

Tangipahoa Mosquito Abatement District Number
One
of the Parish of Tangipahoa
Hammond, Louisiana

Annual Financial Statements

As of and for the Year Ended December 31, 2020
With Supplementary Information



BRUCE HARRELL & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
A Professional Accounting Corporation

Tangipahoa Mosquito Abatement District Number One
Annual Financial Statements
As of and for the Year Ended December 31, 2020
With Supplementary Information

TABLE OF CONTENTS

| | Statement | Page |
|--|------------------|-------------|
| Independent Auditor's Report | | 4 |
| Required Supplementary Information (Part I): | | |
| Management's Discussion and Analysis..... | | 8 |
| Basic Financial Statements: | | |
| Government-Wide Financial Statements: | | |
| Statement of Net Position..... | A | 15 |
| Statement of Activities | B | 16 |
| Fund Financial Statements: | | |
| Governmental Funds Financial Statements: | | |
| Balance Sheet, Governmental Funds | C | 18 |
| Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Financial Statement of Net Position..... | D | 19 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances | E | 20 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities | F | 21 |
| Notes to the Financial Statements | | 23 |

Tangipahoa Mosquito Abatement District Number One
Annual Financial Statements
As of and for the Year Ended December 31, 2020
With Supplementary Information

TABLE OF CONTENTS

| | Schedule | Page |
|---|-----------------|-------------|
| Required Supplementary Information (Part II): | | |
| Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget (GAAP Basis) to Actual - General Fund..... | 1 | 42 |
| Schedule of the District's Proportionate Share of the Net Pension Liability (Asset) | 2 | 43 |
| Schedule of the District's Contributions | 3 | 44 |
| Notes to the Required Supplementary Information | | 45 |
| Other Supplementary Information: | | |
| Schedule of Compensation Paid to Board Members..... | 4 | 47 |
| Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head..... | 5 | 48 |
| 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 <i>Government Auditing Standards</i> | | 49 |
| Schedule of Findings and Responses..... | | 51 |
| Schedule of Prior Year Findings and Responses..... | | 53 |

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Independent Auditor's Report

To the Board of Commissioners
Tangipahoa Mosquito Abatement District Number One
Tangipahoa Parish
Hammond, Louisiana 70404

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Tangipahoa Mosquito Abatement District Number One of the Parish of Tangipahoa, Louisiana, a component unit of the Tangipahoa Parish Government, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Tangipahoa Mosquito Abatement District Number One's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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CERTIFIED PUBLIC ACCOUNTANTS

A Professional Accounting Corporation

To the Board of Commissioners

Tangipahoa Mosquito Abatement District Number One

Page 2

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Tangipahoa Mosquito Abatement District Number One, as of December 31, 2020, and the respective changes in the financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 8-13 and page 42, as well as the Schedule of the District's Proportionate Share of the Net Pension Liability (Asset) and the Schedule of the District's Contributions on pages 43-45, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions of the financial statements that collectively comprise the Tangipahoa Mosquito Abatement District Number One's basic financial statements. The accompanying schedules listed as Other Supplementary Information in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying schedules listed as Other Supplementary Information in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying schedules listed as Other Supplementary Information in the table of contents are fairly stated in all material respects in relation to the basic financial statements as a whole.

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To the Board of Commissioners

Tangipahoa Mosquito Abatement District Number One

Page 3

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2021 based on our consideration of the Tangipahoa Mosquito Abatement District Number One's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tangipahoa Mosquito Abatement District Number One's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Bruce Harrell & Co." with a stylized flourish at the end.

Bruce Harrell & Company, CPAs

A Professional Accounting Corporation

Kentwood, Louisiana

November 16, 2021

Required Supplementary Information (Part I)

Management's Discussion and Analysis

Tangipahoa Mosquito Abatement District Number One
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended December 31, 2020

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 Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - For State and Local Governments* (GASB 34), as amended, and with current applicable standards as more fully described in the notes the financial statements as Note 1 – *Summary of Significant Accounting Policies*.

The District's management discussion and analysis (MD&A) 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 MD&A 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 Notes and the other Required Supplemental Information ("RSI") that is provided in addition to this MD&A.

Financial Highlights

- At December 31, 2020, the District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$7,633,995 (net position). The District's unrestricted net position of \$6,416,994 may be used to meet the District's ongoing obligations for mosquito protection.
- For the year ended December 31, 2020, the District's total net position increased by \$445,681.
- At December 31, 2020, the District's government fund reported an ending fund balance of \$6,570,009 which represents an increase of \$455,357 for the year. Of this amount, \$5,488,194 is unassigned and available for spending for mosquito protection.
- Governmental Activities ad valorem taxes increased by \$275,715 to \$2,538,913 for the year ended December 31, 2020 and expenses increased \$119,717 to \$2,260,877 for the year ending December 31, 2020.
- Interest income for the year ended December 31, 2020 was \$20,249, a decrease of \$65,286. This decrease is primarily due to reduced interest rates on deposits.
- Governmental Activities total assets for the fiscal year ending December 31, 2020 increased by \$453,382 or approximately 6% due primarily to increases in ad valorem taxes receivables as well as cash and cash equivalents, partially offset by decreases in chemicals inventory on hand and prepaid insurance. Deferred outflows of resources decreased \$234,264 related to pension.
- Governmental Activities total liabilities for the fiscal year ending December 31, 2020 decreased by \$409,591 or approximately 57% due primarily to decreases in net pension liability. Deferred inflows of resources increased \$183,018 related to pension.
- Governmental Fund Mosquito Abatement expenses, excluding capital outlay, increased \$188,406 or approximately 10%. Capital Outlay decreased \$14,836 or approximately 13%.

**Tangipahoa Mosquito Abatement District Number One
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended December 31, 2020**

Overview of the Annual Financial Report

The financial statement focus is on both the District as a whole and on the major individual fund. Both perspectives, government-wide and 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.

The MD&A 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 of 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.

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 most of 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 fund financial statements begin on page 18 of this report.

**Tangipahoa Mosquito Abatement District Number One
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended December 31, 2020**

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 19 and 21 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 begin on page 23 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 in this report.

