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**ST. TAMMANY PARISH MOSQUITO
ABATEMENT DISTRICT NO. 2**

Annual Financial Report

As of and for the Year Ended
December 31, 2009

Under provisions of state law, this report is public
document. A copy of the report has been submitted to
the audit and other appropriate public officials. The
report is available for public inspection at the Baton
Rouge office of the Legislative Auditor and, where
appropriate, at the office of the parish clerk of court.

Release Date 7-28-09**KEITH J. ROVIRA**
Certified Public Accountant

ST. TAMMANY PARISH MOSQUITO
ABATEMENT DISTRICT NO. 2
Slidell, Louisiana

Component Unit Financial Statements
and Independent Auditor's Report
As of and for the Year Ended
December 31, 2003

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners of the
St. Tammany Parish Mosquito Abatement District No. 2
A Component Unit of the St. Tammany Parish Council
Slidell, Louisiana

I have audited the accompanying basic financial statements of the St. Tammany Parish Mosquito Abatement District No. 2, a component unit of the St. Tammany Parish Council, as of and for the year ended December 31, 2021, as listed in the table of contents. These basic financial statements are the responsibility of the management of the St. Tammany Mosquito Abatement District No. 2. My responsibility is to express an opinion on these basic financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statements presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the St. Tammany Parish Mosquito Abatement District No. 2 as of December 31, 2021, and the results of operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As described in the notes to the basic financial statements, the St. Tammany Parish Mosquito Abatement District No. 2 has adopted the provisions of Governmental Accounting Standards Board Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments." This results in a change in the format and content of the basic financial statements.

In accordance with Government Auditing Standards, I have also issued a report dated April 27, 2004, on my consideration of the St. Tammany Parish Mosquito Abatement District No. 2's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations and contracts. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

Management's Discussion and Analysis, as listed in the table of contents, is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information, and express no opinion on it.

My audit was prepared for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements of the St. Tammany Parish Mosquito Abatement District No. 2. All supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as whole.



Keith J. Rovira
Certified Public Accountant

April 27, 2004

MANAGEMENT'S DISCUSSION AND ANALYSIS

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT NO. 2
 Slidell, Louisiana
 Management's Discussion and Analysis
 As of and for the year ended December 31, 2003

The Management's Discussion and Analysis (MD&A) of the St. Tammany Parish Mosquito Abatement District No. 2's financial performance presents a narrative overview and analysis of the district's financial activities for the year ended December 31, 2003. 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 is required to be presented in the MD&A. However, because this is the first year of implementing the new reporting model, certain necessary comparative information of the previous year was not prepared. GASB Statement No. 34 permits the omission of this comparative information in the first year of adoption of the new reporting model. Subsequent reports will include the comparative information.

FINANCIAL HIGHLIGHTS

The minimum requirements for financial reporting on the St. Tammany Parish Mosquito Abatement District No. 2's office 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 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 Assets and a Statement of Activities. These statements present financial information for all activities of the district from an economic resources measurement focus using the accrual

ST. TAMMANT PAVISH MOSQUITO ABATEMENT DISTRICT NO. 2
 Slidell, Louisiana
 Management's Discussion and Analysis
 As of and for the year ended December 31, 2022

basis of accounting and providing both short-term and long-term information about the district's overall financial status.

(3) Fund Financial Statements, which include a Balance Sheet and a Statement 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 allowing for more detail. The current financial resources measurement focus and the accrual basis of accounting used to prepare these statements is 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.

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets
 As of December 31, 2022

Current and other assets	\$7,804,877
Capital assets	<u>355,501</u>
Total Assets	\$8,160,378
Current liabilities	160,380
Long-term liabilities	<u>20,596</u>
Total Liabilities	<u>180,976</u>
Net Assets:	
Invested in capital assets, net of debt	355,501
Restricted	-
Unrestricted	7,624,501
Total Net Assets	<u>\$8,179,802</u>

The district does not have any "restricted" net assets. It does have "unrestricted" net assets, and those are net assets that do not have any limitations on what these amounts may be used for.

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT NO. 2
 Slidell, Louisiana
 Management's Discussion and Analysis
 As of and for the year ended December 31, 2003

Net assets of the district increased by \$3,280,813 or 38.6%, from December 31, 2002 to December 31, 2003. One of the major causes for this is the increase in ad valorem tax revenue due to the additional 2.5% tax millage received by the district in 2003. The other cause is the inclusion of capital assets, net of accumulated depreciation, into Net Assets. Capital assets, net of accumulated depreciation, which includes buildings and improvements, machinery and equipment, aircraft and related equipment, office furniture and equipment and vehicles, was not a part of the capital assets of the district under the basis of accounting used prior to the adoption of GASB No. 34.

