

**Jefferson Davis Parish**  
**Mosquito Abatement District No. 1**  
**(A Component Unit of the Jefferson Davis Parish Police Jury)**  
Jennings, Louisiana

FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT

Year Ended December 31, 2019

Jefferson Davis Parish Mosquito Abatement District No. 1  
Jennings, Louisiana

December 31, 2019

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*Member of the American Institute of Certified Public Accountants and the Society of Louisiana Certified Public Accountants.*

*Recipient of Advanced Single Audit Certificate*

## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Jefferson Davis Parish Mosquito  
Abatement District No. 1  
Jennings, Louisiana

### **Report on the Financial Statement**

I have audited the accompanying financial statements of the governmental activities and the major fund of the Jefferson Davis Parish Mosquito Abatement District No. 1 (the District), component unit of the Jefferson Davis Parish Policy Jury, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility 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.

### **Auditor's Responsibility**

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## **Opinions**

In my opinion, the component unit financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activity and the major fund of the Jefferson Davis Parish Mosquito Abatement District No. 1 as of December 31, 2019, 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.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and employer's share of net pension liability and employer contributions on pages 31 through 34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

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

### *Other Information*

My 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 agency head or chief executive officer are presented for purposes of additional analysis and are not a required part of the basic financial statements.

**Jefferson Davis Parish Mosquito Abatement District No. 1**  
**Page 3**

The schedule of compensation, benefits, and other payments to the agency head or chief executive officer are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedule of compensation, benefits, and other payments to agency head or chief executive officer are fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, I have also issued a report dated September 29, 2020, on my consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my 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.

A handwritten signature in blue ink that reads "J. Aaron Coogan, CPA, LLC". The signature is written in a cursive style.

Jennings, Louisiana  
September 29, 2020

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)

## STATEMENT A

**JEFFERSON DAVIS PARISH MOSQUITO ABATEMENT DISTRICT NO. 1**  
**Jennings, Louisiana**

**Statement of Net Position**  
**December 31, 2019**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 296,673
Investments	2,494,019
Accrued interest receivable	3,347
Property taxes receivable, net	1,512,012
Prepaid items	4,917
Capital assets, net of depreciation	<u>1,824,322</u>
 TOTAL ASSETS	 <u>6,135,290</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension-related deferrals	<u>215,893</u>
<b>LIABILITIES</b>	
Accounts payable	2,599
Payroll liabilities	16,081
Accrued compensated absences	4,854
Net pension liability	<u>241,176</u>
 TOTAL LIABILITIES	 <u>264,710</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension-related deferrals	<u>19,942</u>
<b>NET POSITION</b>	
Net investment in capital assets	1,824,322
Unrestricted net position	<u>4,242,209</u>
 TOTAL NET POSITION	 <u>\$ 6,066,531</u>

The accompanying notes are an integral part of this financial statement.

## STATEMENT B

**JEFFERSON DAVIS PARISH MOSQUITO ABATEMENT DISTRICT NO. 1**  
**Jennings, Louisiana**

**Statement of Activities**  
**For the Year Ended December 31, 2019**

	<u>Expenses</u>	<u>Program Revenues</u> <u>Charges for Services</u>	<u>Net (Expense) Revenue and Change in Net Position</u> <u>Governmental Activities</u>
<b>Governmental Activities</b>			
Mosquito abatement	\$ 1,609,910	\$ -	\$ (1,609,910)
Total governmental activities	<u>\$ 1,609,910</u>	<u>\$ -</u>	<u>\$ (1,609,910)</u>
<b>General Revenues:</b>			
Property taxes			1,837,236
Investment earnings			75,295
<b>Special Items:</b>			
Gain (loss) on sale of capital assets			<u>56,910</u>
Total general revenues and special items			<u>1,969,441</u>
<b>Change in net position</b>			359,531
<b>Net position - beginning</b>			<u>5,707,000</u>
<b>Net position - ending</b>			<u>\$ 6,066,531</u>

The accompanying notes are an integral part of this financial statement.

FUND FINANCIAL STATEMENTS (FFS)

## STATEMENT C

**JEFFERSON DAVIS PARISH MOSQUITO ABATEMENT DISTRICT NO. 1**  
**Jennings, Louisiana**

**Balance Sheet - Governmental Fund**  
**December 31, 2019**

	General Fund
	<u>          </u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 296,673
Investments	2,494,019
Accrued interest receivable	3,347
Property taxes receivable, net	<u>1,512,012</u>
 TOTAL ASSETS	 <u><u>\$ 4,306,051</u></u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	
Liabilities:	
Accounts payable	\$ 2,599
Payroll liabilities	16,081
Total liabilities	<u>18,680</u>
 Deferred inflows of resources:	
Unavailable revenue - ad valorem taxes	<u>100,136</u>
 Fund balance:	
Unassigned	<u>4,187,235</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	 <u><u>\$ 4,306,051</u></u>

The accompanying notes are an integral part of this financial statement.

