

**ANNUAL FINANCIAL REPORT**  
**ST. TAMMANY PARISH**  
**MOSQUITO ABATEMENT DISTRICT**  
**AS OF AND FOR THE YEAR ENDED**  
**DECEMBER 31, 2021**



**ERICKSEN KRENTEL** LLP  
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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## **INDEPENDENT AUDITORS' 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 accompanying financial statements of the governmental activities and the major fund of the St. Tammany Parish Mosquito Abatement District, a component unit of St. Tammany Parish, Louisiana, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise St. Tammany Parish Mosquito Abatement District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the St. Tammany Parish Mosquito Abatement District as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.



St. Tammany Parish Mosquito Abatement District

June 13, 2022

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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.

*Auditors' Responsibilities for the Audit of the Financial Statements*

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.



St. Tammany Parish Mosquito Abatement District

June 13, 2022

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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, budgetary comparison schedule, schedule of proportionate share of net pension liability, schedule of contributions – retirement plan, and the related notes to the required supplementary information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the St. Tammany Parish Mosquito Abatement District’s basic financial statements. The accompanying schedule of compensation, benefits and other payments to agency head is presented to comply with the requirements issued by the State of Louisiana and is not a required part of the basic financial statements. The schedule of compensation, benefits, and other payments to agency head 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



**ERICKSEN KRENTEL**<sup>LLP</sup>

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

St. Tammany Parish Mosquito Abatement District  
June 13, 2022  
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**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2021 on our consideration of the St. Tammany Parish Mosquito Abatement 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 the 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 St. Tammany Parish Mosquito Abatement District's internal control over financial reporting and compliance.

June 13, 2022  
Mandeville, Louisiana

*Ericksen Krentel, LLP*  
Certified Public Accountants

**REQUIRED SUPPLEMENTARY INFORMATION (PART I)**



**ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT**  
**SLIDELL, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2021**

The Management's Discussion and Analysis (MD&A) of the St. Tammany Mosquito Abatement District's financial performance presents a narrative overview and analysis of the District's financial activities for the year ended December 31, 2021. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the basic financial statements. The MD&A is an element of the new reporting model adopted by the Government Accounting Standards Board (GASB) in their Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* issued June 1999. Certain comparative information between the current year and prior year has been presented in the MD&A.

**FINANCIAL HIGHLIGHTS**

The minimum requirements for financial reporting on the St. Tammany Parish Mosquito Abatement District that was established by GASB No. 34 are divided into the following sections:

- (a) Management's Discussion and Analysis
- (b) Basic Financial Statements
- (c) Required Supplementary Information (other than MD&A)

**BASIC FINANCIAL STATEMENTS**

The basic financial statements present information for the St. Tammany Parish Mosquito Abatement District as a whole, in a format designed to make the statements easier for the reader to understand. The financial statements in this section are divided into the two following types:

- (1) Government-Wide Financial Statements, which include a Statement of Net Position and a Statement of Activities. These statements present financial information for all activities of the St. Tammany Parish Mosquito Abatement District from an economic resources measurement focus using the accrual basis of accounting and providing both short-term and long-term information of Revenues, Expenses, and Changes in Fund Balance for the General Fund (a governmental fund). These financial statements present information on the individual fund of the District's office allowing for more detail. The current financial resources measurement focus and the accrual basis of accounting used to prepare these statements are dependent on the fund type. The District's only governmental fund is the General Fund. The statements in this section represent the short-term financing of general government.

**ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT**  
**SLIDELL, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2021**

**SUMMARY OF NET POSITION**  
**AS OF DECEMBER 31, 2021 AND 2020**

	2021	2020
Current assets	\$ 30,655,377	\$ 29,861,745
Capital assets, net	7,519,488	7,203,844
Net pension asset	482,048	-
Total assets	38,656,913	37,065,589
Total deferred outflows of resources	511,101	420,839
Current liabilities	254,124	249,796
Net pension liability	-	13,176
Non-current liabilities	266,471	261,064
Total liabilities	520,595	524,036
Total deferred inflows of resources	1,006,753	612,051
Invested in capital assets, net of debt	7,519,488	7,203,844
Restricted for pension obligations	482,048	-
Unrestricted	29,639,130	29,146,497
Total net position	\$ 37,640,666	\$ 36,350,341

The total net position of the District increased \$1,290,325, or 8.2%, from the prior year. This was mainly due to an increase in current assets compared to the prior year and a net pension asset resulting from recording pension liabilities in accordance with GASB Statement No. 68.

**STATEMENT OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	2021	2020
Revenues	\$ 9,130,604	\$ 8,924,407
Expenditures	(7,840,279)	(7,051,337)
Net change in fund balance	\$ 1,290,325	\$ 1,873,070

The change in net position increased \$1,290,325, or 3.55%, primarily due to an increase in ad valorem taxes and an increase in chemicals and insecticides during 2021.

**ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT  
SLIDELL, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2021**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The District had \$13,188,375 invested in a broad range of capital assets, including buildings and other related improvements, machinery and equipment, aircraft and related equipment, office furniture and equipment and vehicles as of December 31, 2021. This amount represents the original purchase price of capital assets on hand at year-end. The table below lists the capital assets by type, net of accumulated depreciation:

	2021
Land	\$ 472,645
Construction in progress	226,409
Buildings and improvements	5,841,125
Machinery and equipment	1,002,674
Aircraft and related equipment	4,843,643
Office furniture and equipment	38,361
Vehicles	763,518
Subtotal	13,188,375
Less: accumulated depreciation	(5,668,887)
Capital assets, net of accumulated depreciation	\$ 7,519,488

**Debt and Long-Term Liabilities**

The District did not have any debt outstanding at year end. However, it did have non-current liabilities of \$266,471 which represented accrued annual leave outstanding at year-end.

**BUDGET ANALYSIS**

A comparison of budget to actual operations is required information and is presented in the accompanying financial statements.