**Condensed Statement Net Position
2020 and 2019**

| | Governmental Activities | |
|---|--------------------------------|---------------------|
| | 2020 | 2019 |
| Assets: | | |
| Current and Other Assets | \$ 6,790,455 | \$ 6,320,734 |
| Capital Assets, Net | 1,217,001 | 1,233,340 |
| Total Assets | 8,007,456 | 7,554,074 |
| Deferred Outflows of Resources | | |
| Pension Related | 139,840 | 374,104 |
| Total Deferred Outflows of Resources | 139,840 | 374,104 |
| Liabilities: | | |
| Long-Term Liabilities | 149,022 | 569,511 |
| Other Liabilities | 154,891 | 143,983 |
| Total Liabilities | 303,913 | 713,494 |
| Deferred Inflows of Resources | | |
| Pension Related | 209,388 | 26,370 |
| Total Deferred Inflows of Resources | 209,388 | 26,370 |
| Net Position: | | |
| Investment in Capital Assets | 1,217,001 | 1,233,340 |
| Unrestricted | 6,416,994 | 5,954,974 |
| Total Net Position | \$ 7,633,995 | \$ 7,188,314 |

**Tangipahoa Mosquito Abatement District Number One
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended December 31, 2020**

“Current and Other” assets increased by \$469,721, primarily related to increase in ad valorem taxes receivables and cash and cash equivalents. These increases were partially offset by decreases in chemicals inventory and prepaid insurance. Deferred outflows of resources decreased \$234,264 related to pension.

“Long-Term Liabilities” decreased \$420,489 primarily related to decrease in net pension liability. Deferred inflows of resources increased \$183,018 related to pension.

Approximately 16% of the District's net position reflects its investment in capital assets (furniture, equipment and building) net of any outstanding related debt used to acquire those capital assets (no debt in 2020). These capital assets are used to provide services to citizens and do not represent resources available for future spending.

Approximately 84% of the District's net position is 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 all categories of net position, governmental activities. The same held true for the prior fiscal year.

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. For more information see the Statement of Activities included in this report.

**Condensed Statement of Changes in Net Position
For the years ended December 31, 2020 and 2019**

| | <u>Governmental Activities</u> | | <u>Variance</u> | |
|--------------------------------------|--------------------------------|---------------------|-------------------|-------------------|
| | <u>2020</u> | <u>2019</u> | <u>Dollar</u> | <u>Percentage</u> |
| Revenues: | | | | |
| Program Revenues: | | | | |
| Operating Grants and Contributions | \$ 7,728 | \$ 7,148 | \$ 580 | 8% |
| General Revenues: | | | | |
| Ad Valorem Taxes | 2,538,913 | 2,263,198 | 275,715 | 12% |
| Intergovernmental | 81,536 | 15,538 | 65,998 | 425% |
| Gain (Loss) on Disposition of Assets | 40,460 | 27,753 | 12,707 | 46% |
| Interest Income | 20,249 | 85,535 | (65,286) | -76% |
| Miscellaneous | 17,672 | 52,235 | (34,563) | -66% |
| Total Revenues | <u>2,706,558</u> | <u>2,451,407</u> | <u>255,151</u> | 10% |
| Expenses: | | | | |
| Mosquito Abatement | <u>2,260,877</u> | <u>2,141,160</u> | <u>119,717</u> | 6% |
| Total Expenses | <u>2,260,877</u> | <u>2,141,160</u> | <u>119,717</u> | 6% |
| Change in Net Position | <u>445,681</u> | <u>310,247</u> | <u>135,434</u> | 44% |
| Net Position, Beginning | <u>7,188,314</u> | <u>6,878,067</u> | <u>310,247</u> | 5% |
| Net Position, Ending | <u>\$ 7,633,995</u> | <u>\$ 7,188,314</u> | <u>\$ 445,681</u> | 6% |

The District's governmental net position increased by \$445,681 or 6%, to \$7,633,995.

Change in net position increased by \$135,434 compared to the prior year. Revenues increased by 10% or \$255,151 compared to a 3% increase of \$65,238 in prior year. Expenses increased by 6% or \$119,717 compared

**Tangipahoa Mosquito Abatement District Number One
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended December 31, 2020**

to a 2% increase of \$47,047 in prior year. The increase in revenues noted above is primarily related to increased ad valorem tax revenue. The increase in expenses noted above is comprised of increases in several categories of mosquito abatement expenses, most notably, chemicals as well as salaries and wages, partially offset by decreases in other categories of mosquito abatement expenses, most notably, retirement related to pension expense.

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.

Governmental Funds

The focus of the District's governmental fund 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.

At the end of the current year, the District's single governmental fund reported an ending fund balance of \$6,570,009, of which 84% or \$5,488,194 was unassigned and 16% or \$1,081,815 was nonspendable. Total ending fund balance represents an increase of \$455,357, or approximately 7% of the prior year's ending fund balance.

Major Governmental Fund Budgetary Highlights

Tangipahoa Mosquito Abatement District Number One 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. An amended budget was proposed and adopted as required by the Local Government Budget Act, for the year ended December 31, 2020. Schedule 1 detailing budget compliance is included as Required Supplementary Information, following the footnotes of the financial statements.

**Tangipahoa Mosquito Abatement District Number One
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended December 31, 2020**

Capital Assets and Debt Administration

Capital Assets

The District's investment in capital assets for its governmental activities, net of depreciation, as of December 31, 2020 and December 31, 2019 respectively amounted to \$1,217,001 and \$1,233,340. Capital asset purchases in 2020 and 2019 respectively were \$101,100 and \$115,936.

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 in this report.

**Capital Assets (Net of Depreciation)
2020 and 2019**

| Capital Assets | Governmental Activities | |
|--------------------------------|--------------------------------|---------------------|
| | 2020 | 2019 |
| Building | \$ 1,333,065 | \$ 1,333,065 |
| Equipment | 1,078,474 | 1,101,513 |
| Office Furniture and Equipment | 258,026 | 253,388 |
| Subtotal Capital Assets | 2,669,565 | 2,687,966 |
| Less: Accumulated Depreciation | (1,452,564) | (1,454,626) |
| Capital Assets, Net | \$ 1,217,001 | \$ 1,233,340 |

During the year ending December 31, 2020, the District had capital outlay of \$101,100 primarily related to purchases of five vehicles and equipment for the District's aircraft, as well as several smaller office furniture and equipment purchases.

Long-Term Debt

At December 31, 2020, the District had no long-term obligations outstanding, other than compensated absences liability and net pension liability. For the year ending December 31, 2020, net pension liability was \$4,495 and compensated absences payable was 144,527.

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 Number One of the Parish of Tangipahoa, 15483 Club Deluxe Road, Hammond, Louisiana 70403. The District's telephone number is (985) 543-0454.

