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MOSQUITO CONTROL DISTRICT
NO. 1 OF THE PARISH OF ST. MARY
Franklin, Louisiana

Financial Statements

December 31, 1998

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

Release Date APR 07 1999

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ANNUAL FINANCIAL STATEMENTS


March 22, 1999

Office of Legislative Auditor
Attention: Ms. Dorothy Milner
1600 North Third
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Ms. Milner:

In accordance with Louisiana Revised Statute 24:514, enclosed are the annual financial statements for the Mosquito Control District #1 of St. Mary Parish as of and for the fiscal year ended December 31, 1998. The report includes all funds under the control and oversight of the district. The accompanying financial statements have been prepared in accordance with generally accepted accounting principles.

Sincerely,


Robert Auerbach, Chairman

Enclosure

MOSQUITO CONTROL DISTRICT #1 OF ST. MARY PARISH
Franklin, Louisiana

ANNUAL SWORN FINANCIAL STATEMENTS AND
CERTIFICATION OF REVENUES \$50,000 OR LESS

The annual sworn financial statements are required by Louisiana Revised Statute 24:514 to be filed with the Legislative Auditor within 90 days after the close of the fiscal year. The certification of revenues \$50,000 or less, if applicable, is required by Louisiana Revised Statute 24:513(I)(1)(c)(i).


AFFIDAVIT

Personally came and appeared before the undersigned authority, Robert Auerbach, who, duly sworn, deposes and says that the financial statements herewith given present fairly the financial position of the Mosquito Control District #1 of St. Mary Parish as of December 31, 1998, and the results of operations for the year then ended, in accordance with the basis of accounting described within the accompanying financial statements.

In addition, Robert Auerbach, who, duly sworn, deposes and says that the Mosquito Control District #1 of St. Mary Parish received \$50,000 or less in revenues and other sources for the fiscal year ending December 31, 1998, and, accordingly, is not required to have an audit for the previously mentioned fiscal year end.


Robert Auerbach, Chairman

Sworn to and subscribed before me, this 26 day of March, 19 99.


NOTARY PUBLIC

Officer R.W. AUERBACH
Address 108 BAYVIEW DRIVE
CYPREMOPT POINT, LA 70538
Telephone No. (318) 867-4422



A Professional Corporation of Certified Public Accountants

To the Commissioners of Mosquito Control District
No. 1 of the Parish of St. Mary
Franklin, Louisiana

We have compiled the accompanying general purpose financial statements of the Mosquito Control District No. 1 of the Parish of St. Mary, a component unit of the Parish of St. Mary, Franklin, Louisiana, as of and for the year ended December 31, 1998 as listed in the table of contents, and the supplementary information which is presented only for supplementary analysis purposes in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements and supplementary schedules information that is the representation of management. We have not audited or reviewed the accompanying financial statements and supplementary schedule and, accordingly, do not express an opinion or any other form of assurance on them.

INZERELLA, FELDMAN & CO.
CERTIFIED PUBLIC ACCOUNTANTS

March 22, 1999

Page 3

GREGORY J. INZERELLA, CPA BARBARA M. FELDMAN, CPA ERIC J. BROUSSARD, CPA J. DAVID BRADY, CPA JULIE W. POURCIAU, CPA
TINA B. VIATOR, CPA

MEMBERS AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
LOUISIANA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

301 E. ST. PETER ST. • P.O. BOX 9408 • NEW IBERIA, LA. 70562-9408 • (318) 364-3866 FAX (318) 364-3872

Mosquito Control District No. 1 of the
Parish of St. Mary
Franklin, Louisiana
All Fund Types and Account Groups
Balance Sheet
December 31, 1998

| | GOVERNMENTAL FUND | ACCOUNT GROUPS | TOTAL (MEMORANDUM ONLY) |
|--|----------------------|----------------------------|-------------------------------|
| | General Fund | General Fixed Assets | |
| ASSETS | | | |
| Cash and cash equivalents | \$ 20,734 | \$ | \$ 20,734 |
| Receivables | 23,614 | | 23,614 |
| Equipment | | 20,589 | 20,589 |
| TOTAL ASSETS | \$ 44,348 | \$ 20,589 | \$ 64,937 |
| LIABILITIES, EQUITY AND OTHER CREDITS | | | |
| LIABILITIES | | | |
| Payroll Taxes Payable | \$ 242 | \$ | \$ 242 |
| TOTAL LIABILITIES | 242 | | 242 |
| EQUITY AND OTHER CREDITS | | | |
| Investment in general fixed assets | | 20,589 | 20,589 |
| FUND BALANCES | | | |
| Unreserved | | | |
| Designated for - | | | |
| Capital outlay | 500 | | 500 |
| Subsequent year expenditures | 13,000 | | 13,000 |
| Undesignated | 30,606 | | 30,606 |
| TOTAL EQUITY AND OTHER CREDITS | 44,106 | 20,589 | 64,695 |
| TOTAL LIABILITIES, EQUITY AND OTHER CREDITS | \$ 44,348 | \$ 20,589 | \$ 64,937 |

See Accountants' Compilation Report
The accompanying notes are an integral
part of the financial statements.

