

**ST. TAMMANY PARISH MOSQUITO
ABATEMENT DISTRICT**

Financial Statements

December 31, 2025

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Independent Auditor's Report

To the Board of Commissioners
St. Tammany Parish Mosquito Abatement District
Slidell, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the major fund of the St. Tammany Parish Mosquito Abatement District (the District), a component unit of St. Tammany Parish, Louisiana, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the District as of December 31, 2025, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of budgetary comparison for the general fund, schedule of employer's proportionate share of the net pension liability, and the schedule of employer's pension contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

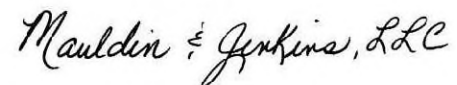
We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of compensation, benefits, and other payments to agency head, as required by the State of Louisiana, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of compensation, benefits, and other payments to agency head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to 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 District's internal control over financial reporting and compliance.



Covington, LA
June 14, 2026

**REQUIRED SUPPLEMENTARY
INFORMATION**

**MANAGEMENT'S DISCUSSION
AND ANALYSIS (MD&A)**

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT

Management's Discussion and Analysis

Introduction

The Management's Discussion and Analysis (MD&A) of the St. Tammany Parish Mosquito Abatement District (the District) presents a narrative overview and analysis of the District's financial activities for the year ended December 31, 2025. This section focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information.

As with other sections of this financial report, the information contained within this 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 footnotes and the supplementary information that is provided in addition to the MD&A.

Financial Highlights

The following financial highlights are derived from the financial statements included in this report and provide an overview into the financial status of the District.

- The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at December 31, 2025 by \$37,968,382 compared to \$40,257,123 at December 31, 2024. Net position of the District decreased by \$2,288,741 for the year ended December 31, 2025 compared to an increase of \$352,639 for the year ended December 31, 2024.
- The District's revenues decreased by \$2,541,084 from December 31, 2024 to December 31, 2025, primarily from a decrease in ad valorem tax revenue.
- The District had no debt instruments (notes payables or bonds) in the current fiscal year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: government-wide financial statements, fund financial statements, and notes to the financial statements.

The basic financial statements present two different views of the District through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the District.

Basic Financial Statements

The first two statements in the basic financial statements are the government-wide financial statements. They provide both short and long-term information about the District's financial status. The next statements are fund financial statements. These statements focus on the activities of the individual parts of the District's operations and provide more detail than the government-wide statements.

The next section of the basic financial statements is the notes to the financial statement. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, supplemental information is provided to show greater details on the District's operations. Budgetary information can be found in this part of the statements.

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT

Management's Discussion and Analysis

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the District's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the District's financial status as a whole.

The statement of net position presents the current and long-term portions of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. This may provide 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 as a result of current year operations. Regardless of when cash is affected, all changes in net position are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

Fund Financial Statements

The fund financial statements provide a more detailed look at the District's most significant activities. 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 all other governmental entities, uses fund accounting to ensure and reflect compliance (or noncompliance) with finance-related legal requirements, such as the General Statutes or the District's budget requirements. The District's fund financial statements consist of only governmental funds.

Notes to Financial Statements

The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report includes certain required and other supplementary information as listed in the table of contents.

Financial Analysis of the District

Unrestricted net position represents amounts that do not have any limitations on how it may be spent. Net investment in capital assets represents capital assets at cost, less accumulated depreciation. Restricted net position represents resources that are subject to external restrictions or enabling legislation limiting their use.

Current assets decreased by \$1,481,181, approximately 6.8%, from December 31, 2024 to December 31, 2025 due primarily from a decrease in ad valorem taxes receivable.

The latest valuation of the Parochial Employees' Retirement System of Louisiana (the Retirement System) resulted in the District's reporting a net pension asset of \$352,639 at December 31, 2025.

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT

Management's Discussion and Analysis

The following is a condensed Statement of Net Position for the District at December 31, 2025 with comparative amounts at December 31, 2024:

	2025	2024	Variance	% Variance
Assets				
Current Assets	\$ 20,175,819	\$ 21,657,000	\$ (1,481,181)	-6.8%
Noncurrent Assets	18,326,611	18,778,313	(451,702)	-2.4%
Total Assets	38,502,430	40,435,313	(1,932,883)	-4.8%
Deferred Outflows of Resources	522,012	881,973	(359,961)	-40.8%
Total Assets and Deferred Outflows of Resources	\$ 39,024,442	\$ 41,317,286	\$ (2,292,844)	-5.5%
Liabilities				
Current Liabilities	\$ 449,910	\$ 307,105	\$ 142,805	46.5%
Noncurrent Liabilities	277,443	622,483	(345,040)	-55.4%
Total Liabilities	727,353	929,588	(202,235)	-21.8%
Deferred Inflows of Resources	328,707	130,575	198,132	151.7%
Net Position				
Net Investment in Capital Assets	17,973,972	18,778,313	(804,341)	-4.3%
Restricted	352,639	-	352,639	100%
Unrestricted	19,641,771	21,478,810	(1,837,039)	-8.6%
Total Net Position	37,968,382	40,257,123	(2,288,741)	-5.7%
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 39,024,442	\$ 41,317,286	\$ (2,292,844)	-5.5%

The District's total revenues decreased by \$2,541,084, approximately 24.6%, from December 31, 2024 to December 31, 2025 due primarily from a decrease in ad valorem tax revenue.

Expenses increased by \$100,296, approximately 1.0%, from December 31, 2024 to December 31, 2025 due primarily to an increase in insurance expense and salaries and wages expense.

