

**Tangipahoa Mosquito Abatement District
Number One
Of the Parish of Tangipahoa
Hammond, Louisiana**

Annual Financial Statements

**As of and for the Year Then Ended December 31, 2010
With Supplemental Information Schedules**

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

Release Date 7/27/11

Tangipahoa Mosquito Abatement District Number One

**Annual Financial Statements
As of and for the Year Ended December 31, 2010
With Supplemental Information Schedules**

TABLE OF CONTENTS

	Statement	Page
Independent Auditor's Report		5
Required Supplemental Information (Part I):		
Management's Discussion and Analysis.....		8
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Assets.....	A	15
Statement of Activities	B	16
Fund Financial Statements:		
Governmental Funds Financial Statements:		
Balance Sheet, Governmental Funds	C	18
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Financial Statement of Net Assets	D	19
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	E	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	F	21
Notes to the Financial Statements		23

Tangipahoa Mosquito Abatement District Number One

**Annual Financial Statements
As of and for the Year Ended December 31, 2010
With Supplemental Information Schedules**

TABLE OF CONTENTS

	Schedule	Page
Required Supplemental Information (Part II):		
Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - General Fund.....	1	36
 Other Supplemental Schedules:		
Schedule of Compensation Paid to Board Members.....	2	38
Summary Schedule of Prior Audit Findings.....	3	39
Corrective Action Plan for Current Year Audit Findings.....	4	40
Report on Compliance and On Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....		41

This Page Intentionally Left Blank

Bruce C. Harrell, CPA

Dale H. Jones, CPA
Eric J. Rodrigue, CPA
Kristi U. Bergeron, CPA
Michael P. Estay, CPA

INTERNET
www.teamcpa.com

MEMBERS
American Institute of CPAs
Society of Louisiana CPAs



BRUCE HARRELL
and COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
A Professional Accounting Corporation

109 West Minnesota Park
Park Place Suite 7
Hammond, LA 70403
VOICE: (985) 542-6372
FAX: (985) 345-3156

KENTWOOD OFFICE
P.O. Box 45 - 909 Avenue G
Kentwood, LA 70444
VOICE: (985) 229-5955
FAX: (985) 229-5951

Independent Auditor's Report

To the Board of Commissioners
Tangipahoa Mosquito Abatement District Number One
Tangipahoa Parish
Hammond, Louisiana 70404

We have audited the accompanying financial statements of the governmental activities and the major fund of the Tangipahoa Mosquito Abatement District Number One of the Parish of Tangipahoa, Louisiana as of and for the year ended December 31, 2010, as listed in the table of contents. These basic financial statements are the responsibility of Tangipahoa Mosquito Abatement District Number One's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of Tangipahoa Mosquito Abatement District Number One, as of December 31, 2010, and the respective changes in the financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 8, 2011, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be read in conjunction with this report in considering the results of our audit.

BRUCE HARRELL & CO.
CERTIFIED PUBLIC ACCOUNTANTS
A Professional Accounting Corporation

To the Board of Commissioners
Tangipahoa Mosquito Abatement District Number One
Page 2

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions of the financial statements that collectively comprise the District's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements of the District. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation the basic financial statements taken as a whole.



Bruce Harrell & Company, CPAs
A Professional Accounting Corporation

June 30, 2011

Required Supplemental Information (Part I)
Management's Discussion and Analysis

Tangipahoa Mosquito Abatement District Number One

Management's Discussion and Analysis As of and for the Year Ended December 31, 2010

Introduction

Tangipahoa Mosquito Abatement District Number One of the Parish of Tangipahoa (the "District") is pleased to present its Annual Financial Report developed in compliance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – For State and Local Governments* (GASB 34), and related standards.

The District's management discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the District's financial activity, (c) identify changes in the District's financial position, (d) identify any significant variations from the District's financial plan, and (e) identify individual fund issues or concerns.

As with other sections of this financial report, the information contained within this Management's Discussion and Analysis should be considered only a part of a greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and the other Required Supplemental Information ("RSI") that is provided in addition to this Management's Discussion and Analysis.

Financial Highlights

- At December 31, 2010, the District's assets of \$4,659,143 exceeded its liabilities by \$4,441,750 (net assets). The District's unrestricted net assets of \$3,091,204 may be used to meet the District's ongoing obligations for mosquito protection.
- For the year ended December 31, 2010, the District's total net assets increased by \$533,480.
- At December 31, 2010, the District's government fund reported an ending fund balance of \$2,939,844 which represents an increase of \$423,197 for the year. Of this amount, one hundred percent is available for spending for mosquito protection.
- Ad valorem taxes increased by \$95,102 from \$1,834,502 for the prior fiscal year to \$1,929,604 for the year ended December 31, 2010.
- Interest income for the year ended December 31, 2010 was \$3,867, a decrease of \$2,912. This decrease is primarily due to lower interest rates on invested funds.
- Total liabilities for the fiscal year ending December 31, 2010 increased by \$38,109 or approximately twenty one percent due primarily to an increase in accounts payable and annual leave.

