

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, 2022

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INDEPENDENT AUDITORS' REPORT

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

Opinions

We have audited the accompanying financial statements of the governmental activities and each major of the Jefferson Davis Parish Mosquito Abatement District No. 1, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Jefferson Davis Parish Mosquito Abatement District No. 1's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major of the Jefferson Davis Parish Mosquito Abatement District No. 1, as of December 31, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Jefferson Davis Parish Mosquito Abatement District No. 1, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Jefferson Davis Parish Mosquito Abatement District No. 1's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Jefferson Davis Parish Mosquito Abatement District No. 1's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Jefferson Davis Parish Mosquito Abatement District No. 1's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 34, schedule of employer's share of net pension liability on page 35, schedule of employer contributions on page 36, and the notes to the required supplementary information on page 37 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted 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 the financial reporting for placing the basic financial

statement in a appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Jefferson Davis Parish Mosquito Abatement District No. 1’s basic financial statements. The schedule of compensation, benefits and other payments to agency head is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 22, 2023, on our consideration of the Jefferson Davis Parish Mosquito Abatement District No. 1’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Jefferson Davis Parish Mosquito Abatement District No. 1’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Jefferson Davis Parish Mosquito Abatement District No. 1’s internal control over financial reporting and compliance.



Lake Charles, Louisiana
June 22, 2023

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)

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

Statement of Net Position
December 31, 2022

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 705,921
Investments	2,703,119
Accrued interest receivable	4,082
Ad valorem taxes receivable, net	1,920,306
Prepaid items	5,827
Net pension asset	259,526
Capital assets, net of accumulated depreciation	1,626,879
TOTAL ASSETS	7,225,660
 DEFERRED OUTFLOWS OF RESOURCES	
Pension-related deferrals	74,763
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 7,300,423
 LIABILITIES	
Accounts payable	\$ 4,365
Payroll liabilities	31,382
Accrued compensated absences	4,770
TOTAL LIABILITIES	40,517
 DEFERRED INFLOWS OF RESOURCES	
Pension-related deferrals	244,090
 NET POSITION	
Net investment in capital assets	1,626,879
Unrestricted net position	5,388,937
TOTAL NET POSITION	7,015,816
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 7,300,423

See accompanying notes and independent auditors' report.

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

Statement of Activities
For the Year Ended December 31, 2022

	<u>Expenses</u>	<u>Program Revenues</u> <u>Charges for</u> <u>Services</u>	<u>Operating Grants and</u> <u>Contributions</u>	<u>Net (Expense)</u> <u>Revenue and Change</u> <u>in Net Position</u>
Governmental Activities				
Mosquito abatement	\$ 2,144,725	\$ -	\$ -	\$ (2,144,725)
Total governmental activities	<u>\$ 2,144,725</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(2,144,725)</u>
		General Revenues:		
		Property taxes		2,127,132
		Investment earnings		61,801
		Gain on sale of capital assets		<u>5,359</u>
		Total general revenues		<u>2,194,292</u>
		Change in net position		49,567
		Net position at beginning of year		<u>6,966,249</u>
		Net position at end of year		<u>\$ 7,015,816</u>

See accompanying notes and independent auditors' report.

FUND FINANCIAL STATEMENTS (FFS)

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

Balance Sheet - Governmental Fund
December 31, 2022

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 705,921
Investments	2,703,119
Accrued interest receivable	4,082
Ad valorem taxes receivable, net	<u>1,920,306</u>
 TOTAL ASSETS	 <u><u>\$ 5,333,428</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 4,365
Payroll liabilities	31,382
Total liabilities	<u>35,747</u>
Deferred inflows of resources:	
Unavailable revenue - ad valorem taxes	59,295
Fund balance:	
Unassigned	<u>5,238,386</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	 <u><u>\$ 5,333,428</u></u>

See accompanying notes and independent auditors' report.