Statement of Revenues, Expenditures and
 Changes in Fund Balance
 For the year ended December 31, 2003

Revenues	\$4,814,423
Expenditures	1,533,610
Net Change in Fund Balance	<u>\$3,280,813</u>

The district's total revenues increased by \$1,186,677, or 32.5%. The total cost of all programs and services increased by \$32,859, or .9%.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets:

The district had \$2,141,180 invested in a broad range of capital assets, including buildings and improvements, machinery and equipment, aircraft and related equipment, office furniture and equipment and vehicles, as of December 31, 2003. This amount represents the original cost of the capital assets, and reflects a net increase (including additions and deductions) of \$84,399, or

ST. TAMMANY PARISH MOSQUITO MANAGEMENT DISTRICT NO. 2
 Slidell, Louisiana
 Management's Discussion and Analysis
 As of and for the year ended December 31, 2000

3.64, over last year's total. The table below lists capital assets by type, net of accumulated depreciation:

<u>Capital Assets</u>	
Buildings and improvements	\$211,067
Machinery and equipment	42,491
Aircraft and related equipment	474,033
Office furniture and equipment	2,764
Vehicles	225,358
 Total	 <u>\$955,713</u>

Debt:

The district had no debt outstanding at year end. However, the district had long term liabilities totaling \$10,886 all of which was accrued annual leave outstanding at year end.

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Revenues/receipts were \$194,287 more than the final budget amount. Expenditures/disbursements were \$13,867 less than the budgeted amount due mostly to actual chemical expenditures being less than what was originally expected.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The district considered the following factors and indicators when setting up next year's budget. These factors and indicators include: (1) all costs associated with fighting and detecting the West Nile Virus in St. Tammany parish, especially increased chemical and labor costs; (2) ad valorem tax revenue; (3) expanded spraying areas for the district in its fight against mosquito existence and breeding; (4) other operating costs of the office in the process of providing services to the public. Noting any unforeseen events, the district currently expects that next year's revenues will be sufficient to cover its expenses.

ST. TAMMANT PARISH MOSQUITO ABATEMENT DISTRICT NO. 2
Slidell, Louisiana
Management's Discussion and Analysis
As of and for the year ended December 31, 2003

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 the district's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact Mr. Charles Palmisano, Director of the mosquito district at 2000-A Terrace Avenue, Slidell, LA or by telephone, 985-643-3050.

BASIC FINANCIAL STATEMENTS
(GOVERNMENT-WIDE FINANCIAL STATEMENTS)

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT NO. 2
 Slidell, Louisiana
 Statement of Net Assets
 December 31, 2003.

ASSETS**Current Assets:**

Cash and cash equivalents (Note C)	\$ 154,314
Investments (Note D)	2,385,839
Revenue receivables (Note E)	4,329,768
Inventory (Note A.6)	848,285
Prepaid insurance (Note A.7)	<u>108,731</u>
Total Current Assets	<u>7,826,937</u>

Noncurrent Assets:

Capital assets (net of depreciation) (Note F)	<u>855,801</u>
Total Noncurrent Assets	<u>855,801</u>

TOTAL ASSETS**8,682,738****LIABILITIES****Current Liabilities:**

Accounts payable	16,898
Ad valorem tax deductions payable	<u>123,382</u>
Total Current Liabilities	<u>140,280</u>

Noncurrent Liabilities:

Accrued annual leave payable (Note A.2 a 10)	<u>20,596</u>
Total Noncurrent Liabilities	<u>20,596</u>

TOTAL LIABILITIES**160,876****NET ASSETS**

Invested in capital assets, net of related debt	855,801
Unrestricted	<u>7,826,937</u>
TOTAL NET ASSETS	<u>8,682,738</u>

The accompanying notes are an integral part of this statement.

ST. TAMMANY PARISH HOUSING ABATEMENT DISTRICT NO. 2
 Slidell, Louisiana
 Statement of Activities
 For the Year Ended December 31, 2013

EXPENSES

Governmental Activities - Public health and safety:	
Personal services	\$1,543,897
Material and supplies	1,779,764
Depreciation	149,519
Deductions from ad valorem taxes for retirement system	<u>121,129</u>
Total Expenses	<u>3,594,309</u>

GENERAL REVENUES

Ad valorem taxes (net)	4,218,357
State revenue sharing	197,350
Intergovernmental revenues:	
[Department of Health & Human Services Grant - Center for Disease Control and Prevention (CDC) - cost reimbursements for West Nile Virus (Note E)]	193,129
Interest earnings	124,971
CDC Pipeway Project	32,579
Other revenues	<u>42,832</u>
Total General Revenues	<u>4,819,628</u>
Change in Net Assets	1,225,319
Net Assets at Beginning of Year (Restated)	2,146,811
Net Assets at End of Year	<u>\$3,372,130</u>

The accompanying notes are an integral part of this statement.

