

ALLEN PARISH MOSQUITO ABATEMENT DISTRICT
ANNUAL FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORTS
Year Ended December 31, 2022

*Royce T. Scimemi, CPA, APAC
Oberlin, LA*

ALLEN PARISH MOSQUITO ABATEMENT DISTRICT
FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2022

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Independent Auditors' Report

Board of Commissioners
Allen Parish Mosquito Abatement District
Oakdale, LA

June 20, 2023

Opinions

We have audited the accompanying financial statements of the governmental activities and the only fund of the Allen Parish Mosquito Abatement District (the District), a component unit of the Allen Parish Police Jury, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the only fund of the District as of December 31, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibility of Management for the Financial Statements

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

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

Independent Auditors' Report

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 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, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on page 25 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

Independent Auditors' Report
Board of Commissioners
Allen Parish Mosquito Abatement District
Oakdale, Louisiana
June 20, 2023
Page 3

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.

Management of the District 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 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 omitted information.

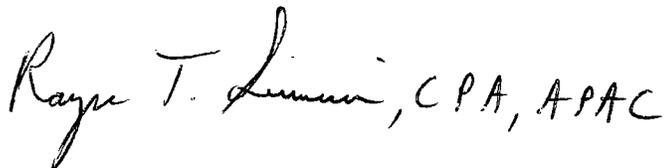
Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of compensation, benefits and other payments to chief executive officer is presented on pages 27 as other supplementary information (OSI) for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion this OSI is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 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 District's internal control over financial reporting and compliance.

Royce T. Scimemi, CPA, APAC



BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Allen Parish Mosquito Abatement District
Statement of Net Position
December 31, 2022

	Primary Government	
	Governmental Activities	
ASSETS		
<i>Current Assets</i>		
Cash	\$	120,921
Receivables - ad valorem		899,495
Investments		1,237,855
Total Current Assets		2,258,271
<i>Noncurrent Assets</i>		
Due from other governments		488,506
Utility deposit		300
Capital assets, net		215,733
Total Noncurrent Assets		704,539
Total Assets		2,962,810
 DEFERRED OUTFLOWS OF RESOURCES		
<i>Aggregated deferred outflows</i>		
Total Deferred Outflows of Resources		--
 LIABILITIES		
<i>Current Liabilities</i>		
Accounts payable		283
Total Current Liabilities		283
Total Liabilities		283
 DEFERRED INFLOWS OF RESOURCES		
<i>Aggregated deferred inflows</i>		
Total Deferred Inflows of Resources		--
 NET POSITION		
<i>Invested in capital assets, net of related debt</i>		215,733
<i>Unrestricted</i>		2,746,794
Total Net Position	\$	2,962,527

See accompanying notes.

**Allen Parish Mosquito Abatement District
Statement of Activities
For the Year Ended December 31, 2022**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government</u>
					<u>Governmental Activities</u>
Primary Government					
Governmental Activities:					
Mosquito abatement	\$ 734,255	\$ --	\$ --	\$ --	\$ (734,255)
Total Governmental Activities	<u>734,255</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(734,255)</u>
		General Revenues :			
					974,874
					20,400
					21,302
					<u>1,016,576</u>
					282,321
					2,680,206
					<u>\$ 2,962,527</u>

See accompanying notes.

FUND FINANCIAL STATEMENTS

**Allen Parish Mosquito Abatement District
Balance Sheet
Governmental Fund
December 31, 2022**

	General Fund
ASSETS	
Cash	\$ 120,921
Receivables - ad valorem	899,495
Investments	1,237,855
Due from other governments	488,506
Utility deposit	300
Total Assets	2,747,077
 DEFERRED OUTFLOWS OF RESOURCES	
Aggregated deferred outflows	--
Total Assets and Deferred Outflows of Resources	\$ 2,747,077
 LIABILITIES	
Accounts Payable	\$ 283
Total Liabilities	283
 DEFERRED INFLOWS OF RESOURCES	
Aggregated deferred inflows	--
Total Liabilities and Deferred Inflows of Resources	283
 FUND BALANCE	
Unassigned	2,746,794
Total Fund Balance	2,746,794
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 2,747,077

See accompanying notes.