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, 2022**

Total fund balance for governmental fund	\$ 5,238,386
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	3,111,276
Less: accumulated depreciation	<u>(1,484,397)</u>
	1,626,879
Other assets used in governmental activities that are not financial resources and, therefore, are not reported in the governmental funds.	
Prepaid items	5,827
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.	
	59,295
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	(4,770)
In accordance with Governmental Accounting Standards Board Statement No. 68, the net pension asset related to pension plans, deferred outflows of resources, and deferred inflows of resources are not recorded in governmental funds.	
Net pension asset	259,526
Deferred outflows of resources	74,763
Deferred inflows of resources	<u>(244,090)</u>
	<u>90,199</u>
Total net position of governmental activities	<u><u>\$ 7,015,816</u></u>

See accompanying notes and independent auditors' report.

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, 2022

	<u>General Fund</u>
REVENUES:	
Ad valorem taxes	\$ 2,131,443
Investment earnings	61,801
Proceeds from sale of assets	5,436
Total revenues	<u>2,198,680</u>
EXPENDITURES:	
Current:	
General office and administrative	415,350
Surveillance	264,151
Control and equipment maintenance	1,413,422
Capital outlay	149,728
Total expenditures	<u>2,242,651</u>
Excess of expenditures over revenues	(43,971)
Fund Balance - beginning of year	<u>5,282,357</u>
Fund Balance - end of year	<u><u>\$ 5,238,386</u></u>

See accompanying notes and independent auditors' report.

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, 2022**

Total net change in fund balance - governmental fund - per the Statement of Revenues, Expenditures, and Changes in Fund Balance		\$ (43,971)
Amounts reported for governmental activities in the Statement of Activities are different because:		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.</p>		
Capital outlays	149,728	
Depreciation expense for the year ended December 31, 2022	<u>(146,500)</u>	3,228
<p>The net effect of various miscellaneous transactions involving capital assets, such as sales, trade-ins, and donations is to increase (decrease) net assets.</p>		
		(77)
<p>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</p>		
Change in unavailable revenue - ad valorem taxes		(4,311)
<p>In accordance with Government Accounting Standards Board Statement No. 68, the net pension asset related pension is not required to be recorded in the governmental fund financial statements. Adjustments to pension expense related to changes in deferred outflows of resources and deferred inflows of resources are reflected in the Statement of Activities:</p>		
Contributions after measurement date	44,710	
Net change in pension expense	<u>47,573</u>	92,283
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Change in compensated absences payable	1,787	
Change in prepaid insurance	<u>628</u>	<u>2,415</u>
Change in net position of government activities		<u><u>\$ 49,567</u></u>

See accompanying notes and independent auditors' report.

NOTES TO THE FINANCIAL STATEMENTS

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

Notes to the Financial Statements
For the Year Ended December 31, 2022

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 significant accounting policies of the District 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 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.

Notes to the Financial Statements
For the Year Ended December 31, 2022

1. Organization and Significant Accounting Policies – (Continued)

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. 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*.

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.

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.

Notes to the Financial Statements
For the Year Ended December 31, 2022

1. Organization and Significant Accounting Policies – (Continued)

B. Basis of Presentation – (Continued)

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 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.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of 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*.

Notes to the Financial Statements
For the Year Ended December 31, 2022

1. Organization and Significant Accounting Policies – (Continued)

C. Measurement Focus / Basis of Accounting – (Continued)

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.

Revenues – Property taxes are recorded in the year the taxes are assessed. Investment earnings 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 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.

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 Board. Budgeted amounts in the accompanying financial statements include all amendments. All budgeted 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, Cash Equivalents, and Investments

Cash includes amounts in interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with maturities of 90 days or less. Under state law, the District Attorney 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 principal offices in Louisiana. Investments may include instruments or obligations issued by the United States Government or its agencies, or any other federally-issued investment.

Louisiana Asset Management Pool (“LAMP”) is a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operated a local governmental investment pool equivalent to a money market fund. LAMP invests in short-term instruments as permitted by statute.