BASIC FINANCIAL STATEMENTS
(FORM FINANCIAL STATEMENTS)

ST. TAMMANY PARISH WASTEWATER MANAGEMENT DISTRICT NO. 2
 Slidell, Louisiana
 Balance Sheet
 General Fund - Governmental Fund
 December 31, 2021

ASSETS	
Cash and cash equivalents	\$ 188,314
Investments	2,303,819
Revenue receivables	4,329,769
Inventory	848,180
Prepaid insurance	<u>106,791</u>
TOTAL ASSETS	\$7,804,873
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 36,898
Ad valorem tax deductions payable	129,382
Accrued annual leave	<u>20,336</u>
Total Liabilities	<u>186,616</u>
Fund balance:	
Unreserved-undesignated	<u>2,628,601</u>
TOTAL LIABILITIES AND FUND BALANCE	\$7,804,873

The accompanying notes are an integral part of this statement.

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT NO. 2
 Slidell, Louisiana
 Reconciliation of the Governmental Fund Balance Sheet
 to the Statement of Net Assets
 December 31, 2003

Total Fund Balance - Governmental Fund	\$7,634,001
Amounts reported for governmental activities in the Statement of Net Assets 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	<u>911,701</u>
Total Net Assets of Governmental Activities	<u>\$6,722,300</u>

The accompanying notes are an integral part of this statement.

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT NO. 2
 Slidell, Louisiana
 Statement of Revenues, Expenditures
 and Changes in Fund Balances
 General Fund - Governmental Fund
 For the Year Ended December 31, 2013

REVENUES

Ad valorem taxes (net)	\$4,218,357
State revenue sharing	193,760
Intergovernmental revenue:	
(Department of Health & Human Services Grant - Center for Disease Control and Prevention (CDC) - cost reimbursements for West Nile Virus	193,129
Interest earnings	124,871
CDC Flyway Project	52,578
Other revenues	<u>48,828</u>
Total Revenues	4,814,623

EXPENDITURES

Salaries and related expenditures	1,042,364
Employer's retirement contributions	87,390
Other employee benefits	138,716
Insurance	275,617
Materials and supplies:	
Chemicals	1,478,410
Field and laboratory	27,884
Office	13,957
Public information	5,716
Utilities and telephone	18,493
Repairs and maintenance	85,700
Travel	14,316
Gas, oil and grease	89,364
Professional services	43,196
Capital outlay	78,889
Deductions from ad valorem taxes for retirement system	<u>123,382</u>
Total Expenditures	3,513,882
Net Change in Fund Balance	1,300,741
Fund Balance at Beginning of Year	6,329,370
Fund Balance at End of Year	<u>7,630,111</u>

The accompanying notes are an integral part of this statement.

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT NO. 2
 Slidell, Louisiana
 Reconciliation of the Statement of Revenues,
 Expenditures and Changes in Fund Balance
 to the Statement of Activities
 For the Year Ended December 31, 2003

Net Change in Fund Balance - Governmental Funds	\$1,294,631
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation charged exceeded capital outlay in the current period.	<u>(61,588)</u>
Change in Net Assets of Governmental Activities	<u>\$1,233,043</u>

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT NO. 2
 Slidell, Louisiana
Notes to the Financial Statements
 December 31, 2013

INTRODUCTION

The St. Tammany Parish Mosquito Abatement District No. 2 was created by the St. Tammany Parish Council as provided by Louisiana Revised Statute 13:7711-7718. 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 mosquitoes and other arthropods of public health importance, and all activities incidental thereto. As a result of the October 16, 1993 referendum, taxpayers of Wards 1, 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, 2011 referendum, taxpayers of Wards 1, 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. Board members serve without compensation.

To fulfill these responsibilities, the mosquito abatement 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 mosquito abatement 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 is working closely with the Centers for Disease Control and Prevention (CDC) in a project to test for and study the West Nile Virus in the parish.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 1. Basis of Presentation**
 The accompanying basic financial statements of the St. Tammany Parish Mosquito Abatement District No. 2 have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT NO. 2
 Slidell, Louisiana
 Notes to the Financial Statements
 December 31, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In addition, the St. Tammany Parish Mosquito Abatement District No. 2 adopted the provisions of Governmental Accounting Standards Board Statement No. 14, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local governments for the first time this year. In this regard, the district will be treated as a governmental-type activity for financial reporting purposes in this audit. The minimum requirements for the mosquito district established by GASB Statement No. 34 are divided into the following sections: (a) Management's Discussion and Analysis, (b) Basic Financial Statements, and (c) Required Supplementary Information (other than M&A).

The accompanying financial statements of the St. Tammany Parish Mosquito Abatement District No. 2 present information only as to the transactions of the programs of the district as authorized by Louisiana statutes and administrative regulations. Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Revenues Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues, including ad valorem taxes, state revenue sharing, intergovernmental revenue, interest and other revenues of the district, are recognized in the accounting period in which they are earned and become measurable.

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

Expenses Recognition

Expenses are also recognized on the accrual basis; therefore, expenses, including salaries, operating services and expenses, materials and services, intergovernmental expenses, etc. are recognized in the period incurred, if measurable.