**ECONOMIC FACTORS AND A LOOK AT NEXT YEAR**

The District considered the following factors and indicators when setting up the 2022 annual operating budget. These factors and indicators include: (1) all costs associated with fighting and detecting the Zika Virus, the West Nile Virus and other mosquito-borne emerging diseases in St. Tammany Parish, especially increased chemical and labor costs due to increased seasonal mosquito populations; (2) any potential change in ad valorem tax revenues; (3) increased spraying as needed for all areas covered by the District in its fight against mosquito existence and breeding; the District's coverage area includes the entire parish; (4) 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.

**ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT  
SLIDELL, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2021**

**CONTACTING THE MOSQUITO DISTRICT**

This financial report is designed to provide the citizens, taxpayers, investors and creditors with a general overview of the District's finances, and to show accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact St. Tammany Parish Mosquito Abatement District at 62512 Airport Road, Building #23, Slidell, LA 70460, or by telephone at 985-643-5050.

## **BASIC FINANCIAL STATEMENTS**

**ST. TAMMANY MOSQUITO ABATEMENT DISTRICT**  
**SLIDELL, LOUISIANA**  
**STATEMENT OF NET POSITION**  
DECEMBER 31, 2021

**ASSETS:**

## Current assets:

Cash and cash equivalents	\$ 15,231,347
Investments	2,115,499
Revenue receivables, net	8,617,491
Other receivables	22,193
Inventory	3,923,378
Prepaid expenses	<u>745,469</u>
 Total current assets	 <u>30,655,377</u>

## Non-current assets:

Capital assets, net of depreciation	7,519,488
Net pension asset	<u>482,048</u>
 Total non-current assets	 <u>8,001,536</u>
 Total assets	 <u>38,656,913</u>

Deferred outflows of resources	<u>511,101</u>
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**LIABILITIES:**

## Current liabilities:

Accounts payable	4,647
Accrued expenses	2,307
Deductions from ad valorem taxes for retirement system	<u>247,170</u>
 Total current liabilities	 <u>254,124</u>

## Non-current liabilities:

Accrued annual leave payable	<u>266,471</u>
 Total non-current liabilities	 <u>266,471</u>
 Total liabilities	 <u>520,595</u>

Deferred inflows of resources	<u>1,006,753</u>
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**NET POSITION:**

Invested in capital assets, net of related debt	7,519,488
Restricted for pension obligations	482,048
Unrestricted	<u>29,639,130</u>
 Total net position	 <u>\$ 37,640,666</u>

**The accompanying notes are an integral part of this statement**

**ST. TAMMANY MOSQUITO ABATEMENT DISTRICT**  
**SLIDELL, LOUISIANA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**EXPENSES:**

Governmental activities - public health and safety:		
Personnel services and related benefits	\$	3,239,511
Changes in deferred outflows, deferred inflows, net pension liability (asset) and pension expense (GASB 68)		(167,671)
Chemicals and insecticides		2,342,868
Materials, operating and service expense		1,861,808
Depreciation expense		<u>563,763</u>
 Total expenses		 <u>7,840,279</u>

**GENERAL REVENUES:**

Ad valorem taxes (net)		8,799,079
State revenue sharing		165,196
Interest earnings		23,851
Nonemployer pension contributions		23,113
Other		<u>119,365</u>
 Total general revenues		 <u>9,130,604</u>
 Change in net position		 <u>1,290,325</u>
 Net position, beginning of year		 <u>36,350,341</u>
 Net position, end of year	\$	 <u>37,640,666</u>

**The accompanying notes are an integral part of this statement**

**ST. TAMMANY MOSQUITO ABATEMENT DISTRICT  
SLIDELL, LOUISIANA  
BALANCE SHEET - GOVERNMENTAL FUND  
DECEMBER 31, 2021**

**ASSETS**

Cash and cash equivalents	\$ 15,231,347
Investments	2,115,499
Revenue receivables, net	8,617,491
Other receivables	22,193
Inventory	3,923,378
Prepaid expenses	<u>745,469</u>
 Total assets	 <u><u>\$ 30,655,377</u></u>

**LIABILITIES AND FUND BALANCE**

**LIABILITIES:**

Accounts payable	\$ 4,647
Accrued expenses	2,307
Accrued annual leave	266,471
Deductions from ad valorem taxes for retirement system	<u>247,170</u>
 Total liabilities	 <u>520,595</u>

**FUND BALANCE:**

Nonspendable	4,668,847
Assigned	7,849,000
Unassigned	<u>17,616,935</u>
 Total fund balance	 <u>30,134,782</u>
 Total liabilities and fund balance	 <u><u>\$ 30,655,377</u></u>

**The accompanying notes are an integral part of this statement**



**ST. TAMMANY MOSQUITO ABATEMENT DISTRICT**  
**SLIDELL, LOUISIANA**  
**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
DECEMBER 31, 2021

Total fund balance - governmental fund	\$ 30,134,782
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet	7,519,488
Deferred outflows of resources related to pensions are not reported in governmental funds	511,101
Net pension asset	482,048
Deferred inflows of resources related to pensions are not reported in governmental funds	<u>(1,006,753)</u>
Total net position - governmental activities	<u>\$ 37,640,666</u>

**The accompanying notes are an integral part of this statement**

**ST. TAMMANY MOSQUITO ABATEMENT DISTRICT**  
**SLIDELL, LOUISIANA**  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021

**REVENUES:**

Ad valorem taxes, net	\$ 8,799,079
State revenue sharing	165,196
Interest earnings	23,851
Other	<u>119,365</u>
 Total revenues	 <u>9,107,491</u>