Overview of the Annual Financial Report

The financial statement focus is on both the District as a whole and on the major individual fund. Both perspectives, government-wide and major fund, allow the user to address relevant questions, broaden a basis for comparison, and enhance the District's accountability. The statements then proceed to provide an increasingly detailed look at specific financial activities.

Tangipahoa Mosquito Abatement District Number One

Management's Discussion and Analysis As of and for the Year Ended December 31, 2010

The MD&A is intended to serve as an introduction to the District's basic financial statements, which consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business.

Governmental activities, which are supported by ad valorem taxes and other miscellaneous revenue, are presented for the primary government. If the District determines that presentation of a component unit (which are other governmental units for which the District can exercise significant influences or for which the Primary Government financial statements would be misleading if component unit information is not presented) is necessary to allow the reader to determine the relationship of the component unit and primary government, the component unit information is presented in a separate column of the financial statements or in a separate footnote. For the current fiscal year, the Tangipahoa Mosquito Abatement District Number One has no component units.

The Statement of Net Assets presents information on the District's assets and liabilities using the accrual basis of accounting, in a manner similar to the accounting used by private business enterprises. The difference between the assets and liabilities is reported as net assets. Over time, the increases or decreases in net assets and changes in the components of net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net assets changed during the most recent fiscal year, focusing on both the gross and net costs of various activities that are supported by the District's various revenues. This is intended to summarize and simplify the reader's analysis of the cost and/or subsidy of various governmental services.

In both the Government-Wide Financial Statements, the District's activities are of a single type:

- Governmental activities- The District's basic services are reported here, and are financed primarily through ad valorem taxes.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. The District uses a single category of funds to account for financial transactions: governmental funds. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar.

Governmental funds are used to account for most of the District's basic services. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances that are left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps

Tangipahoa Mosquito Abatement District Number One

**Management's Discussion and Analysis
As of and for the Year Ended December 31, 2010**

to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, there are differences in the information presented for government funds and for governmental activities in the government-wide financial statements. Review of these differences provides the reader of the financial statements insight on the long-term impact of the District's more immediate decisions on the current use of financial resources. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Notes to the Financial Statements

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

Government-Wide Financial Analysis

As stated earlier, net assets may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the District's net assets for the current year as compared to the prior year. For more detailed information, see the Statement of Net Assets in this report.

**Net Assets
2010 and 2009**

	Governmental Activities	
	2010	2009
		(Restated)
Assets:		
Current and Other Assets	\$ 3,308,597	\$ 2,846,817
Capital Assets	1,350,546	1,240,737
Total Assets	<u>4,659,143</u>	<u>4,087,554</u>
Liabilities:		
Long-Term Debt Outstanding	-	-
Other Liabilities	217,393	179,284
Total Liabilities	<u>217,393</u>	<u>179,284</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	1,350,546	1,240,737
Unrestricted	3,091,204	2,667,533
Total Net Assets	<u>\$ 4,441,750</u>	<u>\$ 3,908,270</u>

Approximately 30 percent of the District's net assets reflect its investment in capital assets (furniture, equipment and building) net of any outstanding related debt used to acquire those capital assets. These capital assets are used to provide services to citizens and do not represent resources available for future spending.

Approximately 70 percent of the District's net assets are unrestricted and may be used to meet the District's ongoing obligations to its citizens. At the end of the current fiscal year, the District was able to report positive balances in its sole category of net assets, governmental activities. The same held true for the prior fiscal year.

Tangipahoa Mosquito Abatement District Number One

Management's Discussion and Analysis As of and for the Year Ended December 31, 2010

In order to further understand what makes up the changes in net assets, the following table provides a summary of the results of the District's activities for the current year as compared to the prior year. An analysis of the primary sources of these changes follows the table. For more information see the Statement of Activities included in this report.

Changes in Net Assets For the years ended December 31, 2010 and 2009

	Governmental Activities		Variance	
	2010	2009 (Restated)		
Revenues:				
General Revenues:				
Property Taxes	\$ 1,929,604	\$ 1,834,502	95,102	5%
Intergovernmental	-	231,396	(231,396)	-100%
Interest Income	3,867	6,779	(2,912)	-43%
Miscellaneous	14,433	4,510	9,923	220%
Total Revenues	<u>1,947,904</u>	<u>2,077,187</u>	(129,283)	-6%
Expenses:				
Mosquito Abatement	1,414,424	1,418,904	(4,480)	-0.3%
Total Expenses	<u>1,414,424</u>	<u>1,418,904</u>	(4,480)	-0.3%
Change in Net Assets	533,480	658,283	(124,803)	-19%
Net Assets, Beginning	3,908,270	3,249,987	658,283	20%
Net Assets, Ending	<u>\$ 4,441,750</u>	<u>\$ 3,908,270</u>	533,480	14%

Governmental Activities

The District's governmental net assets increased by \$533,480 or fourteen percent of the prior year ending net assets, to \$4,441,750.