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT

Management's Discussion and Analysis

The following is a condensed Statement of Activities for the District for the year ended December 31, 2025 with comparative amounts for the year ended December 31, 2024:

	2025	2024	Variance	% Variance
Revenues				
Ad Valorem Taxes	\$ 6,884,394	\$ 9,200,807	\$ (2,316,413)	-25.2%
Intergovernmental Revenues	154,166	185,620	(31,454)	-16.9%
Investments and Interest Earnings	569,205	646,208	(77,003)	-11.9%
Other	195,925	312,139	(116,214)	-37.2%
	<u>7,803,690</u>	<u>10,344,774</u>	<u>(2,541,084)</u>	<u>-24.6%</u>
Expenses				
Mosquito Abatement	10,092,431	9,992,135	100,296	1.0%
	<u>10,092,431</u>	<u>9,992,135</u>	<u>100,296</u>	<u>1.0%</u>
Decrease in Net Position	(2,288,741)	352,639	(2,641,380)	-749.0%
Net Position, Beginning of Year	<u>40,257,123</u>	<u>39,904,484</u>	<u>352,639</u>	<u>0.9%</u>
Net Position, End of Year	\$ 37,968,382	\$ 40,257,123	\$ (2,288,741)	-5.7%

Capital Assets

Capital assets consist of the following at December 31:

	2025	2024	Variance	% Variance
Land	\$ 472,645	\$ 472,645	\$ -	0%
Building and Improvements	14,257,483	14,180,054	77,429	1%
Aircraft and Related Equipment	9,281,747	9,115,428	166,319	2%
Machinery and Equipment	2,000,305	1,903,532	96,773	5%
Vehicles	1,582,885	1,402,442	180,443	13%
Furniture and Fixtures	69,995	67,040	2,955	4%
	<u>27,665,060</u>	<u>27,141,141</u>	<u>523,919</u>	<u>2%</u>
Accumulated Depreciation	<u>(9,691,088)</u>	<u>(8,362,828)</u>	<u>(1,328,260)</u>	<u>16%</u>
Total	\$ 17,973,972	\$ 18,778,313	\$ (804,341)	-4%

Capital assets decreased by \$804,341, approximately 4%, from December 31, 2024 to December 31, 2025 primarily from the increase in depreciation expense. Capital asset additions consisted primarily of vehicles.

General Fund Budgetary Highlights

For the year ended December 31, 2025, the District's actual revenues of \$7,907,404 fell short of the final budgeted revenues of \$10,046,023, resulting in an unfavorable revenue variance of \$2,138,619. This shortfall was driven almost entirely by ad valorem tax collections, which were \$2,121,298 below budget due to a reduction in the collected millage.

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT

Management's Discussion and Analysis

To mitigate this revenue shortfall, the District actively monitored and controlled operational spending. Total actual expenditures of \$9,321,699 were less than the final budgeted appropriations of \$9,934,065, creating a favorable expenditure variance of \$612,366. Significant cost savings were achieved in contracted services and training and safety. These savings successfully offset unbudgeted overages driven by rising regional costs for chemicals and insecticides and property/casualty insurance premiums.

The net effect of these variances resulted in a net decrease in fund balance of \$1,414,295 for the fiscal year, compared to an originally budgeted increase of \$111,958. A detailed comparison of budget-to-actual operations is presented in the Schedule of Budgetary Comparison - General Fund on page 39 of this report.

Economic Factors and Development of Next Year's Budget and Goals

The District's management and board members considered the following factors and indicators when setting next year's budget, establishing fiscal year goals, and addressing other issues that will impact the District's operations. Included among the factors considered were:

- all costs associated with monitoring and mitigating the risk of mosquito-transmitted arboviruses, including: West Nile, St. Louis encephalitis, Eastern equine encephalitis, Dengue, Chikungunya, and Zika viruses
- any potential change in ad valorem tax revenues
- increased mosquito treatments as needed for all areas covered by the District in its management of mosquito populations - the District's coverage area includes the entire parish
- continued population, housing, and associated infrastructure growth throughout St. Tammany Parish
- the increased cost of property, auto, and liability insurance across Louisiana
- the potential for hurricanes and tropical storms to disrupt normal business operations, increase the need for mosquito management, and to cause damage to District assets
- the increased effort and cost of maintaining a new operations and training center building
- total fund balances including assigned, unassigned, and committed fund plans
- broad economic trends that may affect property tax and interest revenue
- all other operating costs of the office in the process of providing services to the public

Barring any unforeseen events, the District expects next year's available revenues will be sufficient to cover its expenses.

Contacting St. Tammany Parish Mosquito Abatement District

This financial report is designed to provide our citizens and taxpayers a general overview of the District's finances and to show the District's accountability for the resources it receives. If you have questions about this report or need additional financial information, please contact the District's management at 62436 Airport Road, Slidell, Louisiana 70460, 985-643-5050.

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT
Statement of Net Position
December 31, 2025

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 10,932,884
Investments	584,582
Receivables, Net of Allowances for Uncollectibles	
Ad Valorem Taxes	6,283,676
State Revenue Sharing	78,366
Other	46,429
Prepaid Expenses	299,704
Inventory	1,950,178
Net Pension Asset	352,639
Capital Assets, Net	17,973,972
Total Assets	38,502,430
Deferred Outflows of Resources	
Deferred Outflows Related to Pension Plan	522,012
Liabilities	
Accounts Payable	200,076
Accrued Payroll and Related Expenses	180,474
Compensated Absences - Due Within One Year	69,360
Compensated Absences - Due in More than One Year	277,443
Total Liabilities	727,353
Deferred Inflows of Resources	
Deferred Inflows Related to Pension Plan	328,707
Net Position	
Net Investment in Capital Assets	17,973,972
Restricted for Pension	352,639
Unrestricted	19,641,771
Total Net Position	\$ 37,968,382

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

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT
Statement of Activities
For the Year Ended December 31, 2025

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
Public Health and Safety - Mosquito Abatement	\$ 10,092,431	\$ -	\$ -	\$ -	\$ (10,092,431)
General Revenues					
Ad Valorem Taxes					6,884,394
Intergovernmental Revenues					
State Revenue Sharing					117,549
Non-Employer Pension Contributions					36,617
Investment Earnings					569,205
Other					195,925
Total General Revenues					7,803,690
Change in Net Position					(2,288,741)
Net Position, Beginning of Year					40,257,123
Net Position, End of Year					\$ 37,968,382

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

FUND FINANCIAL STATEMENTS

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT
Balance Sheet - Governmental Funds
December 31, 2025

