

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

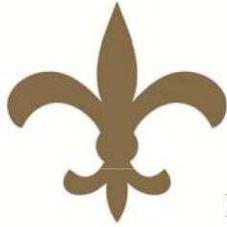
Year Ended December 31, 2017

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

December 31, 2017

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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, 2017, 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, 2017, 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 33 through 35 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

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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 June 30, 2018, 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 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 Coyle, CPA, LLC". The signature is written in a cursive style.

Jennings, Louisiana
June 30, 2018

GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)

STATEMENT A

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

Statement of Net Position
December 31, 2017

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 482,440
Investments	2,199,000
Property taxes receivable, net	1,449,397
Prepaid items	3,812
Capital assets, net of depreciation	<u>1,215,009</u>
TOTAL ASSETS	<u>5,349,658</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension-related deferrals	<u>197,266</u>
LIABILITIES	
Accounts payable	4,902
Payroll liabilities	13,773
Accrued compensated absences	4,344
Net pension liability	<u>160,502</u>
TOTAL LIABILITIES	<u>183,521</u>
DEFERRED INFLOWS OF RESOURCES	
Pension-related deferrals	<u>28,930</u>
NET POSITION	
Net investment in capital assets	1,215,009
Unrestricted net position	<u>4,119,464</u>
TOTAL NET POSITION	<u><u>\$ 5,334,473</u></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, 2017**

	Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Change in Net Position Governmental Activities
Governmental Activities			
Mosquito abatement	\$ 1,628,724	\$ -	\$ (1,628,724)
Total governmental activities	\$ 1,628,724	\$ -	\$ (1,628,724)
General Revenues:			
Property taxes			1,663,586
Investment earnings			45,612
Total general revenues and special items			1,709,198
Change in net position			80,474
Net position - beginning			5,253,999
Net position - ending			\$ 5,334,473

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, 2017

	General Fund
	<u> </u>
ASSETS	
Cash and cash equivalents	\$ 482,440
Investments	2,199,000
Property taxes receivable, net	<u>1,449,397</u>
 TOTAL ASSETS	 <u><u>\$ 4,130,837</u></u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 4,902
Payroll liabilities	<u>13,773</u>
Total liabilities	<u>18,675</u>
 Deferred inflows of resources:	
Unavailable revenue - ad valorem taxes	<u>54,352</u>
 Fund balance:	
Unassigned	<u>4,057,810</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	 <u><u>\$ 4,130,837</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, 2017**

Total fund balance for governmental fund (Statement C)	\$ 4,057,810
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	2,132,056
Less: accumulated depreciation	(917,047)
Other assets used in governmental activities that are not financial resources and, therefore, are not reported in the governmental funds.	
Prepaid items	3,812
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.	
	54,352
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	(4,344)
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 liability	(160,502)
Deferred outflows of resources	197,266
Deferred inflows of resources	<u>(28,930)</u>
Total net position of governmental activities (Statement A)	<u>\$ 5,334,473</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, 2017

	General Fund
REVENUES	
Property taxes	\$ 1,766,614
Investment earnings	45,612
Total revenues	<u>1,812,226</u>
EXPENDITURES	
General office and administrative	301,695
Surveillance	229,387
Control and equipment maintenance	988,843
Total expenditures	<u>1,519,925</u>
Net change in fund balance	292,301
Fund Balance - beginning	<u>3,765,509</u>
Fund Balance - ending	<u>\$ 4,057,810</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, 2017

Net change in fund balance, total governmental funds (Statement E)	\$	292,301
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		
Capital outlays	\$	42,440
Depreciation expense for the year ended December 31, 2017		<u>(103,001)</u> (60,561)
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		(103,028)
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:		
Contributions after measurement date		41,561
Net change in pension expense		(89,838)
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.		
Change in compensated absences payable		(132)
Change in prepaid insurance		<u>171</u>
Change in net position of government activities (Statement B)	\$	<u><u>80,474</u></u>

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

Notes to Financial Statements

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

Notes to Financial Statements
As of and for the Year Ended December 31, 2017

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, 2017

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.

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

Notes to Financial Statements
As of and for the Year Ended December 31, 2017

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, 2017

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, 2017

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, 2017

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, 2017, the District had accrued vacation leave of \$4,344.

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, 2017

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, 2017, the General Fund has an unassigned fund balance of \$4,057,810. 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, 2017, the District had no extraordinary or special items.

M. Date of Management's Review

Subsequent events were evaluated through June 30, 2018, 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, 2017

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, 2017.