Basic Financial Statements

Government-Wide Financial Statements

Statement A
Tangipahoa Mosquito Abatement District Number One
Statement of Net Position
As of December 31, 2020

| | Primary Government |
|---|------------------------------------|
| | Governmental Activities |
| Assets | |
| Current Assets: | |
| Cash and Cash Equivalents | \$ 3,172,610 |
| Receivables, Net: | |
| Ad Valorem Taxes | 2,536,030 |
| Inventory | 1,055,948 |
| Prepaid Insurance | 25,867 |
| Total Current Assets | <u>6,790,455</u> |
| Noncurrent Assets: | |
| Net Pension Asset | <u>-</u> |
| Total Noncurrent Assets | <u>-</u> |
| Capital Assets: | |
| Capital Assets, Net of Depreciation | <u>1,217,001</u> |
| Total Capital Assets | <u>1,217,001</u> |
| Total Assets | <u>8,007,456</u> |
| Deferred Outflows of Resources | |
| Pension Related | <u>139,840</u> |
| Total Deferred Outflows of Resources | <u>139,840</u> |
| Liabilities | |
| Current Liabilities: | |
| Accounts Payable | 5,649 |
| Other Accrued Payables | <u>149,242</u> |
| Total Current Liabilities | <u>154,891</u> |
| Long Term Liabilities: | |
| Compensated Absences Payable | 144,527 |
| Net Pension Liability | <u>4,495</u> |
| Total Long Term Liabilities | <u>149,022</u> |
| Total Liabilities | <u>303,913</u> |
| Deferred Inflows of Resources | |
| Pension Related | <u>209,388</u> |
| Total Deferred Inflows of Resources | <u>209,388</u> |
| Net Position | |
| Investment in Capital Assets | 1,217,001 |
| Unrestricted | <u>6,416,994</u> |
| Total Net Position | <u>\$ 7,633,995</u> |

The accompanying notes are an integral part of this statement.

Statement B

Tangipahoa Mosquito Abatement District Number One
Statement of Activities
For the year ended December 31, 2020

| | | <u>Program Revenues</u> | | | <u>Net (Expenses) Revenues and Changes in Net Position of Primary Government</u> |
|--|------------------|---------------------------------|---|--|--|
| | <u>Expenses</u> | <u>Charges for Services</u> | <u>Operating Grants & Contributions</u> | <u>Net (Expenses) Revenues</u> | <u>Governmental Activities</u> |
| Governmental Activities | | | | | |
| Mosquito Abatement | \$ 2,260,877 | \$ - | \$ 7,728 | \$ (2,253,149) | \$ (2,253,149) |
| Total Governmental Activities | <u>2,260,877</u> | <u>-</u> | <u>7,728</u> | <u>(2,253,149)</u> | <u>(2,253,149)</u> |
| General Revenues: | | | | | |
| Ad Valorem Taxes | | | | | 2,538,913 |
| Gain (Loss) on Disposition of Capital Assets | | | | | 40,460 |
| Intergovernmental | | | | | 81,536 |
| Interest Income | | | | | 20,249 |
| Miscellaneous | | | | | <u>17,672</u> |
| Total General Revenues | | | | | <u>2,698,830</u> |
| Change in Net Position | | | | | <u>445,681</u> |
| Net Position - Beginning | | | | | <u>7,188,314</u> |
| Net Position - Ending | | | | | <u>\$ 7,633,995</u> |

The accompanying notes are an integral part of this statement.

Basic Financial Statements

Fund Financial Statements

Statement C

Tangipahoa Mosquito Abatement District Number One
Balance Sheet, Governmental Funds
As of December 31, 2020

| | General Fund |
|--|-------------------------|
| <hr/> | |
| Assets | |
| Cash and Cash Equivalents | \$ 3,172,610 |
| Receivables, Net: | |
| Ad Valorem Taxes | 2,536,030 |
| Inventory | 1,055,948 |
| Prepaid Insurance | 25,867 |
| Total Assets | <u>\$ 6,790,455</u> |
| | |
| Liabilities, Deferred Inflows of Resources, and Fund Balances | |
| Liabilities: | |
| Accounts Payable | \$ 5,649 |
| Other Accrued Liabilities | 149,242 |
| Total Liabilities | <u>154,891</u> |
| | |
| Deferred Inflows of Resources: | |
| Ad Valorem Taxes - Unavailable | 65,555 |
| Total Deferred Inflows of Resources | <u>65,555</u> |
| | |
| Fund Balances: | |
| Nonspendable | 1,081,815 |
| Unassigned | 5,488,194 |
| Total Fund Balances | <u>6,570,009</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 6,790,455</u> |

The accompanying notes are an integral part of this statement.

Statement D

**Tangipahoa Mosquito Abatement District Number One
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Financial Statement of Net Position
As of December 31, 2020**

| | | |
|--|----|-----------|
| Fund Balances, Total Governmental Funds (Statement C) | \$ | 6,570,009 |
|--|----|-----------|

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

Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds. These assets consist of:

| | | |
|--|--|-----------|
| Governmental capital assets, net of accumulated depreciation | | 1,217,001 |
|--|--|-----------|

| | | |
|---|--|--------|
| Ad valorem taxes collected after year-end, but not available soon enough to pay for current expenditures are reported as deferred inflows of resources in the governmental funds. | | 65,555 |
|---|--|--------|

| | | |
|--|--|---|
| Net pension asset is not available to pay for current period expenditures and, therefore, is not reported in the governmental funds. | | - |
|--|--|---|

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.

| | | |
|------------------------------|--|-----------|
| Compensated Absences Payable | | (144,527) |
| Net Pension Liability | | (4,495) |

Deferred outflows and inflows of resources pertaining to pension are not reported in governmental funds:

| | | |
|--------------------------------|--|-----------|
| Deferred Outflows of Resources | | 139,840 |
| Deferred Inflows of Resources | | (209,388) |

| | | |
|--|----|---|
| Net Position, Governmental Activities (Statement A) | \$ | <div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; padding: 2px 0;">7,633,995</div> |
|--|----|---|

The accompanying notes are an integral part of this statement.