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT NO. 2
 Slidell, Louisiana
 Notes to the Financial Statements
 December 31, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. 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 (St. Tammany Parish Council), (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 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 criteria 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.
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.

ST. TAMMANY PARISH MOSQUITO ASSESSMENT DISTRICT NO. 2
 Slidell, Louisiana
 Notes to the Financial Statements
 December 31, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

3. Fund Accounting

The district uses a fund (General Fund) to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The district's General Fund is classified as a governmental fund. Governmental funds account for general activities, including the collection and disbursement of specific or legally restricted monies and the acquisition of capital assets.

The General Fund, as provided by Louisiana Revised Statute 47:1906, is the only fund of the district and accounts for the operation of the mosquito district. Ad valorem tax revenue authorized by Act 192 of 1985 is accounted for in this fund. General operating expenditures are paid from this fund.

4. Budgets

The St. Tammany Parish Mosquito Assessment District No. 2 adopts an annual budget for the General Fund. Budget practices include public notice of the proposed budget, public inspection of the proposed budget, and public hearings on the budget.

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT NO. 2
Slidell, Louisiana
Notes to the Financial Statements
December 31, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A summary of the proposed budget and notice of the planned public hearing was published in the official journal on November 7, 2002. The public hearing on the proposed budget was held on November 20, 2002. The proposed budget was legally adopted by resolution on November 20, 2002.

All appropriations included in the budget lapse at year end, and any accounts payable outstanding at year end are included in the next year's budget with funds appropriated in that year to finance them. Monthly comparisons between budget and actual amounts are made and reviewed by the board of commissioners. The board reserves all authority to amend the budget. The original budget was not amended.

The mosquito abatement district's policy is to prepare its budget using the cash basis of accounting, which recognizes revenues as they are received rather than when they are earned, and expenditures as the cash is disbursed rather than when the expenditure is incurred.

This basis of accounting is consistent with the basis used for record keeping purposes. The accompanying statements present comparisons of the legally adopted budget with actual data on the cash basis. Since accounting principles for purposes of developing data on a cash basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of resultant basis differences in the

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT NO. 2
 Slidell, Louisiana
 Notes to the Financial Statements
 December 31, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

excess of revenues (receipts) over expenditures (disbursements) for the year ended December 31, 2013 is presented below:

(Deficiency) of receipts over disbursements and other uses (budgetary basis)	\$ (394,861)
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Adjustments:

Revenue receivables -	
Ad valorem taxes	1,743,924
State revenue sharing	74,476
DCR Kiway project	8,568
Amortization of discount/premium on investments	138
Intergovernmental revenue	(239,172)
Prepaid insurance	106,791
Expenditure payables -	
Accounts payable	(1,174)
Deductions from ad valorem taxes	141,386
Accrued annual leave payable	(20,596)
Inventory increase	<u>58,423</u>
Excess of revenues and other financing sources over expenditures (GAAP basis)	<u>\$1,294,631</u>

9. **Cash, Cash Equivalents and Investments**
 Cash includes amounts in demand deposit accounts and an interest bearing money market account. Cash equivalents include amounts in time deposits. 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.

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT NO. 2
Slidell, Louisiana
Notes to the Financial Statements
December 31, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Under state law, the district may invest in United States bonds, treasury notes or certificates.

Investments are recorded in the financial statements at either cost or amortized cost, depending on the type of investment. Amortization of investment discount totaled \$138 for the year ended December 31, 2003. This amount was included in interest earnings because it represented interest revenue that will ultimately be realized when the particular investment matures.

6. Inventories

Inventories are valued at cost. Inventories consist of chemical, field, shop and laboratory supplies, vehicle and aviation fuel. 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. Inventory at December 31, 2003 was determined using the FIFO method (first-in, first-out).

7. Prepaid Insurance

The district made payments of insurance premiums for coverage that will benefit a period of time after December 31, 2003. This portion of the payments made are listed as prepaid insurance on the Statement of Net Assets.

8. Capital Assets

Capital assets are recorded at either historical cost or estimated historical cost and are depreciated over their estimated useful lives (including 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 long the asset is expected to meet service demands. 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 - 3 years.

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT NO. 2
 Slidell, Louisiana
 Notes to the Financial Statements
 December 31, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The board of commissioners of the mosquito district adopted a policy to depreciate all of the district's equipment, vehicles, buildings and improvements that have a purchase price of \$1,000 or more for the first time in the current fiscal year as part of the implementation of GASB No. 34.

9. Annual and Sick Leave

The mosquito abatement district's employees earn annual leave at varying rates according to their years of service. Upon termination from employment, employees are compensated, at their current rate of pay, for any unused or accrued annual leave. The cost of unused or accrued annual leave privileges, computed in accordance with GASB Codification Section 602, 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 granted five days of "regular" sick leave on January 1st of each year. Three days of unused regular sick leave may be carried to the following year with a limit of ten regular sick leave days at the beginning of each year. In addition, 15 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 five 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 during the year.