**EXPENDITURES:**

Salaries and related taxes	2,320,183
Employer's retirement contributions	226,702
Medicare & social security - employer's portion	77,267
Other employee benefits	615,359
Information technology	85,112
Insurance	620,923
Materials and supplies:	
Chemicals and insecticides	2,342,868
Aerial supplies	181,388
Office	5,024
Public information	2,374
Utilities and telephone	50,732
Repairs and maintenance	11,664
Travel	8,384
Gas, oil and grease	107,489
Professional services	48,230
Contracted services	601,069
Rent	101,764
Capital outlay	879,407
Deductions from ad valorem taxes for retirement system	-
Miscellaneous	<u>37,655</u>
 Total expenditures	 <u>8,323,594</u>

Net change in fund balance	783,897
Fund balance - beginning	<u>29,350,885</u>
Fund balance - ending	<u>\$ 30,134,782</u>

**The accompanying notes are an integral part of this statement**

**ST. TAMMANY MOSQUITO ABATEMENT DISTRICT  
SLIDELL, LOUISIANA**  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2021

Net change in fund balance - total governmental fund	\$	783,897
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Amounts reported for governmental activities in the Statement of Activities are different because:

<p>The governmental fund reports capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.</p>		315,644
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Accrued annual leave and insurance expense are included in the Statement of Activities:

Changes in the components of GASB 68		190,784
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Change in net position of governmental activities	\$	1,290,325
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**The accompanying notes are an integral part of this statement**

**ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT**  
**SLIDELL, LOUISIANA**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The St. Tammany Parish Mosquito Abatement District was created by the St. Tammany Parish Council as provided by Louisiana Revised Statute 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 supported 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.

Board members serve without compensation.

**Reporting Entity**

As the governing authority of the parish, for reporting purposes, the St. Tammany Parish Council is the financial reporting entity for St. Tammany Parish.

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the St. Tammany Parish Council for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criterion includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. the ability of the council to impose its will on that organization, and/or
  - b. the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the council

**ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT**  
**SLIDELL, LOUISIANA**  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2021

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Reporting Entity (continued)**

2. Organizations for which the council does not appoint a voting majority but are fiscally dependent on the council.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Even though the District operates independently of the council, the exclusion from the council's financial statements would cause the council's financial statements to be misleading or incomplete. Also, the council's ability to impose its will on the District is indicated by the ability to remove appointed members of the District's board at will. Because of these reasons, the District is determined to be a component unit of the St. Tammany Parish Council.

**Basis of Presentation**

The District's financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the District are discussed below.

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*.

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's abatement activities and related general administrative services are classified as governmental activities. The District does not have any business-type activities.

**ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT**  
**SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2021**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basic Financial Statements - Government-Wide Financial Statements (GWFS)**

In the government-wide Statement of Net Position (Exhibit A), the governmental activities column is presented on a consolidated basis and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables, as well as long-term debt and obligations. The District's net position is reported in two parts – net investment in capital assets and restricted for inventory, insurance, debt service, Pension obligations, and capital outlay.

The government-wide Statement of Activities (Exhibit B) reports both gross and net cost of the District's function. The function is supported by general government revenues (ad valorem tax). Any program revenues and operating grants received would reduce gross expenses in the Statement of Activities.

This government-wide focus is on the sustainability of the District as an entity and the change in the District's net position resulting from current year's activities.

**Basic Financial Statements – Fund Financial Statements (FFS)**

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its own assets, deferred outflow of resources, liabilities, deferred inflow of resources, reserves, fund balance, revenues and expenditures. The District's current operations require the use of only the following fund types:

**Governmental Fund**

The focus of the governmental fund's measurement (in the fund statement) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. In general, fund balance represents the accumulated expendable resources, which may be used to finance future operations of the District.

**General Fund**

The General Fund is the principal fund of the District and is used to account for the operations of the District. General revenues are accounted for in this fund. General operating expenditures are paid from this fund.

**ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT**  
**SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2021**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

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

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The operating statements of the funds present increases (i.e., revenues and other sources) and decreases (i.e., expenditures and other uses) in net current assets. All governmental fund types use 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 be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

Ad valorem taxes are assessed on a calendar year basis, become due on November 15<sup>th</sup> of each year, and become delinquent on December 31<sup>st</sup>. They are recognized as revenue in the year the taxes are assessed.

Those revenues of the District susceptible to accrual are ad valorem taxes, state revenue sharing, grants and interest. Substantially all other revenues are recorded when received.

**Budgets**

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. Budgetary integration is used as a management control device.

Once a budget is approved it can be amended by the District. Such amendments are made before the fact, are reflected in the official minutes of the District, and are not made after fiscal year end.

Each budget is prepared and controlled by the budget coordinator at the revenue and expenditure function/object level. All budget appropriations lapse at year end.

**ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT**  
**SLIDELL, LOUISIANA**  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2021

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash and Cash Equivalents**

Cash includes amounts in demand deposit accounts and in interest-bearing money market accounts. Under state law, the District may deposit funds in demand deposit accounts, interest bearing demand deposits, money market accounts and time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. The District may also invest in the Louisiana Asset Management Pool, Inc. fund, or United States bonds, treasury notes or certificates.

Investments are stated at fair value in accordance with the Governmental Accounting Standards Board Statement (GASB) No. 31 "*Accounting and Financial Reporting for Certain Investments and for External Investment Pools.*"

**Revenue Receivables**

There was a 2% allowance for doubtful accounts set up based on past experience of the differences between the amount of ad valorem taxes received and accrued as recorded on the financial statements.

**Inventories**

Inventories are valued at cost. Inventories consist of primarily chemicals and larvicide oil supplies. Inventory at December 31, 2021 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.

Inventories at year end are equally offset by fund balance reserves which indicates that although a component of current assets, they do not constitute available spendable resources.

**Prepaid Insurance**

The District made payments of insurance premiums for coverage that will benefit a period of time after December 31, 2021. This portion of the payments made are listed as prepaid insurance on the Statement of Net Position.

Prepaid expenditures at year end are equally offset by fund balance reserves which indicates that although a component of current assets, they do not constitute available spendable resources.