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

Notes to the Financial Statements
For the Year Ended December 31, 2022

1. Organization and Significant Accounting Policies – (Continued)

E. Cash, Cash Equivalents, and Investments – (Continued)

Under state law, the District Attorney may invest in United States bonds, treasury notes, or certificates.

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

In the 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 buildings, improvements, equipment, 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	10-40 years
Equipment	5-30 years
Furniture and Fixtures	5-30 years

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, 2022, the District had accrued vacation leave of \$4,770.

Notes to the Financial Statements
For the Year Ended December 31, 2022

1. **Organization and Significant Accounting Policies – (Continued)**

I. Pension Plan

For purposes of measuring the net pension asset, 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.

J. Ad Valorem 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 7.76 mills in property taxes for the year ended December 31, 2022.

K. 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.

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

Notes to the Financial Statements
For the Year Ended December 31, 2022

1. Organization and Significant Accounting Policies – (Continued)

K. Equity Classifications – (Continued)

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.

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.

L. 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.

M. Recently Adopted Accounting Pronouncements

In June 2017, GASB issued Statement No. 87, "Leases." The statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. GASB Statement 95 has postponed the effective date by eighteen months in light of COVID-19 pandemic. The provisions of GASB Statement No. 87 and 95 are effective for fiscal years beginning after June 15, 2021. The effect of implementation on the District's financial statements did not have a material impact.

N. Recently Issued Accounting Pronouncements

In June 2022, GASB issued Statement No. 101, "Compensated Absences." The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 31, 2023, with earlier application encouraged. The District has early implemented this pronouncement. Accrued compensated absences as of December 31, 2022 was \$4,770.

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

Notes to the Financial Statements
For the Year Ended December 31, 2022

2. Cash and Cash Equivalents

At December 31, 2022, the District has cash and cash equivalents (book balances) totaling \$705,921. Additionally, the District has certificates of deposit totaling \$2,703,119 on deposit in local banks which are presented as investments in the financial statements.

The District periodically invests in the LAMP, a local government investment pool (see Summary of Significant Accounting Policies). In accordance with GASB codification Section 150.165 investments in LAMP are not categorized in the three risk categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a nonprofit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. The corporation is governed by various organizations of local government, the Government Finance Officers Association of Louisiana, and the Society of Louisiana CPAs. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted-average portfolio maturity of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The District's balance with LAMP at December 31, 2022 is \$489,058.

Deposits in financial institutions can be exposed to custodial credit risk. Custodial credit risk is the risk that in the event of a financial institution failure, the District's deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution.

The deposits (bank balances) at December 31, 2022 were secured as follows:

Demand deposits	\$ 232,007	Federal Deposit Insurance	\$ 232,007
Time deposits	<u>2,922,759</u>	Pledge Securities	<u>3,700,000</u>
	<u>\$3,154,766</u>		<u>\$3,932,007</u>

Even though the pledge securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

3. Investments

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of the investments. Investments can be highly sensitive to changes in interest rates due to their terms or characteristics. The District's investment policy with regards to interest rate risk is to match cash flow requirements with cash flows from investments. This matching allows for securities to be held to maturity thereby avoiding realizing losses due to the liquidation of securities prior to maturity, especially

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

Notes to the Financial Statements
For the Year Ended December 31, 2022

in rising interest rate environment. Investing in longer term maturities that contain a “step up” in coupon interest rates will also contribute to the reduction of interest rate risk.

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of the investment. Investments are exposed to custodial risk if the securities are (a) uninsured and unregistered and held by the counterparty or (b) uninsured, unregistered and held by the counterparty’s trust department or agency but not in the name of the District.

The following chart presents the investment position of the District as of December 31, 2022. The various types of investments are listed and presented by whether they are exposed to custodial credit risk.