## STATEMENT D

**JEFFERSON DAVIS PARISH MOSQUITO ABATEMENT DISTRICT NO. 1**  
**Jennings, Louisiana**

**Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net Position  
December 31, 2019**

Total fund balance for governmental fund (Statement C)	\$ 4,187,235
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	
Capital assets	2,967,806
Less: accumulated depreciation	(1,143,484)
Other assets used in governmental activities that are not financial resources and, therefore, are not reported in the governmental funds.	
Prepaid items	4,917
Certain property tax collections are not available to pay for current period expenditures and therefore are reported as deferred inflows of resources in the governmental funds.	
	100,136
Long-term liabilities of governmental activities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Compensated absences payable	(4,854)
In accordance with Governmental Accounting Standards Board Statement No. 68, the net pension liability related to pension plans, deferred outflows of resources, and deferred inflows of resources are not recorded in governmental funds.	
Net pension asset	(241,176)
Deferred outflows of resources	215,893
Deferred inflows of resources	(19,942)
Total net position of governmental activities (Statement A)	<u>\$ 6,066,531</u>

The accompanying notes are an integral part of this financial statement.

## STATEMENT E

**JEFFERSON DAVIS PARISH MOSQUITO ABATEMENT DISTRICT NO. 1**  
**Jennings, Louisiana**

**Statement of Revenue, Expenditures, and Changes in Fund Balance -**  
**Governmental Fund**  
**For the Year Ended December 31, 2019**

	General Fund
	<u>                    </u>
<b>REVENUES</b>	
Property taxes	\$ 1,793,971
Investment earnings	75,295
Total revenues	<u>1,869,266</u>
<b>EXPENDITURES</b>	
General office and administrative	419,196
Surveillance	230,230
Control and equipment maintenance	915,116
Total expenditures	<u>1,564,542</u>
Excess (deficiency) of revenues over (under) expenditures	<u>304,724</u>
<b>OTHER FINANCING SOURCES (USES)</b>	
Sale of capital assets	<u>62,100</u>
Net change in fund balance	366,824
Fund Balance - beginning	<u>3,820,411</u>
Fund Balance - ending	<u><u>\$ 4,187,235</u></u>

The accompanying notes are an integral part of this financial statement.

**JEFFERSON DAVIS PARISH MOSQUITO ABATEMENT DISTRICT NO. 1**  
**Jennings, Louisiana**

**Reconciliation of the Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance of the Governmental Fund**  
**to the Statement of Activities**  
**For the Year Ended December 31, 2019**

Net change in fund balance, total governmental funds (Statement E)	\$	366,824
Amounts reported for governmental activities in the Statement of Activities are different because:		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.</p>		
Capital outlays	\$	148,666
Depreciation expense for the year ended December 31, 2019		<u>(147,814)</u> 852
The net effect of various miscellaneous transactions involving capital assets, such as sales, trade-ins, and donations is to increase (decrease) net assets.		(5,190)
Some of the District's ad valorem taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred inflows of resources at the fund level		43,265
<p>In accordance with Government Accounting Standards Board Statement No. 68, the net pension liability related pension is not required to be recorded in the governmental fund financial statements. Adjustments to pension expense related to changes in deferred outflows of resources and deferred inflows of resources are reflected in the Statement of Activities:</p>		
Contributions after measurement date		39,330
Net change in pension expense		(86,901)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Change in compensated absences payable		560
Change in prepaid insurance		<u>791</u>
Change in net position of government activities (Statement B)	\$	<u><u>359,531</u></u>

The accompanying notes are an integral part of this financial statement.

**Notes to Financial Statements**

**Notes to Financial Statements**  
As of and for the Year Ended December 31, 2019

**1. Organization and Significant Accounting Policies**

The Jefferson Davis Parish Mosquito Abatement District No. 1 (the District) was created by the Jefferson Davis Parish Police Jury under the authority provided by the provisions of Part 1, Chapter 7, of the Louisiana Revised Statutes of 1950, as amended and other constitutional and statutory authority supplemental thereto. Jefferson Davis Parish Mosquito Abatement District No. 1 was created for the purpose of providing abatement, control, eradication, and study of mosquitoes, and other arthropods of public health importance and all activities incidental thereto. Operations of the District are administered through the district director and include the use of chemical pesticides, the application of which is accomplished through the use of aircraft and other motorized vehicles in populated areas. The District operates within Jefferson Davis Parish and is financed primarily through ad valorem taxes. The more significant of the District's accounting policies are described below.

A. Reporting Entity

As the governmental authority of the parish, for reporting purposes, the Jefferson Davis Parish Police Jury is the financial reporting entity for Jefferson Davis Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which 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.

GASB Statement No. 14, *The Reporting Entity*, as amended by GASB Statement No. 61, establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Component units are defined as legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations of which the nature and significance of their relationship with the primary government is such that exclusion of these organizations from the primary government's financial statements would be misleading. Therefore, an organization is considered to be a component unit of the police jury if one of the following criteria is met:

- (1) Appointing a voting majority of an organization's governing body, and (a) the ability of the police jury to impose its will on that organization or (b) the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
- (2) Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury and there is the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
- (3) Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury has financial accountability and appoints a voting majority of the board of commissioners, Jefferson Davis Parish Mosquito Abatement District No. 1 was determined to be a component unit of the Jefferson Davis Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and

Jefferson Davis Parish Mosquito Abatement District No. 1  
Jennings, Louisiana

**Notes to Financial Statements**

As of and for the Year Ended December 31, 2019

do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**B. Basis of Presentation**

The financial statements of the District have been prepared in accordance with generally accepted accounting principles as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the standard setting body for governmental accounting and financial reporting.