**Capital Assets**

Capital assets are recorded at either historical cost or estimated historical cost and are depreciated over their estimated useful lives (excluding salvage value). Any donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how to meet service demands.



**ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT**  
**SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2021**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets (continued)**

Straight-line depreciation is used based on the following estimated useful lives:

Buildings and improvements	40 Years
Machinery and equipment	5 - 10 Years
Aircraft and related equipment	10 - 15 Years
Office furniture and equipment	5 Years
Vehicles	5 Years

The board of commissioners of the District adopted a policy to depreciate all of the District's equipment, vehicles, buildings and improvements that have a purchase price of \$1,000 and more. 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.

**Annual and Sick Leave**

The District's employees earn annual (vacation) leave days at varying rates according to their years of service. Upon termination from employment, employees are compensated for all unused or accrued annual leave at their current rate of pay. The cost of unused or accrued annual leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure and corresponding long-term liability in the General Fund when leave is earned.

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.

**Long-Term Obligations**

Long-term obligations consisted of accumulated annual leave benefits for employees.

**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.

**ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT**  
**SLIDELL, LOUISIANA**  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2021

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has one item that qualifies for reporting in this category, deferred amounts related to pensions.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. Currently, the District has one item that qualifies for reporting in this category, deferred amounts related to pensions.

**Pensions**

For purposes of measuring the net pension liability (asset), 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 of Louisiana (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. 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.

**Equity Classification**

In the government-wide financial statements, equity is classified as net position and displayed in three components:

- a. 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 and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - consists of net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

**ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT**  
**SLIDELL, LOUISIANA**  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2021

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity Classification (continued)**

In the governmental fund financial statements, fund balances are classified as follows:

- a. Nonspendable – amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of state, local or federal awards or externally imposed conditions by grantors or creditors.
- c. Committed – amounts that can be used for specific purposes determined by formal action by an ordinance or resolution.
- d. Assigned – amounts that are designated by the formal action of the government’s highest level of decision making authority.
- e. Unassigned – amounts not included in other classifications.

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. At December 31, 2021, the District had assigned fund balances of \$4,000,000 and \$3,000,000 for capital projects and disaster contingency planning, respectively.

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

**Use of Estimates**

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

**Subsequent Events**

Subsequent events have been evaluated through June 13, 2022, which is the date the financial statements were available to be issued.

**ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT**  
**SLIDELL, LOUISIANA**  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2021

**(2) LEVIED AD VALOREM TAXES**

The District was authorized to levy up to 9.0 mills in ad valorem taxes for the year; however, during the year, the District's board passed a resolution to roll back its millage to 3.57 mills, and received that amount in ad valorem taxes for the year ended December 31, 2021.

The following are the 10 largest principal taxpayers for the District:

Taxpayer	Type of Business	2021 Assessed Valuation	% of Total Assessed Valuation
Central La. Electric Corp.	Power	\$ 48,675,270	1.65%
Florida Marine LLC	Transporters	17,460,370	.59
Atmos Energy Corporation	Utility	15,575,120	.53
Assoc. Wholesale Grocers	Grocer	13,895,750	.47
Tri States NGL Pipeline LLC	Pipeline	12,272,490	.41
Chevron USA, Inc.	Oil	11,471,642	.39
Parkway Pipeline LLC	Pipeline	9,855,210	.33
Bell South Communications	Telephone	9,123,520	.31
Wash-St Tammany Elec Coop	Utility	7,433,800	.25
Utilities Inc of Louisiana	Utility	<u>7,217,599</u>	<u>.24</u>
Total		<u>\$ 152,980,771</u>	<u>5.17%</u>

The total assessed valuation for all taxpayers at December 31, 2021, was \$2,957,996,970. This figure was used in calculating the percentage of total assessed valuation of each of the ten largest taxpayers.

**(3) CASH DEPOSITS**

At December 31, 2021, the carrying amounts (book balances) of all cash deposits of the District are listed as follows:

Petty cash and other cash	\$ 1,449
Cash in checking accounts	2,954,091
Cash in money market account	<u>12,275,807</u>
Total	<u>\$ 15,231,347</u>

These deposits are stated at market value. The District does not have a policy for custodial credit risk; however, under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must equal the amount on deposit with the fiscal agent at all times. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

**ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT**  
**SLIDELL, LOUISIANA**  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2021

**(3) CASH DEPOSITS (CONTINUED)**

At December 31, 2021, the District had \$15,238,555 in cash deposits (collected bank balances). These deposits were secured from risk by \$250,000 of federal depository insurance and \$18,000,000 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

**(4) INVESTMENTS**

At December 31, 2021, the District held the following types of investments:

<u>Type of Investments</u>	<u>Maturity Date</u>	<u>Market Value</u>	<u>Carrying Amount</u>
Louisiana Asset Mgmt. Pool	Average of 48 days	\$ 2,031,968	\$ 2,031,968
Govmt. Nat'l Mortg, Assoc.	9/15/2039	19,137	11,996
Govmt. Nat'l Mortg, Assoc.	12/15/2032	29,952	19,416
Govmt. Nat'l Mortg, Assoc.	6/15/2032	1,376	856
Sweep Account		<u>51,263</u>	<u>51,263</u>
Total		<u>\$ 2,133,696</u>	<u>\$ 2,115,499</u>

The investments listed above, except for the Louisiana Asset Management Pool (LAMP) account, are held in the name of the fiscal agent bank.

Credit Risk:

Credit risk is defined as the risk that an issuer or other counterparty to an investment holding will not fulfill its obligations. Louisiana state law allows investments in GNMA's and the LAMP fund.

Concentration of Credit Risk:

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of the District's investment in any one single issue or issuer. The District does not specifically place a limit on the amount that it may invest in any one investment issue, however it does abide by state law with its investment practices.

**ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT**  
**SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2021**

**(4) INVESTMENTS (CONTINUED)**

Custodial Credit Risk:

Custodial credit risk is defined as the risk that, in the event of the failure of the investment broker holding the District's investments, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

On the broker's books, the District's investments are segregated from the broker's assets while being held in trust in the name of the District.

