

**TANGIPAHOA ST. HELENA SOIL AND WATER
CONSERVATION DISTRICT
AMITE, LOUISIANA**

ANNUAL FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2024



**Hebert Johnson
& Associates, Inc.**
Certified Public Accountants

A Professional Accounting Corporation

TANGIPAHOA-ST. HELENA SOIL AND WATER
CONSERVATION DISTRICT

Amite, Louisiana

ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

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A PROFESSIONAL ACCOUNTING CORPORATION

Independent Auditor's Report

To the Board of Supervisors
Tangipahoa-St. Helena Soil and Water
Conservation District
Amite, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the general fund, and the aggregate remaining fund information of the Tangipahoa-St. Helena Soil and Water Conservation District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Tangipahoa-St. Helena Soil and Water Conservation 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, the general fund, and the aggregate remaining fund information of the Tangipahoa-St. Helena Soil and Water Conservation District, as of June 30, 2024, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Tangipahoa-St. Helena Soil and Water Conservation District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Audit 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 Tangipahoa-St.. Helena Soil and Water Conservation 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 Tangipahoa-St.. Helena Soil and Water Conservation District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 23 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 Tangipahoa-St.. Helena Soil and Water Conservation District's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits, and Other Payments to Agency Head are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2024, on our consideration of Tangipahoa-St.. Helena Soil and Water Conservation 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 effectiveness of the Tangipahoa-St.. Helena Soil and Water Conservation District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tangipahoa-St.. Helena Soil and Water Conservation District's internal control over financial reporting and compliance.

Chris Johnson

Hebert Johnson & Associates, Inc.
A Professional Accounting Corporation
Ponchatoula, Louisiana
December 12, 2024

BASIC FINANCAL STATEMENTS

TANGIPAHOA-ST. HELENA SOIL AND WATER
CONSERVATION DISTRICT

Amite, Louisiana

STATEMENT OF NET POSITION

June 30, 2024

	Governmental Activities
<u>Assets</u>	
Cash	\$ 204,849
Receivables	31,212
Restricted Cash-Land Trust/NRDA	186,995
Capital assets, net	15,163
Total assets	<u>438,219</u>
<u>Liabilities</u>	
Accounts payable	47,532
Unearned revenue-Land Trust	186,995
Total liabilities	<u>234,527</u>
<u>Net Position</u>	
Net investments in capital assets	15,163
Unrestricted	<u>188,529</u>
Total Net Position	<u>\$ 203,692</u>

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

TANGIPAHOA-ST. HELENA SOIL AND WATER
CONSERVATION DISTRICT
Amite, Louisiana

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

	Governmental Activities
Expenses	
Conservation:	
Personnel services	\$ 191,770
Operating services	7,675
Area meeting and convention	1,988
Land Trust/NRDA programs	1,582,185
Other programs	774
Travel	1,202
Depreciation	3,547
Total Expenses	<u>1,789,141</u>
Program Revenues	
Charges for services	1,684,443
Operating grant	150,707
Total Program Revenues	<u>1,835,150</u>
Net Program Revenue	46,009
General Revenues:	
Interest earning	2,195
Other income	800
Total General Revenues	<u>2,995</u>
Change in Net Position	49,004
Net Position - Beginning	<u>154,688</u>
Net Position - Ending	<u>\$ 203,692</u>

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

TANGIPAHOA-ST. HELENA SOIL AND WATER
CONSERVATION DISTRICT

Amite, Louisiana

BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2024

	General Fund
ASSETS	
Cash	\$ 204,849
Receivables	31,212
Restricted Cash-Land Trust/NRDA	<u>186,995</u>
TOTAL ASSETS	\$ <u>423,056</u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 47,532
Unearned revenue-Land Trust	<u>186,995</u>
Total Liabilities	<u>234,527</u>
Fund balance:	
Unassigned	<u>188,529</u>
Total Fund Balance	<u>188,529</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ <u>423,056</u>

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

TANGIPAHOA-ST. HELENA SOIL AND WATER
CONSERVATION DISTRICT
Amite, Louisiana

RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2024

Fund balance - governmental funds	\$ 188,529
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

These assets consists of:

Governmental capital assets, net of depreciation	<u>15,163</u>
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Net position of governmental activities	<u>\$ 203,692</u>
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The accompanying notes are an integral part of the basic financial statements.