3. **Deposits and Investments**

A. Deposits

As of December 31, 2017, 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	482,290
Total	<u>\$ 482,440</u>

Additionally, the District has certificates of deposit totaling \$2,199,000 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, 2017, the District has \$2,720,003 in deposits (collected bank balances) in local financial institutions, including certificates of deposit. These deposits are secured from risk by \$291,417 of federal deposit insurance and \$2,428,586 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, 2017

B. Investments

At December 31, 2017, the District had the following investments and maturities:

Investment Type	% of Portfolio	Fair Value	Investments Maturities (in Years)	
			Less than 1	1-5
Certificates of deposit- (maturities exceeding 90 days)	100%	\$2,199,000	\$ -	\$ 2,199,000

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, 2017.

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, 2017, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets being depreciated:				
Buildings and improvements	\$ 515,308	\$ -	\$ -	\$ 515,308
Equipment	1,559,054	42,440	-	1,601,494
Furniture and fixtures	15,254	-	-	15,254
Total capital assets being depreciated	<u>2,089,616</u>	<u>42,440</u>	<u>-</u>	<u>2,132,056</u>
Less accumulated depreciation:				
Buildings and improvements	361,342	14,105	-	375,447
Equipment	441,684	88,046	-	529,730
Furniture and fixtures	11,020	850	-	11,870
Total accumulated depreciation	<u>814,046</u>	<u>103,001</u>	<u>-</u>	<u>917,047</u>
Total capital assets being depreciated, net	<u>\$ 1,275,570</u>	<u>\$ (60,561)</u>	<u>\$ -</u>	<u>\$ 1,215,009</u>

Depreciation expense of \$103,001 was charged to governmental activities: Mosquito Abatement

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

Notes to Financial Statements
As of and for the Year Ended December 31, 2017

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, 2017. 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. Related Party Transactions

During the year ended December 31, 2017, the District purchased \$16,562 in fuel for its aircraft from Riceland Aviation, which is owned by one of the District's commissioners.

8. Board of Commissioners Compensation

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

9. 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.

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

Notes to Financial Statements
As of and for the Year Ended December 31, 2017

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.

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

Notes to Financial Statements
As of and for the Year Ended December 31, 2017

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, 2017

Contributions

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2016, the actuarially determined contribution rate was 10.52% of member's compensation for Plan A. However, the actual rate for the fiscal year ending December 31, 2016, was 13.00% 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, 2017, was 12.50% 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 \$41,561 for the year ended December 31, 2017.

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

At December 31, 2017, the District reported a liability of \$160,502 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of December 31, 2016, 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, 2016, the District's proportion was .077932%, which was a decrease of .000592 percentage points from its proportion measured as of December 31, 2015.

For the year ended December 31, 2016, the District recognized pension expense of \$95,336 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$258.

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

Notes to Financial Statements
As of and for the Year Ended December 31, 2017

At December 31, 2017, 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	\$ -	\$ (28,086)
Changes of assumptions	30,472	-
Net difference between projected and actual earnings on pension plan investments	124,555	-
Change in proportion and differences between employer contributions and proportionate share of contributions	678	(844)
Employer contributions subsequent to the measurement date	41,561	-
Total	\$ 197,266	\$ (28,930)

Deferred outflows of resources of \$41,561 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, 2018. 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	
2018	\$ 47,435
2019	49,983
2020	32,725
2021	(3,368)
	\$ 126,775

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

Notes to Financial Statements
As of and for the Year Ended December 31, 2017

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability of PERS as of December 31, 2016 are as follows:

Valuation date	December 31, 2016
Actuarial cost method	Entry Age Normal
Expected remaining service lives	4 years
Actuarial assumptions:	
Investment rate of return	7.00%, net of investment expense
Inflation rate	2.5%
Projected salary increases	5.25% (2.75% merit and 2.50% inflation)
Mortality rates	RP-2000 Employee Sex Distinct Table for employees RP-2000 Healthy Annuitant Sex Distinct Table for annuitants and beneficiaries RP-2000 Disabled Lives Mortality Tables 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 7.00% 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

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

Notes to Financial Statements
As of and for the Year Ended December 31, 2017

System's fiduciary net position was projected to be available to make all projected future benefit 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 7.66% for the year ended December 31, 2016.