Interest Rate Risk:

Interest rate risk is defined as the risk that changes in the interest rate will adversely affect the fair value of an investment. The investments in GNMA's carry potential exposure to fair value losses in the event of an increasing interest rate environment. However, if these investments are held until maturity and not sold before their due dates, then no loss would be incurred.

Louisiana Asset Management Pool (LAMP)

LAMP is administered by Louisiana Asset Management Pool, 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 LSA-R.S. 33:2955.

GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, requires disclosure of credit risk, custodial credit risk, the concentration of credit risk, interest rate risk and foreign currency risk for all public entity investments. LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7-like investment pools:

Credit risk - LAMP is rated AAA by Standard & Poor's.

Custodial credit risk - LAMP participants' investments in the pool are evidenced by shares in 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% disclosure requirement.

**ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT**  
**SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
DECEMBER 31, 2021

**(4) INVESTMENTS (CONTINUED)**

Louisiana Asset Management Pool (LAMP) (continued)

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.

Foreign currency risk - not applicable to 2a7-like pools.

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

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the Securities and Exchange Commission as an investment company.

**(5) REVENUE RECEIVABLES**

The following is a summary of revenue receivables at December 31, 2021:

Ad valorem taxes	\$ 8,624,791
Less: Estimated uncollectible (2%)	<u>(172,496)</u>
Net ad valorem taxes	8,452,295
State revenue sharing	<u>165,196</u>
Total revenue receivables, net	<u>\$ 8,617,491</u>

**(6) CAPITAL ASSETS**

The capital assets used in the governmental-type activities are included on the Statement of Net Position of the District and are capitalized at historical cost. Depreciation of all exhaustible capital assets used by the District is charged as an expense against operations. Capital assets are reported net of accumulated depreciation on the Statement of Net Position. Depreciation expense for financial reporting purposes is computed using the straight-line method over the useful lives of the capital assets and is reported in the Statement of Activities.

**ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT**  
**SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
DECEMBER 31, 2021

**(6) CAPITAL ASSETS (CONTINUED)**

A summary of changes in capital assets and accumulated depreciation during the year is listed as follows:

	<u>12/31/2020</u>	<u>Additions</u>	<u>Retirements/ Reclasses</u>	<u>12/31/2021</u>
<u>Capital Assets Not Being Depreciated:</u>				
Land	\$ -	472,645	\$ -	\$ 472,645
Construction in progress	-	226,409	-	226,409
 Total capital assets not being depreciated	 -	 699,054	 -	 699,054
 <u>Capital Assets Being Depreciated:</u>				
Buildings and improvements	5,832,393	8,732	-	5,841,125
Machinery and equipment	752,247	86,332	164,095	1,002,674
Aircraft and related equipment	4,800,343	43,300	-	4,843,643
Office furniture and equipment	168,264	-	(129,903)	38,361
Vehicles	755,721	41,989	(34,192)	763,518
 Total capital assets being depreciated	 12,308,968	 180,353	 -	 12,489,321
 <u>Less: Accumulated Depreciation</u>				
Buildings and improvement	1,870,923	146,683	-	2,017,606
Machinery and equipment	520,359	93,696	-	614,055
Aircraft and related equipment	2,031,872	258,072	-	2,289,944
Office furniture and equipment	68,336	6,618	-	74,954
Vehicles	613,634	58,694	-	672,328
 Total accumulated depreciation	 5,105,124	 563,763	 -	 5,668,887
 Total capital assets being depreciated, net	 7,203,844	 (383,410)	 -	 6,820,434
 Governmental activities capital assets, net	 \$ 7,203,844	 \$ 315,644	 \$ -	 \$ 7,519,488

**(7) ACCRUED ANNUAL LEAVE**

Employees of the District have accumulated and vested amounts of employee leave benefits, which are computed in accordance with governmental accounting standards. This amount is recorded in the Statement of Net Position as a noncurrent liability.

The following is a summary of accrued annual leave during the year:

Balance at December 31, 2020	\$ 261,064
Net change	<u>5,407</u>
 Balance at December 31, 2021	 <u>\$ 266,471</u>



**ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT**  
**SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2021**

**(8) PENSION PLAN/GASB 68**

**Eligibility Requirements**

The District's employees are members of the Parochial Employees Retirement System of Louisiana (System), a cost sharing, multiple-employer, defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and separate benefit provisions. The District's employees are members of Plan A.

**Plan Description**

The System was established and provided for by R.S.11:1901-2025 of the Louisiana Revised Statutes (LRS). The System provides retirement benefits to employees of taxing Districts of a parish or any branch or section of a parish within the State which does not have their own retirement system and which elects to become members of the System.

**Eligibility Requirements**

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

For employees hired prior to January 1, 2007:

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

For employees hired after January 1, 2007:

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

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to 3% of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

**ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT**  
**SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2021**

**(8) PENSION PLAN/GASB 68 (CONTINUED)**

**Survivor Benefits**

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

**Deferred Retirement Option Plan**

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

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

**Disability Benefits**

For Plan A, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007 and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to 3% of the member's final average compensation multiplied by his years of service, not to be less than 15, or three percent multiplied by years of service assuming continued service to age 60.

**ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT**  
**SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2021**

**(8) PENSION PLAN/GASB 68 (CONTINUED)**

**Cost of Living Increases**

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

**Employer Contributions**

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2020, the actuarially determined contribution rate was 12.25% of member's compensation for Plan A. However, the actual rate for the fiscal year ending December 31, 2020 was 12.25% for Plan A. For the fiscal year ended December 31, 2021, the District contributed 12.2% of member wages.

According to state statute, the System also receives one-fourth of one percent of ad valorem taxes collected within respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

Non-employer contributions are recognized as revenue in the amount of \$23,113, and excluded from pension expense for the year ended December 31, 2021.