TANGIPAHOA-ST. HELENA SOIL AND WATER
CONSERVATION DISTRICT
Amite, Louisiana

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
For the Year Ended June 30, 2024

	General Fund
<u>REVENUES</u>	
Land Trust for Louisiana	\$ 1,684,443
Intergovernmental:	
Federal – farm bill	50,415
Federal- NRCS	57,470
State funds	42,822
Interest earnings	2,195
Other Income	800
	<hr/>
Total Revenues	1,838,145
<u>EXPENDITURES</u>	
Conservation:	
Personnel services	191,770
Operating services	7,675
Area meeting and convention	1,988
NRDA programs	1,582,185
Other programs	774
Travel	1,202
Capital Outlays	6,750
	<hr/>
Total Expenditures	1,792,344
NET CHANGE IN FUND BALANCE	45,801
<u>FUND BALANCES</u>	
Fund balance - beginning of year	142,728
	<hr/>
Fund balance - end of year	\$ 188,529

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

TANGIPAHOA-ST. HELENA SOIL AND WATER
CONSERVATION DISTRICT

Amite, Louisiana

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

Net change in fund balance - total governmental funds	\$	45,801
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Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds 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. These differences consist of:

Capital outlays		6,750
Depreciation expense		<u>(3,547)</u>
Change in net position of governmental activities	\$	<u>49,004</u>

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

NOTES TO THE FINANCIAL STATEMENTS

**TANGIPAHOA-ST. HELENA SOIL AND WATER
CONSERVATION DISTRICT**
Amite, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2024

INTRODUCTION

The District was created by and in accordance with provisions of Louisiana Revised Statute (LSA-R.S.) 3:1201 and serves citizens within the boundaries of District 32, Area V of the State of Louisiana. The purpose of the District is to provide for the conservation of the soil and soil resources of their district, to control and prevent soil erosion and floodwater and sediment damages, and for furthering the conservation, development, utilization, and disposal of water. The District is to also preserve natural resources, control floods, prevent impairment of dams and reservoirs, assist in maintaining the navigability of rivers and harbors, preserve wildlife, protect public lands, and protect and promote the health, safety, and general welfare of the people of their district.

The governing authority of each district shall consist of five supervisors who shall be landowners or farm operators and qualified voters within the state. Three of the supervisors will be elected within the district on the second Saturday in June each year and the other two are appointed by the State Soil and Water Conservation District.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America 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.

This financial report has been prepared in conformity with GASB Statement 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued in June 1999. Management has elected to not present the Management's Discussion and Analysis.

B. Reporting Entity

Governmental Accounting Standards Board Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The basic criterion for including a potential component unit within the reporting entity is financial accountability. Oversight responsibility is determined on the basis of appointment of governing body, ability to significantly influence operations, accountability for fiscal matters, and the nature and significance of an organization's relationship with the primary government. For financial reporting purposes, in conformance with GASB Statement No. 14, the District includes all funds that are within the oversight responsibility of the Tangipahoa-St. Helena Soil and Water Conservation District. Based on consideration of the foregoing criteria, the Tangipahoa-St. Helena Soil and Water Conservation District is deemed to be a separate reporting entity.

Tangipahoa-St. Helena Soil and Water
Conservation District
Notes to the Financial Statements
As of and for the Year Ended June 30, 2024

C. Fund Accounting

The District uses fund accounting to maintain its financial records 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.

Funds of the District are classified as governmental funds. Governmental funds account for the District's general activities. The District only has one governmental fund, the General Fund.

1. General Fund

The General Fund is the general operating fund of the District. It accounts for all financial resources, except those required to be accounted for in other funds.

D. Measurement Focus / Basis of Accounting

Basic Financial Statements - Government-Wide Financial Statements

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

The statement of net position and the statement of activities display information about the District as a whole. These statements include all the activities of the District with the interfund activities removed. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. The net position of a government will be broken down into three categories - 1) net investment in capital assets; 2) restricted; and 3) unrestricted. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues are derived from the program itself or from parties outside the District's taxpayers or citizenry, as a whole. Program revenues reduce the cost of the function to be financed from the District's general revenues. The primary sources of program revenue to the District are allocations received from the state, federal government, and from revenue under contract with Land Trust for Louisiana

The District implemented GASB Statement No. 72, *Fair Value Measurement and Application* as it relates to donated capital assets. Donated capital assets are to be measured at acquisition value.