Investment	Insured or collateralized with securities held by the entity's agent or the pledging institution's trust department in the entity's name	All investments- reported amount	All investments- fair value
<i>Government-wide Statement of Net Assets</i>			
Certificate of Deposit	\$ 2,703,119	\$ 2,703,119	\$ 2,703,119
	\$ 2,703,119	\$ 2,703,119	\$ 2,703,119

There were no amounts uninsured or unregistered held by the counterparty and there were no uninsured or unregistered balances held by the counterparty’s trust department or agency.

Investments, classified by maturity dates, at December 31, 2022 are summarized below:

Investment	Fair Value	0-1 Years Before Maturity	1-5 Years Before Maturity
Certificate of Deposit	\$ 2,703,119	\$ 2,378,813	\$ 124,306
	\$ 2,703,119	\$ 2,378,813	\$ 124,306

The District categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District utilized the market based approach for determining the fair value of investments which utilizes a combination of quoted market prices, market multiples techniques and a matrix of pricing technique that relies on securities’ relationship to other benchmark quoted securities.

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

Notes to the Financial Statements
For the Year Ended December 31, 2022

3. Investments – (Continued)

The District has the following recurring fair value measurements as of December 31, 2022:

Investments by Fair Value Level:

Certificate of Deposit (Level 1)	\$ 2,703,119
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4. Capital Assets

Capital assets activity and depreciation activity for the year ended December 31, 2022, were as follows:

	Balance 1/1/2022	Additions	Deletions	Balance 12/31/2022
Governmental activities:				
Capital assets being depreciated:				
Buildings and improvements	\$ 626,433	\$ 121,837	\$ -	\$ 748,270
Equipment	2,327,174	27,891	14,020	2,341,045
Furniture and fixtures	21,961	-	-	21,961
Total capital assets being depreciated	2,975,568	149,728	14,020	3,111,276
Less accumulated depreciation:				
Buildings and improvements	429,121	21,814	-	450,935
Equipment	907,943	123,309	13,943	1,017,309
Furniture and fixtures	14,776	1,377	-	16,153
Total accumulated depreciation	1,351,840	146,500	13,943	1,484,397
Total capital assets being depreciated, net	\$ 1,623,728	\$ 3,228	\$ 77	\$ 1,626,879

Depreciation expense was charged to governmental functions in the amount of \$146,500 for the year ended December 31, 2022.

5. Pension Plan

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

Plan Description – (PERS)

Parochial Employees' Retirement System ("PERS") 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.

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

Notes to the Financial Statements
For the Year Ended December 31, 2022

5. Pension Plan – (Continued)

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.

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.

Notes to the Financial Statements
For the Year Ended December 31, 2022

5. Pension Plan – (Continued)

Deferred Retirement Option Plan (DROP) Benefits – (continued)

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 for those members who are enrolled prior to January 1, 2007, and to age 62 for those members who are enrolled January 1, 2007, and later.

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.

Contributions

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2021, the actuarially determined contribution rate was 10.38% of member's compensation for Plan A. However, the actual rate for the fiscal year ending December 31, 2021, was 12.25% for Plan A.

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

Notes to the Financial Statements
For the Year Ended December 31, 2022

5. Pension Plan – (Continued)

Contributions – (continued)

According to state statute, the System also receives ¼ 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.

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

The District’s proportionate share of the Net Pension Asset is allocated based on the December 31, 2021 measurement date. The District uses this method to record its Net Pension Asset and associated amounts as of December 31, 2022 in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at December 31, 2021, along with the change compared to the December 31, 2020 rate. The District’s proportion of the Net Pension Asset 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.