Changes in net assets decreased by \$124,803 compared to the prior year. Revenues decreased by \$129,283 and expenses decreased by \$4,480 causing the net increase in changes in net assets. The decrease in revenues noted above is primarily comprised of the decrease in grant income. The decrease in expenses was minimal, but driven by decreases in chemical expenses of \$120,291.

Tangipahoa Mosquito Abatement District Number One

Management's Discussion and Analysis As of and for the Year Ended December 31, 2010

Fund Financial Analysis

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the year. The basic governmental fund financial statements are included in this report.

At the end of the current year, the District's single governmental fund reported an ending fund balance of \$2,939,844. This represents an increase of \$423,197, or seventeen percent of the prior year's ending balances.

Major Governmental Fund Budgetary Highlights

Tangipahoa Mosquito Abatement District Number One adopts an annual operating budget in accordance with requirements of the Local Government Budget Act. As required by state law, actual revenues and other sources were within five percent of budgeted revenues and actual expenditures did not exceed budgeted expenditures by five percent. The budget provides an estimate for the current fiscal year of the proposed expenditures and the revenues that will finance the operation of the District. An amended budget was proposed and adopted as required by the Local Government Budget Act, for the year ended December 31, 2010. Schedule 1 detailing budget compliance is included as Required Supplementary Information, following the footnotes of the financial statements.

Tangipahoa Mosquito Abatement District Number One

**Management's Discussion and Analysis
As of and for the Year Ended December 31, 2010**

Capital Assets and Debt Administration

Capital Assets

The District's investment in capital assets for its governmental activities (net of depreciation) as of December 31, 2010 and December 31, 2009 respectively amounted to \$1,350,546 and \$1,240,737. Asset purchases in 2010 and 2009 respectively were \$304,326 and \$391,645.

The following table provides a summary of the District's capital assets (net of depreciation) at the end of the current year as compared to the prior year. For more detailed information, see Note 7 to the financial statements in this report.

**Capital Assets (Net of Depreciation)
2010 and 2009**

	Governmental Activities	
	2010	2009
Capital Assets		
Building	\$ 952,023	\$ 749,705
Equipment	962,979	912,560
Furniture	168,451	161,371
Subtotal Capital Assets	2,083,453	1,823,636
Less: Accumulated Depreciation	(732,907)	(582,899)
Capital Assets, Net	\$ 1,350,546	\$ 1,240,737

Long-Term Debt

At December 31, 2010, the District had no long-term debt outstanding.

Contacting the District's Financial Management

This financial report is designed to provide the District's users with a general overview of the District's finances and show the District's accountability for the money it receives. Questions regarding this report or requests for additional information should be addressed to Tangipahoa Mosquito Abatement District Number One of the Parish of Tangipahoa, 15483 Club Deluxe Road, Hammond, Louisiana 70403. The District's telephone number is (985) 543-0454.

Basic Financial Statements
Government-Wide Financial Statements

Statement A
Tangipahoa Mosquito Abatement District Number One
Statement of Net Assets
As of December 31, 2010

	<u>Governmental Activities</u>
Assets	
Current Assets:	
Cash and Cash Equivalents	\$ 1,118,961
Receivables, Net:	
Ad Valorem Taxes	1,926,024
Federal Emergency Management Agency Assistance	2,136
Inventory	220,601
Prepaid Insurance	40,875
Total Current Assets	<u>3,308,597</u>
Capital Assets:	
Capital Assets, Net	1,350,546
Total Capital Assets	<u>1,350,546</u>
Total Assets	<u>4,659,143</u>
Liabilities	
Current Liabilities:	
Accounts Payable	29,638
Other Accrued Payables	187,755
Total Current Liabilities	<u>217,393</u>
Total Liabilities	<u>217,393</u>
Net Assets	
Invested in Capital Assets	1,350,546
Unrestricted	3,091,204
Total Net Assets	<u>\$ 4,441,750</u>

The accompanying notes are an integral part of this statement.

Statement B

Tangipahoa Mosquito Abatement District Number One
Statement of Activities
For the year ended December 31, 2010

	<u>Program Revenues</u>		<u>Net (Expenses)</u>	<u>Net (Expenses)</u> <u>Revenues and</u> <u>Changes</u>
	<u>Expenses</u>	<u>Charges for</u> <u>Services</u>	<u>Revenues</u>	<u>Governmental</u> <u>Activities</u>
Governmental Activities				
Mosquito Abatement	\$ 1,414,424	\$ -	\$ (1,414,424)	\$ (1,414,424)
Total Governmental Activities	<u>1,414,424</u>	<u>-</u>	<u>(1,414,424)</u>	<u>(1,414,424)</u>
General Revenues:				
Ad Valorem Taxes				1,929,604
Interest Income				3,867
Miscellaneous				14,433
Total General Revenues				<u>1,947,904</u>
Change in Net Assets				<u>533,480</u>
Net Assets - Beginning				4,063,275
Prior Period Adjustments (Note 16)				<u>(155,005)</u>
Net Assets - Beginning (Restated)				<u>3,908,270</u>
Net Assets - Ending				<u>\$ 4,441,750</u>

The accompanying notes are an integral part of this statement.