Assets	
Cash and Cash Equivalents	\$ 10,932,884
Investments	584,582
Receivables, Net of Allowances for Uncollectibles	
Ad Valorem Taxes	6,283,676
State Revenue Sharing	78,366
Other	46,429
Prepaid Expenses	299,704
Inventory	1,950,178
Total Assets	\$ 20,175,819
Liabilities	
Accounts Payable	\$ 200,076
Accrued Payroll and Related Expenses	180,474
Total Liabilities	380,550
Deferred Inflows of Resources	
Unavailable Revenue - Ad Valorem Taxes	335,863
Total Deferred Inflows of Resources	335,863
Fund Balance	
Nonspendable	2,249,882
Committed	797,262
Assigned	5,003,840
Unassigned	11,408,422
Total Fund Balance	19,459,406
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 20,175,819

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

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
December 31, 2025

Total fund balances as reflected on the governmental funds balance sheet.	\$ 19,459,406
Capital assets used in governmental activities are not current financial resources and are not reported on the governmental funds balance sheet.	17,973,972
Ad valorem taxes receivable that are not available to pay current period expenditures are reported as deferred inflows of resources on the governmental funds balance sheet.	335,863
Long-term assets, such as net pension assets, are not available to pay for current-period expenditures and are not reported in the governmental funds balance sheet; however, the assets are recorded on the statement of net position.	352,639
Liabilities, such as compensated absences, that are not due and payable in the current period are not reported in the governmental funds balance sheet; however, the liabilities are recorded on the statement of net position.	(346,803)
Changes in assumptions and other inputs resulting from the pension plan valuation are not due and payable in the current period nor represent current financial resources. Therefore, deferred inflows and outflows of resources related to the pension plan are not reported in the governmental funds:	
Deferred outflows of resources related to the pension plan	522,012
Deferred inflows of resources related to the pension plan	(328,707)
Net position as reflected on the statement of net position.	<u>\$ 37,968,382</u>

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

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds
For the Year Ended December 31, 2025

Revenues

Ad Valorem Taxes	\$ 7,024,725
Intergovernmental Revenues - State Revenue Sharing	117,549
Investment Earnings	569,205
Other	195,925

Total Revenues	7,907,404
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Expenses

Public Health And Safety - Mosquito Abatement	
Salaries and Related Taxes	3,538,326
Retirement Benefits	235,385
Other Employee Benefits	812,245
Chemicals And Insecticides	2,058,424
Aerial Supplies	309,883
Gas, Oil, and Grease	110,920
Public Information	11,782
Contracted Services	127,246
Insurance	1,081,743
Information Technology	122,165
Professional Services	70,110
Training and Safety	11,974
Repairs and Maintenance	94,303
Equipment Rentals	2,895
Utilities and Telephone	116,623
Travel	29,837
Capital Outlay	587,838

Total Expenditures	9,321,699
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Net Change in Fund Balance	(1,414,295)
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Fund Balance, Beginning of Year	20,873,701
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Fund Balance, End of Year	\$ 19,459,406
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The accompanying notes are an integral part of the financial statements.

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT
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, 2025

Net Change in Fund Balance - Total Governmental Fund	\$ (1,414,295)
Governmental funds report capital outlays as expenditures. On the statement of activities, the cost of these assets is allocated over the estimated useful lives and reported as depreciation expense. This is the amount depreciation expense exceeds capital outlay.	(804,341)
Some revenues in the statement of activities do not provide current financial resources, and, therefore, are not reported as revenues in the governmental funds:	
Change in deferred inflows of resources related to ad valorem taxes	(140,331)
Contributions made to retirement plan by other governments	36,617
Some expenses reported in the statement of activities do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds:	
Change in accrued compensated absences	(7,750)
Change in net pension liability and related deferred outflows and inflows of resources	41,359
Decrease in net position as reflected on the statement of activities	<u>\$ (2,288,741)</u>

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

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT

Notes to Financial Statements

Note 1. History and Summary of Significant Accounting Policies

The accounting and reporting policies of St. Tammany Parish Mosquito Abatement District (the District) conform to accounting principles generally accepted in the United States of America (U.S. GAAP) applicable to government entities. The following is a summary of significant accounting policies.

Organization

The District was created by the St. Tammany Parish Council as provided by Louisiana Revised Statute (R.S.) 33:7721-7728. The District is governed by a board of five commissioners who are appointed by the St. Tammany Parish Council. These members are authorized to operate facilities for the abatement, control, eradication and study of mosquitos and other arthropods of public health importance, and all activities incidental thereto. As a result of the October 16, 1993 referendum, taxpayers of Wards 3, 4, 7 and a portion of 2 elected to be included in the service area of the District beginning on January 1, 1994. As a result of the October 2001 referendum, taxpayers of Wards 5, 6, 10 and the remaining portion of 2 elected to be included in the service area of the District beginning on January 1, 2002. Therefore, the District now services all of St. Tammany Parish.

To fulfill these responsibilities the District has established procedures for collecting and analyzing mosquito population data and determining the most appropriate control methods. The District uses only environmentally sound and scientifically proven methods supplied by professional entomologists nationwide. The District has also developed special programs, including the disease vector surveillance program designed to detect the presence of encephalitis and dengue fever viral activity and insecticide resistance studies. In addition, the District also performs tests for the presence of West Nile Virus in the parish.

Financial Reporting Entity

Based upon the provisions of Governmental Accounting Standards Board (GASB) Statement No. 61 (GASB 61), *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and 34*. The District is considered a component unit of St. Tammany Parish, Louisiana (the Parish) since the Parish is financially accountable for the District. The Parish exercises oversight responsibility in that the Parish appoints board members, public service is rendered within the Parish's boundaries, and the District obtains a substantial portion of its funding from ad valorem tax revenues from property owners within the Parish.

The accompanying financial statements present information only as to the transactions of the District. Annually, the Parish issues a comprehensive financial statement which includes the activity contained in the accompanying financial statements. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Parish, the general government services provided by that governmental unit, or the governmental units that comprise the financial reporting entity.