10. Long-term Obligations

The only long-term obligations were for accumulated annual leave benefits for employees which totaled \$20,566 as of December 31, 2003.

11. 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. TAMMANT PARISH MOSQUITO ABATEMENT DISTRICT NO. 2
Slidell, Louisiana
Notes to the Financial Statements
December 31, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

12. Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT NO. 2
Slidell, Louisiana
Notes to the Financial Statements
December 31, 2003

NOTE B - LEVIED TAXES

Prior to December 31, 2003, the mosquito abatement district was authorized to levy up to 4.30 mills in ad valorem taxes. During the current fiscal year ended December 31, 2003, the voters of St. Tammany Parish approved an additional 2.5 mills increase in ad valorem taxes to the mosquito district effective for the 2003 tax rolls. On October 8, 2003, at an open public meeting, the board of commissioners of the mosquito district officially accepted and approved the 2.5 mills by resolution. The 4.3 mill tax is for the operation and maintenance of the district. The 2.5 mill tax is for the acquisition of machinery, equipment and facilities and its maintenance in the course of its operations to eradicate, abate and control mosquitoes and other arthropods of public health importance and concern. This brings the total ad valorem taxes levied by the district to 6.80 mills for the year ended December 31, 2003.

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

Taxpayer	Type of Business	2003 Assessed Valuation	Percentage of Total Assessed Valuation
Central Louisiana Electric Corp.	Power Company	\$31,481,180	4.78%
BellSouth	Telephone Company	20,420,350	3.00
Hibernia Bank	Bank	11,568,730	1.76
Mckesson Corp.	Pharmaceutical	8,018,040	1.21
Bank One Npmt.	Bank	7,979,480	1.20
Charter Communi- cations	Communications	5,151,040	.78
Washington-St. Tam Electric Coop.	Power Company	4,777,980	.72
Norco Energy, LA	Gas Company	4,622,970	.70
Parish Nat'l Bank	Bank	4,445,930	.68
Tri-States Mtl Pipeline, LLC	Pipeline	<u>3,874,380</u>	<u>.58</u>
Total		<u>\$152,422,830</u>	<u>13.40%</u>

The total assessed valuation for all taxpayers at December 31, 2003, was \$662,214,760. This figure was used in calculating the percentage of the "2003 assessed valuation of each of the ten largest taxpayers" to the "assessed valuation for all taxpayers."

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT NO. 2
 Slidell, Louisiana
Notes to the Financial Statements
 December 31, 2003

NOTE C - CASH AND CASH EQUIVALENTS

At December 31, 2003, the carrying amounts (book balances) of all cash and cash equivalents of the district are listed as follows:

Petty cash	\$ 75
Demand deposit accounts	24,764
Money market account	24,493
Certificates of deposit	<u>29,000</u>
Total	<u>\$128,314</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2003, the district had \$216,197 in deposits (collected bank balances). These deposits were secured from risk by \$108,000 of federal depository insurance and \$118,197 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GNSS Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 19:1129 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.

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT NO. 2
 Slidell, Louisiana
 Notes to the Financial Statements
 December 31, 2003

NOTE D - INVESTMENTS

At December 31, 2003, the mosquito abatement district held the following types of investments:

Type of Investment	Cost/ Carrying Amount	Market Value
Louisiana Assoc. Management Pool	\$274,576	\$274,576
Federal National Mortgage Assoc.	263,901	268,828
Government National Mtgy. Assoc.	602,666	602,363
Federal Home Loan Mortgage Corp.	102,434	107,294
Government National Mtgy. Assoc.	129,736	117,254
Federal Home Loan Bank	103,606	213,560
Federal Home Loan Bank	260,781	260,783
Federal Home Loan Bank	<u>135,116</u>	<u>138,473</u>
Total	<u>\$2,263,816</u>	<u>\$2,283,777</u>

These investments are in the name of the fiscal agent bank and are held in its trust department. Because the investments are not in the name of the district and are not held by the district or its agent, the investments are considered uninsured and unregistered (GASB Category 2) in applying the credit risk of GASB Codification Section 190.164.

NOTE E - REVENUE RECEIVABLES

The following is a summary of revenue receivables at December 31, 2003:

Ad valorem taxes	\$4,435,392
Less: Estimated uncollectible (7%)	<u>(310,472)</u>
Net ad valorem taxes	4,124,920
State revenue sharing	194,789
CDC Flyway project	<u>8,668</u>
Total	<u>\$4,328,377</u>

The district has budgeted 7% of the revenue from ad valorem tax assessments as uncollectible based on past experience.

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT NO. 2
 Slidell, Louisiana
 Notes to the Financial Statements
 December 31, 1963

NOTE F - CAPITAL ASSETS

The capital assets used in the governmental-type activities are included on the Statement of Net Assets 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. Accumulated depreciation is reported on the Statement of Net Assets. 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.