Basic Financial Statements
Fund Financial Statements

**Tangipahoa Mosquito Abatement District Number One
Balance Sheet, Governmental Funds
As of December 31, 2010**

Statement C

	<u>General Fund</u>
Assets	
Cash and Equivalents	\$ 1,118,961
Receivables, Net:	
Ad Valorem Taxes	1,926,024
Federal Emergency Management Agency Assistance	2,136
Inventory	220,601
Prepaid Insurance	40,875
Total Assets	<u>\$ 3,308,597</u>
 Liabilities and Fund Balances	
Liabilities:	
Accounts Payable	\$ 29,638
Other Accrued Liabilities	187,755
Deferred Revenue	151,360
Total Liabilities	<u>368,753</u>
 Fund Balances:	
Unreserved Fund Balances	<u>2,939,844</u>
Total Fund Balances	<u>2,939,844</u>
 Total Liabilities and Fund Balances	 <u>\$ 3,308,597</u>

The accompanying notes are an integral part of this statement.

**Tangipahoa Mosquito Abatement District Number One
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Financial Statement of Net Assets
As of December 31, 2010**

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Fund Balances, Total Governmental Funds (Statement C)	\$	2,939,844
--	----	-----------

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

Governmental capital assets net of depreciation		1,350,546
---	--	-----------

Deferred ad valorem taxes collected after year-end, but not available soon enough to pay for current expenditures.

Deferred ad valorem taxes		151,360
---------------------------	--	---------

Net Assets of Governmental Activities (Statement A)	\$	<u><u>4,441,750</u></u>
--	----	-------------------------

The accompanying notes are an integral part of this statement.

Tangipahoa Mosquito Abatement District Number One
Statement of Revenues, Expenditures and
Changes in Fund Balances
For the year ended December 31, 2010

Statement E

	<u>General Fund</u>
Revenues	
Ad Valorem Taxes	\$ 1,929,130
Interest	3,867
Miscellaneous	14,433
Total Revenues	<u>1,947,430</u>
 Expenditures	
Mosquito Abatement	
Salaries	422,621
Benefits	151,902
Payroll Taxes	9,726
Chemicals	236,231
Contract Services - Mosquito Abatement	30,562
Insurance	105,472
Other operating	50,017
Professional Fees	12,300
Repairs and Maintenance	52,182
Statutory Payments to Assessor	76,593
Telephone	7,863
Utilities	11,062
Vehicle Expenses	47,098
Capital Outlays	310,604
Total Expenditures	<u>1,524,233</u>
 Net Change in Fund Balances	 <u>423,197</u>
 Fund Balances, Beginning	 <u>2,516,647</u>
Fund Balances, Ending	\$ <u><u>2,939,844</u></u>

The accompanying notes are an integral part of this statement.

**Tangipahoa Mosquito Abatement District Number One
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the year ended December 31, 2010**

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total Governmental Funds, Statement E **\$ 423,197**

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Expenditures for capital assets	\$	304,326	
Less:			
Proceeds from Sale of assets		10,323	
Decrease in accumulated depreciation related to assets sold		(10,323)	
Current year depreciation		<u>(194,517)</u>	109,809

Deferred ad valorem taxes collected after year-end, but not available soon enough to pay for current expenditures changed by the following amount. 474

Change in Net Assets of Governmental Activities, Statement B **\$ 533,480**

The accompanying notes are an integral part of this statement.

Basic Financial Statements
Notes to the Financial Statements

Tangipahoa Mosquito Abatement District Number One
Notes to the Financial Statements
December 31, 2010

Introduction

The Tangipahoa Mosquito Abatement District Number One of the Parish of Tangipahoa (hereinafter referred to as "the District"), was created by the Tangipahoa Parish Council by Tangipahoa Parish Ordinance Number 01-18 on June 25, 2001, under the authority conferred by Chapter 23 of Title 33 of the Louisiana Revised Statutes of 1950, and thereby constitutes a political subdivision of the State of Louisiana. The District is governed by a board of commissioners consisting of seven (7) members. Five (5) of the commissioners are appointed by the Tangipahoa Parish Council, and one (1) commissioner is to be appointed by the governing authority of the City of Hammond, and one (1) commissioner is to be appointed by the governing authority of the City of Ponchatoula. Commissioners receive no compensation for serving on the District board. The board has the authority to purchase, maintain, and operate machinery and equipment necessary or useful in the eradication, abatement, or control of mosquitoes and other arthropods of public health importance, and to maintain an adequate administrative staff.

1. Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying basic financial statements of the Tangipahoa Mosquito Abatement District Number One have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued in June 1999. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:513 and to the guides set forth in the Louisiana Governmental Audit Guide, and to the industry audit guide, *Audits of State and Local Governmental Units*.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all nonfiduciary activities of the District. The District does not have any business-type activities and reports only governmental activities. Governmental activities are supported by funds received mainly from taxes, and interest earnings from investments.

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 include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds.