Allen Parish Mosquito Abatement District
Reconciliation of Governmental Fund Balance Sheet to Statement of Net Position
December 31, 2022

Total Fund Balance - Governmental Fund	\$	2,746,794
Fixed assets are capitalized in the Statement of Net Position and depreciated in the Statement of Activities. These are expensed when acquired in the Statement of Revenues, Expenditures, and Changes in Fund Balance.		215,733
Total Net Position - Governmental Activities	\$	<u>2,962,527</u>

See accompanying notes.

Allen Parish Mosquito Abatement District
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
For the Year Ended December 31, 2022

	General Fund
Revenues	
Ad valorem taxes (net)	\$ 974,874
Rent income	20,400
Interest income	21,302
Total Revenues	1,016,576
 Expenditures	
Current:	
Advertising	960
Contract services	705,600
Insurance	4,798
Office expense	365
Professional fees	6,625
Repairs and maintenance	313
Secretary fees	4,200
Travel	1,104
Total Expenditures	723,965
 Net Change in Fund Balance	 292,611
 <i>Fund Balance at Beginning of Period</i>	 2,454,183
Fund Balance at End of Period	\$ 2,746,794

See accompanying notes.

Allen Parish Mosquito Abatement District
Reconciliation of Governmental Fund Statement of Revenues, Expenditures, and
Changes in Fund Balance to Statement of Activities
For the Year Ended December 31, 2022

Total Net Change in Fund Balance - Governmental Fund	\$ 292,611
Depreciation expense reflected in entity-wide statements, but not reflected in governmental fund statements.	(10,290)
Changes in Net Position - Governmental Activities	<u>\$ 282,321</u>

See accompanying notes.

ALLEN PARISH MOSQUITO ABATEMENT DISTRICT

Notes to the Basic Financial Statements December 31, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Allen Parish Mosquito Abatement District (District) was created by the Allen Parish Police Jury on June 17, 2002 as a political subdivision of the State of Louisiana under the provisions of Louisiana Revised Statutes 33:7721 et seq., for the purpose of abatement, control, eradication, and study of mosquitoes and other arthropods of public health importance and all activities incidental thereto for the people of Allen Parish. The District is governed by a board of five commissioners who are appointed by the Allen Parish Police Jury and are not compensated. The District encompasses all of Allen Parish and has approximately 25,000 citizens. As of December 31, 2022, the District has no employees. The District contracts with a private company to provide for mosquito control services.

The accounting and reporting policies of the District conform to generally accepted accounting principles (GAAP) as applied to governments. Such accounting and reporting procedures conform to the requirements of the industry audit guide, *Audits of State and Local Governments*. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict Governmental Accounting Standards Board (GASB) pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

1. Reporting Entity

GASB Statement 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Statement 14, the District includes all funds that are within its oversight responsibility.

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

GASB Statement 14 established criteria for determining which component units should be considered part of the Allen Parish Police Jury 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. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Allen Parish Police Jury to impose its will on that organization, and/or

ALLEN PARISH MOSQUITO ABATEMENT DISTRICT

Notes to the Basic Financial Statements December 31, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

- b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Allen Parish Police Jury.
2. Organizations for which the Allen Parish Police Jury does not appoint a voting majority but are fiscally dependent on the Allen Parish Police Jury.
3. Organizations for which the reporting entity financial statements could be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based upon the application of these criteria, the District is a component unit of the Allen Parish Police Jury's reporting entity. The District itself has no component units. These financial statements represent the financial position and activity of the District alone and not that of the Allen Parish Police Jury.

2. Basis of Presentation

The accompanying basic financial statements of the District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, with the exception of the presentation of management's discussion and analysis.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the District as a whole. They include all funds of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

The statement of activities presents a comparison between direct expenses and program revenues for each of the functions of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

Program revenues include (a) fees and charges paid by the recipients of services offered by the District and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, interest, and rents, are presented as general revenues.