*Government-Wide Financial Statements (GWFS)*

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity, except the fiduciary funds. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. For the most part, the effect of interfund activity has been removed from these statements. The District has only one fund and as such, there is no interfund activity. The District has no component units.

The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The District does not have any business-type activities and reports only governmental activities.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the entity'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, fines, and charges paid by the recipients of goods or services offered by the programs, 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, are presented as general revenues.

*Fund Financial Statements (FFS)*

The accounts are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions.

**Notes to Financial Statements**

As of and for the Year Ended December 31, 2019

The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of a governmental entity are classified into two categories: governmental and proprietary (enterprise). The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expense of that individual governmental or enterprises fund are at least 10 percent of the corresponding total for all funds of that category or type: and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are a least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the District are described below:

**Governmental Funds:**

General Fund – The General Fund is the primary operating fund of the District. It accounts for all financial resources of the District.

**C. Measurement Focus / Basis of Accounting**

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

*Measurement Focus*

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item (b) below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a) All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b) The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Jefferson Davis Parish Mosquito Abatement District No. 1  
Jennings, Louisiana

**Notes to Financial Statements**  
As of and for the Year Ended December 31, 2019

*Basis of Accounting*

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. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB statement No. 33 *Accounting and Financial Reporting for Nonexchange Transactions*.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within 60 days after year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligations bond principal and interest which are reported when due. The proprietary fund utilizes 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.

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.

Revenues – Property taxes are recorded in the year the taxes are assessed. Property taxes are assessed for the calendar year, become due on November 15th of each year, and become delinquent on December 31st. The taxes are generally collected in December of the current year and January and February of the following year. Interest income represents amounts earned on certificates of deposits, repurchase agreements and insured money market accounts invested with financial institutions. Interest earned on certificates of deposit is recorded when the certificate matures and the interest is available. Interest earned on insured money market accounts and repurchase agreements is recorded when received. Intergovernmental revenue is recorded when received.

Expenditures – Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized when due.

Other Financing Sources (Uses) – Proceeds from the sale of bonds are accounted for as other financing sources (uses) and are recognized when the underlying events occur.

**D. Budgetary Practices**

The District has adopted an operating budget for its general fund. The budgetary practices include notice of the proposed budget, public inspection of the proposed budget, and public hearings on the budget prior to adoption. Any amendment involving increases in expenditures must be approved by the District. Budgeted amounts in the accompanying financial statements include all amendments. All budgeted

Jefferson Davis Parish Mosquito Abatement District No. 1  
Jennings, Louisiana

**Notes to Financial Statements**

As of and for the Year Ended December 31, 2019

amounts, which are not expended or obligated through contracts, lapse at year end. The District's budget is materially consistent with accounting principles generally accepted in the United States of America and the basis of accounting utilized by the District's general fund.

E. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, money market accounts, and repurchase agreements. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the United States, or under the laws of the State of Louisiana, or any other state in the union. Further, the District may invest in time deposits or certificates of deposit of state banks organized under Louisiana Law and national banks having principle offices in Louisiana, or in obligations guaranteed by the federal government.

F. Receivables

All receivables are reported at their net values, which is the gross receivable less the estimated portion that is expected to be uncollectible.

G. Capital Assets

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

In the government-wide financial statements (GWFS), fixed assets are accounted for as capital assets and depreciated over time. The District maintains a threshold level of \$500 or more for capitalizing capital assets.

Capital assets, which include building, improvements, furniture and fixtures, and other assets, are to be reported in the governmental columns in the government-wide financial statements. All capital assets are valued at historical cost or if contributed property, at their estimated fair value at the time of contribution. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. The sale or disposal of fixed assets is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The estimated useful life by type of assets is as follows:

Buildings and improvements	10-30 years
Equipment	5-15 years
Furniture and Fixtures	5-10 years

**Notes to Financial Statements**

As of and for the Year Ended December 31, 2019

H. Compensated Absences

Full time employees accrue vacation leave at varying rates depending on years of service. Vacation leave must be used in the year it is accrued. An employee who resigns with proper notice may be paid unused vacation leave. Employees accrue sick leave at varying rates depending on years of service. Employees are allowed to carryover up to 80 hours of accrued sick leave. Upon termination of employment, employees are paid any unused vacation leave, but any remaining sick leave is forfeited. At December 31, 2019, the District had accrued vacation leave of \$4,854.

I. Pension Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's pension plan and additions to / deductions from the plan's fiduciary net position have been determined on the accrual basis, which is the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

J. Equity Classifications

*Government-Wide Statements* – Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – consist of capital assets including restricted capital assets, net of accumulated depreciation and related debt.
- b. Restricted net position – consists of net resources 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.
- c. Unrestricted net position – all other net resources that do not meet the definition of “restricted” or “net investment in capital assets”.

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the District applies restricted resources first, then unrestricted as needed.

*Governmental Fund Statements* – Equity is classified as fund balance. Fund balance is further classified as follows:

*Nonspendable fund balance* – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

*Restricted fund balance* – 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 regulations of other governments.