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT

Notes to Financial Statements

Note 1. History and Summary of Significant Accounting Policies (Continued)

Financial Statement Presentation

The accompanying basic financial statements of the District have been prepared in conformity with governmental U.S. GAAP. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued in June 1999, as amended by GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, issued in June 2011.

The District's financial statements include both government-wide and fund financial statements which categorize all of the District's activities as governmental.

Government-Wide Financial Statements:

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on the governmental activities using the full accrual, economic resource basis, which recognizes all long-term assets and receivables, as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of the District's primary function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The District operated without program revenues in the current year. Program revenues include charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 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.

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT

Notes to Financial Statements

Note 1. History and Summary of Significant Accounting Policies (Continued)

Financial Statement Presentation (Continued)

Net Position:

The statement of net position reports net position as the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position is displayed in three components:

- Net investment in capital assets - consists of capital assets including restricted capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted - consists of amounts with constraints placed on the use by external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or law through constitutional provisions or enabling legislation.
- Unrestricted - all other amounts that do not meet the definition of "restricted" or "net investment in capital assets."

At December 31, 2025, the District reports \$352,639 as restricted net position, which is strictly restricted for pensions and represents the net pension asset measured under GASB Statement No. 68. As of December 31, 2025, the District had no portion of its net position restricted by enabling legislation. Resources derived from ad valorem tax millages are utilized for the ongoing, general operations of the District and are reported as unrestricted net position within the governmental activities.

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

Fund Financial Statements:

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or the total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10% of the corresponding total for all governmental funds.

The General Fund is the primary operating and sole fund of the District. It accounts for all the financial transactions and is classified as a governmental fund type. The focus of the governmental fund's measurement is upon the determination of financial position and changes in financial position rather than upon net income.

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT

Notes to Financial Statements

Note 1. History and Summary of Significant Accounting Policies (Continued)

Financial Statement Presentation (Continued)

Fund Balance:

In fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy primarily on the extent to which the District is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in the following five components:

- **Nonspendable** - This component consists of amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.
- **Restricted** - This component consists of amounts that have constraints placed on them either externally by third-parties (creditors, grantors, contributions, or laws or regulations of other governments) or by law, through constitutional provisions or enabling legislation. Enabling legislation authorizes the District to assess, levy, change or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation. The District has no restricted fund balances.
- **Committed** - This component consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's board of commissioners. Those committed amounts cannot be used for any other purpose unless the board of commissioners removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed previously to commit those amounts.
- **Assigned** - This component consists of amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The authority for assigning a fund balance is expressed by the District's Board of Commissioners.
- **Unassigned** - This component consists of amounts that have not been restricted, committed or assigned to specific purposes within the general fund.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) are available for use.

The Board of Commissioners, as the highest level of decision-making authority, can establish, modify, or rescind a fund balance commitment by formal vote at a public board meeting. For assigned fund balance the Board of Commissioners authorizes management to assign amounts for a specific purpose.

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT

Notes to Financial Statements

Note 1. History and Summary of Significant Accounting Policies (Continued)

Basis of Accounting and Measurement Focus

The government-wide financial statements are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when the liability is incurred or economic asset used, regardless of the timing of related cash flows.

The amounts reflected in the governmental fund financial statements are accounted for using the current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to the government-wide financial statements.

The amounts reflected in the governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined, and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after the fiscal year-end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on any general long-term debt, which would be recognized when payment is due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Ad valorem taxes are considered to be collected when they are collected by the St. Tammany Parish Sheriff. Ad valorem taxes collected after 60 days are recorded as a deferred inflow on the governmental fund balance sheet. State revenue sharing associated with the current fiscal period is considered susceptible to accrual and so has been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and revenues and expenses reported during the period. Actual results could differ from those estimates.

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT

Notes to Financial Statements

Note 1. History and Summary of Significant Accounting Policies (Continued)

Budgets and Budgetary Accounting

Annually, the District adopts a budget for the General Fund on a modified accrual basis of accounting. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget, and public hearings on the budget prior to adoption. Any amendment involving increases in expenditures must be approved by the board of commissioners. Budgeted amounts included in the accompanying financial statements include all amendments. All budgeted amounts which are not expended or obligated through contracts lapse at year-end. Unspent budgeted amounts will be reallocated in the following year's budget.

There were no amendments to the budget during 2025. The budget is reflected in the budgetary comparison schedule of this report.

Encumbrances

Encumbrance accounting is not utilized by the District due to the nature of operations and the ability of management to monitor budgeted expenditures on a timely basis.

Cash and Cash Equivalents

Cash includes amounts in interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Investments

Investments consist of deposits in the Louisiana Asset Management Pool, which allows local governments in Louisiana to pool and collectively invest funds. Investments are stated at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

Investment return includes interest, dividends, fees, and realized and unrealized gains and losses, and is included in the statement of revenues, expenses, and changes in net position as investment income.

Accounts Receivable

Accounts receivable consists of amounts collectible from insurance companies for claims payments collected within 60 days of year-end.

Ad Valorem Tax Receivable

Receivables due from ad valorem tax collections are reported net of estimated uncollectible amounts. The allowance for uncollectible amounts was \$164,219, which represents approximately 2% of the total ad valorem tax receivable at December 31, 2025. This estimate is based on the District's history of collections within this revenue stream.

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT

Notes to Financial Statements

Note 1. History and Summary of Significant Accounting Policies (Continued)

Prepaid Expenses

Payments to vendors for insurance and maintenance contracts include costs applicable to the next accounting period and are recorded as prepaid items.

Inventories

Inventories are valued at cost and consist primarily of chemicals and larvicide oil supplies. Inventory at December 31, 2025 was determined using the FIFO method (first-in, first-out). The cost is recorded as an expenditure at the time individual inventory items are purchased.

