements required to be reported under *Government Auditing Standards*.

TMAD 23- 01 1974 Louisiana Constitution, Article VII, Section 14 Violation

Criteria: Article VII, Section 14 of the 1974 Louisiana Constitution states that funds, credit, property, or things of value of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, corporation, public or private.

Condition: On March 22, 2023, the District made a \$5,000 donation to the American Mosquito Control Association Research Fund.

Cause: The Director at that time made the donation.

Effect: The District is in violation of the 1974 Louisiana Constitution, Article VII, Section 14 Violation.

Recommendation: It is recommended that the District adhere to State law in regards to the prohibition of donations. The board president should remind the secretary that she has the authority to question any expenditure that appears to violate State law and bring to the board president's attention.

Management's Response: Management agrees with the auditor recommendation. Responsible Party- Debbie Edwards, Board President.

SECTION III - FEDERAL FINANCIAL ASSISTANCE

NONE



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Independent Accountants' Report on Applying Agreed-Upon Procedures

Colby Colona, Director,
Board of Commissioners,
Tangipahoa Mosquito Abatement District No. 1
Hammond, Louisiana

Louisiana Legislative Auditor
Baton Rouge, Louisiana

I 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 Mosquito Abatement District No. 1 (the "District") management is responsible for those C/C areas identified in the SAUP's.

The 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 the 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 results are detailed in Schedule "A"

I am engaged by The District to perform this agree-upon procedures engagement and conducted my engagement in accordance with attestation standards established by the America Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. I am 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, I do not express such an opinion or conclusion. Had I performed the additional procedures, other matters might have come to my attention that would have been reported to you.

I am required to be independent of The District and to meet my 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 and 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.


Certified Public Accountant

June 27, 2024

1) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - **Results**: No exceptions were noted as a result for the above listed procedures.
 - ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
 - **Results**: No exceptions were noted as a result for the above listed procedures.
 - iii. ***Disbursements***, including processing, reviewing, and approving.
 - **Results**: No exceptions were noted as a result for the above listed procedures.
 - iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - **Results**: No exceptions were noted as a result for the above listed procedures.
 - v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
 - **Results**: No exceptions were noted as a result for the above listed procedures.
 - vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - **Results**: No exceptions were noted as a result for the above listed procedures.
 - vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - **Results**: No exceptions were noted as a result for the above listed procedures.

- viii. ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- **Results:** No exceptions were noted as a result for the above listed procedures.
- ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- **Results:** No exceptions were noted as a result for the above listed procedures.
- x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- **Results:** The current policy and procedures for debt service addresses debt issuance approval. At this time, the District has no debt that requires Emma Reporting, debt reserve requirements, and debt service requirements, there is no written policy for these items.
- xi. ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- **Results:** No exceptions were noted as a result for the above listed procedures.
- xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.
- **Results:** The policy and procedure manual includes information regarding the reporting of sexual harassment but not specifically the required annual reporting of complaints.

Management's Response: The board will update the policy and procedure manual to include the required annual reporting per R.S. 42:342-344.

2) *Board or Finance Committee*

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - 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.*
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - 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.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - 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.
 - v.
 - **Results:** The district's audit was presented at the July 12, 2023 board meeting. The board did not receive a written update on the resolution because it was a budget finding. See test of budget compliance law for the current year.

3) *Bank Reconciliations*

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month

from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- 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);
 - **Results:** No exceptions were noted as a result for the above listed procedures.
- 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
 - **Results:** No exceptions were noted as a result for the above listed procedures.
- 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.
 - **Results:** No exceptions were noted as a result for the above listed 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;
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - 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;
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - 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

- **Results:** No exceptions were noted as a result for the above listed procedures.
- 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.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
- 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.
 - **Results:** Cash is not an acceptable form of payment; therefore bond or insurance policy for the theft is not necessary.
- 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.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - 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).
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - v. Trace the actual deposit per the bank statement to the general ledger.
 - **Results:** No exceptions were noted as a result for the above listed procedures.

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

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - ii. At least two employees are involved in processing and approving payments to vendors;
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - 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;
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - 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;
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - 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
 - **Results:** No exceptions were noted as a result for the above listed procedures.
- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity
 - **Results:** No exceptions were noted as a result for the above listed procedures.

- 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.

- **Results:** No exceptions were noted as a result for the above listed procedures.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. *Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.*

- **Results:** No exceptions were noted as a result for the above listed 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

- i. 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

- a. **Results:** No exceptions were noted as a result for the above listed procedures.

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

- a. **Results:** No exceptions were noted as a result for the above listed procedures.

- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.
- **Results:** No exceptions were noted as a result for the above listed 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);
 - a. **Results:** No exceptions were noted as a result for the above listed procedures.
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - a. **Results:** No exceptions were noted as a result for the above listed procedures.
 - 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
 - a. **Results:** No exceptions were noted as a result for the above listed procedures.
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.
 - a. **Results:** No exceptions were noted as a result for the above listed 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;
 - a. **Results:** No exceptions were noted as a result for the above listed procedures.
 - 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);
 - a. **Results:** No exceptions were noted as a result for the above listed procedures.
 - 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
 - a. **Results:** No exceptions were noted as a result for the above listed procedures.
 - 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.
 - a. **Results:** No exceptions were noted as a result for the above listed 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);
 - a. **Results:** No exceptions were noted as a result for the above listed procedures.

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - a. **Results:** No exceptions were noted as a result for the above listed procedures.
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - a. **Results:** No exceptions were noted as a result for the above listed procedures.
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
 - a. **Results:** No exceptions were noted as a result for the above listed procedures.
- 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.
- **Results:** No exceptions were noted as a result for the above listed procedures.
- 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.
- **Results:** No exceptions were noted as a result for the above listed procedures.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - 1. **Results:** No exceptions were noted as a result for the above listed procedures.
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
 - 1. **Results:** No exceptions were noted as a result for the above listed procedures.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.
1. **Results:** No exceptions were noted as a result for the above listed 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.
- **Results:** The District does not have any debt.
- 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).
- **Results:** The District does not have any debt.

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.
- **Results:** No exceptions were noted as a result for the above listed procedures.
- 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.
- **Results:** No exceptions were noted as a result for the above listed 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.
 - i. **Results:** I performed the procedure and discussed the results with management
 - ii. Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - i. **Results:** I performed the procedure and discussed the results with management
 - iii. Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
 - i. **Results:** I performed the procedure and discussed the results with management
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.
- **Results:** No exceptions were noted as a result for the above listed procedures.
- 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.
- **Results:** No exceptions were noted as a result for the above listed procedures.

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.
- i. **Results:** No exceptions were noted as a result for the above listed procedures.
- 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).
- i. **Results:** No exceptions were noted as a result for the above listed procedures.
- 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;
- i. **Results:** No exceptions were noted as a result for the above listed procedures.
- ii. Number of sexual harassment complaints received by the agency;
- i. **Results:** No exceptions were noted as a result for the above listed procedures.
- iii. Number of complaints which resulted in a finding that sexual harassment occurred;
- i. **Results:** No exceptions were noted as a result for the above listed procedures.
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- i. **Results:** No exceptions were noted as a result for the above listed procedures.
- v. Amount of time it took to resolve each complaint.
- i. **Results:** No exceptions were noted as a result for the above listed procedures.