Jefferson Davis Parish Mosquito Abatement District No. 1  
Jennings, Louisiana

**Notes to Financial Statements**

As of and for the Year Ended December 31, 2019

*Committed fund balance* – amounts that can be used for specific purposes determined by a formal action of the Board of Commissioners. The Board of Commissioners is the highest level of decision-making authority for the Jefferson Davis Parish Mosquito Abatement District No. 1. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by board members.

*Assigned fund balance* – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Board of Commissioners has authorized management to assign amounts for specific purposes.

*Unassigned fund balance* – all other spendable amounts.

As of December 31, 2019, the General Fund has an unassigned fund balance of \$4,187,235. It is the District's policy to use restricted fund balances first, followed by committed resources, then assigned resources, and unassigned resources as they are needed.

K. Estimates

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

L. 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 Jefferson Davis Parish Mosquito Abatement District No. 1, which are either unusual in nature or infrequent in occurrence. During the year ended December 31, 2019, the District had no extraordinary or special items.

M. Date of Management's Review

Subsequent events were evaluated through September 29, 2020, which is the date the financial statements were available to be issued.

Jefferson Davis Parish Mosquito Abatement District No. 1  
Jennings, Louisiana

**Notes to Financial Statements**  
As of and for the Year Ended December 31, 2019

**2. Property Taxes**

Taxes are levied on November 15 and payable by December 31. Tax revenues are recognized in the year they are billed. The Jefferson Davis Parish Sheriff's office bills and collects the property taxes on behalf of the District. The taxes are remitted to the District net of deductions for Pension Fund Contributions.

The District was authorized and levied 7.85 mills in property taxes for the year ended December 31, 2019.

**3. Deposits and Investments**

A. Deposits

As of December 31, 2019, the District has cash and cash equivalents (book balances) as follows:

<u>Deposit Type</u>	<u>Governmental Activities</u>
Cash on hand	\$ 150
Cash - demand deposits	<u>296,523</u>
Total	<u><u>\$296,673</u></u>

Additionally, the District has certificates of deposit totaling \$2,494,019 on deposit in local banks which are presented as investments in the financial statements.

*Custodial Credit Risk* – Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be recovered. Under state law, the District's deposits (or resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The fair 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 District or the pledging bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2019, the District has \$2,880,278 in deposits (collected bank balances) in local financial institutions, including certificates of deposit. These deposits are secured from risk by \$342,440 of federal deposit insurance and \$2,537,838 of pledged securities held by the custodial bank in the name of the District. As such, these deposits are not considered subject to custodial credit risk according to GASB Statement No. 3.

Jefferson Davis Parish Mosquito Abatement District No. 1  
Jennings, Louisiana

**Notes to Financial Statements**  
As of and for the Year Ended December 31, 2019

**B. Investments**

At December 31, 2019, the District had the following investments and maturities:

<u>Investment Type</u>	<u>% of Portfolio</u>	<u>Fair Value</u>	<u>Investments Maturities (in Years)</u>	
			<u>Less than 1</u>	<u>1-5</u>
Certificates of deposit- (maturities exceeding 90 days)	100%	\$2,494,019	\$ 1,681,000	\$ 813,019

*Credit Risk* – Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District does not have a written investment policy, but does adhere to state laws regarding allowable investments. The certificates of deposit are not rated.

*Custodial Credit Risk* – For an investment, custodial credit risk is the risk that, in the event of the failure of the 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. As discussed previously, certificates of deposit are considered fully collateralized under the provisions of GASB Statement 3. Accordingly, the District had no custodial credit risk related to its investments of December 31, 2019.

*Concentration of Credit Risk* – The District places no limit on the amount it may invest in any one issuer. All investments are invested in Certificates of Deposit with The Bank.

**4. Capital Assets:**

Capital assets activity for the year ended December 31, 2019, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 515,308	\$ 67,555	\$ -	\$ 582,863
Equipment	2,295,074	76,811	8,143	2,363,742
Furniture and fixtures	16,901	4,300	-	21,201
Total capital assets being depreciated	<u>2,827,283</u>	<u>148,666</u>	<u>8,143</u>	<u>2,967,806</u>
Less accumulated depreciation:				
Buildings and improvements	389,552	14,628	-	404,180
Equipment	596,780	132,390	2,954	726,216
Furniture and fixtures	12,292	796	-	13,088
Total accumulated depreciation	<u>998,624</u>	<u>147,814</u>	<u>2,954</u>	<u>1,143,484</u>
Total capital assets being depreciated, net	<u>\$ 1,828,659</u>	<u>\$ 852</u>	<u>\$ 5,189</u>	<u>\$ 1,824,322</u>

**Notes to Financial Statements**  
As of and for the Year Ended December 31, 2019

Depreciation expense of \$147,814 was charged to governmental activities: Mosquito Abatement

**5. Risk Management**

The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District has elected to purchase commercial insurance to reduce the risk of loss. These policies are reviewed for adequacy by management annually. There were no significant changes in the coverages, retentions, or limits during the year ended December 31, 2019. There were no settled claims exceeding the commercial coverages in any previous three fiscal years.