Statement E

Tangipahoa Mosquito Abatement District Number One
Statement of Revenues, Expenditures and
Changes in Fund Balances
For the year ended December 31, 2020

| | General Fund |
|--|----------------------------|
| Revenues | |
| Ad Valorem Taxes | \$ 2,535,457 |
| Intergovernmental | 81,536 |
| Interest | 20,249 |
| Miscellaneous | 17,672 |
| Total Revenues | <u>2,654,914</u> |
| Expenditures | |
| Mosquito Abatement | |
| Salaries | 728,159 |
| Benefits | 218,560 |
| Payroll Taxes | 16,566 |
| Chemicals | 684,109 |
| Insurance | 128,041 |
| Other operating | 109,409 |
| Professional Fees | 23,475 |
| Repairs and Maintenance | 64,563 |
| Telephone | 15,534 |
| Utilities | 14,794 |
| Vehicle Expenses | 39,847 |
| Statutory Payments to Assessor | 96,772 |
| Capital Outlays | 101,100 |
| Total Expenditures | <u>2,240,929</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>413,985</u> |
| Other Financing Sources (Uses) | |
| Proceeds from Sale of Fixed Assets | 41,372 |
| Total Other Financing Sources (Uses) | <u>41,372</u> |
| Net Change in Fund Balances | <u>455,357</u> |
| Fund Balances, Beginning | <u>6,114,652</u> |
| Fund Balances, Ending | <u><u>\$ 6,570,009</u></u> |

The accompanying notes are an integral part of this statement.

Tangipahoa Mosquito Abatement District Number One
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the year ended December 31, 2020

Net Change in Fund Balances, Total Governmental Funds (Statement E) **\$ 455,357**

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

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

| | | |
|---------------------------------|------------------|----------|
| Expenditures for capital assets | \$ 101,100 | |
| Less: | | |
| Current year depreciation | <u>(116,527)</u> | (15,427) |

When recognizing the sale of capital assets, the governmental funds report the total proceeds of the sale. However, only the gain or loss is reported on the government-wide statement of activities. These differences consist of:

| | | |
|-----------------------------------|-----------------|-------|
| Gain/(Loss) on asset disposition | \$ 40,460 | |
| Less proceeds from sale of assets | <u>(41,372)</u> | (912) |

Some expenses do not require the use of current financial resources and, therefore, are not recorded as an expenditure in the governmental funds, but are recorded as an expenses in the statement of activities:

| | | |
|--------------------------------|--|----------|
| Change in compensated absences | | 9,829 |
| Pension expense | | (14,350) |

Some revenues in the statement of activities do not provide current financial resources and are not reported as revenue in the governmental funds:

| | | |
|---|--|-------|
| Deferred inflows of resources for ad valorem taxes collected after year end, but not available soon enough to pay for current expenditures changed by the following amount. | | 3,456 |
| Non-employer contributions to cost-sharing pension plan | | 7,728 |

Change in Net Position, Governmental Activities (Statement B) **\$ 445,681**

The accompanying notes are an integral part of this statement.

Basic Financial Statements

Notes to the Financial Statements

Tangipahoa Mosquito Abatement District Number One
Notes to the Financial Statements
As of and for the Year Ended December 31, 2020

Introduction

The Tangipahoa Mosquito Abatement District Number One 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.

At December 31, 2020, the District had 12 full-time employees and no part-time employees.

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, 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 Number One 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

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

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective for financial statement periods ending after December 15, 2012, provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined *Deferred Outflows of Resources* as a consumption of net assets by the government that is applicable to a future reporting period, and *Deferred Inflows of*

Tangipahoa Mosquito Abatement District Number One
Notes to the Financial Statements
As of and for the Year Ended December 31, 2020

Resources as an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. GASB Concepts Statement 4 identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The definition and reporting of net position is further described in *Note 1J – Net Position and Fund Balance*.

Also, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The application of this standard to long-term debt offerings of the District is more fully described in *Note 1I – Long-Term Obligations*.

The District had deferred outflows and deferred inflows of resources in the governmental activities Statement of Net Position of \$139,840 and \$209,388, respectively, related to pension at December 31, 2020. At December 31, 2020, the District also had deferred inflows of resources in the general fund Balance Sheet of \$65,555 related to accounts receivable not collected within the period of availability.

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. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, 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 District has no component units.

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 funds 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

Tangipahoa Mosquito Abatement District Number One
Notes to the Financial Statements
As of and for the Year Ended December 31, 2020

revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

The District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for and reports all financial resources of the general government, except those required to be accounted for in another fund (none in the current year).

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. 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 principal 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 carried as 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 and Revenue

Property tax receivables are shown net of an allowance for uncollectible. The District uses approximately one half up to two and a half percent 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.

Tangipahoa Mosquito Abatement District Number One
Notes to the Financial Statements
As of and for the Year Ended December 31, 2020

The following is a summary of authorized and levied ad valorem taxes:

| | <u>Authorized Millage</u> | <u>Levied Millage</u> | <u>Expiration Date</u> |
|---|-------------------------------|---------------------------|----------------------------|
| Mosquito Abatement taxes due 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. | 5 mills | 4.98 mills | 2026 |

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, if any, have been restricted by bond indenture, law, or contractual obligations.

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 cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The 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 assets 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 |

Tangipahoa Mosquito Abatement District Number One
Notes to the Financial Statements
As of and for the Year Ended December 31, 2020

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). There is no provision for the payment of accrued sick leave from the District except as follows: Employees hired on or before June 13, 2018 are allowed the benefit previously in place of paying them for unused sick leave upon retirement (up to the amount of sick leave they had accrued as of June 13, 2018 and at the current rate of pay on June 13, 2018).

The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized in the governmental funds as a 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.

Tangipahoa Mosquito Abatement District Number One
Notes to the Financial Statements
As of and for the Year Ended December 31, 2020

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance 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, 2020 the District had no such debt and no long-term obligations outstanding, other than net pension liability and compensated absences liability. At December 31, 2020, net pension liability was \$4,495 and compensated absences payable was \$144,527.

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** - The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.
- **Unrestricted Component of Net Position** - The *unrestricted* component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

Tangipahoa Mosquito Abatement District Number One
Notes to the Financial Statements
As of and for the Year Ended December 31, 2020

In the fund statements, governmental fund equity is classified as fund balance. The District adopted GASB 54 for the year ended December 31, 2011. This Statement 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 purposes 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 \$1,055,948 and prepaid insurance in the amount of \$25,867.
- **Restricted.** These are amounts that can be spent only for specific purposes, because of constitutional provisions, enabling legislation or constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- **Committed.** These are amounts that can be used only for specific purposes determined by a formal vote of the Board, which is the highest level of decision-making authority for the District.
- **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.
- **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 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. Comparative Data/Reclassifications

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

L. Extraordinary and Special Items

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

M. Estimates

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

Tangipahoa Mosquito Abatement District Number One
Notes to the Financial Statements
As of and for the Year Ended December 31, 2020

N. 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

Budget Information

The Tangipahoa Mosquito Abatement District Number One 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 2020 was presented to the board of commissioners on October 9, 2019.
3. The proposed budget for 2020 was adopted on October 9, 2019.
4. Budgetary amendments require the approval of the board of commissioners. The final budget amendments for the 2020 budget were approved on October 14, 2020.
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, 2020.