**Employer Allocations**

The schedule of employer allocations reports the required projected employer contributions, in addition to the employer allocation percentage. The required projected employer contributions are used to determine the proportionate relationship of each employer to all employers of the System.

The employer's proportion was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The allocation percentages were used in calculating each employer's proportionate share of pension amounts. The allocation method used in determining each employer's proportion was based on the employer's contributions to the plan during the fiscal year ended December 31, 2020, as compared to the total of all employers' contributions received by the plan during the fiscal year ended December 31, 2019.

**ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT**  
**SLIDELL, LOUISIANA**  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2021

**(8) PENSION PLAN/GASB 68 (CONTINUED)**

**Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions**

At December 31, 2020, the District reported an asset of \$13,176 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019, and the total pension asset used to calculate the net pension asset was determined by an 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 participating employers, actuarially determined. At December 31, 2020, the District's proportion was 0.274920%.

For the year ended December 31, 2021, the District recognized pension expense of \$59,837.

At December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experiences	\$ 117,363	\$ 57,535
Net differences between projected and actual earnings on pension plan investments	-	940,810
Changes of assumptions	157,607	2,433
Change in proportion and differences between employer contributions and proportionate share of contributions	9,429	5,975
Employer contributions subsequent to the measurement date	<u>226,702</u>	<u>-</u>
	<u>\$ 511,101</u>	<u>\$ 1,006,753</u>

**ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT**  
**SLIDELL, LOUISIANA**  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2021

**(8) PENSION PLAN/GASB 68 (CONTINUED)**

**Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions (continued)**

Deferred outflows of resources of \$226,702 will be recognized as a reduction of the net pension liability (asset) in the next fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	<u>Amount</u>
2021	\$ (200,083)
2022	(66,378)
2023	(301,990)
2024	<u>(153,669)</u>
Total	<u>\$ (722,150)</u>

Contributions - proportionate share: Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense/(benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of employer amounts due to differences that could arise between contributions reported by the System and contributions reported by the participating employer.

**Actuarial Assumptions**

The net pension liability (asset) was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

A summary of the actuarial methods and assumptions used in determining the total pension liability (asset) as of December 31, 2020 is as follows:

Valuation Date:	December 31, 2020
Actuarial Cost Method:	Plan A - Entry Age Normal
Investment Rate of Return:	6.40%, net investment expense, including inflation
Remaining Service Lives:	4 years

**ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT**  
**SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2021**

**(8) PENSION PLAN/GASB 68 (CONTINUED)**

**Actuarial Assumptions (continued)**

Projected Salary Increases: Plan A – 4.75% (2.45% Merit/2.30% Inflation)

Cost of Living  
Adjustments:

The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees.

Mortality:

For annuitants and beneficiaries, Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale.

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.

For disabled annuitants, Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale.

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2004 through December 31, 2009. The data was then assigned credibility weighting and combined with a standards table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

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

**ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT**  
**SLIDELL, LOUISIANA**  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2021

**(8) PENSION PLAN/GASB 68 (CONTINUED)**

**Sensitivity of the Employer's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate**

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

	Changes in Discount Rate		
	1.00% Decrease 5.40%	Current Discount Rate 6.40%	1.00% Increase 7.40%
Employer's proportionate share of the net pension liability (asset)	\$ 1,424,055	\$ (482,048)	\$ (1,169,114)

**Changes in Net Pension Liability (Asset)**

The changes in the net pension liability (asset) for the year ended December 31, 2020, were recognized in the current reporting period except as follows:

**Differences Between Expected and Actual Experience**

Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual resulted in \$117,363 of deferred outflow of resources and \$57,535 of deferred inflow of resources

**Net Differences Between Projected and Actual Investment Earnings**

Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The difference between projected and actual investment earnings resulted in a deferred outflow of resources in the amount of \$940,810.

**Changes in Assumptions**

The changes of assumptions about future economic or demographic factors were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The changes in assumptions resulted in deferred outflow of resources in the amount of \$157,607 and in deferred inflows of resources in the amount of \$2,433.

**ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT**  
**SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2021**

**(8) PENSION PLAN/GASB 68 (CONTINUED)**

**Change in Net Pension Liability (Asset) (continued)**

Change in Proportion

Changes in the employer's proportionate shares of the collective net pension liability (asset) and collected deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. The change in proportion resulted in \$9,429 of deferred outflow of resources and \$5,975 of deferred inflow of resources.

**(9) OPERATING LEASES**

The District entered into an 100-year operating lease with the City of Slidell comprising approximately 155,945 square feet of land at the Slidell Airport effective January 22, 2007 through January 22, 2107. The District's new facility and administrative building and new airplane hangar rest on this site at 62512 Airport Road in the City of Slidell. In October 2021, the lease was cancelled as the District purchased the land from the City of Slidell. Rental payments during 2021 amounted to \$21,134.

There are no other operating or capital leases at December 31, 2021.

**(10) 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 ½ the cost of 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 \$615,359.

The District does not pay for any post-employment healthcare benefits, and no liability or expense should be recorded in the financial statements in accordance with Governmental Accounting Standards Board Statement 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions*.



**ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT**  
**SLIDELL, LOUISIANA**  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2021

**(11) 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.

**(12) 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.

**(13) NEW ACCOUNTING PRONOUNCEMENTS**

The GASB issued Statement No. 96, "*Subscription-Based Information Technology Arrangements*". The Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. The Statement is effective for fiscal years beginning after June 15, 2022. The District plans to adopt this Statement as applicable by the effective date.