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

	Balance 1/1/63	Additions	Retirements and Adjustments	Balance 12/31/63
Capital Assets				
Buildings and Improvements	\$413,077	-	-	\$413,077
Machinery and equipment	268,031	\$8,761	\$11,314	265,478
Aircraft and related equipment	776,130	11,162	-	787,292
Office furniture and equipment	23,460	-	-	23,460
Vehicles	604,283	48,860	-	653,143
Adjustments	<u>128,740</u>	<u>-</u>	<u>128,740</u>	<u>-</u>
Total	\$1,383,721	\$68,823	\$210,054	\$1,241,289
Less Accumulated Depreciation for -				
Buildings and Improvements	\$181,603	\$10,327	-	\$191,930
Machinery and equipment	214,702	19,759	\$11,314	223,187
Aircraft and related equipment	284,789	48,460	-	333,249
Office furniture and equipment	19,264	1,244	-	20,508
Vehicles	<u>382,748</u>	<u>60,689</u>	<u>-</u>	<u>443,437</u>
Total	\$1,063,126	\$140,519	\$11,314	\$1,214,379

The district now records and depreciates only fixed assets with a purchase price of \$1,000 or more as part of the implementation of the new GASB Statement No. 34. The \$128,740 adjustment listed above is the numerical value of this change in policy.

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT NO. 2
 Slidell, Louisiana
 Notes to the Financial Statements
 December 31, 2011

NOTE C - PENSION PLAN

Plan Description

Substantially all employees of St. Tammany Parish Mosquito Abatement District No. 2 are members of the Parochial Employees Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined pension benefit 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 benefit provisions. All employees of the district are members of Plan A.

All permanent employees working at least 10 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 65 with at least 25 years of credited service, or at any age with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of the member's final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only, prior to January 1, 1980, the benefit is equal to one per cent of the final-average salary plus \$24 for each year of supplemental plan only service earned prior to January 1, 1980. Final-average salary is the employee's average salary over the 16 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70888-4619, or by calling (504) 928-1361.

Funding Policy

Under Plan A, members of the System are required to contribute 3.58% of their annual covered salary and the district is required to make employer contributions at an actuarially

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT NO. 2
 Slidell, Louisiana
 Notes to the Financial Statements
 December 31, 2003

NOTE G - PENSION PLAN (CONTINUED)

determined rate. The employer's contribution rate for the year ended December 31, 2003 is 7.75% of annual covered payroll. Contributions to the System also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the district are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The district's employer contributions to the System under Plan A for the years ended December 31, 2003, 2002 and 2001, were \$80,840, \$86,142 and \$87,887, respectively, and these amounts equaled the required contributions for each year.

NOTE H - LEASES

On September 1, 1979, the mosquito abatement district entered into a ten-year operating lease with the City of Slidell for the land on which its facility is located. The lease provides for an annual rental of \$1 per year with renewal options for additional ten-year periods until terminated by the lessor. The lease was renewed in 1999 for an additional ten years.

On March 18, 1986, the mosquito abatement district entered into a ten-year operating lease with the City of Slidell for the land on which its airplane hangar is located. On December 3, 1997, the district amended the original lease to extend the term to an additional 10 years, which will expire on March 25, 2014. The lease provides for an annual rental of \$2,400, which the district paid in 2003.

There are no other operating or capital leases at December 31, 2003.

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT NO. 2
 Slidell, Louisiana
 Notes to the Financial Statements
 December 31, 2003

NOTE 1 - JOINT AGREEMENTS

In 1978, the mosquito abatement district entered into a joint agreement for mosquito control with the National Aeronautics Space Administration (NASA), National Space Technology Laboratories (NSTL). Under the terms of the agreement, which is renewed annually, NASA/NSTL provides funding to the district for chemicals and insecticides in the amount of \$10,000 to conduct a fogging and misting mosquito control program.

Also, effective October 1, 1994, the district entered into a joint agreement with an agency of the United States government for the use of storage space at the airplane hangar that the district leases from the City of Slidell. In lieu of rent, the district received \$2,400 to cover the cost of utilities during the year.

In addition, the mosquito district and the Department of Health and Human Services - Centers for Disease Control (CDC) entered into an agreement whereby the district is reimbursed by the CDC for certain expenses it has incurred related to the collection and identification of mosquitoes for West Nile Virus. For the year the district was reimbursed for \$12,578 of costs associated with this project.

NOTE 2 - LITIGATION AND CLAIMS

The district is not a defendant in any lawsuits which would require it to record a liability on its financial statements as of December 31, 2003.

NOTE 3 - FEDERAL FINANCIAL ASSISTANCE PROGRAM

During the year, the mosquito district participated in a cost reimbursement grant program funded by the Centers for Disease Control (CDC) of the Department of Health and Human Services. The sponsoring federal agency is the National Center for Infectious Diseases. The mosquito district applied for and received from the Department of Health and Human Services reimbursement for expenses that the district incurred as a direct result of fighting the West Nile Virus in St. Tammany Parish during the period July 15, 2003 to October 31, 2003. Additional and excessive expenses were incurred during this period for chemical usage and labor costs in the district's

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT NO. 2
 Slidell, Louisiana
 Notes to the Financial Statements
 December 31, 2003

NOTE K - FEDERAL FINANCIAL ASSISTANCE PROGRAM (CONTINUED)

efforts to prevent and control the West Nile Virus. In 2003, the district received \$192,139 for direct cost reimbursements for this program.