ALLEN PARISH MOSQUITO ABATEMENT DISTRICT

Notes to the Basic Financial Statements December 31, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fund Financial Statements

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

3. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. On the government-wide statement of net position and statement of activities, the governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), and financial position. All assets and liabilities (whether current or non-current) associated with their activities are reported. Equity is classified as net position.

The amounts reflected in the governmental funds 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 current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the District operations.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied. In the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

The amounts reflected in the governmental funds use the modified accrual basis of accounting where 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 normally collected within 60 days after the fiscal year end.

Expenditures are recorded when the related fund liability is incurred, except for the interest and principal payments on long-term debt which are recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the

ALLEN PARISH MOSQUITO ABATEMENT DISTRICT

**Notes to the Basic Financial Statements
December 31, 2022**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

following practices in recording revenues and expenditures:

Revenues

The revenues susceptible to accrual are ad valorem taxes and grant income.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Capital expenditures are regarded as expenditures at the time purchased.

4. Cash

Cash includes amounts in demand deposits and time deposits with original maturities of 90 days or less. Custodial credit risk is the risk that, in the event of bank failure, the District’s deposits may not be returned. Under Louisiana law, the District may deposit funds in demand deposits and interest-bearing demand deposits. As of December 31, 2022, the District had cash and interest-bearing deposits (book balances) totaling \$120,921. 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 or exceed 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, 2022, the District has \$120,921 in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance.

5. Investments

Louisiana Revised Statute 33:2955 authorizes the District to invest in obligations of the U.S. Treasury, U.S. government agencies, or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having an office in Louisiana or any other federally insured investment. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation created pursuant to Article 7, Section 14(C) of the Louisiana Constitution and Local Services Law, LSA-R.S. 33:1321-1360 as a pooled investment program. At December 31, 2022, the District’s investments were as follows:

<u>Investment Type</u>	<u>% of Portfolio</u>	<u>Fair Value</u>	<u>Less Than One Year</u>	<u>One-Five Years</u>
Governmental Activities:				
Louisiana Asset Management Pool (LAMP)	<u>100%</u>	<u>\$1,237,855</u>	<u>\$1,237,855</u>	<u>\$ -</u>

The District participates in the Louisiana Asset Management Pool (LAMP). LAMP is an investment pool established as a cooperative endeavor to enable public entities of the State of Louisiana to aggregate funds for investment. The LAMP portfolio includes only securities and other obligation in which local governments in Louisiana are authorized to invest in

ALLEN PARISH MOSQUITO ABATEMENT DISTRICT

Notes to the Basic Financial Statements December 31, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

accordance with LA-R.S. 33:2955. LAMP is not registered with the Securities and Exchange Commission (SEC) as an investment company. LAMP is intended to improve administrative efficiency and increase yield of participating public entities. The objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. LAMP's portfolio securities are valued at market value even though the amortized cost method is permitted by Rule 2a-7 of the Investment Company Act of 1940, as amended, which governs registered money market funds. Because LAMP is not a money market fund, it has no obligation to conform to this rule.

The fair value of investments is determined on a weekly basis by LAMP, and the fair value of the District's investment in LAMP is the same as the value of the pool shares. LAMP's separately issued financial statements can be obtained by visiting their website at www.lamppool.com, by telephone at (504) 525-5267, or by mail at 650 Poydras Street, Suite 2220, New Orleans, LA 70130.

Credit Risk– Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. LAMP has been assigned a fund rating of AAAM by Standard & Poor's.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of the failure of a counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District requires all investments to be in the District's name and all ownership securities to be evidenced by an acceptable safekeeping receipt issued by a third-party financial institution which is acceptable to the District. LAMP participants' investments in the pool are evidenced by shares of the pool. The investment in LAMP is not exposed to custodial credit risk and is not categorized in the three categories provided by GASB Codification Section I50.I64 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

Concentration of Credit Risk – Pooled investments are excluded from the five percent (5%) disclosure requirements.

Interest Rate Risk – LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments.

Foreign currency risk – Not applicable.

6. Budgets

A budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. On or before the last meeting of each year, the budget is prepared by function and activity, with consideration being given to information on the past year and current year estimates.