**6. Litigation and Claims**

Claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. No claim expenditures or liabilities are reported in the accompanying financial statements. The District is not presently involved in any litigation as defendant.

**7. Board of Commissioners Compensation**

As provided by Louisiana Revised Statute 33:7723 the board of commissioners serves without compensation.

**8. Pension Plan**

Employees of the District are provided retirement through Parochial Employees' Retirement System. All employees are members of Plan A.

**A. Parochial Employees' Retirement System (PERS)**

***Plan Description***

Parochial Employees' Retirement System of Louisiana is the administrator of a cost-sharing multiple employer defined benefit pension plan. The System was established and provided for by R.S.11:1901 of the Louisiana Revised Statute (LRS). The System provides retirement benefits to employees of taxing districts of a parish or any branch or section of a parish within the State which does not have their own retirement system and which elects to become members of the System.

**Notes to Financial Statements**

As of and for the Year Ended December 31, 2019

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

***Benefits Provided***

The following is a description of the Plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

**Retirement Benefits**

Any member of Plan A can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

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

For employees hired after January 1, 2007:

1. Age 55 with thirty years of service.
2. Age 62 with ten years of service.
3. Age 67 with seven years of service.

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

**Deferred Retirement Option Plan (DROP) Benefits**

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

**Notes to Financial Statements**

As of and for the Year Ended December 31, 2019

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account. Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

For individuals who become eligible to participate in the Deferred Retirement Option Plan on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in DROP will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of DROP must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of DROP are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

**Disability Benefits**

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

**Survivor's Benefits**

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

**Cost-of-Living Increases**

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

Jefferson Davis Parish Mosquito Abatement District No. 1  
Jennings, Louisiana

**Notes to Financial Statements**  
As of and for the Year Ended December 31, 2019

***Contributions***

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2018, the actuarially determined contribution rate was 9.99% of member's compensation for Plan A. However, the actual rate for the fiscal year ending December 31, 2018, was 11.50% for Plan A. According to state statute, the System also receives  $\frac{1}{4}$  of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

The District's contractually required contribution rate for the year ended December 31, 2019, was 11.50% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability.

Contributions to the pension plan from the District were \$39,330 for the year ended December 31, 2019.

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

At December 31, 2019, the District reported a liability of \$241,176 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of December 31, 2018, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The District's proportion of the Net Pension Liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2018, the District's proportion was .054339%, which was an increase of .000321 percentage points from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the District recognized pension expense of \$93,720 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$2,667.

Jefferson Davis Parish Mosquito Abatement District No. 1  
Jennings, Louisiana

**Notes to Financial Statements**  
As of and for the Year Ended December 31, 2019

At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (14,693)
Changes of assumptions	60,302	-
Net difference between projected and actual earnings on pension plan investments	115,452	-
Change in proportion and differences between employer contributions and proportionate share of contributions	809	(5,249)
Employer contributions subsequent to the measurement date	39,330	-
Total	\$ 215,893	\$ (19,942)

Deferred outflows of resources of \$39,330 related to PERS resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS will be recognized in pension expense as follows:

Year Ended June 30	
2020	\$ 52,960
2021	27,817
2022	24,843
2023	51,001
	\$ 156,621

Jefferson Davis Parish Mosquito Abatement District No. 1  
Jennings, Louisiana

**Notes to Financial Statements**  
As of and for the Year Ended December 31, 2019

***Actuarial Assumptions***

A summary of the actuarial methods and assumptions used in determining the total pension liability of PERS as of December 31, 2018 are as follows:

Valuation date	December 31, 2018
Actuarial cost method	Entry Age Normal
Expected remaining service lives	4 years
Actuarial assumptions:	
Investment rate of return	6.50%, net of investment expense
Inflation rate	2.40%
Projected salary increases	4.75% (2.35% merit and 2.40% inflation)
Mortality rates	Pub-2010 Public Retirement Plans Mortality Table for General Employees for employees. Pub-2010 Public Retirement Plans Mortality Table for Health Retirees for annuitants and beneficiaries Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees for disabled annuitants.
Cost-of-living adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The discount rate used to measure the total pension liability was 6.50% for Plan A. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit

Jefferson Davis Parish Mosquito Abatement District No. 1  
Jennings, Louisiana

**Notes to Financial Statements**

As of and for the Year Ended December 31, 2019

payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a triangulation method, which integrated the capital asset pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.43% for the year ended December 31, 2018.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2018 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed income	35%	1.22%
Equity	52%	3.45%
Alternatives	11%	0.65%
Real assets	2%	0.11%
<b>Totals</b>	<b>100%</b>	<b>5.43%</b>
Inflation		2.00%
Expected arithmetic nominal return		7.43%

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2013 through December 31, 2017. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. As a result of this study, mortality for employees was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. In addition, mortality for annuitants and beneficiaries was set equal to the Pub-2010 Public Retirement plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. For Disabled annuitants mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale.