See the Schedule of Expenditures of Federal Awards for other pertinent information relating to this program.

NOTE L - PRIOR-YEAR RESTATEMENT OF NET ASSETS

The following adjustments were made to restate beginning net assets at December 31, 2002, due to the conversion of the mosquito district's (GAAP) financial statements to the new GASB No. 34 provisions:

Fund Balance at December 31, 2002, Previously Reported	Adjustments + or -	Beginning Net Assets at December 31, 2002, As Restated
\$8,323,378	\$1,017,461	\$7,346,831

The prior-year restatement (adjustment) to net assets had the following effects on the Statement of Net Assets:

- increasing net assets by \$2,141,286 for the additions of capital assets;
- decreasing net assets by \$1,185,375 for accumulated depreciation on capital assets;
- increasing net assets by \$81,560 for the amount by which depreciation charged exceeded capital outlay in the current period.

REQUIRED SUPPLEMENTARY INFORMATION (RSI)

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT NO. 2
 Slidell, Louisiana
 Required Supplementary Information
 Budgetary Comparison Schedule
 Statement of Receipts, Disbursements and Changes in
 Cash Balance - Budget (Cash Basis) and Actual
 General Fund - Governmental Fund
 For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
RECEIPTS				
Ad valorem taxes				
Inet:	52,358,832	52,358,832	52,392,437	513,605
State revenue				
Sharing	108,000	108,000	123,274	23,274
West Nile Virus				
Project	-	192,116	421,988	229,872
CDC Flyway Project	-	-	24,510	24,510
Interest earnings	98,000	98,000	114,832	14,832
Other revenue	<u>18,000</u>	<u>18,000</u>	<u>58,832</u>	<u>40,832</u>
Total Receipts	2,588,832	2,758,948	2,248,194	394,281
DISBURSEMENTS				
Salaries and related				
expends.	928,914	928,914	1,021,160	(121,246)
Employer's retirement				
contri.	89,400	89,400	87,290	2,110
Other employee benef.	123,163	123,163	128,726	(15,563)
Office supplies	22,945	22,945	22,946	(1,001)
Insurance	287,150	287,150	377,382	(90,232)
Utilities and telephone	22,000	22,000	28,834	3,168
Travel	21,000	21,000	18,187	4,893
Professional services	45,825	45,825	43,617	2,208
Public information	38,800	38,800	8,720	24,780
Materials and supplies:				
Chemicals	2,684,116	2,684,116	1,616,289	1,067,827
Field and laboratory	11,630	11,630	28,082	14,432
Aerial operations	12,100	12,100	53,487	(13,387)

(Continued)

The accompanying notes are an integral part of this statement.

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT NO. 2
 Slidell, Louisiana
 Required Supplementary Information
 Budgetary Comparison Schedule
 Statement of Receipts, Disbursements and Changes in
 Cash Balance - Budget (Cash Basis) and Actual
 General Fund - Governmental Fund
 (Continued)
 For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>		Actual Amounts	Variances with Final Budget Positive (Negative)
	Original	Final		
Disbursements				
Gas, oil and grease	\$ 74,450	\$ 74,450	\$ 68,742	\$ (14,392)
Repairs and maint.	114,750	114,750	64,934	31,426
Capital outlay-equipm., purchases & building improvements	44,410	44,410	78,252	114,540
Total Disbursements	2,573,352	2,573,352	2,840,008	12,027
(Deficiency) of Receipts over Disbursements	(1,915,120)	(823,085)	(134,861)	428,144
Cash, Cash Equivalents and Investments Balances at Beginning of Year	1,281,924	1,281,924	1,281,924	
Cash, Cash Equivalents and Investments Balances at End of Year	\$2,246,804	\$2,458,839	\$2,087,111	\$428,144

The accompanying notes are an integral part of this statement.

SUPPLEMENTARY INFORMATION SCHEDULES

ST. TAMMANY PARISH MOSQUITO ABATEMENT CONTRACT NO. 3
 Slidell, Louisiana
 Supplementary Information Schedule
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2003

Federal Grantor/ Pass-through Grantor/ Program Title	Federal Grant Number	Federal Expenditures
Department of Health and Human Services.		
Passed through the National Center for Infectious Diseases and the Centers for Disease Control and Prevention (CDC).		
Public Health Services Grant (nonmajor program)	PID 01153/ W11-CC0230180-01-1	\$102,139

Program Title: Grant to Control the Spread of the West Nile Virus

This program is for the reimbursement of extraordinary costs incurred by the district during the year for mosquito abatement operations in the parish. See Note K in the Notes to the Financial Statements.