Capital Assets

Capital assets, which include buildings and building improvements, aircraft, vehicles, equipment, and office furniture, are reported in the government-wide financial statements. Capital assets are recorded 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. Depreciation of all exhaustible capital assets is charged as an expense against the District's operations. In the fund financial statements, capital assets are accounted for as capital outlay expenditures upon acquisition.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. The District capitalizes transactions in excess of \$1,000 with a useful life greater than 2 years.

The following estimated useful lives and methods are used to compute depreciation:

Description	Years
Building and Improvements	10 - 40
Aircraft and Related Equipment	10 - 15
Machinery and Equipment	3 - 15
Vehicles	5
Furniture and Fixtures	5

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Parochial Employees' Retirement System (the System) and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT

Notes to Financial Statements

Note 1. History and Summary of Significant Accounting Policies (Continued)

Accrued Compensated Absences and Sick Leave

The District's employees earn annual (vacation) leave days at varying rates according to their years of service. The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as an expense and a liability in the financial statements in the period in which the leave is earned. Upon termination from employment, employees are compensated for all unused or accrued annual leave at their current rate of pay.

Full-time, permanent employees are credited 10 days of "regular" sick leave on a biweekly accrual rate basis. Unused regular sick leave may be carried over to the following year with a maximum of 30 regular sick leave days being accrued. In addition, 10 days of "extended" sick leave is granted to each employee on January 1st of each year and is to be used only when the employee is either hospitalized or under a doctor's care for 5 days or more. Unused extended sick leave cannot be carried over to the following year. Upon termination from employment, employees are not paid for any unused sick leave earned.

Deferred Outflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This balance represents a consumption of net position that applies to a future period(s) and is not recognized as an outflow of resources (expenses) until then. The District has the following items that qualify for reporting in this category:

- Pension plan - these deferred outflows result from pension contributions after the measurement date (deferred and recognized in the following fiscal year) and changes in assumptions, differences in projected and actual earnings on pension assets, and changes in proportion and differences between employer contributions and proportionate share of contributions (deferred and amortized over a closed five-year period).

Deferred Inflows of Resources

Deferred inflows of resources are acquisitions of net position by the District that is applicable to a future reporting period and so will not be recognized as an inflow of resources until then. The District has the following items that qualify for reporting in this category:

- Pension plan - these deferred inflows result from differences between expected and actual experience and changes in proportion and differences between employer contributions and proportionate share of contributions (deferred and amortized over a closed five-year period).
- Ad valorem taxes - these amounts are unavailable and are deferred and recognized as an inflow of resources in the period that the amounts become available within the governmental fund financial statements. These amounts are recognized as revenues within the government-wide financial statements, statement of activities.

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT

Notes to Financial Statements

Note 1. History and Summary of Significant Accounting Policies (Continued)

Adoption of Accounting Pronouncement

The District adopted the provision of GASB Statement No. 102, *Certain Risk Disclosures*. The Statement requires disclosures about concentrations and constraints to state and local governmental entities that could affect their program and services or a government's ability to meet its obligations. The adoption of this Statement had no material effect on the District's financial statements.

Upcoming Accounting Pronouncements

The GASB has issued statements not yet implemented by the District. The statements, which may have an impact on the District, are as follows:

GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of the Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The Statement is effective for fiscal years beginning after June 15, 2025.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of the Statement is to provide users of government financial statements with essential information about certain types of capital assets. The Statement is effective for fiscal years beginning after June 15, 2025.

GASB Statement No. 105, *Subsequent Events*. The objective of the Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better measuring the information needs of financial statement users. The Statement is effective for fiscal years beginning after June 15, 2026.

Management is currently evaluating the effects of the new GASB pronouncements scheduled for implementation for the fiscal year ending December 31, 2026.

Note 2. Deposits

The District's cash and cash equivalents at December 31, 2025 consisted of \$10,932,884 in unrestricted demand deposits. These deposits are stated at cost, which approximates fair value.

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT

Notes to Financial Statements

Note 2. Deposits (Continued)

Under Louisiana 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 bank.

Custodial Deposit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be recovered. The District does not have a formal investment or deposit policy addressing custodial credit risk. As of December 31, 2025, the District's total bank balance was \$11,287,986, of which \$250,000 was secured by federal depository insurance (FDIC). The remaining bank balance of \$11,037,986 was exposed to custodial credit risk because it was uninsured. However, these deposits were fully collateralized by securities owned and pledged by the fiscal agent bank. These underlying securities are held in the name of the pledging fiscal agent bank's trust department or agent, but not in the name of the District.

Note 3. Investments

Investments of \$584,582 were invested in Louisiana Asset Management Pool (LAMP), a local government investment pool, at December 31, 2025. In accordance with GASB Codification Section 150.126, the investment in LAMP is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in a pool of funds and, therefore, not evidenced by securities that exist in physical or book-entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. 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 R.S. 33:2955.

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT

Notes to Financial Statements

Note 3. Investments (Continued)

GASB Statement No. 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.

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:

- *Credit Risk:* LAMP is rated AAAm by Standard & Poor's.
- *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.
- *Concentration of Credit Risk:* Pooled investments are excluded from the 5 percent disclosure requirement.
- *Interest Rate Risk:* LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments was 31 days as of December 31, 2025.
- *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 Securities and Exchange Commission as an investment company. If you have any questions, please feel free to contact the LAMP administrative office at 800-249-5267.

Fair Value Measurement Hierarchy

In accordance with GASB Statement No. 72, the District's investment in LAMP is stated at fair value based on the net asset value (NAV) practical expedient. Because this investment represents an interest in an external investment pool utilizing a net asset value practical expedient, it is explicitly excluded from categorization within the three-level fair value hierarchy (Level 1, Level 2, or Level 3).