**REQUIRED SUPPLEMENTARY INFORMATION (PART II)**

**ST. TAMMANY MOSQUITO ABATEMENT DISTRICT**  
**SLIDELL, LOUISIANA**  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - GOVERNMENTAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021

	General Fund			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance Favorable (Unfavorable)
<b><u>RECEIPTS:</u></b>				
Ad valorem taxes (net)	\$ 8,880,626	\$ 8,880,626	\$ 8,799,079	\$ (81,547)
Intergovernmental revenue - state revenue sharing	-	-	165,196	165,196
Interest earnings	70,000	70,000	23,851	(46,149)
Other income	11,520	11,520	119,365	107,845
Total receipts	<u>8,962,146</u>	<u>8,962,146</u>	<u>9,107,491</u>	<u>145,345</u>
<b><u>DISBURSEMENTS:</u></b>				
Salaries	2,545,299	2,545,299	2,320,183	225,116
Employee benefits	1,084,666	1,084,666	919,328	165,338
Contracted services	698,476	698,476	601,069	97,407
Chemicals and insecticides	1,375,508	1,375,508	2,342,868	(967,360)
Fuel, oil and grease	137,300	137,300	107,489	29,811
Equipment Rental	82,400	82,400	80,630	1,770
Insurance	902,545	902,545	620,923	281,622
Lease	221,000	221,000	21,134	199,866
Office supplies	5,010	5,010	5,565	(555)
Professional dues	51,000	51,000	48,230	2,770
Publications	18,190	18,190	2,374	15,816
Repairs and maintenance	7,800	7,800	11,664	(3,864)
Safety	4,700	4,700	3,975	725
Software	71,198	71,198	85,112	(13,914)
Subscriptions	27,453	27,453	25,628	1,825
Supplies	391,949	391,949	181,388	210,561
Training	51,320	51,320	7,511	43,809
Travel	47,900	47,900	8,384	39,516
Utilities	38,000	38,000	50,732	(12,732)
Capital outlay - equipment and building improvements	6,145,167	6,145,167	879,407	5,265,760
Ad valorem taxes deductions for retirement	-	-	-	-
Total disbursements	<u>13,906,881</u>	<u>13,906,881</u>	<u>8,323,594</u>	<u>5,583,287</u>
Excess of receipts over disbursements	<u>(4,944,735)</u>	<u>(4,944,735)</u>	<u>783,897</u>	<u>5,728,632</u>
Fund balance - beginning	<u>29,350,885</u>	<u>29,350,885</u>	<u>29,350,885</u>	<u>-</u>
Fund balance - ending	<u>\$ 24,406,150</u>	<u>\$ 24,406,150</u>	<u>\$ 30,134,782</u>	<u>\$ 5,728,632</u>

See Independent Auditors' Report

**ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT**  
**SLIDELL, LOUISIANA**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2021\***

<u>Year Ended Dec 31.</u>	<u>Employer Proportion of the Net Pension Liability (Asset)</u>	<u>Employer proportionate share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a % of its Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position as a % of the Total Pension Liability</u>
2016	0.283389%	\$ 745,961	\$ 1,375,241	54.24%	92.23%
2017	0.258847%	\$ 533,099	\$ 1,839,600	28.98%	94.15%
2018	0.267878%	\$ (198,832)	\$ 1,484,659	-13.39%	101.98%
2019	0.267090%	\$ 1,185,437	\$ 1,637,688	72.38%	88.86%
2020	0.279896%	\$ 13,176	\$ 1,774,721	0.74%	99.89%
2021	0.274920%	\$ 482,048	\$ 1,809,724	26.64%	104.00%

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

*\*The amounts presented for each year were determined as of the fiscal year end of the plan that occurred on December 31, 2020.*

**ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT**  
**SLIDELL, LOUISIANA**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

<u>Year</u> <u>Ended</u> <u>Dec. 31</u>	<u>Contractual</u> <u>Required</u> <u>Contribution</u>	<u>Contributions</u> <u>in Relations to</u> <u>Contractual</u> <u>Required</u> <u>Contribution</u>	<u>Contribution</u> <u>Deficiency</u> <u>(Excess)</u>	<u>Employer</u> <u>Covered</u> <u>Employee</u> <u>Payroll</u>	<u>Contributions</u> <u>as % of</u> <u>Covered</u> <u>Employee</u> <u>Payroll</u>
2016	\$ 247,089	\$ 247,089	-	\$ 1,839,600	13.4%
2017	\$ 206,104	\$ 206,104	-	\$ 1,484,659	13.9%
2018	\$ 189,231	\$ 189,231	-	\$ 1,637,688	11.6%
2019	\$ 204,396	\$ 204,396	-	\$ 1,774,721	11.5%
2020	\$ 221,691	\$ 221,691	-	\$ 1,809,724	12.2%
2021	\$ 226,702	\$ 226,702	-	\$ 1,850,630	12.2%

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

**ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT**  
**SLIDELL, LOUISIANA**  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2021

**(1) PENSION PLAN SCHEDULES**

**Change of Benefit Terms**

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

**Changes of Assumptions**

Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

For the year ended December 31, 2019, the plan kept its assumption for the investment rate of return at 6.50%.

**OTHER SUPPLEMENTARY INFORMATION**

**ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT**  
**SLIDELL, LOUISIANA**  
**SCHEDULE OF COMPENSATION, BENEFITS, AND**  
**OTHER PAYMENTS TO AGENCY HEAD**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Kevin Caillouet, Director</u>	
Gross salary	\$	139,634
Dues - AMCA		175
Benefits - insurance		25,464
Benefits - retirement		17,840
Cell phone allowance		660
Car allowance		6,000
Meals - board meetings		49
Uniform		45
Per diem		108
Travel		511
 Total compensation, benefits, and other payments	\$	190,486



**OTHER REPORT REQUIRED BY  
*GOVERNMENT AUDITING STANDARDS***



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

To the 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 each major fund of St. Tammany Parish Mosquito Abatement District (the District), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the St. Tammany Parish Mosquito Abatement District's basic financial statements, and have issued our report thereon dated June 13, 2022.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered St. Tammany Parish Mosquito Abatement District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of St. Tammany Mosquito Abatement District's internal control. Accordingly, we do not express an opinion on the effectiveness of the St. Tammany Parish Mosquito Abatement 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 a 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 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.