Jefferson Davis Parish Mosquito Abatement District No. 1  
Jennings, Louisiana

**Notes to Financial Statements**

As of and for the Year Ended December 31, 2019

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

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 6.50%, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate as of December 31, 2018:

	One Percentage Point Decrease 5.50%	Current Discout Rate 6.50%	One Percentage Point Increase 7.50%
Net Pension Liability	<u>\$ 512,193</u>	<u>\$ 241,176</u>	<u>\$ 14,629</u>

***Pension Plan Fiduciary Net Position***

Detailed information about the pension plan's fiduciary net position is available in the separately issued Parochial Employees' Retirement System of Louisiana Annual Financial Report at [www.persla.org](http://www.persla.org) or [www.la.state.la.us](http://www.la.state.la.us).

***Payables to the Pension Plan***

These financial statements do not include a payable to the pension plan because there were no legally required contribution due at December 31, 2019.

## **Required Supplemental Information**

**JEFFERSON DAVIS PARISH MOSQUITO ABATEMENT DISTRICT NO. 1**  
**Jennings, Louisiana**

**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended December 31, 2019**

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance with Final Budget Favorable / (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 1,675,000	\$ 1,675,000	\$ 1,793,971	\$ 118,971
Investment earnings	29,500	29,500	75,295	45,795
Total revenues	<u>1,704,500</u>	<u>1,704,500</u>	<u>1,869,266</u>	<u>164,766</u>
<b>EXPENDITURES</b>				
General office and administrative	448,380	448,380	419,196	29,184
Surveillance	288,320	288,320	230,230	58,090
Control and equipment maintenance	975,800	975,800	915,116	60,684
Total expenditures	<u>1,712,500</u>	<u>1,712,500</u>	<u>1,564,542</u>	<u>147,958</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,000)</u>	<u>(8,000)</u>	<u>304,724</u>	<u>312,724</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	<u>8,000</u>	<u>8,000</u>	<u>62,100</u>	<u>54,100</u>
Net change in fund balance	-	-	366,824	366,824
Fund balance - beginning	<u>3,820,411</u>	<u>3,820,411</u>	<u>3,820,411</u>	<u>-</u>
Fund balance - ending	<u>\$ 3,820,411</u>	<u>\$ 3,820,411</u>	<u>\$ 4,187,235</u>	<u>\$ 366,824</u>

See accompanying notes to Required Supplementary Information.

**JEFFERSON DAVIS PARISH MOSQUITO ABATEMENT DISTRICT NO. 1  
Jennings, Louisiana**

**Schedule of Employer's Share of Net Pension Liability  
Parochial Employees' Retirement System  
For the Year Ended December 31, 2019**

<u>Year ended December 31,</u>	<u>Employer Proportion of the Net Pension Liability (Asset)</u>	<u>Employer Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2019	0.054339%	\$ 241,176	\$ 334,049	72.20%	88.86%
2018	0.054018%	\$ (40,095)	\$ 332,490	(12.06%)	108.98%
2017	0.077932%	\$ 160,502	\$ 462,174	34.73%	94.15%
2016	0.078524%	\$ 206,698	\$ 450,228	45.91%	99.23%
2015	0.074800%	\$ 20,451	\$ 399,014	5.13%	99.15%

\* The amounts presented have a measurement date of the previous fiscal year end.

See accompanying notes to Required Supplementary Information.

**SCHEDULE 3**

**JEFFERSON DAVIS PARISH MOSQUITO ABATEMENT DISTRICT NO. 1  
Jennings, Louisiana**

**Schedule of Employer Contributions  
Parochial Employees' Retirement System  
For the Year Ended December 31, 2019**

<u>Year ended December 31,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractual Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
2019	\$ 39,330	\$ 39,330	\$ -	\$ 342,000	11.50%
2018	\$ 38,416	\$ 38,416	\$ -	\$ 334,049	11.50%
2017	\$ 41,561	\$ 41,561	\$ -	\$ 332,490	12.50%
2016	\$ 60,083	\$ 60,083	\$ -	\$ 462,174	13.00%
2015	\$ 65,283	\$ 65,283	\$ -	\$ 450,228	14.50%

\* The amounts presented were determined as of the end of the fiscal year.

See accompanying notes to Required Supplementary Information.

Jefferson Davis Parish Mosquito Abatement District No. 1

Jennings, Louisiana

**Notes to Required Supplementary Information**

As of and for the Year Ended December 31, 2019

**1. Budget**

**Basis of Accounting**

The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the District. Legally, the District must adopt a balanced budget; that is total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the District to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and /or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more.

**2. Pensions**

Changes of Benefit Terms

There were no changes of benefit terms for the year ended December 31, 2019.

Changes of Assumptions

For the actuarial valuation for the year ended December 31, 2018, the discount rate was reduced from 6.75% to 6.50%. Projected salary increases were reduced from 5.25% to 4.75%. Inflation rate was reduced from 2.50% to 2.40%.