	Net Pension Asset at <u>December 31, 2022</u>	Rate at <u>December 31, 2021</u>	Increase (Decrease) from <u>December 31, 2020</u>
District's Retirement System	<u>\$ 259,526</u>	<u>0.0551%</u>	<u>(0.0006%)</u>

The following lists the District's recognized pension expense for the Louisiana District's Retirement System:

District's Retirement System	<u>\$ (43,015)</u>
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Jefferson Davis Parish Mosquito Abatement District No. 1
Jennings, Louisiana

Notes to the Financial Statements
For the Year Ended December 31, 2022

5. Pension Plan – (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – (Continued)

At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,680	\$ (18,810)
Change of assumptions	13,535	-
Net difference between projected and actual earnings on pension plan investments	-	(224,486)
Changes in proportion and differences between employer contributions and proportionate share of contributions	(838)	(794)
Employer contributions subsequent to the measurement date	44,710	-
Total	\$ 73,087	\$ (244,090)

Deferred outflows of resources of \$44,710 related to PERS resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Asset in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS will be recognized in pension expense as follows:

<u>Year</u>	<u>Amount</u>
2023	\$ (42,243)
2024	(88,359)
2025	(59,372)
2026	(24,063)
	\$ (214,037)

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

Notes to the Financial Statements
For the Year Ended December 31, 2022

5. Pension Plan – (Continued)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability of PERS as of December 31, 2021 are as follows:

Valuation Date	December 31, 2021
Actuarial Cost Method	Plan A - Entry Age Normal
Investment Rate of Return	6.40%, net of investment expense, including inflation
Expecting Remaining Service Lives	4 years
Projected Salary Increases	Plan A - 4.75%
Costs-of-Living Adjustment	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 increase not yet authorized by the Board of Trustees.
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.
Inflation Rate	2.30%

The discount rate used to measure the total pension liability was 6.40% for Plan A. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit 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

Notes to the Financial Statements
For the Year Ended December 31, 2022

5. Pension Plan – (Continued)

Actuarial Assumptions – (Continued)

inflation of 2.10% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.00% for the year ended December 31, 2021.

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, 2021 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed income	33%	0.85%
Equity	51%	3.23%
Alternatives	14%	0.71%
Real assets	2%	0.11%
Totals	100%	4.90%
Inflation		2.10%
Expected Arithmetic Nominal Return		7.00%

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

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

The following presents the District’s proportionate share of the PERS net pension liability calculated using the discount rate of 6.40%, as well as what the District’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate as of December 31, 2021:

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

Notes to the Financial Statements
For the Year Ended December 31, 2022

5. Pension Plan – (Continued)

Sensitivity of the Employer’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – (continued)

	Changes in Discount Rate		
	December 31, 2021		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	5.40%	6.40%	7.40%
Net Pension Liability (Asset)	<u>\$46,269</u>	<u>\$ (259,526)</u>	<u>(\$515,685)</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Parochial Employees' Retirement System of Louisiana Annual Financial Report at www.persla.org 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, 2022.

6. 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, 2022. There were no settled claims exceeding the commercial coverages in any previous three fiscal years.

7. 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 reasonable estimated. No claim expenditures or liabilities are reported in the accompanying financial statements. The District is not presently involved in any litigation as defendant.

8. Board of Commissioners Compensation

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

REQUIRED SUPPLEMENTARY INFORMATION

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

**Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2022**

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance with Final Budget Favorable / (Unfavorable)
	Original	Final		
REVENUES				
Ad valorem taxes	\$ 1,925,000	\$ 1,925,000	\$ 2,131,443	\$ 206,443
Investment earnings	10,000	10,000	61,801	51,801
Proceeds from sale of assets	5,000	5,000	5,436	436
Total revenues	<u>1,940,000</u>	<u>1,940,000</u>	<u>2,198,680</u>	<u>258,680</u>
EXPENDITURES				
General office and administrative	567,360	567,360	415,350	152,010
Surveillance	312,250	312,250	264,151	48,099
Control and equipment maintenance	1,540,390	1,540,390	1,413,422	126,968
Capital outlay	-	-	149,728	(149,728)
Total expenditures	<u>2,420,000</u>	<u>2,420,000</u>	<u>2,242,651</u>	<u>177,349</u>
Excess of expenditures over revenues	<u>(480,000)</u>	<u>(480,000)</u>	<u>(43,971)</u>	<u>436,029</u>
Fund balance - beginning of year	<u>5,282,357</u>	<u>5,282,357</u>	<u>5,282,357</u>	<u>-</u>
Fund balance - end of year	<u>\$ 4,802,357</u>	<u>\$ 4,802,357</u>	<u>\$ 5,238,386</u>	<u>\$ 436,029</u>