Tangipahoa-St. Helena Soil and Water
Conservation District
Notes to the Financial Statements
As of and for the Year Ended June 30, 2024

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

The District implemented policies established under GASB Statement No. 96, *Subscription Based Information Technology Agreements (SBITAs)*. This statement provides guidance on the accounting and financial reporting for SBITAs for government end users. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including the implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

Basic Financial Statements - Governmental Funds

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

The amounts reflected in the General fund 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 pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when a liability is incurred, as under accrual accounting.

Investment earnings are recognized when earned. Substantially all other revenues are recorded when received.

Reconciliation

Explanation of differences between the governmental fund balance sheet and the government-wide statement of net position is presented in the statement of the basic financial statements. Explanation of differences between the governmental fund statements of revenues, expenditures, and changes in fund balance and the government-wide statement of activities is presented in the statement of the basic financial statements.

E. Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of 90 days or less from the date of acquisition. State law and the District investment policy allow the District to invest in collateralized certificates of

Tangipahoa-St. Helena Soil and Water
Conservation District
Notes to the Financial Statements
As of and for the Year Ended June 30, 2024

deposits, government-backed securities, commercial paper, the state sponsored investment pool, and the mutual funds consisting solely of government-backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government-backed securities.

Under state law, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 12 months; however, if the original maturities are 12 months or less, they are classified as cash equivalents.

F. Receivables and Leased Asset Receivables

Receivables are shown net of an allowance for uncollectible. Uncollectible amounts for grant revenues are recorded as a reduction of current revenues.

Leased asset receivables are a result of leases in which the District has entered into a contract with a lessee that delivers the right to use a nonfinancial asset of the District as specified by the contract for a period of time in an exchange or exchange-like transaction. Such receivables are reported on the government-wide financial statements at present value of the lease payments to be received during the lease term. Additionally, the District would recognize a deferred inflow of resources that is reported at the value of the lease receivable plus any payments received at or before the commencement of the lease for future periods. Assets of agreement entered into in which the District is the lessor are retained as capital assets of the District and are reported in the government-wide financial statements as described in Note 1. H. The District has not entered into any agreements delivering control of a right to use a nonfinancial asset to a lessee as described above as of June 30, 2024.

G. Restricted Assets

Restricted assets consist of cash resources from Land Trust for Louisiana received prior to meeting the eligibility requirements.

H. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated costs if historical costs are not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$5,000 or more for capitalizing capital assets. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives is not capitalized.

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

<u>Description</u>	<u>Estimated Lives</u>
Furniture and fixtures	5 - 10 Years
Vehicles	5 Years
Equipment	5 - 15 Years

Right of use assets are a result of leases in which the District has entered into a contract with a lessor that conveys control of the right to use the lessor's nonfinancial asset as specified by the contract for a period of time in an exchange or exchange-like transaction. Such assets are reported on the government-wide financial statements net of amortization. Right of use assets are amortized at the

Tangipahoa-St. Helena Soil and Water
Conservation District
Notes to the Financial Statements
As of and for the Year Ended June 30, 2024

lessor of the useful life or lease term. The District has not entered into any agreements gaining control of the right to use a lessor's nonfinancial assets as described above as of June 30, 2024.

I. Restricted Net Position

For the government-wide statement of net position, net position are reported as restricted when constraints placed on net position use are either:

- externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
- imposed by law through constitutional provisions or enabling legislation.

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

J. Fund Equity

Governmental fund equity is classified as fund balance. Beginning with the fiscal year ended December 31, 2012, the District implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purpose for which resources can be used:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

The District did not have any nonspendable resources as of year-end.

- **Restricted:** This classification includes amounts for which constraints have been placed on the use of resources that are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

The District did not have any restricted resources as of year-end.

- **Committed:** This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by the District's Board of Supervisors. These amounts cannot be used for any other purpose unless the District's Board of Supervisors removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

The District did not have any committed resources as of year-end.