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, 2016, are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed income	35%	1.24%
Equity	52%	3.63%
Alternatives	11%	0.67%
Real assets	2%	0.12%
Totals	100%	5.66%
Inflation		2.00%
Expected arithmetic nominal return		7.66%

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2010 through December 31, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. The RP-2000 Healthy Annuitant Sex Distinct Tables (set forward two years for males and set forward one year for females) projected to 2031 using Scale AA was selected for annuitants and beneficiaries. For disabled annuitants, the RP-2000 Disabled Lives Mortality Table set back five years for males and three years for females was selected. For active employees, the RP-2000 Employee Sex Distinct Tables set back four years for males and three years for females was used.

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

Notes to Financial Statements
As of and for the Year Ended December 31, 2017

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 7.00%, as well as what the District's proportionate share of the net pension liability 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, 2016:

	One Percentage Point Decrease 6.00%	Current Discout Rate 7.00%	One Percentage Point Increase 8.00%
Net Pension Liability	\$ 480,126	\$ 160,502	\$ (109,750)

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 or 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, 2017.

Required Supplemental Information

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

**Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2017**

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance with Final Budget Favorable / (Unfavorable)
	Original	Final		
REVENUES				
Property taxes	\$ 1,630,000	\$ 1,630,000	\$ 1,766,614	\$ 136,614
Investment earnings	29,500	29,500	45,612	16,112
Miscellaneous	2,500	2,500	-	(2,500)
Total revenues	<u>1,662,000</u>	<u>1,662,000</u>	<u>1,812,226</u>	<u>150,226</u>
EXPENDITURES				
General office and administrative	374,350	374,350	301,695	72,655
Surveillance	258,800	258,800	229,387	29,413
Control and equipment maintenance	1,036,850	1,036,850	988,843	48,007
Total expenditures	<u>1,670,000</u>	<u>1,670,000</u>	<u>1,519,925</u>	<u>150,075</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,000)</u>	<u>(8,000)</u>	<u>292,301</u>	<u>300,301</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	<u>8,000</u>	<u>8,000</u>	<u>-</u>	<u>(8,000)</u>
Net change in fund balance	-	-	292,301	292,301
Fund balance - beginning	<u>3,765,509</u>	<u>3,765,509</u>	<u>3,765,509</u>	<u>-</u>
Fund balance - ending	<u>\$ 3,765,509</u>	<u>\$ 3,765,509</u>	<u>\$ 4,057,810</u>	<u>\$ 292,301</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, 2017**

<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>
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, 2017

Year ended December 31,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
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, 2017

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, 2017.

Changes of Assumptions

For the actuarial valuation for the year ended December 31, 2016, there were no changes of assumptions.

Other Supplemental Schedules

SCHEDULE 4

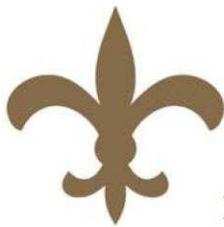
JEFFERSON DAVIS PARISH MOSQUITO ABATEMENT DISTRICT NO. 1
Jennings, Louisiana

Schedule of Compensation, Benefits, and other Payments
to Agency head or Chief Executive Officer
For the Year Ended December 31, 2017

Agency Head Name: Robert Tonn, Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 61,367
Benefits-insurance	10,424
Benefits-retirement	7,671
Benefits-other	-
Mileage	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	140
Conference travel	191
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	54
	<hr/>
	\$ 79,847
	<hr/> <hr/>

Other Reports



J. Aaron Cooper , CPA, LLC

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

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, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued my report thereon dated June 30, 2018.

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. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 instances of noncompliance or other matters that are required to be reported under *Governmental Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs and management's corrective action plan as item 2017-01.

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. The district's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of 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
June 30, 2018

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, 2017

COMPLIANCE:

Finding 2017-01 – Compliance with Public Bid Law

Condition: During our testing of compliance, we noted several instances of noncompliance with the Louisiana Public Bid Law.

Criteria: Public entities must follow Public Bid Law requirements per Louisiana Revised Statute 38:2211.

Cause: The district does not have adequate policies, procedures, and controls in place to monitor its expenditures in accordance with the Public Bid Law.

Effect: The district was not in compliance with the Louisiana Public Bid Law as required by Louisiana Revised Statute 38:2211.

Recommendation: The district's management should establish policies and procedures that provide reasonable assurance that purchases comply with the Louisiana Public Bid Law.

Management's response: Some of the personnel responsible for complying with the Public Bid Law were new to their position for the year ended December 31, 2017. All personnel responsible for complying with the Public Bid Law will be informed of its requirements. The district's management will ensure that purchases comply with the Louisiana Public Bid Law in future years.

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

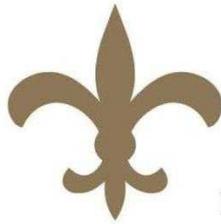
Summary Schedule of Prior Year Findings
As of and for the Year Ended December 31, 2017

No prior year findings.