ALLEN PARISH MOSQUITO ABATEMENT DISTRICT

**Notes to the Basic Financial Statements
December 31, 2022**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

The proposed budget is presented to the District’s board of commissioners for review. The board holds a public hearing and may add to, subtract from, or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated.

7. Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair value at the date of donation. The District maintains a threshold level of \$500 or more for capitalizing capital assets.

Capital assets are recorded in the statement of net position. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets are depreciated using the straight-line method over the following useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Equipment	7 Years
Furniture & fixtures	7 Years
Buildings	40 Years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

8. Encumbrance Accounting

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of moneys are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District as an extension of formal budgetary integration in the funds.

9. Equity Classification

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

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

ALLEN PARISH MOSQUITO ABATEMENT DISTRICT

Notes to the Basic Financial Statements December 31, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

- c. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the District’s policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

In the fund statements, governmental fund equity is classified as fund balance and is further classified follows:

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulation of other governments.
- c. Committed – amounts that can be used for specific purposes determined by a formal action of the Board. The Board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions approved by the Board.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Board’s adopted policy, only board members may assign amounts for specific purposes.
- e. Unassigned – all other spendable amounts.

In governmental funds, the District policy is to use restricted fund balances first, followed by committed and then assigned, as appropriate opportunities arise, but the right is reserved to selectively spend unassigned resources and to defer the use of these other classified funds. All fund balances are currently unassigned.

10. Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

ALLEN PARISH MOSQUITO ABATEMENT DISTRICT

**Notes to the Basic Financial Statements
December 31, 2022**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

11. Long-Term Debts

All long-term debts to be repaid from governmental resources are reported as liabilities in the government-wide statements, if any.

Long-term debts for governmental funds, if any, are not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

12. Subsequent Events

Management has evaluated subsequent events through June 20, 2023, the date the financial statements were available to be issued.

NOTE B – AD VALOREM TAXES

For the year ended December 31, 2022, taxes were levied on taxable assessed valuations of \$129,042,341 at a millage of 8. In an election to renew the millage on April 24, 2021, the District voters approved a property tax renewal of 8 mills for the next 10 years ended December 31, 2031. Property tax millage rates are adopted in July for the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before November 15th of the current year and become delinquent after December 31st. Property taxes not paid by the end of February are subject to lien.

Total taxes levied were \$1,032,339. Total taxes collected were \$695,406.

NOTE C - CAPITAL ASSETS

A summary of changes in capital assets follows:

	12/31/21 <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	12/31/22 <u>Balance</u>
Governmental activities:				
Depreciable capital assets:				
Equipment	\$ 6,640	\$ -	\$ -	\$ 6,640
Furniture & fixtures	1,764	-	-	1,764
Building	<u>377,896</u>	-	-	<u>377,896</u>
Total	386,300	-	-	386,300
Less: Accumulated Depreciation				
Equipment	2,637	843	-	3,480
Furniture & fixtures	1,764	-	-	1,764
Buildings	<u>155,876</u>	<u>9,447</u>	-	<u>165,323</u>
Total	<u>160,277</u>	<u>10,290</u>	-	<u>170,567</u>
Net capital assets	\$ <u>226,023</u>	\$ <u>(10,290)</u>	\$ <u>-</u>	\$ <u>215,733</u>

ALLEN PARISH MOSQUITO ABATEMENT DISTRICT

Notes to the Basic Financial Statements December 31, 2022

Depreciation expense in the amount of \$10,290 was charged to mosquito abatement.

NOTE D – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to affiliates; and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE E – COMMITMENTS

The District has one major outstanding contract for professional and contract services with RKS, LLC that expires on December 31, 2027. RKS, LLC provides control of the mosquito population in Allen Parish. The District entered into a new contract with RKS, LLC for a 5 year period beginning January 1, 2022. Payments totaling \$705,600 per year will be required under the new contract. RKS, LLC also rents the building owned by the District. Payments of \$20,400 in rent income were received from RKS, LLC during the year.