- **Assigned:** This classification includes spendable amounts that are reported in governmental funds *other than the General Fund*, that are neither restricted nor committed, and amounts in the General Fund that are intended to be used for a specific purpose in accordance with the provisions of GASB Statement 54. The intent of an assigned fund balance should be expressed by the District who has the authority to assign amounts to be used for specific purposes.

Tangipahoa-St. Helena Soil and Water
Conservation District
Notes to the Financial Statements
As of and for the Year Ended June 30, 2024

The District did not have any assigned fund balance as of year-end.

- **Unassigned:** This classification is the residual fund balance for the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

When fund balance resources are available for a specific purpose in multiple classifications, the District would use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, it reserves the right to selectively spend unassigned resources first and to defer the use to the other classified funds.

K. Estimates

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

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGET

The District uses the following budget practices:

1. The District prepares its budget on the modified accrual basis of accounting in accordance with generally accepted accounting principles (GAAP). Budgetary control is exercised at the fund level. The District adopted a budget for the General Fund.
2. All budgetary appropriations lapse at year-end
3. Periodic budget comparisons are made as a part of interim reporting. Budgeted amounts included in the accompanying financial statements include the originally adopted budget amounts and subsequent amendments.

The original budget for FYE June 30, 2024, was completed and approved by the board on July 13, 2023; the same day the budget was submitted to Louisiana Department of Agriculture and Forestry for approval. The State approved the budget on August 24, 2023.

The amended budget for June 30, 2024, was signed off by the chairman of the board on June 3, 2024, and approved by the State on June 18, 2024.

Tangipahoa-St. Helena Soil and Water
Conservation District
Notes to the Financial Statements
As of and for the Year Ended June 30, 2024

3. DEPOSITS

At June 30, 2024, the District had deposits and investments (book balances) totaling \$391,844 as follows:

Statements of net position:

Cash and cash equivalents	\$ 204,849
Restricted asset – cash and cash equivalents	<u>186,995</u>
Total cash and cash equivalents	<u>\$ 391,844</u>

Deposits, investments, and other (GASB 3 and 40 disclosures) as of June 30, 2024, consists of the following:

Deposits with financial institutions:

Interest-bearing demand deposits	<u>\$391,844</u>
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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.

Per GASB Statement 3, as amended by GASB 40; the District's deposits are exposed to custodial credit risk since the collateral pledged by the fiscal agent is not held in the District's name.

At June 30, 2024, the District has \$392,729 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance and \$142,729 is uninsured but collateralized with 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.

Tangipahoa-St. Helena Soil and Water
Conservation District
Notes to the Financial Statements
As of and for the Year Ended June 30, 2024

4. RECEIVABLES

The following is a summary of receivables at June 30, 2024:

<u>Class of Receivable</u>	<u>General Fund</u>
Federal funds-farm bill	\$ 8,274
Federal funds- NRCS	19,674
State funds	<u>3,264</u>
Total	\$ <u>31,212</u>

An allowance account for grant receivables is not considered necessary.

5. CAPITAL ASSETS

Capital assets and depreciation for governmental activities as of and for the year ended June 30, 2024, are as follows:

	<u>Balance</u> <u>06/30/23</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>06/30/24</u>
Capital Assets Being Depreciated:				
Equipment	\$ 13,800	\$ 6,750	\$ -	\$ 20,550
Total Capital Assets Being Depreciated	<u>13,800</u>	<u>6,750</u>	<u>-</u>	<u>20,550</u>
Less Accumulated Depreciation For:				
Equipment	<u>1,840</u>	<u>3,547</u>	<u>-</u>	<u>5,387</u>
Total Accumulated Depreciation	<u>1,840</u>	<u>3,547</u>	<u>-</u>	<u>5,387</u>
Capital Assets Being Depreciated, Net	<u>11,960</u>	<u>3,203</u>	<u>-</u>	<u>15,163</u>
Government Activities Capital Assets,	\$ <u>11,960</u>	\$ <u>3,203</u>	\$ <u>-</u>	\$ <u>15,163</u>

Depreciation expense of \$3,547 for the year ended June 30, 2024, was charged to the conservation activities.

6. LEASES

The District had no leases at June 30, 2024.