**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, 2022**

Year ended December 31,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2022	0.055096%	\$ (259,526)	\$ 364,988	-71.11%	110.46%
2021	0.054528%	\$ (95,610)	\$ 362,480	(26.38%)	104.00%
2020	0.053937%	\$ 2,539	\$ 342,000	0.74%	99.89%
2019	0.054339%	\$ 241,176	\$ 334,049	72.20%	88.86%
2018	0.054018%	\$ (40,095)	\$ 332,490	(12.06%)	108.98%
2017	0.077932%	\$ 160,502	\$ 462,174	34.73%	94.15%
2016	0.078524%	\$ 206,698	\$ 450,228	45.91%	99.23%
2015	0.074800%	\$ 20,451	\$ 399,014	5.13%	99.15%

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

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

Schedule of Employer Contributions
Parochial Employees' Retirement System
For the Year Ended December 31, 2022

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
2022	\$ 45,330	\$ 44,711	\$ 619	\$ 364,988	12.25%
2021	\$ 44,404	\$ 44,404	\$ -	\$ 362,480	12.25%
2020	\$ 39,330	\$ 39,330	\$ -	\$ 342,000	11.50%
2019	\$ 38,416	\$ 38,416	\$ -	\$ 334,049	11.50%
2018	\$ 41,561	\$ 41,561	\$ -	\$ 332,490	12.50%
2017	\$ 60,083	\$ 60,083	\$ -	\$ 462,174	13.00%
2016	\$ 65,283	\$ 65,283	\$ -	\$ 450,228	14.50%
2015	\$ 67,351	\$ 67,351	\$ -	\$ 399,014	16.88%

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

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Jefferson Davis Parish Mosquito Abatement District No. 1
Jennings, Louisiana
Notes to Required Supplementary Information
For the Year Ended December 31, 2022

1. Budget

The District utilizes the following budget practices:

1. Formal budgeting integration is employed as a management control device during the year. Budgets are adopted on a basis consistent with generally accepted accounting principles.
2. On December 1st of each year, a budget for the subsequent year is prepared for the general fund and the special revenue funds.
3. The District approves the budgets and it is available for public inspection no later than fifteen days prior to the beginning of the calendar year.
4. Any budgetary amendments must be approved by the District. During the year an amendment was made to the original budgets and is reflected in the budget comparison.
5. All budgetary appropriations lapse at year end.
6. The budget is adopted on a basis consistent with GAAP. Budgeted amounts are as originally adopted or as finally amended by the District.
7. The District does not use encumbrance accounting in the General Fund.

2. Pensions

Changes of Benefit Terms

There were no changes of benefit terms for the year ended December 31, 2022.

Changes of Assumptions

There were no changes of assumptions for the year ended December 31, 2022.

OTHER SUPPLEMENTAL SCHEDULES

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

Schedule of Compensation, Benefits, and other Payments
to Agency Head
For the Year Ended December 31, 2022

Agency Head Name: Robert Tonn, Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 73,670
Benefits-insurance	13,579
Benefits-retirement	8,382
	<hr/>
	\$ 95,631
	<hr/> <hr/>

COMPLIANCE AND INTERNAL CONTROL



Langley, Williams
& Company, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and 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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 22, 2023.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Current and Prior Year Findings, 01-2022 (IC), that we consider to be a significant deficiency.

Compliance and Other Matters

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

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.