NOTE F – TAX ABATEMENTS

Louisiana's State Constitution Article VII, Section 21 authorized the State Board of Commerce and Industry to create a ten (10) year ad valorem tax abatement program for new manufacturing establishments in the State. Under the terms of this program, qualified businesses may apply for an exemption of local ad valorem taxes on capital improvements and equipment relating to manufacturing for the first ten years of its operation; after which the property will be added to the local tax roll and taxed at the value and millages in force at the time. The future value of this exempt property could be subject to significant fluctuation from today's value; however, the District could receive a substantial increase in ad valorem tax revenues once the exemption on this property expires. All applicable agreements have been entered into by the Allen Parish Police Jury and directly affect the District's ad valorem assessments. Because these taxes are not assessed or due, no adjustments have been made to the District's financial statements to record a receivable. As of December 31, 2022, \$3,765,330 of assessed property in the District's taxing jurisdiction is receiving this exemption, which amounts to \$30,123 in ad valorem taxes.

NOTE G – DUE FROM OTHER GOVERNMENTS

The District incurred significant aerial spraying costs after Hurricane Laura during the fiscal year ended December 31, 2020. As of the date of this report, the District has applied for but has not received \$488,506 in assistance from the Federal Emergency Management Agency (FEMA) to assist with that cost. This receivable is reflected in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Allen Parish Mosquito Abatement District
Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
General Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable
				(Unfavorable)
Revenues				Final to Actual
Ad valorem taxes, net	\$ 675,000	\$ 675,000	\$ 974,874	\$ 299,874
Rent income	20,400	20,400	20,400	--
Interest income	15,000	15,000	21,302	6,302
Total Revenues	710,400	710,400	1,016,576	306,176
Expenditures				
Current:				
Advertising	2,000	2,000	960	1,040
Bank charges	200	200	--	200
Contract services	705,600	705,600	705,600	--
Insurance	5,000	5,000	4,798	202
Office expense	500	500	365	135
Professional fees	5,500	5,500	6,625	(1,125)
Repairs and maintenance	2,500	2,500	313	2,187
Secretary fees	5,000	5,000	4,200	800
Travel	2,000	2,000	1,104	896
Capital Outlay	10,000	10,000	--	10,000
Total Expenditures	738,300	738,300	723,965	14,335
Net Change in Fund Balance	(27,900)	(27,900)	292,611	320,511
<i>Fund Balance at Beginning of Period</i>	2,454,183	2,454,183	2,454,183	--
Fund Balance at End of Period	\$ 2,426,283	\$ 2,426,283	\$ 2,746,794	\$ 320,511

See accompanying notes.

OTHER SUPPLEMENTARY INFORMATION

ALLEN PARISH MOSQUITO ABATEMENT DISTRICT
Schedule of Compensation, Benefits and Other Payments to
Chief Executive Officer

Year Ended December 31, 2022

Chief Executive Officer: Charles Harrison, President of the Board

<u>Purpose</u>	<u>Amount</u>
Salary	\$ -0-
Benefits-insurance	-0-
Benefits-retirement	-0-
Benefits-cell phone	-0-
Car allowance	-0-
Vehicle provided by government	-0-
Per diem	-0-
Reimbursements	-0-
Travel	340
Registration fees	-0-
Conference travel	-0-
Continuing professional education fees	-0-
Housing	-0-
Unvouchered expenses	-0-
Special meals	-0-

As provided by Louisiana Revised Statutes 33:7723, the board members shall serve without compensation, but the members shall be reimbursed for reasonable expenses incurred in connection with their official duties. For the year ended December 31, 2022, the board members were reimbursed a total of \$959 using the federal standard mileage rates.

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

June 20, 2023

Board of Commissioners
Allen Parish Mosquito Abatement District
Oakdale, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the only fund of the Allen Parish Mosquito Abatement District (the "District"), a component unit of the Allen Parish Police Jury, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 20, 2023.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify one deficiency in internal control, described in the accompanying schedule of findings and questioned costs, that we consider to be a significant deficiency. This deficiency is identified as finding 2022-1 I/C.