7. COMPENSATION PAID TO SUPERVISORS

Amounts paid to the Board of Supervisors is as follows:

Board of Supervisors

Patrick Klein, Chairman	\$ 455
Kent Blades	525
William Brasher	525
Paul Alford	525
Darrell Sinagra	<u>420</u>
	<u>\$ 2,450</u>

8. RISK MANAGEMENT

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets errors and omissions; injuries to employees; and natural disasters. The District attempts to minimize risk from significant losses through the purchase of workers compensation insurance (includes contract workers) and a surety bond.

9. LITIGATION

There is no outstanding litigation June 30, 2024.

10. CUSTODIAL CREDIT RISK - DEPOSITS

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2024, \$392,729 of the District's bank balances are exposed to custodial credit risk. The \$142,729 is uninsured but collateralized with securities held by the pledging institution's trust department or agent, but not in the District's name.

11. RELATED PARTY TRANSACTIONS

For FYE June 30, 2024, board member, Kent Blades received \$74,025 as a reimbursement through the NRDA program.

12. CONTRACT WITH LAND TRUST FOR LOUISIANA

The District entered into a contract with Land Trust for Louisiana to provide a staff member who assists with the planning, implementation, and monitoring assistance for the Natural Resources Damage Assessment (NRDA) Dairy Project. In addition, the District will aid producers and landowners in the form of financial assistance to achieve measurable reductions in nutrient loading in surface water. The contract spans the federal fiscal years 2021 to 2024, with an end date of September 30, 2024.

The District's contract with Land Trust for Louisiana represented 91.58% of the receipts received by the District for the year ended June 30, 2024.

13. COMMITMENTS AND CONTINGENCIES

The District had no contracts or commitments open at June 30, 2024.

Tangipahoa-St. Helena Soil and Water
Conservation District
Notes to the Financial Statements
As of and for the Year Ended June 30, 2024

14. SUBSEQUENT EVENTS

On November 27, 2024, the District entered into a new agreement with Land Trust for Louisiana with an expiration date of September 30, 2025. The total amount of the agreement is for \$1,234,780.

Subsequent events have been evaluated by management through December 12, 2024, the date the financial statements were available for issuance. No other events were noted requiring recording or additional disclosure in the financial statements for the year ending June 30, 2024.

REQUIRED SUPPLEMENTAL INFORMATION

**TANGIPAHOA-ST. HELENA SOIL AND WATER
CONSERVATION DISTRICT**
Amite, Louisiana

**GOVERNMENTAL FUND - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual Amount	Variance Favorable (Unfavorable)
<u>Revenues</u>				
Land Trust for Louisiana	\$ 57,500	\$ 1,871,438	\$ 1,684,443	\$ (186,995)
Intergovernmental:				
Federal – farm bill	43,500	64,000	50,415	(13,585)
Federal - NRCS	88,850	58,650	57,470	(1,180)
State funds	40,000	42,800	42,822	22
Interest earnings	300	1,595	2,195	600
Other income	-	200	-	(200)
Rentals	300	400	800	400
 Total Revenues	 230,450	 2,039,083	 1,838,145	 (200,938)
<u>Expenditures</u>				
Conservation:				
Personnel services	191,855	184,600	191,770	(7,170)
Operating services	10,395	13,500	7,675	5,825
Area meeting and convention	1,365	2,000	1,988	12
Supplies	2,861	2,000	-	2,000
NRDA programs	-	1,787,600	1,582,185	205,415
Other programs	-	-	774	(774)
Travel	2,835	1,240	1,202	38
Capital Outlays	-	7,250	6,750	500
 Total Expenditures	 209,311	 1,998,190	 1,792,344	 205,846
 NET CHANGE IN FUND BALANCE	 21,139	 40,893	 45,801	 4,908
Fund Balance – beginning of year	179,440	142,728	142,728	-
Fund Balance – ending of year	\$ 200,579	\$ 183,621	\$ 188,529	\$ 4,908

See independent auditor's report.