Lake Charles, Louisiana
June 22, 2023

Jefferson Davis Parish Mosquito Abatement District No. 1
Jennings, Louisiana
Schedule of Findings and Questioned Costs and Management's Corrective Action Plan
For the Year Ended December 31, 2022

Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiency identified not considered to be a material weakness?	Yes
Noncompliance material to financial statements noted?	No

Section II – Current Year Findings and Management Corrective Action Plan

Internal Control – Finding 01-2022 (IC) – Segregation of Duties

Finding: The District did not have adequate segregation of functions within the accounting system.

Criteria: Good internal control requires that incompatible functions with the accounting system be performed by separate persons.

Effect: Due to lack of segregation of duties, misstatements could result without being prevented or detected and corrected in a timely manner.

Cause: The cause of the deficiency is due to the small staff size.

Recommendation: All incompatible functions should be performed by a separate person.

Management's Response: The District has determined that it is not cost effective to achieve complete segregation of duties in the accounting department. They have, however segregated as many duties as possible. No plan is considered necessary.

Compliance

There were no findings in the current year.

Section III – Prior Year Findings and Management Corrective Action Plan

Internal Control Over Financial Reporting

Internal Control – Finding 01-2021 (IC) – Segregation of Duties

Finding: The District did not have adequate segregation of functions within the accounting system.

Criteria: Good internal control requires that incompatible functions with the accounting system be performed by separate persons.

Jefferson Davis Parish Mosquito Abatement District No. 1
Jennings, Louisiana
Schedule of Findings and Questioned Costs and Management's Corrective Action Plan
For the Year Ended December 31, 2022

Effect: Due to lack of segregation of duties, misstatements could result without being prevented or detected and corrected in a timely manner.

Cause: The cause of the deficiency is due to the small staff size.

Recommendation. All incompatible functions should be performed by a separate person.

Management's Response: The District has determined that it is not cost effective to achieve complete segregation of duties in the accounting department. They have, however segregated as many duties as possible. No plan is considered necessary.

Compliance

There were no findings in the prior year.



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INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

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

To the Governing Board of the Jefferson Davis Mosquito Abatement District No. 1 ("District") and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2022 through December 31, 2022. The Jefferson Davis Mosquito Abatement District No. 1's ("District") management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

1) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - ii. ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - iii. ***Disbursements***, including processing, reviewing, and approving.
 - iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections

- for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
 - vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - vii. **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
 - viii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
 - x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/Electronic Municipal Market Access ("EMMA") reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
 - xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
 - xii. **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Exception: 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.

Management's response: Management will update their written policies and procedures.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

The District met on a monthly basis except for January and March. No meetings without a quorum were reported.

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue fund. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

There were no exceptions noted as a result of applying this procedure.

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

Per the prior year audit report the unrestricted fund balance in the general fund did not have a negative ending balance; therefore, making this procedure not applicable.

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

This procedure is not applicable due to there not being any audit findings in the prior year.

3) Bank Reconciliations

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

We obtained a list of bank accounts from management and management's representation that the list was complete.

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

There were no exceptions as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

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

There were no reconciling items that were more than 12 months from the statement closing dates; therefore, making this procedure not applicable.

4) Collections (excluding electronic funds transfers)

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

Obtained a listing of all deposit sites for the fiscal period and management's representation that the listing is complete.

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- i. Employees responsible for cash collections do not share cash drawers/registers.

There are no collections of cash; therefore, making this procedure not applicable.

- ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

There are no collections of cash; therefore, making this procedure not applicable.

- iii. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

There are no collections of cash; therefore, making this procedure not applicable.

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

There are no collections of cash; therefore, making this procedure not applicable.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

There are no collections of cash; therefore, making this procedure not applicable.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

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

Due to the periodic nature of these receipts, no sequentially pre-numbered receipts are available for our observation.

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

There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

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

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

Per discussion with management, we noted only one location processes payments for the fiscal period.

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

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

There were no exceptions noted as a result of applying this procedure.

- ii. At least two employees are involved in processing and approving payments to vendors.