3. Cash and Cash Equivalents

At December 31, 2020, the District has deposits (book balances) as follows:

| | December 31, 2020 |
|--|------------------------------|
| Interest-bearing demand deposits | \$ 2,633,828 |
| Louisiana Asset Management Pool (LAMP) | 538,782 |
| Total Cash and Cash Equivalents | <u>\$ 3,172,610</u> |

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

Tangipahoa Mosquito Abatement District Number One
Notes to the Financial Statements
As of and for the Year Ended December 31, 2020

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

Custodial credit risk 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, 2020, the District had \$2,634,566 in bank deposits other than LAMP (collected bank balances) in one financial institution consisting entirely of interest-bearing demand deposits. These demand deposits are secured from risk by \$250,000 of federal deposit insurance and the remaining, \$2,384,566 is secured by pledged securities. The \$2,384,566 is also 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).

At December 31, 2020, the District had additional deposits in the Louisiana Asset Management Pool (LAMP) recorded as cash of \$538,782.

4. Investments

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the District or its agent in the District's name
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the District's name
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the District's name

Interest Rate Risk: The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value arising from increasing interest rates.

The District's investments are carried at fair value, except any nonparticipating investment contracts, which are reported at cash. The District's only investments at December 31, 2020 are deposits in LAMP carried as cash and cash equivalents as noted in Note 3. The District reports its investment in LAMP as cash equivalents due to the highly liquid nature of these deposits.

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

GASB Statement 40, *Deposit and Investment Risk Disclosure*, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments.

Tangipahoa Mosquito Abatement District Number One
Notes to the Financial Statements
As of and for the Year Ended December 31, 2020

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

1. Credit risk: LAMP is rated AAAM by Standards and Poor's.
2. Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
3. Concentration of credit risk: Pooled investments are excluded from the five percent disclosure requirement.
4. Interest rate risk: LAMP is designed to be highly liquid to give participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 47 days (from LAMP's monthly Portfolio Holding) as of December 31, 2020.
5. Foreign currency risk: Not applicable.

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

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company. If you have any questions, please feel free to contact LAMP administrative offices at 800-249-5267.

5. Receivables

The following is a summary of receivables at December 31, 2020 :

| Class of Receivable | <u>2020</u> |
|---|---------------------|
| Ad Valorem taxes | \$ 2,548,774 |
| Less Allowance for uncollectible Ad Valorem Taxes | (12,744) |
| Total | <u>\$ 2,536,030</u> |

All receivable amounts are current.

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 Number One
Notes to the Financial Statements
As of and for the Year Ended December 31, 2020

7. Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2020 for governmental activities is as follows:

| Governmental Activities Capital Assets: | Beginning Balance | Increases | Decreases | Ending Balance |
|--|------------------------------|---------------------------|------------------------|----------------------------|
| Capital Assets Being Depreciated: | | | | |
| Building | \$ 1,333,065 | \$ - | \$ - | \$ 1,333,065 |
| Equipment | 1,101,513 | 92,444 | (115,483) | 1,078,474 |
| Office Furniture and Equipment | 253,388 | 8,656 | (4,018) | 258,026 |
| Total Capital Assets Being Depreciated | <u>2,687,966</u> | <u>101,100</u> | <u>(119,501)</u> | <u>2,669,565</u> |
| Less Accumulated Depreciation for: | | | | |
| Building | 325,493 | 34,181 | - | 359,674 |
| Equipment | 906,239 | 71,069 | (114,571) | 862,737 |
| Office Furniture and Equipment | 222,894 | 11,277 | (4,018) | 230,153 |
| Total Accumulated Depreciation | <u>1,454,626</u> | <u>116,527</u> | <u>(118,589)</u> | <u>1,452,564</u> |
| Total Capital Assets Being Depreciated, Net | <u>1,233,340</u> | <u>(15,427)</u> | <u>(912)</u> | <u>1,217,001</u> |
| Total Governmental Activities Capital Assets, Net | \$ <u>1,233,340</u> | \$ <u>(15,427)</u> | \$ <u>(912)</u> | \$ <u>1,217,001</u> |

Depreciation was charged to governmental activities as follows:

| | |
|--------------------|-------------------|
| Mosquito Abatement | \$ <u>116,527</u> |
| | <u>\$ 116,527</u> |

During the year ending December 31, 2020, the District had capital outlay of \$101,100 primarily related to purchases of five vehicles and equipment for the District's aircraft, as well as several smaller office furniture and equipment purchases. The District's disposals for the year ended December 31, 2020 were primarily fully depreciated equipment and office furniture and equipment. Gain on these disposals was \$40,460.

Depreciation expense for the year ended December 31, 2020 was \$116,527, which was charged to governmental activities -Mosquito Abatement.

8. Accounts, Salaries, and Other Payables

The payables at December 31, 2020 are as follows:

| Governmental Funds Payable | 2020 |
|--|--------------------------|
| Accounts payable | \$ 5,649 |
| Accrued payroll | 11,148 |
| Retirement payable | 34,373 |
| Deductions from ad valorem taxes payable | 96,772 |
| Other | 6,949 |
| Total | \$ <u>154,891</u> |

9. Long-Term Obligations

The District has no long-term debt outstanding at December 31, 2020. Long term obligations include net pension liability (See Note 10) and compensated absences liability, both on the government-wide

Tangipahoa Mosquito Abatement District Number One
Notes to the Financial Statements
As of and for the Year Ended December 31, 2020

Statement of Net Position. Pension liability for the year ending December 31, 2020 decreased \$410,660 to \$4,495. Compensated absences payable decreased \$9,829 to \$144,527 at December 31, 2020.

10. Retirement System

Substantially all full-time employees of Tangipahoa Mosquito Abatement District Number One are members of the Parochial Employees' Retirement System of Louisiana (System), a multi-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees.

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

Plan Description: Parochial Employees' Retirement System of Louisiana is the administrator of a cost sharing multiple employer defined benefit pension plan. The System was established and provided for by R.S. 11:1901 of the Louisiana Revised Statute (LRS), through 2025. The System provides retirement benefits to employees of taxing districts of a parish or any branch or section of a parish within the State which does not have their own retirement system and which elect to become members of the System.

Substantially all full-time employees of 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.

The Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on its financial statements for the year ended December 31, 2019. Access to the audit report can be found on the System's website: www.persla.org or on the Office of Louisiana Legislative Auditor's official website: www.lla.state.la.us

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 he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

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

For employees hired after January 1, 2007:

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

Tangipahoa Mosquito Abatement District Number One
Notes to the Financial Statements
As of and for the Year Ended December 31, 2020

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

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, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account.

Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

For individuals who become eligible to participate in the Deferred Retirement Option Plan (DROP) on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the Plan will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of 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 officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to three percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or three percent multiplied by years of service assuming continued service to age sixty for those members who are enrolled prior to January 1, 2017 and to age 62 for those members who are enrolled January 1, 2007 or later.

Cost of Living Increases:

The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of

Tangipahoa Mosquito Abatement District Number One
Notes to the Financial Statements
As of and for the Year Ended December 31, 2020

normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age sixty-five equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older. (RS 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

Funding Policy. Contributions for all members are established by state statute. Under Plan A, members are required to contribute 9.50 percent of their annual covered salary. The District is required to contribute at an actuarially determined rate, according to state statute. For the year December 31, 2019, the actuarially determined contribution rate was 12.18% of member's compensation for Plan A. However, the actual rate for the year ended December 31, 2019 was 11.5% for Plan A. The current rate is 12.25% of annual covered payroll.

According to state statute, the System also receives one-fourth (1/4) of one percent of the ad valorem taxes collectible within the respective parishes, except Orleans and East Baton Rouge Parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. These tax dollars and revenue sharing are 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, 2020. During the year ending December 31, 2020, the District recognized revenue as a result of support received from non-employer contributing entities of \$7,728 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, 2020 and 2019 were \$73,609 and \$69,634 respectively, each equal to the required contributions for that year.

Pension Assets/Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At December 31, 2020, the District reported a liability in its governmental activities of \$4,495 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of December 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the pension plan for the year ending December 31, 2019 relative to the contribution of all participating employers for the fiscal year ending December 31, 2019. At December 31, 2019, the District's proportion was 0.095495% which was an increase of 0.001957% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the District recognized pension expense for the Parochial Employees' Retirement System of \$88,406 representing its proportionate share of the System's net expense, including amortization of deferred amounts.

Tangipahoa Mosquito Abatement District Number One
Notes to the Financial Statements
As of and for the Year Ended December 31, 2020

At December 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to the Parochial Employees' Retirement System from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ - | \$ (40,243) |
| Changes of assumptions | 62,784 | - |
| Net difference between projected and actual earnings on pension plan investments | - | (168,510) |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 3,447 | (635) |
| Employer contributions subsequent to the measurement date | 73,609 | - |
| Total | <u>\$ 139,840</u> | <u>\$ (209,388)</u> |

The District reported a total of \$73,609 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of December 31, 2019 which will be recognized as a reduction in net pension liability in the following fiscal year (December 31, 2021).

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

| <u>Year</u> | |
|-------------|---------------------|
| 2021 | \$ (31,399) |
| 2022 | (40,934) |
| 2023 | 5,042 |
| 2024 | (75,866) |
| | <u>\$ (143,157)</u> |

Actuarial Assumptions. A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2019 is as follows:

| | |
|----------------------------------|--|
| Valuation Date | December 31, 2019 |
| Actuarial Cost Method | Plan A-Entry Age Normal |
| Actuarial Assumptions: | |
| Expected Remaining Service Lives | 4 years |
| Investment Rate of Return | 6.5%, net of investment expense, including inflation |
| Projected Salary Increases | Plan A-4.75% |
| Cost of Living Adjustments | The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees. |

Tangipahoa Mosquito Abatement District Number One
Notes to the Financial Statements
As of and for the Year Ended December 31, 2020

Mortality Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale for employees; Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitants and beneficiaries; and 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 2.4%

The discount rate used to measure the total pension liability was 6.5% for Plan A. The projection of cash flows used to determine discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined 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.

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 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.18% for the year ended December 31, 2019.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2019 are summarized in the following table:

| Asset Class | Target Asset Allocation | Expected Portfolio Real Rate of Return |
|------------------------------------|-------------------------|--|
| Fixed Income | 35% | 1.05% |
| Equity | 52% | 3.41% |
| Alternatives | 11% | 0.61% |
| Real Assets | 2% | 0.11% |
| Totals | 100% | 5.18% |
| Inflation | | 2.00% |
| Expected Arithmetic Nominal Return | | 7.18% |

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

Tangipahoa Mosquito Abatement District Number One
Notes to the Financial Statements
As of and for the Year Ended December 31, 2020

2010 Public Retirement Plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females, each with full generation projection using the MP2018 scale. For Disabled annuitants mortality was set equal to PUB-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females, each with full generation projection using the MP2018 scale

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability (asset) using the discount rate of 6.5%, as well as what it would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate used as of December 31, 2019:

| | <u>1% Decrease</u> | <u>Current Discount Rate</u> | <u>1% Increase</u> |
|-------------------------------|--------------------|----------------------------------|--------------------|
| Rates | 5.50% | 6.50% | 7.50% |
| District's Share of NPL (NPA) | \$ 485,868 | \$ 415,155 | \$ (398,886) |

Payables to the Pension Plan. At December 31, 2020, the District had no payables to the pension plan.

Pension Plan Fiduciary Net position. The Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on its financial statements for the year ended December 31, 2019. Access to the audit report can be found on the System's website: www.persla.org or on the Office of Louisiana Legislative Auditor's official website: www.lla.state.la.us

11. Tax Abatements

The Louisiana Industrial Ad Valorem Tax Exemption Program (ITEP) is an original state incentive program which offers attractive tax incentive 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 sixty-six tax abatements in Tangipahoa Parish, related to seventeen companies, under the Louisiana ITEP. For the 2020 calendar year, the estimated forgone ad valorem taxes in the District due to this abatement program was \$17,384.

12. Risk Management

The District is exposed to various risks of loss 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. There has been no significant decrease in insurance coverage from the prior year, and the amount of settlement has not exceeded the insurance coverage for the past three fiscal years.

13. Contingent Liabilities

At December 31, 2020, the District was not involved in any outstanding litigation or claims.

Tangipahoa Mosquito Abatement District Number One
Notes to the Financial Statements
As of and for the Year Ended December 31, 2020

14. COVID-19 Pandemic

In December 2019, COVID-19 emerged and has subsequently spread worldwide. The World Health Organization has declared COVID-19 a pandemic and this pandemic has resulted in federal, state, and local governments and private entities mandating various restrictions, including travel restrictions, restrictions on public gatherings, stay at home orders, and quarantining of people that may have been exposed to the virus.