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT

Notes to Financial Statements

Note 4. Fund Balances

At December 31, 2025, fund balances of the General Fund consisted of the following:

Nonspendable	
Prepaid Expenses	\$ 299,704
Inventory	<u>1,950,178</u>
Total Nonspendable	2,249,882
Committed	
Molecular Biologist	245,474
Research Entomologist	<u>551,788</u>
Total Committed	797,262
Assigned	
Building Equipment Maintenance or Replacement	100,000
Aerial Equipment Replacement	990,000
Mosquito Transmitted Disease (WNV Outbreak) Scenario	1,108,227
Flooding, Tropical Storm, or Hurricane Scenario	1,030,613
Contingency Aerial Adulticide Applications	200,000
Capital Project - New Land	250,000
Professional Services	1,250,000
Additions - IT, Lab Equipment, Communication	<u>75,000</u>
Total Assigned	5,003,840
Unassigned	<u>11,408,422</u>
Total Fund Balance	<u><u>\$ 19,459,406</u></u>

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT

Notes to Financial Statements

Note 5. Ad Valorem

Ad valorem taxes are levied each November 1 on the assessed value listed as of prior January 1 for all real property, merchandise, and movable property located in St. Tammany Parish and are due December 31. Assessed values are established by the St. Tammany Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. All land and residential improvements are assessed at 10% of its fair market value, and other property at 15% of its fair market value. A reevaluation of all property is required to be completed no less than every four years. Taxes are due and payable on December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amounts of the taxes. Taxes are collected by the St. Tammany Parish Sheriffs Office and remitted to the Parish, which passes the dedicated millage through to the District.

The District was authorized to levy up to 4.2 mills in ad valorem taxes. The District levied 2.27 mills for the year ended December 31, 2025.

Note 6. State Revenue Sharing

State revenue sharing is an arrangement whereby local governments are reimbursed by the State of Louisiana (the State) for ad valorem taxes not billed due to the homestead exemption. These intergovernmental revenues are received by St. Tammany Parish and passed through to the District.

The District recognized revenue from state revenue sharing of \$117,549 for the year ended December 31, 2025 with \$78,366 of that amount reported as a receivable.

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT

Notes to Financial Statements

Note 7. Capital Assets

The District's capital assets consisted of the following at December 31, 2025:

	Balance at December 31, 2024	Additions	Disposals/ Transfers	Balance at December 31, 2025
Capital Assets not Being Depreciated				
Land	\$ 472,645	\$ -	\$ -	\$ 472,645
Construction in Progress	-	587,838	(587,838)	-
Total Capital Assets not Being Depreciated	472,645	587,838	(587,838)	472,645
Capital Assets Being Depreciated				
Building and Improvements	14,180,054	77,429	-	14,257,483
Aircraft and Related Equipment	9,115,428	166,319	-	9,281,747
Machinery and Equipment	1,903,532	96,773	-	2,000,305
Vehicles	1,402,442	244,362	(63,919)	1,582,885
Furniture and Fixtures	67,040	2,955	-	69,995
Total Capital Assets Being Depreciated	26,668,496	587,838	(63,919)	27,192,415
Less Accumulated Depreciation	(8,362,828)	(1,392,179)	63,919	(9,691,088)
Total Capital Assets Being Depreciated, Net	18,305,668	(804,341)	-	17,501,327
Capital Assets, Net	\$ 18,778,313	\$ (216,503)	\$ (587,838)	\$ 17,973,972

Total depreciation expense for the year ended December 31, 2025 of \$1,392,179 was charged entirely to the Public Health and Safety - Mosquito Abatement function.

Note 8. Noncurrent Liabilities

The following is a summary of changes in the District's long-term obligations for the year ended December 31, 2025:

	Balance at December 31, 2024	Additions	Payments and Reductions	Balance at December 31, 2025	Due Within One Year
Accrued Compensated Absences	\$ 338,053	\$ 7,750	\$ -	\$ 346,803	\$ 69,360

Information relating to the District's pension liability is available at Note 9.

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT

Notes to Financial Statements

Note 9. Pension Plan

The District contributes to a cost-sharing, multiple-employer defined benefit pension plan administered by the Parochial Employees' Retirement System of Louisiana (PERS or the System). Employees of the District may elect to be members of PERS Plan A. PERS was established by the Louisiana Legislature as of January 1, 1953, by Act 205 of 1952. PERS is administered by a Board of Trustees consisting of seven members.

Pension Plan Fiduciary Net Position

PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to P.O. Box 14619, Baton Rouge, LA 70898-4619, or by calling 225-928-1361.

Plan Description

All permanent employees working at least 28 hours per week and who are paid wholly or in part from District funds 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.

Any member can retire providing he/she meets one of the following criteria: For employees hired prior to January 1, 2007:

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

For employees hired after January 1, 2007:

- Age 55 with a minimum of thirty (30) years of creditable service
- Age 62 with a minimum of ten (10) years of creditable service
- Age 67 with a minimum of seven (7) years of creditable service

The retirement benefit is generally 1% of the member's final compensation plus \$2 per month for each year of service credited prior to January 1, 1980, and 3% of final average compensation for each year of service after that date. Final average salary is the employee's average salary over the 36 consecutive or joined months which produce the highest average.

Employees who terminate with at least the amount of credited service stated previously, and who do not withdraw their employee contributions, may retire at the age specified previously and receive the benefit accrued to their date of termination. PERS also provides death and disability benefits. Benefits are established by state statute.

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT

Notes to Financial Statements

Note 9. Pension Plan (Continued)

Funding Policy

Contributions to PERS include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish except Orleans and East Baton Rouge Parishes. PERS members are required to contribute 9.5% of their annual covered salary. The District is required to contribute at the actuarially - determined rate of 11.00% of annual covered salary for the year ended December 31, 2025.

As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation of the prior year. The District's contributions to PERS for the years ended December 31, 2025, 2024, and 2023 were \$306,812, \$290,660, and \$247,959 respectively, which is equal to the required contribution. Non-employer contributions to PERS was \$36,617 for the year ended December 31, 2025 and \$29,437 for the year ended December 31, 2024.

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

At December 31, 2025, the District reported a net pension asset of \$352,639 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2024, and was determined by actuarial valuation as of that date. The District's proportion of the net pension asset was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all municipalities, actuarially determined. At December 31, 2024, the District's proportion was 0.350666%, an increase of 0.053171%.