OTHER SUPPLEMENTAL INFORMATION

TANGIPAHOA-ST. HELENA SOIL AND WATER
CONSERVATION DISTRICT
Amite, Louisiana

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD
For the Year Ended June 30, 2024

Agency Head: Patrick Klein, Chairman

<u>Purpose</u>	<u>Amount</u>
Contract Services	\$ 455
Mileage	<u>161</u>
	\$ <u>616</u>

See independent auditor's report.

**OTHER INDEPENDENT AUDITOR'S
REPORTS AND FINDINGS**

CHARLES P. HEBERT, CPA

CHRISTOPHER S. JOHNSON, CPA, MBA

ADAM C. HEBERT, CPA

MEMBER

American Institute of Certified Public Accountants

Society of Louisiana Certified Public Accountants



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A PROFESSIONAL ACCOUNTING CORPORATION

**Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Board of Supervisors
Tangipahoa-St. Helena Soil and Water
Conservation District
Amite, Louisiana

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the general fund, and the aggregate remaining fund information of the Tangipahoa-St. Helena Soil and Water Conservation District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Tangipahoa-St. Helena Soil and Water Conservation District's basic financial statements and have issued our report thereon dated December 12, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Tangipahoa-St. Helena Soil and Water Conservation District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Tangipahoa-St. Helena Soil and Water Conservation District's internal control. Accordingly, we do not express an opinion on the effectiveness of Tangipahoa-St. Helena Soil and Water Conservation 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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying Schedule of Current Year Findings, Recommendations, and Responses as item 2024-01 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Tangipahoa-St. Helena Soil and Water Conservation District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial 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*.

Tangipahoa-St. Helena Soil and Water Conservation District's Response to Findings

Tangipahoa-St. Helena Soil and Water Conservation District's response to the findings identified in our audit is described in the accompanying Schedule of Current Year Findings, Recommendations, and Responses. Tangipahoa-St. Helena Soil and Water Conservation District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

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

Chris Johnson

Hebert Johnson & Associates, Inc.
A Professional Accounting Corporation
Ponchatoula, Louisiana
December 12, 2024

**Tangipahoa-St. Helena Soil and Water
Conservation District
Greensburg, Louisiana**

**Schedule of Current Year Findings, Recommendations, and Responses
For the Year Ended June 30, 2024**

We have audited the basic financial statements of the Tangipahoa-St. Helena Soil and Water Conservation District as of and for the year ended June 30, 2024, and have issued our report thereon dated December 12, 2024. 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 audit of the financial statements as of June 30, 2024 resulted in an unmodified opinion.

Section I – Summary of Auditor’s Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness, No

Significant Deficiencies, Yes

Compliance

Compliance Material to Financial Statements, No

b. Federal Awards

Not Applicable

Was a management letter issued? No

Section II – Financial Statement Findings

Internal Control

2024-01 Inadequate Segregation of Duties

Criteria:

Proper segregation of incompatible duties requires that there be different individuals responsible for authorizing transactions, recording transactions, and maintaining custody of related assets.

**Tangipahoa-St.. Helena Soil and Water
Conservation District
Greensburg, Louisiana**

**Schedule of Current Year Findings, Recommendations, and Responses
For the Year Ended June 30, 2024**

Condition:

The District does not have adequate segregation of duties.

With all smaller entities, there will be limited personnel for recording receipts and disbursements and for reporting financial transactions. The District has implemented the following compensating controls:

- 1) Direct approval by the board for all key financial transactions.
- 2) Maintenance of detail registers to support all disbursements.
- 3) Monthly bank reconciliations by an outside accountant.
- 4) Approval and signing of checks by board members.

Cause:

Due to the size and nature of the District, there are few administrative employees and as such, some incompatible duties are not adequately segregated.

Effect:

Inadequate segregation of duties exposes the District to several risks, including, but not limited to misappropriation of assets and inaccurate or fraudulent financial reporting.

Recommendation:

The District must remain vigilant in identifying compensating controls and ensuring that those implemented are operating effectively. We recommend the District continue to perform its compensating controls. We also recommend the District implement the following additional compensating controls:

- A member of the board should review the monthly bank statements and cancelled checks for any fictitious vendors and unauthorized debits.
- Check signers should initial invoices to show approval of payment. Check signers should match the name and amount on the check to the invoice provided.

Management's Response:

Management acknowledges the condition as described above. Responsible Party, Patrick Klein (985) 748-8751.