COVID-19 and actions taken to mitigate it had and are expected to continue to have adverse effects on the economy. The COVID-19 pandemic is complex and rapidly evolving, and we cannot reasonably estimate the duration or severity of this pandemic nor its full impact on the entity, its financial position, change in financial position, or cash flows.

15. Subsequent Events

Subsequent events have been evaluated by management through November 16, 2021, the date the financial statements were available for issuance. No events were noted that require recording or disclosure in the financial statements for the year ending December 31, 2020.

Required Supplementary Information (Part II)

Schedule 1

Tangipahoa Mosquito Abatement District Number One
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) to Actual
General Fund

For the year ended December 31, 2020

| | Budgeted Amounts | | Actual Amounts | Variance |
|---|-------------------------|---------------------|-----------------------|------------------------------------|
| | Original | Final | GAAP Basis | Favorable (Unfavorable) |
| Revenues | | | | |
| Ad Valorem Taxes | \$ 2,275,462 | \$ 2,275,462 | \$ 2,535,457 | \$ 259,995 |
| Intergovernmental | - | - | 81,536 | 81,536 |
| Interest | 60,000 | 19,000 | 20,249 | 1,249 |
| Miscellaneous | - | 33,814 | 17,672 | (16,142) |
| Total Revenues | <u>2,335,462</u> | <u>2,328,276</u> | <u>2,654,914</u> | <u>326,638</u> |
| Expenditures | | | | |
| Mosquito Abatement | | | | |
| Salaries | 744,090 | 744,090 | 728,159 | 15,931 |
| Benefits | 301,299 | 301,299 | 218,560 | 82,739 |
| Payroll Taxes | 21,932 | 21,932 | 16,566 | 5,366 |
| Chemicals | 600,000 | 600,000 | 684,109 | (84,109) |
| Insurance | 145,000 | 145,000 | 128,041 | 16,959 |
| Other operating | 192,413 | 193,413 | 109,409 | 84,004 |
| Professional Fees | 35,000 | 35,000 | 23,475 | 11,525 |
| Repairs and Maintenance | 105,000 | 110,000 | 64,563 | 45,437 |
| Telephone | 27,000 | 27,000 | 15,534 | 11,466 |
| Utilities | 25,000 | 25,000 | 14,794 | 10,206 |
| Vehicle Expenses | 85,000 | 85,000 | 39,847 | 45,153 |
| Statutory Payments to Assessor | 93,294 | 93,294 | 96,772 | (3,478) |
| Capital Outlays | 261,000 | 281,000 | 101,100 | 179,900 |
| Total Expenditures | <u>2,636,028</u> | <u>2,662,028</u> | <u>2,240,929</u> | <u>421,099</u> |
| Excess Revenues (Expenditures) | <u>(300,566)</u> | <u>(333,752)</u> | <u>413,985</u> | <u>747,737</u> |
| Other Financing Sources (Uses) | | | | |
| Proceeds from Sale of Fixed Assets | 15,000 | 41,371 | 41,372 | 1 |
| Total Other Financing Sources (Uses) | <u>15,000</u> | <u>41,371</u> | <u>41,372</u> | <u>1</u> |
| Net Change in Fund Balances | <u>(285,566)</u> | <u>(292,381)</u> | <u>455,357</u> | <u>747,738</u> |
| Fund Balances, Beginning | <u>2,800,906</u> | <u>2,800,906</u> | <u>6,114,652</u> | <u>3,313,746</u> |
| Fund Balances, Ending | <u>\$ 2,515,340</u> | <u>\$ 2,508,525</u> | <u>\$ 6,570,009</u> | <u>\$ 4,061,484</u> |

See Independent Auditor's Report.

Tangipahoa Mosquito Abatement District Number One
Schedule of the District's Proportionate Share of the Net Pension Liability (Asset)
For the year ended December 31, 2020

Parochial Employees' Retirement System of Louisiana:

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|------------|------------|------------|-------------|------------|------------|
| Employer's Proportion of the Net Pension Liability (Assets) | 0.088522% | 0.090051% | 0.090610% | 0.088566% | 0.093538% | 0.095495% |
| Employer's Proportionate Share of the Net Pension Liability (Asset) | \$ 24,203 | \$ 237,040 | \$ 186,612 | \$ (65,738) | \$ 415,155 | \$ 4,495 |
| Employer's Covered-Employee Payroll | \$ 517,892 | \$ 516,319 | \$ 537,372 | \$ 545,137 | \$ 552,690 | \$ 605,517 |
| Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll | 4.6734% | 45.9096% | 34.7268% | -12.0590% | 75.1153% | 0.7423% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 99.1464% | 92.2301% | 94.1489% | 101.9768% | 88.8618% | 99.8851% |

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

See Notes to the Required Supplementary Information.

See Independent Auditor's Report.

Tangipahoa Mosquito Abatement District Number One
Schedule of the District's Contributions
For the year ended December 31, 2020

Parochial Employees' Retirement System of Louisiana:

| | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| Contractually required contribution | \$ 74,866 | \$ 69,858 | \$ 68,142 | \$ 63,559 | \$ 69,634 | \$ 73,609 |
| Contributions in relation to contractually required contributions | <u>74,866</u> | <u>69,858</u> | <u>68,142</u> | <u>63,559</u> | <u>69,634</u> | <u>73,609</u> |
| Contribution deficiency (excess) | - | - | - | - | - | - |
| Employer's Covered Employee Payroll | \$ 517,892 | \$ 537,372 | \$ 545,137 | \$ 552,690 | \$ 605,517 | \$ 600,892 |
| Contributions as a % of Covered Employee Payroll | 14.4559% | 12.9999% | 12.5000% | 11.4999% | 11.5000% | 12.2500% |

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

See Notes to the Required Supplementary Information.

See Independent Auditor's Report.

Tangipahoa Mosquito Abatement District Number One
Notes to the Required Supplementary Information
As of and for the Year Ended December 31, 2020

1. Pension Plan Schedules

A. Changes of Benefit Terms

There were no changes in benefit terms during any of the years presented.