Compliance and Other Matters

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

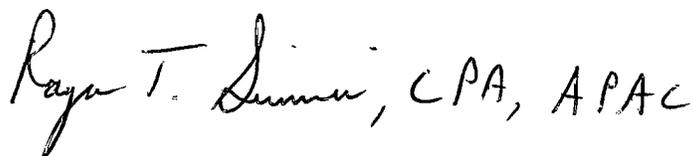
Allen Parish Mosquito Abatement District's Response to Findings

Governmental Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying management's corrective action plan on page 31. The 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 of management and use of the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Royce T. Scimemi, CPA, APAC



ALLEN PARISH MOSQUITO ABATEMENT DISTRICT

Schedule of Findings and Responses

Year Ended December 31, 2022

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unqualified

Internal control over financial reporting:

- Material weaknesses identified? yes no
- Significant deficiencies identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Findings – Financial Statement Audit

Finding #2022-1 I/C:

Significant deficiency

Inadequate Segregation of Duties

Because of the lack of a large staff, more specifically accounting personnel, there is insufficient segregation of duties necessary for proper controls. We do note that this situation is inherent in most entities of this type and is difficult to resolve due to the funding limitations of the District. We recommend that the board take an active interest in the review of all of the financial information. This was also a prior year finding.

Federal Award Findings and Questioned Costs

None

ALLEN PARISH MOSQUITO ABATEMENT DISTRICT

**Management's Corrective Action Plan for
Current Year Audit Findings (Unaudited)**

Year Ended December 31, 2022

Internal Control and Compliance Material to the Financial Statements

2022-1 I/C Segregation of Duties:

This is an ongoing finding that cannot be corrected due to lack of financial resources and the size of the entity.

Contact Person: Charles Harrison, President

ALLEN PARISH MOSQUITO ABATEMENT DISTRICT
Summary Schedule of Prior Year Audit Findings (Unaudited)
Year Ended December 31, 2022

2021-1 I/C Segregation of Duties:

Corrective Action Taken: This is an ongoing finding that cannot be corrected due to lack of financial resources and the size of the entity.

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Louisiana Legislative Auditor and
Board of Commissioners
Allen Parish Mosquito Abatement District
Oakdale, Louisiana 71463

June 20, 2023

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2022 through December 31, 2022. The Allen Parish Mosquito Abatement District's (District) management is responsible for those C/C areas identified in the SAUPs.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2022 through December 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1. *Written Policies and Procedures*

A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

No exceptions were found as a result of this procedure.

- ii. **Purchasing**, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.

No exceptions were found as a result of this procedure.

- iii. **Disbursements**, including processing, reviewing, and approving.

No exceptions were found as a result of this procedure.

- iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

No exceptions were found as a result of this procedure.

- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

N/A – The District has no employees or payroll.

- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

No exceptions were found as a result of this procedure.

- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

No exceptions were found as a result of this procedure.

- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

N/A – The District has no credit, debit, or fuel cards.

- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

No exceptions were found as a result of this procedure.

- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

No exceptions were found as a result of this procedure.

- xi. Information Technology Disaster Recovery/Business Continuity*, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

No exceptions were found as a result of this procedure.

- xii. Prevention of Sexual Harassment*, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

No exceptions were found as a result of this procedure.

2. Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and

- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

The minutes reflected that the managing board met monthly in accordance with enabling legislation. No exceptions were found as a result of this procedure.

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

Monthly income statements and bank reconciliations were provided to the board by handout. However, there were no references made to any monthly budget-to-actual comparisons (Exception).

Management Corrective Action: Budget-to-actual comparisons for the general fund will be reviewed and referenced in the minutes monthly.

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

The general fund had a positive ending unassigned fund balance at the prior year-end and no discussion was required. No exceptions were found as a result of this procedure.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

There were no prior year findings other than segregation of duties. No corrective action plan was deemed necessary.

3. Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

The listing was provided by management. All reconciliations were posted within the two-month time frame as applicable. No exceptions were found as a result of this procedure.

- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

The secretary, who does handle cash, is involved in most transactions associated with all bank accounts including issuing checks, reconciling the bank accounts, and posting activity to the general ledger. However, there was documentary evidence in the month tested that a member of management/board member who does not handle cash, post ledgers, or issue checks had reviewed the reconciliations. No exceptions were found as a result of this procedure.