Mosquito Control District No. 1 of the
 Parish of St. Mary
 Franklin, Louisiana
 Governmental Funds
 Statement of Revenues, Expenditures and
 Changes in Fund Balance
 For the Year Ended December 31, 1998

| | General Fund |
|--|-----------------|
| REVENUES | |
| Ad valorem taxes | \$ 26,252 |
| Interest earnings | 868 |
| TOTAL REVENUES | 27,120 |
| EXPENDITURES | |
| Current | |
| General Government | 3,751 |
| Health and Welfare | 32,941 |
| Capital Outlay | 0 |
| TOTAL EXPENDITURES | 36,692 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (9,572) |
| OTHER FINANCING SOURCES (USES) | 0 |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES | (9,572) |
| FUND BALANCES (DEFICIT) AT BEGINNING OF YEAR | 53,678 |
| FUND BALANCES (DEFICIT) AT END OF YEAR | \$ 44,106 |

See Accountants' Compilation Report
 The accompanying notes are an integral
 part of the financial statements.

Mosquito Control District No. 1 of the
Parish of St. Mary
Franklin, Louisiana
Governmental Fund - General Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 1998

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE - FAVORABLE (UNFAVORABLE)</u> |
|--|-------------------|-------------------|---|
| REVENUES | | | |
| Ad valorem taxes | \$ 26,000 | \$ 26,252 | \$ 252 |
| Interest earnings | <u>1,000</u> | <u>868</u> | <u>(132)</u> |
| TOTAL REVENUES | <u>27,000</u> | <u>27,120</u> | <u>120</u> |
| EXPENDITURES | | | |
| Current | | | |
| General Government | 4,850 | 3,751 | 1,099 |
| Health and Welfare | 35,250 | 32,941 | 2,309 |
| Capital Outlay | <u>500</u> | <u>0</u> | <u>500</u> |
| TOTAL EXPENDITURES | <u>40,600</u> | <u>36,692</u> | <u>3,908</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(13,600)</u> | <u>(9,572)</u> | <u>4,028</u> |
| OTHER FINANCING SOURCES(USES) | <u>0</u> | <u>0</u> | <u>0</u> |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES | <u>(13,600)</u> | <u>(9,572)</u> | <u>4,028</u> |
| FUND BALANCES (DEFICIT) AT BEGINNING OF YEAR | <u>53,600</u> | <u>53,678</u> | <u>78</u> |
| FUND BALANCES (DEFICIT) AT END OF YEAR | <u>\$ 40,000</u> | <u>\$ 44,106</u> | <u>\$ 4,106</u> |

See Accountants' Compilation Report
The accompanying notes are an integral
part of the financial statements.

Mosquito Control District No. 1 of the Parish of St. Mary
Franklin, Louisiana
Notes to the Financial Statements

Note 1 - Summary of Significant Accounting Policies

The Mosquito Control District No. 1 of the Parish of St. Mary was created under and by virtue of the authority conferred by Article 6, Section 19 of the Louisiana Constitution of 1974, Chapter 23 of Title 33 of the Louisiana Revised Statutes of 1950, and other constitutional and statutory authority supplemental thereto.

The purpose of the Mosquito Control District No. 1 of the Parish of St. Mary, is abatement, control, eradication and study of mosquitos and other arthropod of public health importance and all activities incidental hereto.

There have been five Commissioners appointed by the St. Mary Parish Council. These individuals have not been compensated.

The Mosquito Control District No. 1 of the Parish of St. Mary shall comprise all of the territory within Ward 2 of the Parish of St. Mary, State of Louisiana, lying to the south and southwest of the centerline of the Gulf Intracoastal Waterway.

There are two employees as of December 31, 1998.

The following is a summary of certain significant accounting policies.

A. Basis of Presentation

The accompanying general purpose financial statements of the Mosquito Control District No. 1 of the Parish of St. Mary have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

As the governing authority of the parish, for reporting purposes, the St. Mary Parish Council is the financial reporting entity for St. Mary Parish. The financial reporting entity consists of (a) the primary government (parish council), (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 or incomplete.

Mosquito Control District No. 1 of the Parish of St. Mary
Franklin, Louisiana
Notes to the Financial Statements (Continued)

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the St. Mary Parish Council for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the parish council to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the parish council.
2. Organizations for which the parish council does not appoint a voting majority but are fiscally dependent on the parish council.
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 parish council appointed a governing board, and this board has to account for fiscal matters, the district was determined to be a component unit of the St. Mary Parish Council, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the parish council, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

C. Fund Accounting

The district uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

Mosquito Control District No. 1 of the Parish of St. Mary
Franklin, Louisiana
Notes to the Financial Statements (Continued)

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the district are classified as governmental funds. Governmental funds account for the district's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds of the district include:

1. General Fund--the general operating fund of the district and accounts for all financial resources, except those required to be accounted for in other funds.

D. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes are recorded in the year of assessment. Interest income on investments and on ad valorem taxes are recorded when earned.

Expenditures

Expenditures are recorded when the related fund liability is incurred.