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT

Notes to Financial Statements

Note 9. Pension Plan (Continued)

Net Pension Asset, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

For the year ended December 31, 2025, the District recognized pension expense of \$287,767. At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to its pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 215,200	\$ 30,654
Changes of assumptions	-	38,803
Net difference between projected and actual actual earnings on pension plan investments	-	232,213
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	27,037
Employer contributions subsequent to the measurement date	306,812	-
Total	\$ 522,012	\$ 328,707

In the year ending December 31, 2025, \$306,812 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized.

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

Year Ended June 30,	Amount
2026	\$ 120,363
2027	306,519
2028	(365,403)
2029	(174,986)
Total	\$ (113,507)

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT

Notes to Financial Statements

Note 9. Pension Plan (Continued)

A summary of the actuarial methods and assumptions used in determining the net pension liability as of December 31, 2025 is as follows:

Valuation date	December 31, 2024
Actuarial cost method	Entry age normal cost
Estimated remaining service life (ERSL)	4 years
Investment rate of return	6.40% per annum, net of investment expenses
Inflation rate	2.30%
Salary increases, including inflation and merit increases	4.75% (2.35% merit / 2.40% inflation)
Cost of living adjustments	Not substantively automatic
Mortality rate	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.

The discount rate used to measure the total net pension liability was 6.40% for Plan A. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution 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 System's 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 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 asset.

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT

Notes to Financial Statements

Note 9. Pension Plan (Continued)

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM 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 2.40% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.13% for the year ended December 31, 2024.

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, 2024 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed Income	37.00%	1.08%
Equity	47.00%	2.82%
Alternatives	15.00%	0.76%
Real Assets	1.00%	0.07%
	<u>100.00%</u>	<u>4.73%</u>
Inflation		<u>2.40%</u>
Expected Arithmetic Normal Return		<u><u>7.13%</u></u>

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT

Notes to Financial Statements

Note 9. Pension Plan (Continued)

Sensitivity to Changes in Discount Rate

The following presents the net pension liability (asset) of the District using the discount rate of 6.40% as well as what the liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.40%) or one percentage point higher (7.40%) than the current rate:

	1.0% Decrease (5.40%)	Current Discount Rate (6.40%)	1.0% Increase (7.40%)
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,799,633	\$ (352,639)	\$ (2,159,222)

Payables to the Pension Plan

At December 31, 2025, the District had \$71,427 payable to PERS representing contractually required retirement contributions resulting from the District's year end payrolls.

Note 10. Other Benefits

Group Insurance Benefits

The District provides certain continuing group health, dental, and life insurance benefits for its full-time employees. It pays 100% of the health insurance premiums for its employees, their spouses and dependents. The District also pays half the cost of its employees dental and life insurance premiums. The District's portion of the cost is recognized as an expenditure when paid. The District's total cost of providing these benefits for its eligible employees for the current year was \$812,245. The District does not provide post-employment healthcare benefits and no related liability or expense is reported in the financial statements.

Deferred Compensation Plan

Certain employees of the District participate in the District's deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 by making employee contributions into their individual participant accounts for each payroll.

The District does not participate in the plan in any other way except to act as a payroll agent by withholding the proper amount of employee contributions, previously decided on by each participating employee, and then remitting that amount to the plan's administrator for investing. The District does not make any employer contributions to the plan.

Note 11. Risk Management

The District is exposed to risks of loss in the areas of general and auto liability and workers' compensation. The District carries commercial insurance in amounts sufficient to insure itself against claims resulting from any of those risks.

REQUIRED SUPPLEMENTARY INFORMATION

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT
Schedule of Budgetary Comparison - General Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Nonbudgeted Items and Adjustments	Actual Amounts Budgetary Basis	Variance Favorable (Unfavorable)
Revenues						
Ad Valorem Taxes	\$ 9,146,023	\$ 9,146,023	\$ 7,024,725	\$ 2,264,003	\$ 9,288,728	\$ 142,705
Intergovernmental Revenues						
State Revenue Sharing	150,000	150,000	117,549	-	117,549	(32,451)
Investments and Interest Earnings	600,000	600,000	569,205	-	569,205	(30,795)
Other	150,000	150,000	195,925	-	195,925	45,925
Total Revenues	10,046,023	10,046,023	7,907,404	2,264,003	10,171,407	125,384
Expenses						
Salaries and Related Taxes	3,593,255	3,593,255	3,538,326	-	3,538,326	54,929
Retirement Benefits	312,928	312,928	235,385	-	235,385	77,543
Other Employee Benefits	850,822	850,822	812,245	-	812,245	38,577
Chemicals and Insecticides	1,900,570	1,900,570	2,058,424	-	2,058,424	(157,854)
Aerial Supplies	392,700	392,700	309,883	-	309,883	82,817
Gas, Oil, and Grease	169,700	169,700	110,920	-	110,920	58,780
Public Information	31,900	31,900	11,782	-	11,782	20,118
Administrative Supplies and Expenses	42,145	42,145	-	-	-	42,145
Contracted Services	497,129	497,129	127,246	-	127,246	369,883
Insurance	968,435	968,435	1,081,743	-	1,081,743	(113,308)
Information Technology	199,131	199,131	122,165	-	122,165	76,966
Professional Services	50,000	50,000	70,110	-	70,110	(20,110)
Training and Safety	111,900	111,900	11,974	-	11,974	99,926
Repairs and Maintenance	110,000	110,000	94,303	-	94,303	15,697
Equipment Rentals	2,400	2,400	2,895	-	2,895	(495)
Utilities and Telephone	94,000	94,000	116,623	-	116,623	(22,623)
Travel	56,750	56,750	29,837	-	29,837	26,913
Capital Outlay	550,300	550,300	587,838	-	587,838	(37,538)
Total Expenditures	9,934,065	9,934,065	9,321,699	-	9,321,699	612,366
Net Change in Fund Balance	\$ 111,958	\$ 111,958	(1,414,295)	\$ 2,264,003	\$ 849,708	\$ 737,750
Fund Balance, Beginning of Year			20,873,701			
Fund Balance, End of Year			\$ 19,459,406			

See independent auditor's report.