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

There were no checks outstanding for more than 12 months. No exceptions were found as a result of this procedure.

4. Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

The listing was obtained from management. No exceptions were found as a result of this procedure.

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that
- i. Employees responsible for cash collections do not share cash drawers/registers;
There are no cash drawer collection sites. The only collections come in the form of a check. No exceptions were found as a result of this procedure.
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
One person is responsible for collecting checks and preparing and making bank deposits without another official responsible for reconciling (Exception).
Management Corrective Action: Due to the size of the entity and staff, no changes will be made to the existing internal controls.
 - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
One person is responsible for the collection of checks, depositing checks, and posting to the general ledger (Exception).
Management Corrective Action: Due to the size of the entity and staff, not changes will be made to the existing internal controls.
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
One person is responsible for reconciling cash collections to the general ledger by revenue source. However, the board does review the reconciliation during each meeting and verifies with initials on the reconciliation. No exceptions were found as a result of this procedure.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
No exceptions were found as a result of this procedure.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates

randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- i. Observe that receipts are sequentially pre-numbered.

No receipts are created for checks received in the mail and there is no requirement to sequentially pre-number this documentation. No exceptions were found as a result of this procedure.

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

No receipts are created for checks received in the mail. No exceptions were found as a result of this procedure.

- iii. Trace the deposit slip total to the actual deposit per the bank statement.

The deposit slip totals on the tested deposits were traced back to the bank statement deposits. No exceptions were found as a result of this procedure.

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

The tested collections were not deposited within one day of receipt (Exception).

Management Corrective Action: Due to the size of the entity and staff, no changes will be made to the existing internal controls.

- v. Trace the actual deposit per the bank statement to the general ledger.

The tested deposits were traced to the general ledger. No exceptions were found as a result of this procedure.

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

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

The listing was provided by management. No exceptions were found as a result of this procedure.

- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

The District has no employees. The secretary is the primary responsible party for initiating purchases, placing orders, and recording purchases (Exception), but does not have signature authority. There was no documentation as to who initiated transactions and there were no purchase requests in place (Exception). The transactions were approved by the board prior to checks being written.

Management Corrective Action: Due to the size of the entity and staff, no changes will be made to the existing internal controls.

- ii. At least two employees are involved in processing and approving payments to vendors;
Two designated board members are involved in approving payments to vendors by signing checks. No exceptions were found as a result of this procedure.

- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

The secretary is the primary responsible party who processes payments and adds vendor files to the District's system. However, a board member periodically reviews changes to the vendor files. No exceptions were found as a result of this procedure.

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
Certain authorized board members sign the checks. The secretary then takes the checks to be mailed in most cases (Exception).

Management Corrective Action: Due to the size of the entity and staff, no changes will be made to the existing internal controls.

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

There were no electronic disbursements made by the District during the fiscal year. No exceptions were found as a result of this procedure.

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

- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and

Management provided the transaction population. No exceptions were found as a result of this procedure.

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

All disbursements matched the original itemized invoices and supporting documentation. No exceptions were found as a result of this procedure.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

There is no evidence of segregation of duties between the person(s) involved in the purchase process during the purchase initiation through the invoice payment (Exception). There is a compensating control in that the checks require two board member's signatures to process payment.

Management Corrective Action: Due to the size of the entity and staff, no changes will be made to the existing internal controls.

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

There were no electronic disbursements made during the fiscal year. No exceptions were found as a result of this procedure.

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

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

The District does not utilize any credit cards, bank debit cards, fuel cards or other payment cards. No exceptions were found as a result of this procedure.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

The District does not utilize any credit cards, bank debit cards, fuel cards or other payment cards. No exceptions were found as a result of this procedure.

- ii. Observe that finance charges and late fees were not assessed on the selected statements.
The District does not utilize any credit cards, bank debit cards, fuel cards or other payment cards. No exceptions were found as a result of this procedure.

- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

The District does not utilize any credit cards, bank debit cards, fuel cards or other payment cards. No exceptions were found as a result of this procedure.