There were no exceptions noted as a result of applying this procedure.

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

Exception: The entity has a lack of segregation of duties. The employee responsible for processing payments can add/modify the vendor listing.

Management's response: Management will review the vendor listing periodically and maintain written documentation stating that this review has been performed.

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Exception: The employee responsible for processing payments also mails the checks. The board reviews a listing of check disbursements each month. The director manually signs every check.

Management's response: The board reviews a listing of check disbursements each month. The director manually signs every check. Going forward, they will have someone other than the employee responsible for processing payments mail out checks.

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

There were no exceptions noted as a result of applying this procedure.

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

- i. Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

There were no exceptions noted as a result of applying this procedure.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Exception: There was no evidence of approval on the disbursements for two out of the five selected for testing.

Management's response: The director reviews all invoices before they are processed for payments, however, management will update their policies and procedures to include proper handwritten approval for all disbursements.

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

This procedure is not applicable due to the entity not having any electronic non-payroll disbursements for this period.

6) Credit Cards/Debit Cards/Fuel Cards/P-Cards

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

We obtained a listing of active credit cards, bank debit cards, fuel cards, and P-cards for the fiscal period and management's representation that the listing is complete.

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

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [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.]

There were no exceptions noted as a result of applying this procedure.

- ii. Observe that finance charges and late fees were not assessed on the selected statements.

There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions as a result of applying this procedure.

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

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

Obtained a management’s representation that there were no reimbursements for travel and travel-related expenses.

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

There were no reimbursements using a per diem; therefore, making this procedure is not applicable.

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

There were no reimbursements for travel or travel-related expenses; therefore, making this procedure not applicable.

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

There were no reimbursements for travel or travel-related expenses; therefore, making this procedure not applicable.

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

There were no reimbursements for travel or travel-related expenses; therefore, making this procedure not applicable.

8) Contracts

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

We obtained a copy of the bid provided by governmental contract law of all contracts during the fiscal period and management's representation that the listing is complete.

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

There were no exceptions notes as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

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

There were no amendments during the fiscal period; therefore, making this procedure is not applicable.

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

There were no exceptions noted as a result of applying this procedure.

9) Payroll and Personnel

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

We obtained a listing of employees and management's representation that the listing is complete.

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

- i. Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
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There were no exceptions noted as a result of applying this procedure.

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

Exception: Three out of the five did not have approval from management for attendance or leave.

Management's response: Management will update their policies and procedures to include written documentation of sick/vacation leave.

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

There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

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

Per discussion with management, there were no termination payments issued during the year.

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

There were no exceptions noted as a result of applying this procedure.

10) Ethics

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

- i. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

There were no exceptions noted as a result of applying this procedure.

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

Per conversation with management, there were no changes in the ethics policy in 2022.

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

There were no exceptions noted as a result of applying this procedure.

11) Debt Service

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

No debt was issued during the fiscal period. Therefore, this procedure is not applicable.

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

No debt was outstanding at the end of the year. Therefore, this procedure is not applicable.

12) Fraud Notice

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

Management has asserted that the entity did not have any misappropriations of public funds or assets.

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

There were no exceptions noted as a result of applying this procedure.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."

- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

We performed the procedure and discussed the results with management. There were no exceptions noted as a result of applying this procedure.

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

We performed the procedure and discussed the results with management. There were no exceptions noted as a result of applying this procedure.

- iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active
-

antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

There were no exceptions noted as a result of applying this procedure.

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

This procedure is not applicable due to no terminated employees in this period.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from procedure #9A under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

There were no exceptions as a result of applying this procedure.

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

There were no exceptions as a result of applying this procedure.

- C. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

There were no exceptions as a result of applying this procedure.

We were engaged by the Jefferson Davis Mosquito Abatement District No. 1’s office to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Jefferson Davis Mosquito Abatement District No. 1’s office and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly,

this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Langley, Williams & Co., LLC



Lake Charles, LA
June 22, 2023