Tangipahoa Mosquito Abatement District Number One
Notes to the Financial Statements
December 31, 2010

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures and claims and judgments, are recorded only when payment is due.

Property taxes and interest earnings associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The District reports the following major governmental fund:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The District has no business-type activities or enterprise funds.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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.

D. Cash, Cash Equivalents 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 three months or less from the date of acquisition. State law and the District's investment policy allow the District to invest in collateralized certificates of deposit, government-backed securities, commercial paper, the state-sponsored investment pool, and mutual funds consisting solely of government-backed securities.

The state investment pool (LAMP), operates in accordance with state laws and regulations and is considered a cash equivalent demand deposit. The reported value of the pool is the same as the fair value of the pool shares. Investments for the District are reported at fair market value.

Tangipahoa Mosquito Abatement District Number One
Notes to the Financial Statements
December 31, 2010

E. Receivables and Revenue

Property tax receivables are shown net of an allowance for uncollectible. The District uses one half to two and a half percent of the property tax receivable as an allowance for uncollectible depending on information available.

Property taxes are levied on a calendar year basis and become due on January 1 of each year. The taxes are generally collected in December of the current year, and January and February of the ensuing year. The following is a summary of authorized and levied ad valorem taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Mosquito Abatement taxes due for acquiring, purchasing, maintaining and operating machinery, facilities, equipment and materials necessary or useful in the eradication, abatement or control of mosquitoes and other arthropods of public health importance.	5 mills	5 mills	2016

F. Inventory and Prepaid Items

All inventories are valued at cost using the first-in/first-out method. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

G. Restricted Assets

Certain proceeds of specific revenue sources that are legally restricted to expenditures for a specified purpose are classified as restricted assets because their use is limited to specific expenditures.

H. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the government-wide financial statements. 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 market value at the date of donation. The district maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Tangipahoa Mosquito Abatement District Number One
Notes to the Financial Statements
December 31, 2010

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

<u>Description</u>	<u>Estimated Lives</u>
Machinery and Equipment	5 - 10 Years
Furniture and Fixtures	5 Years
Vehicles	5 - 10 Years
Building and Building Improvements	20 - 40 Years

I. Compensated Absences

The District has the following policy related to vacation and sick leave:

All regular employees are entitled to annual vacation leave as follows:

	<u>Minimum Years of Service</u>		
	<u>1 to 5</u>	<u>5 to 15</u>	<u>15+</u>
Vacation Leave - Hours per Two week Pay Period	4	6	8
	<u>4</u>	<u>6</u>	<u>8</u>

Vacation leave will be scheduled at the beginning of the year, subject to approval of the Director, based on seniority and known or anticipated workload.

At the time of retirement from the District, employees will be paid for any unused vacation leave at the straight time rate of pay earned at the time of separation.

Any change from this policy will be considered on a case-by-case basis and must be approved by the Director prior to the end of the calendar year and must be of benefit of the District.

Sick leave shall accumulate for regular, full-time employees at the rate of four hours per pay period. At the time of retirement or a reduction in force from the District, employees will be paid for any unused sick leave at the straight time rate of pay earned at the time of separation up to one hundred eighty working days or 1,440 hours. Unused sick leave, in excess of one hundred eighty working days or 1,440 hours may be utilized in computing benefits at the time of retirement in accordance with retirement system policy. No payment for unused sick leave will be permitted if any employee is discharged or leaves voluntarily prior to retirement. In addition, the District Board has instituted an extended sick leave compensation of a maximum of fifteen working days in any two year calendar period. This compensation may be extended past fifteen days due to dire circumstances such as terminal illness. This extended sick leave is intended to provide for those medical and health conditions involving hospitalization and/or physician directed rehabilitation involving a catastrophic type illness/injury.

The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the General Fund when leave is actually earned.

Tangipahoa Mosquito Abatement District Number One
Notes to the Financial Statements
December 31, 2010

J. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. At December 31, 2010 the District did not hold any long term debt.

K. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

L. Net Assets

GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*, requires classification of net assets, the difference between the District's assets and liabilities, into three components, as described below:

1. Invested in capital assets, net of related debt - This component of net assets includes capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, or indebtedness attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net asset calculation as unspent proceeds.
2. Restricted - This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. As of December 31, 2010, the District had no recorded restricted net assets.
3. Unrestricted - This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

Tangipahoa Mosquito Abatement District Number One
Notes to the Financial Statements
December 31, 2010

M. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the district, which are either unusual in nature or infrequent in occurrence.

N. 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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

O. Reconciliations of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets is presented in Statement D of the basic financial statements. Explanation of certain differences between the governmental fund statement of revenues, expenses, and changes in fund balances and the government-wide statement of activities is presented in Statement F of the basic financial statements.