Mosquito Control District No. 1 of the Parish of St. Mary
Franklin, Louisiana
Notes to the Financial Statements (Continued)

E. Budgets

The district uses the following budget practices:

Annually, the Board of Commissioners adopts a budget for the General Fund. The budget practices include public notice of the proposed budget and a public hearing on the budget. All budgeting appropriations lapse at the end of each year. Total expenditures may not legally exceed appropriations by more than 5%. The General Fund budget is prepared on the modified accrual basis of accounting and includes original adopted budget amounts and all subsequent amendments. The Board does not use a system of encumbrances.

F. Cash and Cash Equivalents and Investments

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. The Mosquito Control District No. 1 of the Parish of St. Mary considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Under state law, the district may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the district may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

G. Ad Valorem Taxes Receivable

Receivables are written off directly to bad debt expense when they are determined to be uncollectible. Bad debt expense under the allowance method would not be materially different.

H. Fixed Assets

Fixed assets are recorded as expenditures at the time purchased or constructed, and the related assets are reported in the general fixed assets account group. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available.

Mosquito Control District No. 1 of the Parish of St. Mary
Franklin, Louisiana
Notes to the Financial Statements (Continued)

I. Fund Equity

Designated fund balances represent tentative plans for future use of financial resources.

J. Total Memorandum Column on Balance Sheet

The total column on the combined balance sheet is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

Note 2 - Cash and Cash Equivalents

At December 31, 1998 the district has cash and cash equivalents (book balance) totaling \$20,734 as follows:

| | |
|-----------------|-----------------|
| Demand deposits | <u>\$20,734</u> |
|-----------------|-----------------|

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 1998, the district has \$20,939 in deposits (collected bank balance). These deposits are secured from risk by federal deposit insurance.

Note 3 - Levied Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. During the current fiscal year, taxes were levied by the District in October and were billed to the taxpayers in November. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year.

The taxes are based on assessed values determined by the Tax Assessor of St. Mary Parish and are collected by the Sheriff.

Mosquito Control District No. 1 of the Parish of St. Mary
 Franklin, Louisiana
 Notes to the Financial Statements (Continued)

For the year ended December 31, 1998, taxes were levied on property with assessed valuations totaling \$6,931,151 and were dedicated as follows:

| | |
|--|------------|
| Mosquito Control District No. 1 of the Parish of St. Mary | 3.80 mills |
|--|------------|

Total taxes levied were \$26,252.

Note 4 - Receivables

The following is a summary of receivables at December 31, 1998:

| <u>Class of receivables</u> | <u>General Fund</u> |
|-----------------------------|---------------------|
| Ad valorem taxes | \$ 23,614 |

Note 5 - Compensation to Board Members

The board of commissioners were not compensated for their services for the year ended December 31, 1998.

Note 6 - Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

| | <u>Balance January 1, 1998</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance December 31, 1998</u> |
|-----------|--|------------------|-------------------|--|
| Equipment | \$ 20,589 | \$ 0 | \$ 0 | \$ 20,589 |

Supplementary Information

Supplementary Information
Mosquito Control District No. 1 of the Parish of St. Mary
Franklin, Louisiana
Governmental Fund - General Fund
Schedule of Expenditures
Compared to Budget (GAAP Basis)
For the Year Ended December 31, 1998

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE - FAVORABLE (UNFAVORABLE)</u> |
|---------------------------------|------------------|------------------|---|
| EXPENDITURES | | | |
| Current | | | |
| General government | | | |
| Dues | \$ 100 | \$ 113 | \$ (13) |
| Accounting | 1,600 | 1,191 | 409 |
| Bookkeeping | 600 | 593 | 7 |
| Office Expense | 100 | 68 | 32 |
| Telephone Expense | 600 | 558 | 42 |
| Seminars | 500 | 412 | 88 |
| Postage | 250 | 0 | 250 |
| Bank Charges | 0 | 28 | (28) |
| Assessor's Pension Fund | <u>1,100</u> | <u>788</u> | <u>312</u> |
| Total general government | <u>4,850</u> | <u>3,751</u> | <u>1,099</u> |
| Health and Welfare | | | |
| Automobile Insurance | 1,015 | 1,200 | (185) |
| General Liability Insurance | 1,905 | 2,058 | (153) |
| Director's Liability Insurance | 630 | 644 | (14) |
| Workers' Compensation Insurance | 1,600 | 850 | 750 |
| Repairs | 100 | 30 | 70 |
| Payroll Taxes | 1,500 | 1,248 | 252 |
| Salaries | 13,000 | 12,997 | 3 |
| Truck and Sprayer Expense | 500 | 546 | (46) |
| Chemicals | <u>15,000</u> | <u>13,368</u> | <u>1,632</u> |
| Total health and welfare | <u>35,250</u> | <u>32,941</u> | <u>2,309</u> |
| Capital Outlay | <u>500</u> | <u>0</u> | <u>500</u> |
| TOTAL EXPENDITURES | <u>\$ 40,600</u> | <u>\$ 36,692</u> | <u>\$ 3,908</u> |

See Accountants' Compilation Report

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