**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 June 30, 2017



J. Aaron Cooper , CPA, LLC

P.O. Box 918 • 510 North Cutting Avenue • 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 fiscal year ended December 31, 2017. 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

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - 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*, including receiving, recording, and preparing deposits
- 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, and (5) monitoring card usage.
- 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. Note: Ethics requirements are not applicable to nonprofits.
- j) *Debt Service*, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

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, if applicable)

- 2. Obtain and review the board/committee minutes for the fiscal period, and:
 - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
 - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
 - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

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. There were numerous references to non-budgetary financial information in the minutes during the year.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.
4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:
 - a) Bank reconciliations have been prepared;
 - b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
 - c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Bank reconciliations for all 4 of the District's accounts were tested. The reconciliations were all prepared. Accounts tested did not contain evidence that management or commissioners separate from involvement of transactions reviewed the bank reconciliations. However, it was noted that the bank reconciliations were reviewed by the Director. There were no instances of stale-dated checks over 6 months on any of the reconciliations tested.

Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

For each cash collection location selected:

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.
- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
 - Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
 - Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.
7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and 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) by a person who is not responsible for collections.

Cash collection locations were obtained from management. The District only maintains one 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 employees who are involved in cash collection are bonded. At various times, the same person collecting cash may also be responsible for depositing cash in the bank. Also, the same person recording the deposit is also responsible for reconciling bank statements. None of the persons collecting cash are required to share the same drawer with another employee. The District does not have a

formal process to reconcile cash collections to the general ledger by a person who is not responsible for cash collections in the cash collection locations. Collection documentation was obtained indicating that one deposit was not made within one day of collection. The other deposit was made within one day of collection. All collections were completely supported by documentation. There is no written documentation specifically defined to determine the completeness of all collections by a person who is not responsible for collections.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.
9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:
 - a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
 - b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
 - c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.
10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.
11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.
12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

A listing of disbursements was obtained from the office manager and 40 items were randomly selected for testing (excluding credit card transactions). There were three instances noted that had purchase orders that were approved by the same person who initiated the purchase. The person responsible for processing payments is not prohibited from adding vendors to the entity's purchasing/disbursement system. One of the persons with signature authority or who make final authorization for disbursements does have responsibility for initiating or recording purchases. Check stock is stored in a locked safe with access restricted to two employees. One of the persons with access does have signature authority. No signature stamps or signature machine are used by the District. Also, the signatories do not maintain the signed checks until mailed.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), 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.
15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.
- Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:
- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, 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) Report whether finance charges and/or late fees were assessed on the selected statements.
16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).
- a) For each transaction, report whether the transaction is supported by:
 - An original itemized receipt (i.e., identifies precisely what was purchased)

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
 - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)
- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.
- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

I obtained a listing of all credit cards. Five credit cards are maintained and two were selected for testing. For each card, I determined the month with the largest activity and performed the foregoing tests without exception. However, improvements can be made for documentation of public purpose.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.
18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.
19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:
- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.
 - b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
 - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
 - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
- c) Compare the entity’s documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
- d) Report whether each expense and related documentation 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

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management’s representation that the listing or general ledger is complete.
21. Using the listing above, select the five contract “vendors” that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:
- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.
 - b) Compare each contract’s detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
 - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
 - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.
- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

I downloaded the check register and filtered the data creating a listing of the vendors with disbursement amounts that could potentially contain any contractor payments and requested the office manager to identify which vendors were under contract. From that list, only one vendor was indicated to be under contract. No exceptions were noted during testing.

Payroll and Personnel

- 22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:
 - a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
 - b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.
- 23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:
 - a) Report whether 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) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
 - c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.
25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

I randomly selected 5 employees for testing compensation paid. No exceptions were noted. For testing of leave documentation, I selected the payroll period ending 10/31/2017 for testing using all 8 employees that qualify for leave. No exceptions were noted. No employees received severance pay during the year. Finally, using the general ledger I identified payments made during the year for retirement and payroll taxes and identified the related pay date. All payments were made timely.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.
27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

I used the previous sample of five employees selected from procedure No. 22 and obtained the certificates documenting the ethics training for those employees. According to management, no ethics violations were reported during the year.

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.
29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

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

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.lla.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.
33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

Management is not aware of any misappropriation of public funds or assets. Notice of the hotline information is posted on the employee bulletin board.

I 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 C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control and 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 Coogan, CPA, LLC

June 30, 2018