Tangipahoa Mosquito Abatement District Number One
Notes to the Financial Statements
December 31, 2010

2. Stewardship, Compliance and Accountability

Budget Information

The Tangipahoa Mosquito Abatement District Number One uses the following budget practices:

1. The District prepares budgets on the modified accrual basis of accounting in accordance with generally accepted accounting principles (GAAP).
2. The District's director prepares the proposed budget and submits it to the board of commissioners no later than fifteen (15) days prior to the beginning of each fiscal year. The proposed budget for 2010 was presented to the board of commissioners on October 14, 2009.
3. The proposed budget for 2010 was adopted on October 14, 2009.
4. Budgetary amendments require the approval of the board of commissioners. The final budget amendments for the 2010 budget were approved on October 20, 2010.
5. All budgetary appropriations lapse at year-end.
6. Periodic budget comparisons are made as a part of interim reporting. Budgeted amounts included in accompanying financial statements include the originally adopted budget amounts and all subsequent amendments legally adopted prior to year-end.
7. There were no budget variances that would result in unfavorable variances in violation of the Local Government Budget Act for the fiscal year ended December 31, 2010.

3. Cash and Cash Equivalents

At December 31, 2010, the District has cash and cash equivalents (book balances) as follows:

	December 31, 2010
Interest-bearing demand deposits	\$ 614,701
Louisiana Asset Management Pool	504,260
	\$ 1,118,961

These demand deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2010, the district has \$616,214 in bank deposits (collected bank balances) in two financial institutions. These demand deposits are secured from risk by \$250,000 of federal deposit insurance per institution and the remainder by pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Tangipahoa Mosquito Abatement District Number One
Notes to the Financial Statements
December 31, 2010

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, 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.

At December 31, 2010, the District had additional cash equivalents considered to be a demand deposit in the Louisiana Asset Management Pool (LAMP) of \$504,260.

The investment in the Louisiana Asset Management Pool (LAMP), an external investment pool, is stated at the value of the pool shares, which is the same as the fair value and consists of securities of the United States Government or its agencies and as such do not require additional pledged collateral.

In accordance with GASB 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, all investments are carried at fair market value, with the estimated fair market value based on quoted market prices.

LAMP is administered by LAMP, Inc., a nonprofit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA-R.S. 33:2295(A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "Investment Grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

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

LAMP, Inc. issues an annual publicly available financial report that includes financial statements and required supplementary information for LAMP, Inc. That report may be obtained by writing to LAMP, Inc., 228 Saint Charles Avenue, Suite 1123, New Orleans, Louisiana 70130, or by calling (504) 525-5267.

Tangipahoa Mosquito Abatement District Number One
Notes to the Financial Statements
December 31, 2010

4. Investments

The Tangipahoa Mosquito Abatement District Number One did not hold any assets considered to be investments at December 31, 2010.

5. Receivables

The following is a summary of receivables at December 31, 2010 :

Class of Receivable	2010
Ad Valorem taxes	\$ 1,935,788
Less Allowance for uncollectible Ad Valorem Taxes	(9,764)
Subtotal	1,926,024
Intergovernmental:	
Federal Emergency Management Agency Assistance	2,136
Total	\$ 1,928,160

The District used one half of one percent of the property tax receivable as an allowance for uncollectible ad valorem tax revenue.

6. Interfund Receivable/Payable

Interfund receivables and payables are recorded when one fund overpays or underpays its portion of an expenditure. The District had no interfund receivables and payables since it had only one fund.

Tangipahoa Mosquito Abatement District Number One
Notes to the Financial Statements
December 31, 2010

7. Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2010 for governmental activities is as follows:

Governmental Activities Capital Assets:	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets Being Depreciated:				
Building	\$ 749,705	\$ 202,318	\$ -	\$ 952,023
Equipment	912,560	94,928	(44,509)	962,979
Office Furniture and Equipment	161,371	7,080	-	168,451
Total Capital Assets Being Depreciated	<u>1,823,636</u>	<u>304,326</u>	<u>(44,509)</u>	<u>2,083,453</u>
Less Accumulated Depreciation for:				
Building	59,272	19,655	-	78,927
Equipment	409,955	151,137	(44,509)	516,583
Office Furniture and Equipment	113,672	23,725	-	137,397
Total Accumulated Depreciation	<u>582,899</u>	<u>194,517</u>	<u>(44,509)</u>	<u>732,907</u>
Total Capital Assets Being Depreciated, Net	<u>1,240,737</u>	<u>109,809</u>	<u>-</u>	<u>1,350,546</u>
Total Governmental Activities Capital Assets, Net	\$ <u>1,240,737</u>	\$ <u>109,809</u>	\$ <u>-</u>	\$ <u>1,350,546</u>
Depreciation was charged to governmental activities as follows:				
Mosquito Abatement				\$ 194,517
				<u>\$ 194,517</u>

8. Accounts, Salaries, and Other Payables

The payables at December 31, 2010 are as follows:

Governmental Funds Payable	<u>2010</u>
Accounts payable	\$ 29,638
Accrued annual leave	78,209
Accrued salaries	7,755
Accrued payroll withholdings and related payables	25,198
Deductions from ad valorem taxes payable	76,593
Deferred Revenue	151,360
Total Liabilities	\$ <u>368,753</u>

9. Leases

The District records items under capital leases as an asset and an obligation in the accompanying financial statements. The District had no capital leases outstanding at December 31, 2010. The District began leasing a building from another governmental agency on February 26, 2003 for a five year term. The lease automatically renews after each year unless either party cancels the lease. The District does not pay any rental payments, but lets the lessor use a storage building rent free.