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

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);

Board members were reimbursed mileage at the standard GSA rate of \$0.585/mile from January – June 2022 and \$0.625/mile from July – December 2022. No exceptions were found as a result of this procedure.

- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

No actual costs were reimbursed. No exceptions were found as a result of this procedure.

- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

Each reimbursement was for mileage and per diem allowances for travel to and attendance at the meetings. No exceptions were found as a result of this procedure.

- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Each reimbursement was approved in the form of two authorizing signatures on the checks written that was by someone else other than the person receiving the reimbursement. No exceptions were found as a result of this procedure.

8. *Contracts*

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

There were no contracts bid in the current fiscal year that were required to comply with the Louisiana Public Bid Law. No exceptions were found as a result of this procedure.

- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);

There were no new contracts entered into that required approval by the governing board. No exceptions were found as a result of this procedure.

- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

No amendments or changes were made to any contracts that were approved during the fiscal year. No exceptions were found as a result of this procedure.

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

All payments matched supporting invoices and contract terms. No exceptions were found as a result of this procedure.

9. Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

The District has no employees. No exceptions were found as a result of this procedure.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

The District has no employees. No exceptions were found as a result of this procedure.

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

The District has no employees. No exceptions were found as a result of this procedure.

- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

The District has no employees. No exceptions were found as a result of this procedure.

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

The District has no employees. No exceptions were found as a result of this procedure.

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

The District has no employees. No exceptions were found as a result of this procedure.

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

The District has no employees. No exceptions were found as a result of this procedure.

10. Ethics

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

The District has no employees. However, the 5 board members were tested for compliance. Of the five board members tested, all have completed the one-hour required training during the fiscal year. No exceptions were found as a result of this procedure.

- ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

No changes to the ethic policies were made during the fiscal year. No exceptions were found as a result of this procedure.

B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

There has not been an appointed ethics designee (Exception).

Managements Corrective Action: The Board will appoint an ethics designee to oversee the ethics policy and requirements.

11. Debt Service

A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

No debt was issued during the fiscal period. No exceptions were found as a result of this procedure.

B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

There were no bonds/notes outstanding at the end of this fiscal period. No exceptions were found as a result of this procedure.

12. Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

There was no misappropriation of public funds noted during the fiscal period. No exceptions were found as a result of this procedure.

- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

The District had the required notice posted in a conspicuous place upon its premises and it does not maintain a website. No exceptions were found as a result of this procedure.

13. Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

We have performed the procedure and discussed the results with management.

- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We have performed the procedure and discussed the results with management.

- iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We have performed the procedure and discussed the results with management.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

The District has no employees. No exceptions were found as a result of this procedure.

14. Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

The District has no employees. However, the five board members were tested for compliance. Two of the board members tested completed the one-hour of sexual harassment training required during the fiscal year (Exception).

Management Corrective Action: The District will require all board members to supply documentation demonstrating compliance with the sexual harassment training each year in the future.

- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

The District did not have the sexual harassment policy or complaint procedure posted on the premises and they do not maintain a website (Exception).

Management Corrective Action: The District will post on its premises a copy of the sexual harassment policy and complaint procedures.

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

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

The District did not prepare its annual sexual harassment report for the fiscal year (Exception).

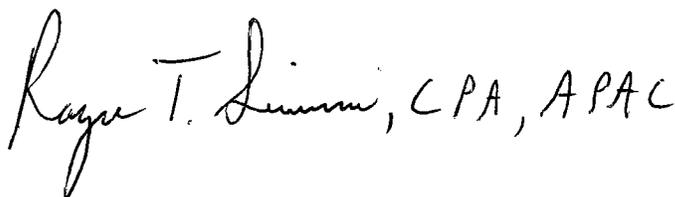
Management Corrective Action: The District will require the secretary to prepare the annual sexual harassment report including the items delineated in i) through v) above for each future year.

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

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

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

Royce T. Scimemi, CPA, APAC
Oberlin, LA

A handwritten signature in black ink that reads "Royce T. Scimemi, CPA, APAC". The signature is written in a cursive style with a large initial 'R'.