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT NO. 2
Slidell, Louisiana
Supplementary Information Schedule (Continued)
Summary Schedule of Prior Year Audit Findings and
Corrective Action Plan for Current Year Audit Findings
For the Year Ended December 31, 2003

I have audited the accompanying basic financial statements of the St. Tammany Parish Mosquito Abatement District No. 2, a component unit of the St. Tammany Parish Council, as of and for the year ended December 31, 2003, and have issued my report thereon dated April 29, 2004. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. My audit of the financial statements as of December 31, 2003 resulted in an unqualified opinion.

Section 1 - Summary of Auditor's Report and Findings

There was one material weakness in internal control that was a reportable condition which required disclosure in the current and prior year audit reports. It was the same finding for both years (Finding No. 1).

There was one prior-year audit finding regarding noncompliance (Finding No. 2) that was resolved in the prior year.

The St. Tammany Parish Mosquito Abatement District No. 2 received federal funds during the twelve months ended on December 31, 2003. There were no findings required to be reported related to these federal funds.

There were no other findings required to be reported and no management letter was issued for the current year.

ST. TAMMANY PARISH MOSQUITO MANAGEMENT DISTRICT NO. 2
 Slidell, Louisiana
 Supplementary Information Schedule (Continued)
 Summary Schedule of Prior Year Audit Findings and
 Corrective Action Plan for Current Year Audit Findings
 For the Year Ended December 31, 2003

Section II - Financial Statement Finding

Finding No. 1

Fiscal Year Finding Initially Occurred: Was existed since inception.

Finding Described: The size of the board's operations and its limited staff preclude an adequate segregation of duties and other features of an adequate system of internal accounting control.

Corrective Action and Additional Explanation: Management is aware of this inadequacy in the internal control structure, however, it feels that to employ such controls would not be cost beneficial. No action will need to be taken.

Finding No. 2

Fiscal Year Finding Initially Occurred: December 31, 2003

Finding Described: The General Fund's total actual expenditures exceeded total budgeted expenditures by \$1,187,387, or 46% more than what was budgeted. State law allows a 5% variance. The district should have amended its budget for 2003 to include the unexpected and excessive operating expenditures that it incurred due to increased mosquito populations from Tropical Storm Isidore and Hurricane Bill, fighting the West Nile Virus, and taking over the mosquito control for the remaining portions of the parish in January, 2003.

Corrective Action and Additional Explanation: Due to the extraordinary occurrences in 2003 as mentioned above, it was particularly difficult to determine the total amount of operating expenditures for the year and to amend the budget in time before the end of the year.

For its 2003 year-end annual budget, the district properly amended that budget as required by Louisiana Revised Statutes.

Anticipated Completion Date: Already completed.

ST. TAMMANY PARISH MOSQUITO ABATEMENT DISTRICT NO. 2
Bridell, Louisiana
Supplementary Information Schedule (Continued)
Summary Schedule of Prior Year Audit Findings and
Corrective Action Plan for Current Year Audit Findings
For the Year Ended December 31, 2003

Section III - Federal Awards Findings and Questioned Costs

The St. Tammany Parish Mosquito Abatement District No. 2 received federal funds during the twelve months ended on December 31, 2003.

There were no findings or questioned costs required to be reported.

Contact Person:

Mr. Charles Palmisano, Director
of the St. Tammany Parish Mosquito
Abatement District No. 2
Bridell, Louisiana
985-643-3850

Anticipated Completion Date: Not applicable.

OTHER REQUIRED REPORTS

KEITH J. ROMA
CERTIFIED PUBLIC ACCOUNTANT
JAN 20 11 2006 PM 02
MEMPHIS, LOUISIANA 70001-5187

FD-302 (01-00-00)

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

Board of Commissioners of the
St. Tammany Parish Mosquito Abatement District No. 2
A Component Unit of the St. Tammany Parish Council
Slidell, Louisiana

I have audited the basic financial statements of the St. Tammany Parish Mosquito Abatement District No. 2, a component unit of the St. Tammany Parish Council, as of and for the year ended December 31, 2003, and have issued my report thereon dated April 27, 2004. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As a part of obtaining reasonable assurance about whether the St. Tammany Parish Mosquito Abatement District No. 2's basic financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the St. Tammany Parish Mosquito Abatement District No. 2's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. However, I noted a matter involving the internal control over financial reporting and its operations that I consider to be reportable condition. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgement, could adversely affect the board's ability to record, process, summarize and report financial data consistent with the assertions of management in the basic financial statements. This reportable condition is described in the accompanying Schedule of Audit Findings in the Supplementary Information section of this audit report and is referenced as Finding No. 1.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I considered the reportable condition described above to be a material weakness.

This report is intended solely for the use of management and the State of Louisiana Legislative Auditor and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by the State of Louisiana Legislative Auditor, is a matter of public record.



Keith J. Rovira
Certified Public Accountant

April 27, 2004