Tangipahoa Mosquito Abatement District Number One
Notes to the Financial Statements
December 31, 2010

10. Long-Term Obligations

The District has no long-term debt outstanding at December 31, 2010, and had no long-term debt activity during the year ended.

11. Retirement System

Plan Description: Substantially all full-time employees of Tangipahoa Mosquito Abatement District Number One of Tangipahoa Parish are members of the Parochial Employees' Retirement System of Louisiana (System), a multi-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the district are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least ten years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to three percent of their final-average salary for each year of creditable service. However, for these employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to one percent of final average salary plus \$24.00 for each year of supplemental-plan-only service earned prior to January 1, 1980. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by the state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-47619, or by calling (225) 928-1361.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 15.75 percent of annual covered payroll. Contributions to the System include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the District are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by an actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The District's contributions to the System under Plan A for the years ending December 31, 2010 and 2009 were \$55,747 and \$40,042 respectively each equal to the required contributions for that year.

12. 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 employees; and natural disasters. The District attempts to minimize risk from significant losses through the purchase of commercial insurance.

Tangipahoa Mosquito Abatement District Number One
Notes to the Financial Statements
December 31, 2010

13. Contingent Liabilities

At December 31, 2010, the District was not involved in any outstanding litigation or claims.

14. GASB 33 Implementation

The Governmental Accounting Standards Board (GASB) issued Statement Number 33, *Accounting and Financial Reporting for Nonexchange Transactions*, in December of 1998. Under the provisions of GASB Statement No. 33, it was determined that \$151,360 of ad valorem tax revenue would be reflected as deferred revenue since this revenue would not be collected until after sixty days after year end at December 31, 2010.

15. Subsequent Events

These financial statements considered subsequent events through July 8, 2011, the date the financial statements were available to be issued. No events were noted that require recording or disclosure in the financial statements for the fiscal year ending December 31, 2010.

16. Prior Period Adjustment

Ad Valorem tax payments of \$155,005 received in December of 2009, were included in accounts receivable at December 31, 2009, which overstated 2009 fund basis deferred revenues and government wide ad valorem revenues. The following prior period adjustment was required to remove the duplication of this ad valorem receipt from prior period comparative information for the year ended December 31, 2009.

	Original Reported Balance at 12/31/09	Change	Adjusted Balance at 12/31/09
Fund Basis			
Ad Valorem Receivable	1,853,513	(155,005)	1,698,508
Deferred Revenues	305,891	(155,005)	150,886
Government Wide Basis			
Ad Valorem Receivable	1,853,513	(155,005)	1,698,508
Ad Valorem Tax Revenue	1,991,799	(155,005)	1,836,794

The fund basis adjustment does not affect beginning fund balance since the revenue was deferred. However since the deferred revenue was recorded into revenue on the government wide basis, government wide net assets were reduced from \$4,063,275 to \$3,908,270. The effects of this adjustment have been reflected in the comparative information presented in this report.

Required Supplemental Information (Part II)

Tangipahoa Mosquito Abatement District Number One
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
General Fund - Summary
For the year ended December 31, 2010

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final	GAAP Basis	Favorable (Unfavorable)
Revenues				
Ad Valorem Taxes	\$ 1,791,047	\$ 1,791,047	\$ 1,929,130	\$ 138,083
Interest	3,000	3,000	3,867	867
Miscellaneous	-	-	14,433	14,433
Total Revenues	<u>1,794,047</u>	<u>1,794,047</u>	<u>1,947,430</u>	<u>153,383</u>
Expenditures				
Mosquito Abatement				
Salaries	465,594	465,344	422,621	42,723
Benefits	188,000	188,000	151,902	36,098
Payroll Taxes	12,874	12,831	9,726	3,105
Chemicals	500,000	500,000	236,231	263,769
Contract Services - Mosquito Abatement	100,000	100,000	30,562	69,438
Insurance	138,000	136,905	105,472	31,433
Other operating	89,500	89,500	50,017	39,483
Professional Fees	12,000	12,000	12,300	(300)
Repairs and Maintenance	83,000	83,675	52,182	31,493
Statutory Payments to Assessor	76,600	76,600	76,593	7
Telephone	7,800	7,920	7,863	57
Utilities	14,000	14,000	11,062	2,938
Vehicle Expenses	95,000	95,000	47,098	47,902
Capital Outlays	400,000	400,300	310,604	89,696
Total Expenditures	<u>2,182,368</u>	<u>2,182,075</u>	<u>1,524,233</u>	<u>657,842</u>
Net Change in Fund Balances	<u>(388,321)</u>	<u>(388,028)</u>	<u>423,197</u>	<u>811,225</u>
Fund Balances, Beginning	<u>2,516,647</u>	<u>2,516,647</u>	<u>2,516,647</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 2,128,326</u>	<u>\$ 2,128,619</u>	<u>\$ 2,939,844</u>	<u>\$ 811,225</u>

See independent auditor's report.