B. Changes of Assumptions

| Fiscal Year Ended December 31, | Measurement Date - December 31, | Discount Rate | Investment Rate of Return | Inflation Rate | Expected Remaining Service Lives | Projected Salary Increase |
|-----------------------------------|------------------------------------|---------------|------------------------------|----------------|--|------------------------------|
| 2015 | 2014 | 7.25% | 7.25% | 3.00% | 4 | 5.75% |
| 2016 | 2015 | 7.00% | 7.00% | 2.50% | 4 | 5.25% |
| 2017 | 2016 | 7.00% | 7.00% | 2.50% | 4 | 5.25% |
| 2018 | 2017 | 6.75% | 6.75% | 2.50% | 4 | 5.25% |
| 2019 | 2018 | 6.50% | 6.50% | 2.40% | 4 | 4.75% |
| 2020 | 2019 | 6.50% | 6.50% | 2.40% | 4 | 4.75% |

Additionally, the following mortality tables were used to develop mortality rates:

| Fiscal Year Ended December 31, | Measurement Date - December 31, | Mortality |
|-----------------------------------|------------------------------------|---|
| 2015 | 2014 | RP-2000 Employee Mortality Table for active employees; RP-2000 Healthy Annuitant Mortality Table for healthy annuitants and beneficiaries; and RP-2000 Disabled Lives Mortality Table for disabled annuitants. |
| 2016 | 2015 | RP-2000 Employee Sex Distinct Table for employees; RP-2000 Healthy Annuitant Sex Distinct Tables for annuitants and beneficiaries; and RP-2000 Disabled Lives Mortality Table for disabled annuitants. |
| 2017 | 2016 | RP-2000 Employee Sex Distinct Table for employees; RP-2000 Healthy Annuitant Sex Distinct Tables for annuitants and beneficiaries; and RP-2000 Disabled Lives Mortality Table for disabled annuitants. |
| 2018 | 2017 | RP-2000 Employee Sex Distinct Table for employees; RP-2000 Healthy Annuitant Sex Distinct Tables for annuitants and beneficiaries; and RP-2000 Disabled Lives Mortality Table for disabled annuitants. |
| 2019 | 2018 | Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale for employees; Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitants and beneficiaries; and 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. |
| 2020 | 2019 | Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale for employees; Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitants and beneficiaries; and 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. |

See Independent Auditor's Report.

Other Supplementary Information

Schedule 4

Tangipahoa Mosquito Abatement District Number One
Schedule of Compensation Paid to Board Members
For the year ended December 31, 2020

| <u>Name and Title / Contact Number</u> | <u>Address</u> | <u>Compensation Received</u> | <u>Term Expires</u> |
|--|---|----------------------------------|------------------------------|
| Jimmy Wolfe, Chairman (985) 687-4176 | 1745 Mill Garden Drive Ponchatoula, LA 70454 | \$ - | July 2022 |
| Debbie Edwards, Vice Chairman (985) 320-5264 | 9108 Keaghey Road Ponchatoula, LA 70454 | - | July 2022 |
| Deek Deblieux, Board Member (985) 507-4992 | 42532 S. Range Road Hammond, LA 70403 | - | July 2022 |
| Ricky Mannino, Secretary (985) 507-2098 | 46573 Morris Road Hammond, LA 70401 | - | July 2022 |
| Sunny Ryerson, Board Member (985) 386-8342 | 23569 Fletcher Isle Road Ponchatoula, LA 70454 | - | July 2021 |
| Bill Wheat, Board Member (985) 507-1710 | 40316 Happywoods Road Hammond, LA 70403 | - | July 2021 |
| Cecilia Giannobile, Board Member (Resigned 2020) (985) 320-9319 | 110 Grandby Drive Hammond, LA 70401 | - | July 2022 - RESIGNED 2020 |
| | | \$ <u>-</u> | |

See Independent Auditor's Report.

Schedule 5

Tangipahoa Mosquito Abatement District Number One
Schedule of Compensation, Reimbursements, Benefits, and Other Payments to
Agency Head
For the year ended December 31, 2020

Agency Head Name: Dennis Wallette, Jr., Director

| Purpose | Amount |
|-------------------------------|-------------------|
| Salary | \$ 113,932 |
| Benefits-Retirement | 13,160 |
| Benefits-Insurance Premiums | 10,163 |
| Benefits-Insurance Deductible | 933 |
| Employer Paid Medicare | 1,652 |
| Travel | 2,216 |
| Dues | 346 |
| Registration | 488 |
| Cell Phone, Ipad, MiFi | 2,261 |
| Other Reimbursements | 19 |
| | <u>\$ 145,170</u> |

See Independent Auditor's Report.

Bruce C. Harrell, CPA

Jessica H. Jones, CPA
Brandy W. Garcia, CPA
Charles L. Johnson, CPA

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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 Board of Commissioners
Tangipahoa Mosquito Abatement District Number One
Tangipahoa Parish
Hammond, Louisiana 70404

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Tangipahoa Mosquito Abatement District Number One, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Tangipahoa Mosquito Abatement District Number One's basic financial statements, and have issued our report thereon dated November 16, 2021.

Internal Control over Financial Reporting

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

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

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

BRUCE HARRELL AND CO., CPAs

CERTIFIED PUBLIC ACCOUNTANTS

A professional accounting corporation

Page 2

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Bruce Harrell & Co." with a stylized flourish at the end.

Bruce Harrell & Company, CPAs
A Professional Accounting Corporation
Kentwood, Louisiana

November 16, 2021

Tangipahoa Mosquito Abatement District Number One
Schedule of Findings and Responses
For the Year Ended December 31, 2020

Section I Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified ☒ Qualified ☐
Disclaimer ☐ Adverse ☐

Internal Control over financial reporting:

Material Weakness(es) identified? ☐ Yes ☒ No
Significant Deficiency(ies) identified? ☐ Yes ☒ None Reported

Noncompliance Material to Financial Statements noted? ☐ Yes ☒ No

Federal Awards - NA

Internal Control over major federal programs:

Material Weakness(es) identified? ☐ Yes ☐ No
Significant Deficiency(ies) identified? ☐ Yes ☐ None Reported

Type of auditor's report issued on compliance for major federal programs:

Unmodified ☐ Qualified ☐
Disclaimer ☐ Adverse ☐

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?
☐ Yes ☐ No

Identification of Major Federal Programs:

| Assistance Listing Number(s) | Name of Federal Program (or Cluster) |
|------------------------------|--------------------------------------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

Dollar threshold used to distinguish between Type A and Type B Programs: \$ _____

Auditee qualified a 'low-risk' auditee? ☐ Yes ☐ No

**Tangipahoa Mosquito Abatement District Number One
Schedule of Findings and Responses
For the Year Ended December 31, 2020**

Section II Financial Statement Findings

No Section II Findings.

Section III Federal Award Findings and Questioned Costs

N/A

**Tangipahoa Mosquito Abatement District Number One
Schedule of Prior Year Findings and Responses
For the Year Ended December 31, 2020**

Financial Statement Findings

N/A

Federal Award Findings and Questioned Costs

N/A

This schedule was prepared by management.