## **Other Supplemental Schedules**

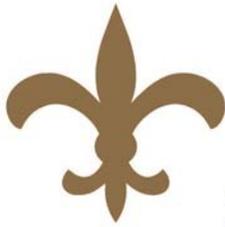
**JEFFERSON DAVIS PARISH MOSQUITO ABATEMENT DISTRICT NO. 1  
Jennings, Louisiana**

**Schedule of Compensation, Benefits, and other Payments  
to Agency head or Chief Executive Officer  
For the Year Ended December 31, 2019**

Agency Head Name: Robert Tonn, Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 65,406
Benefits-insurance	10,122
Benefits-retirement	7,522
Benefits-other	-
Mileage	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
	<hr/>
	\$ 83,050

## **Other Reports**



# J. Aaron Cooper, CPA, LLC

P.O. Box 918 • 106 West Nezpique Street • Jennings, Louisiana 70546

*Member of the American Institute of Certified Public Accountants and the Society of Louisiana Certified Public Accountants.  
Recipient of Advanced Single Audit Certificate*

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

Board of Commissioners  
Jefferson Davis Parish Mosquito  
Abatement District No. 1  
Jennings, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Jefferson Davis Parish Mosquito Abatement District No. 1 (the District), a component unit of the Jefferson Davis Parish Police Jury, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued my report thereon dated September 29, 2020.

## **Internal Control Over Financial Reporting**

In planning and performing my audit of the financial statements, I considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, I 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.

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. I did identify a certain deficiency in internal control described in the accompanying schedule of findings and questioned costs and management's corrective action plan as item 2019-01 that I consider to be a significant deficiency.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Jefferson Davis Parish Mosquito Abatement District No. 1's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Governmental Auditing Standards*.

### **Jefferson Davis Parish Mosquito Abatement District No. 1's Response to Findings**

The district's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs and management's corrective action plan. The district's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of my 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. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 25:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



Certified Public Accountant

Jennings, Louisiana  
September 29, 2020

Jefferson Davis Parish Mosquito Abatement District No. 1  
Jennings, Louisiana

**Schedule of Findings and Questioned Costs and Management's Corrective Action Plan**  
As of and for the Year Ended December 31, 2019

**INTERNAL CONTROL:**

**Finding 2019-01 – Internal control over expenditures (repeated since 2018)**

*Condition:* A review of cash disbursements disclosed deviations from purchasing policy. Two purchases out of forty tested contained purchase orders dated one day after the purchase.

*Criteria:* Good internal control dictate that purchases be authorized by a member of management prior to purchase. District policy requires a purchase order on all purchases over \$100.

*Cause:* Personnel failed to obtain purchase orders prior to making purchases.

*Effect:* Without a good purchase order system, unauthorized purchases could be made by District employees.

*Recommendation:* Purchase orders should be properly obtained for all purchases over \$100 in accordance with District policy.

*Management's response:* District management agrees with the finding and will work to implement procedures as recommended.

**Summary Schedule of Prior Year Findings**  
As of and for the Year Ended December 31, 2019

**INTERNAL CONTROL:**

**Finding 2018-01 – Internal control over expenditures**

*Condition:* A review of cash disbursements disclosed deviations from purchasing policy. Several purchases contained purchase orders dated after the purchase and there was one instance noted that had a purchase order that was approved by the same person who initiated the purchase.

*Criteria:* Good internal control dictate that purchases be authorized by a member of management prior to purchase. District policy requires a purchase order on all purchases over \$100.

*Cause:* Personnel failed to obtain purchase orders prior to making purchases or properly approved by a member of management.

*Effect:* Without a good purchase order system, unauthorized purchases could be made by District employees.

*Recommendation:* Purchase orders should be properly obtained for all purchases over \$100 in accordance with District policy.

*Corrective action taken:* See Finding 2019-01.

**COMPLIANCE:**

**Finding 2018-02 – Compliance with Ethics**

*Condition:* During the course of auditing cash disbursements, it was noted that the District purchased aviation fuel from a business while the owner was serving as one of the District's commissioners.

*Criteria:* State law provides that no appointed member of a commission may enter into any transaction which is under the supervision or jurisdiction of the agency of such appointed member.

*Cause:* The district purchased aviation fuel from a business while the owner was serving as one of the District's commissioners.

*Effect:* The foregoing finding may be a violation of state ethics law.

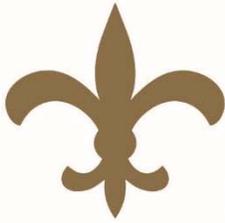
*Recommendation:* The district's management should establish policies and procedures that provide reasonable assurance that purchases are not made from related parties and comply with Louisiana ethics law.

*Corrective action taken:* All personnel responsible for purchases and complying with ethics law have been informed of its requirements. The district management has directed employees to not make related party purchases. The business owner has resigned as of October 2018. The district's management has implemented procedures to monitor its expenditures and ensure that purchases comply with the Louisiana ethics law in future years.

**Jefferson Davis Parish  
Mosquito Abatement District No. 1  
(A Component Unit of  
the Jefferson Davis Parish Police Jury)  
Jennings, Louisiana**

**Statewide Agreed-Upon  
Procedures Report**

**For the Year Ended December 31, 2019**



# J. Aaron Cooper, CPA, LLC

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P.O. Box 918 • 106 West Nezpique Street • Jennings, Louisiana 70546

*Member of the American Institute of Certified Public Accountants and the Society of Louisiana Certified Public Accountants.*

*Recipient of Advanced Single Audit Certificate*

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners  
Jefferson Davis Parish Mosquito  
Abatement District No. 1  
Jennings, Louisiana

I have performed the procedures enumerated below, which were agreed to by the Jefferson Davis Parish Mosquito Abatement District No. 1 (the District) and the Louisiana Legislative Auditor, State of Louisiana, on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the year ended December 31, 2019. The Entity's management is responsible for those control and compliance areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

### ***Written Policies and Procedures***

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1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
  - b) ***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.
  - c) ***Disbursements***, including processing, reviewing, and approving

- d) **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).
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **Credit Cards (and debit cards, fuel cards, P-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)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **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.