Other Supplemental Information

Schedule 2

**Tangipahoa Mosquito Abatement District Number One
 Schedule of Compensation Paid to Board Members
 For the year ended December 31, 2010**

<u>Name and Title / Contact Number</u>	<u>Address</u>	<u>Compensation Received</u>	<u>Term Expires</u>
Darryl Bubrig, Chairman (225) 294-5278	40173 Deer Creek Ponchatoula, LA 70454	-	July 2012
Thomas Kuhn, Vice Chairman (985) 370-9521	301 W. Magnolia St. Ponchatoula, LA 70454	-	July 2013
Sunny Ryerson, Secretary (985) 386-8342	23569 Fletcher Road Ponchatoula, LA 70454	-	July 2012
Nell Harper, Board Member (985) 878-2953	21054 Harper's Lane Loranger, LA 70446	-	July 2013
Jerrilyn Jones, Board Member (985) 386-9002	39521 John Wilde Road Ponchatoula, LA 70454	-	July 2013
Stephanie Kropog, Board Member (985) 320-7595	27323 Kropog Lane Hammond, LA 70403	-	July 2013
Darren Sanders, Board Member (985) 345-3036	42087 Red Maple Street Hammond, LA 70403	-	July 2013
		\$ <u> </u>	

See Independent Auditor's Report.

**Tangipahoa Mosquito Abatement District Number One
Summary Schedule of Prior Year Audit Findings
For the year ended December 31, 2010**

Compliance Findings (Reported in Accordance with Government Auditing Standards)

No compliance findings.

Internal Control Findings (Reported in Accordance with Government Auditing Standards)

Reference Number: 2009-11 (Lack of segregation of duties)

Year Initial Finding Occurred: Fiscal Year Ending December 31, 2009

Type Finding: Significant deficiency not constituting a material weakness.

Criteria:

The Tangipahoa Mosquito Abatement District must demonstrate that activities relating to the receipt and disbursement of funds and financial management are properly segregated.

Condition:

With all smaller agencies, 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 reconciliation and reporting by an outside accountant.
- 4) Approval and signing of checks by board members.

Effect:

Having a limited number of personnel increases the need to closely review financial transactions. The District compensates for the lack of personnel with outside reporting.

Cause:

This is characteristic of a small agency.

Recommendations:

The District must continue to implement compensating controls to ensure the integrity of financial operations.

Response by Management

The Director and board of commissioner will continue to monitor and approve all transactions.

Description of Action Taken: Partial

Anticipated Completion Date: Controls are implemented and will be monitored.

Contact Person:

Darryl Bubrig, Chairman
40173 Deer Creek, Ponchatoula, LA 70454 (Phone # 225 294-5278)

Management Findings

No management findings.

**Tangipahoa Mosquito Abatement District Number One
Corrective Action Plan for Current Year Audit Findings
For the year ended December 31, 2010**

Compliance

No compliance findings.

Internal Control

No internal control findings.

Management Findings

No management findings.

Bruce C. Harrell, CPA

Dale H. Jones, CPA
Eric J. Rodrigue, CPA
Kristi U. Bergeron, CPA
Michael P. Estay, CPA

INTERNET
www.teamcpa.com

MEMBERS
American Institute of CPAs
Society of Louisiana CPAs



BRUCE HARRELL
and COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
A Professional Accounting Corporation

109 West Minnesota Park
Park Place Suite 7
Hammond, LA 70403
VOICE: (985) 542-6372
FAX: (985) 345-3156

KENTWOOD OFFICE
P.O. Box 45 - 909 Avenue G
Kentwood, LA 70444
VOICE: (985) 229-5955
FAX: (985) 229-5951

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

To the Board of Commissioners
Tangipahoa Mosquito Abatement District Number One
Tangipahoa Parish
Hammond, Louisiana 70404

We have audited the accompanying financial statements of the governmental activities and the major fund of the Tangipahoa Mosquito Abatement District Number One, as of and for the year ended December 31, 2010, and have issued our report thereon dated June 30, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Tangipahoa Mosquito Abatement District Number One's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the Tangipahoa Mosquito Abatement District Number One's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Tangipahoa Mosquito Abatement District Number One's internal control over financial reporting.

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 misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected and corrected on a timely basis by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described as Finding Number 2009-11 in the accompanying *Summary Schedule of Prior Year Audit Findings*,

BRUCE HARRELL & CO.
CERTIFIED PUBLIC ACCOUNTANTS
A Professional Accounting Corporation

To the Board of Commissioners
Tangipahoa Mosquito Abatement District Number One
Page 2

that we consider to be significant deficiencies in internal control over financial reporting. 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.

Compliance and Other Matters

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

This report is intended solely for the information and use of management, the Louisiana Legislative Auditor, federal awarding agencies and pass-through entities, when applicable. However, this report is a matter of public record and its distribution is not limited.



Bruce Harrell & Company, CPAs
A Professional Accounting Corporation

June 30, 2011