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT
Schedule of Employer's Proportionate Share of Net Pension Liability
For the Year Ended December 31, 2025

Fiscal Year*	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Employee Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
2016	0.28%	\$ 745,961	\$ 1,375,241	54%	93.48%
2017	0.26%	533,099	1,839,600	29%	95.50%
2018	0.27%	(198,832)	1,484,659	-13%	104.02%
2019	0.27%	1,185,437	1,637,688	72%	91.93%
2020	0.28%	13,176	1,774,721	1%	102.05%
2021	0.27%	482,048	1,809,724	27%	106.76%
2022	0.28%	(1,301,700)	1,850,630	-70%	114.20%
2023	0.29%	1,107,597	1,924,383	58%	94.26%
2024	0.30%	283,430	2,156,163	13%	98.03%
2025	0.35%	(352,639)	2,527,478	-14%	101.97%

Notes:

*Amounts presented were determined as of the measurement date (previous fiscal year end).

See independent auditor's report.

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT
Schedule of Employer's Pension Contributions
For the Year Ended December 31, 2025

Fiscal Year*	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency	Covered Employee (Excess)	Contributions as a Percentage of Covered Employee Payroll
2016	\$ 247,089	\$ 247,089	\$ -	\$ 1,839,600	13.40%
2017	206,104	206,104	-	1,484,659	13.90%
2018	189,231	189,231	-	1,637,688	11.60%
2019	204,396	204,396	-	1,774,721	11.50%
2020	221,691	221,691	-	1,809,724	12.20%
2021	226,702	226,702	-	1,850,630	12.20%
2022	221,304	221,304	-	1,924,383	11.50%
2023	247,959	247,959	-	2,156,163	11.50%
2024	290,660	290,660	-	2,527,478	11.50%
2025	306,812	306,812	-	2,789,198	11.00%

Notes:

*Amounts presented were determined as of the end of the District's fiscal year.

See independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT
Schedule of Compensation, Benefits, and Other
Payments to Agency Head
For the Year Ended December 31, 2025

Agency Head

Kevin A. Caillouet, Ph.D., M.S.P.H
Director and Medical Entomologist

Purpose	Amount
Salary and Benefits	\$192,473
Insurance	\$33,238
Retirement	\$21,172
Other	\$545
Allowances and Reimbursements	\$8,144
Cell phone Allowance	\$385
Professional Dues	\$1,330
Travel	\$3,909

See independent auditor's report.



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

Independent Auditor's Report

To the Board of Commissioners
St. Tammany Parish Mosquito Abatement District
Slidell, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of St. Tammany Parish Mosquito Abatement District (the District), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 14, 2026.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District'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 over financial reporting 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.

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Mauldin & Jenkins, LLC

Covington, LA
June 14, 2026

**St. Tammany Parish Mosquito Abatement District
Schedule of Findings and Responses
For the Year Ended December 31, 2025**

Part I - Summary of Auditor's Results

Financial Statements

- | | |
|--|---------------|
| 1. Type of auditor's report issued: | Unmodified |
| 2. Internal control over financial reporting and compliance and other matters: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified? | None reported |
| c. Noncompliance material to the financial statements? | No |

Part II - Findings Related to the Financial Statements

None.

Part III - Compliance and Other Matters

None.

**St. Tammany Parish Mosquito Abatement District
Summary Schedule of Prior Year Findings
For the Year Ended December 31, 2025**

None.



AGREED-UPON PROCEDURES REPORT

St. Tammany Parish Mosquito Abatement District

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Period January 1, 2025 - December 31, 2025

To the Board of Commissioners of the
St. Tammany Parish Mosquito Abatement District
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the St. Tammany Parish Mosquito Abatement District's (the District) control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year January 1, 2025 through December 31, 2025. The District's management is responsible for those C/C areas identified in the SAUPs.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal year January 1, 2025 through December 31, 2025. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and results are as follows:

1) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - ii. **Purchasing**, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.

- iii. **Disbursements**, including processing, reviewing, and approving.
- iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results: No exceptions were found as a result of these procedures.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - ii. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
 - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Results: No exceptions were found as a result of these procedures.

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and

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

Results: No exceptions were found as a result of these procedures.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
 - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.

- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- v. Trace the actual deposit per the bank statement to the general ledger.

Results: No exceptions were found as a result of these procedures.

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

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - ii. At least two employees are involved in processing and approving payments to vendors;
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

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

- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
 - i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity; and

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

Results: No exceptions were found as a result of these procedures.

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

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and:
 - i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., itemized receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

- D. Using the list of terminated employees obtained in Payroll and Personnel procedure #9C identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed.

Results: No exceptions were found as a result of these procedures.

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

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana (<https://doa.la.gov/doa/ost/ppm-49-travel-guide/>) or the U.S. General Services Administration (www.gsa.gov);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: No exceptions were found as a result of these procedures.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);

- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results: No exceptions were found as a result of these procedures.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
 - i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums) have been paid, and any associated forms have been filed, by required deadlines.

Results: No exceptions were found as a result of these procedures.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
 - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Results: No exceptions were found as a result of these procedures.

11) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Results: No exceptions were found as a result of these procedures.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the Legislative Auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: No exceptions were found as a result of these procedures.

13) Information Technology Disaster Recovery/Business Continuity

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

- A. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
- B. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- C. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- D. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.
- E. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
 - i. Hired before June 9, 2020 - completed the training; and
 - ii. Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

Results: We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

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

- i. Number and percentage of public servants in the agency who have completed the training requirements;
- ii. Number of sexual harassment complaints received by the agency;
- iii. Number of complaints which resulted in a finding that sexual harassment occurred;
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- v. Amount of time it took to resolve each complaint.

Results: No exceptions were found as a result of these procedures.

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

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

This report is intended solely to describe the scope of testing on those C/C areas identified in LLA's Statewide Agreed-Upon Procedures, and the results of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana R.S. 24:513, this report is distributed by the LLA as a public document.

Mauldin & Jenkins, LLC

Covington, LA
June 14, 2026