*The District maintains written policies for travel and expense reimbursements. The District's written policies and procedures do not address any of the other areas above.*

***Board or Finance Committee***

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

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-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.*
- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

*The District meets monthly except for January. No meetings without a quorum were noted. The minutes of the meetings did not mention monthly budget-to-actual reports; however, it was noted that budget-to-actual comparisons are given to commissioners with their monthly packets. The general fund did not have a negative ending unrestricted fund balance in the prior year audit.*

### ***Bank Reconciliations***

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3. Obtain a listing of client 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 selected each account, and observe that:
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
  - b) Bank reconciliations include evidence that a member of management/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
  - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

*Bank reconciliations for all 4 of the District's accounts were tested. The reconciliations were all prepared within two months of the related statement closing date. Accounts tested did contain evidence that management separate from involvement of transactions reviewed the bank reconciliations. There were no instances of stale-dated checks over 12 months on any of the reconciliations tested.*

## ***Collections***

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4. 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).
5. 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 (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, 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:
  - a) Employees that are responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not 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.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (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). *Alternately, 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:
  - a) Observe that receipts are sequentially pre-numbered.
  - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) Trace the deposit slip total to the actual deposit per the bank statement.

- d) 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).
- e) Trace the actual deposit per the bank statement to the general ledger.

*Deposit site and cash collection locations were obtained from management. The District only maintains one deposit site and cash collection location. Thus, the location selected for collection testing was the Mosquito Abatement District No. 1's main office. It was noted that the District primarily receives ad valorem taxes and interest on investments. None of the persons collecting cash are required to share the same drawer with another employee. At various times, the same person collecting cash may also be responsible for preparing/making bank deposits and posting collection entries to the general ledger without another employee/official reconciling collection documentation to the deposit. Also, the same person reconciling cash collections to the general ledger may be responsible for collecting cash, without another employee verifying the reconciliation. None of the employees who are involved in cash collection are bonded or appear to be covered by an insurance policy for theft.*

*Sequential numbering is not utilized for receipts. System reports and collection documentation can be traced to the deposit slip. Deposit slips tested were able to be traced to actual deposit on bank statement and to the general ledger. Documentation indicated that deposits were made timely.*

***Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)***

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- 8. 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).
- 9. For each location selected under #8 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, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) 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.
  - d) 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.

10. For each location selected under #8 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:
  - a) Observe that the disbursement matched the related original invoice/billing statement.
  - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

*Only one location exists for processing payments. No written policies or procedures regarding job descriptions and responsibilities exist, but employees are knowledgeable of their assigned duties. At least two people are involved in the purchasing process. The person responsible for processing payments is not prohibited from adding vendors to the entity's purchasing/disbursement system. Also, the signatories do not directly mail the payments or give to an employee to mail who is not responsible for processing payments. A listing of disbursements was obtained from the office manager and 40 items were randomly selected for testing (excluding credit card transactions). Selected disbursements matched original invoices. Segregation of duties is evident.*

#### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

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11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-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.
12. 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:
  - a) Observe that 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) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
  - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 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 (i.e. each card should have 10 transactions subject to testing). 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).

*This procedure was performed in year one with no exceptions. Per instructions of the Legislative Auditor, this procedure is not applicable for year three.*

### ***Travel and Travel-Related Expense Reimbursements (excluding card transactions)***

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14. 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, 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:
- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) 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 policy (procedure #1h).
  - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*I used the general ledger to sort and filter disbursements to determine if there were any payments to employees for travel and reimbursements. I further inquired of the Director and Office Manager of their knowledge of any such reimbursements. No payments to employees for travel reimbursements were noted.*

### ***Contracts***

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15. 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. *Alternately, 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:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
- d) 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.

*This procedure was performed in year one with no exceptions. Per instructions of the Legislative Auditor, this procedure is not applicable for year three.*

### ***Payroll and Personnel***

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- 16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- 17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
  - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
  - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- 18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
- 19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

*This procedure was performed in year one with no exceptions. Per instructions of the Legislative Auditor, this procedure is not applicable for year three.*

## ***Ethics***

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20. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above obtain ethics documentation from management, and:
  - a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity’s ethics policy during the fiscal period.

*This procedure was performed in year one with no exceptions. Per instructions of the Legislative Auditor, this procedure is not applicable for year three.*

## ***Debt Service***

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21. Obtain a listing of bonds/notes issued during the fiscal period and management’s representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. 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)..

*No bonds were issued during the year. No outstanding debt was noted.*

## ***Other***

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23. 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.
24. 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.

*This procedure was performed in year one with no exceptions. Per instructions of the Legislative Auditor, this procedure is not applicable for year three.*

JDMI was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those control and compliance areas identified in the SAUPs. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those control and compliance 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.

J. Aaron Cozart, CPA, LLC

September 29, 2020