**ERICKSEN KRENTEL**<sup>LLP</sup>

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Commissioners  
St. Tammany Parish Mosquito Abatement District  
June 13, 2022

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether St. Tammany Parish Mosquito Abatement 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 determination of financial statement amounts. 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. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

June 13, 2022  
Mandeville, Louisiana

*Ericksen Krentel, LLP*  
Certified Public Accountants

**ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT**  
**SLIDELL, LOUISIANA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**A. SUMMARY OF AUDIT RESULTS**

1. The independent auditors' report expresses an unmodified opinion on the financial statements of the St. Tammany Parish Mosquito Abatement District.
2. No significant deficiencies or material weaknesses in internal control relating to the audit of the financial statements were reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the St. Tammany Parish Mosquito Abatement District were reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
4. No management letter was issued for the year ended December 31, 2021.

**B. FINDINGS – FINANCIAL STATEMENT AUDIT**

There were no findings related to the financial statements for the year ended December 31, 2021.

**ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**FINDINGS – FINANCIAL STATEMENT AUDIT**

There were no findings related to the financial statements for the year ended December 31, 2020.

**ST. TAMMANY PARISH**  
**MOSQUITO ABATEMENT DISTRICT**  
**SLIDELL, LOUISIANA**  
**AGREED-UPON PROCEDURES**  
**FOR THE PERIOD**  
**JANUARY 1, 2021 TO JULY 31, 2021**



**ERICKSEN KRENTEL**<sup>LLP</sup>  
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS



**INDEPENDENT ACCOUNTANTS' REPORT**  
**ON APPLYING AGREED-UPON PROCEDURES**

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

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified by the Louisiana Legislative Auditor (LLA) for the fiscal period January 1, 2021 through July 31, 2021, in accordance with Act 774 of 2014 Regular Legislative Session. St. Tammany Parish Mosquito Abatement District's management is responsible for those C/C areas identified in the agreed-upon procedures.

St. Tammany Parish Mosquito Abatement District (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 accordance with Act 774 of 2014 Regular Legislative Session for the fiscal period January 1, 2021 through July 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes

Our procedures and associated findings are detailed in Schedule "1".

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 agreed-upon procedures. 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.



The Board of Commissioners  
St. Tammany Parish Mosquito Abatement District  
March 11, 2022  
Page 2

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the agreed-upon procedures, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

June 1, 2022  
Mandeville, Louisiana

*Ericksen Krentel, LLP*  
Certified Public Accountants



**ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT**  
**AGREED-UPON PROCEDURES**  
**JANUARY 1, 2021 TO JULY 31, 2021**

**Board or Finance Committee**

1. **Procedures:** Obtain and inspect the entity's written policies and procedures over budgeting and observe that they address preparing, adopting, monitoring, and amending the budget.  
**Results:** Obtained written policies over budgeting. Monitoring and amending the budget are not addressed in the policies and procedures over budgeting during the January 1, 2021 to July 31, 2021 period. In January 2022, the policies over budgeting were amended to include monitoring and amending the budget; therefore, no management corrective action plan deemed necessary.
  
2. **Procedures:** 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:
  - a) 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.
  - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds.
  - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

**Results:** The board met with a quorum on a monthly basis. The board meeting minutes do address monthly budget-to-actual comparisons on the general fund quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds through the treasurer's report. The general fund does not have a negative ending unassigned fund balance in the prior year audit report.

**Fraud Notice**

1. **Procedures:** 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.  
**Results:** Not applicable; there were no misappropriations of public funds and assets during the fiscal period.

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT  
AGREED-UPON PROCEDURES (CONTINUED)  
JANUARY 1, 2021 TO JULY 31, 2021

2. **Procedures:** 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:** The entity has posted on its premises and website, the notice required by R.S. 24:523.1.

**Budget Law Compliance**

1. **Procedures:** Obtain and inspect the entity's written policies and procedures and observe that they address budgeting, including preparing, adopting, monitoring, and amending the budget.

**Results:** Obtained written policies over budgeting. Monitoring and amending the budget are not addressed in the policies and procedures over budgeting during the January 1, 2021 to July 31, 2021 period. In January 2022, the policies over budgeting were amended to include monitoring and amending the budget; therefore, no management corrective action plan deemed necessary.

2. **Procedures:** Obtain a copy of the legally adopted budget and all amendments.

**Results:** Obtained a copy of the legally adopted budget and all amendments.

3. **Procedures:** Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

**Results:** Traced documentation for the adoption of the budget and approval of any amendments to the minute book, no exceptions noted.

4. **Procedures:** Observe the budget for the general fund and each special revenue fund and observe that it includes the following:

- a. A budget message that is signed by the budget preparer and contains (a) a summary description of the proposed financial plan, policies, and objectives, assumptions, budgetary basis, and (b) a discussion of the most important features.
- b. A statement for the general fund and each special revenue fund showing the (a) estimated fund balances at the beginning of the year; (b) estimates of all receipts and revenues to be received; (c) revenues itemized by source; (d) recommended expenditures itemized by agency, department, function, and character; (e) other financing sources and uses by source and use; and (f) the estimated fund balance at the end of the fiscal year.
- c. A clearly presented side-by-side detailed comparison of such information for the current year, including the fund balances at the beginning of the year, year-to-date actual receipts and revenues received and estimates of all receipts and revenues to be received the remainder of the year.

**Results:** Observed the budget for the general fund and each special revenue fund and no exceptions noted on all attributes.

5. **Procedures:** Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceeded budgeted amounts by 5% or more.

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT  
AGREED-UPON PROCEDURES (CONTINUED)  
JANUARY 1, 2021 TO JULY 31, 2021

**Results:** Actual revenues did not fail to meet budgeted revenues by 5% or more. Actual expenditures did not exceed budgeted amounts by 5% or more.