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**EVANGELINE PARISH SOLID WASTE**  
**DISPOSAL COMMISSION, STATE OF LOUISIANA**  
**ANNUAL FINANCIAL REPORT**  
**JUNE 30, 2004**

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

Release Date 1-26-05

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## INDEPENDENT AUDITOR'S REPORT

To the President and Commission Members  
Evangeline Parish Solid Waste Disposal Commission  
Ville Platte, Louisiana

I have audited the accompanying component unit financial statements of the governmental activities and each major fund of the Evangeline Parish Solid Waste Disposal Commission, a component unit of the Evangeline Parish Police Jury, as of and for the year ended June 30, 2004, which collectively comprise the Commission's component unit financial statements as listed in the table of contents. These component unit financial statements are the responsibility of the Evangeline Parish Solid Waste Disposal Commission's management. My responsibility is to express an opinion on these component unit financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the component unit financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the component unit financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall component unit financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.


In my opinion, the component unit financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Evangeline Parish Solid Waste Disposal Commission, as of June 30, 2004, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note A, the Commission has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as of June 30, 2004.

The management's discussion and analysis and budgetary comparison information on pages 3 through 11 and 29 through 32, are not a required part of the component unit financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's component unit financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and are not a required part of the component unit financial statements. Such information has been subjected to the auditing procedures applied in the audit of the component unit financial statements and, in my opinion, is fairly presented, in all material respects, in relation to the component unit financial statements taken as a whole.

In accordance with *Government Auditing Standards*, I have also issued my report dated December 9, 2004, on my consideration of the Evangeline Parish Solid Waste Disposal Commission's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

  
Michael W. Johnson  
Certified Public Accountant

December 9, 2004

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

**EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION,  
EVANGELINE PARISH, LOUISIANA**

Management's Discussion and Analysis (Unaudited)

Within this section of the Evangeline Parish Solid Waste Disposal Commission, Evangeline Parish, Louisiana's (the Commission) annual component unit financial report, the Commission's management is pleased to provide this narrative discussion and analysis of the financial activities of the Commission for the fiscal year ended June 30, 2004. The Commission's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

**FINANCIAL HIGHLIGHTS**

- The Commission's assets exceeded its liabilities by \$2,103,286 (net assets) for the fiscal year reported.
- Total net assets consist of the following:
  1. Capital assets, net of related debt, of \$1,284,666 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
  2. Net assets of \$15,355 are restricted by constraints imposed from outside the Commission such as debt covenants.
  3. Unrestricted net assets of \$803,265 represent the portion available to maintain the Commission's continuing obligations to its citizens and creditors.
- The Commission's governmental funds reported total ending fund balance of \$587,249 this year. This compares to \$585,303 in the prior year, showing a slight increase of \$1,946 during the current fiscal year. \$17,243 of the fund balance is reserved for debt service.
- Overall, the Commission continues to maintain a strong financial position, a necessity with another major hurricane cleanup possible each year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This Management Discussion and Analysis document introduces the Commission's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Commission also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The Commission's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Commission's overall financial status. Financial reporting at this level uses a perspective

## Management's Discussion and Analysis (Unaudited) (Continued)

similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the Statement of Net Assets. This is the government-wide statement of position presenting information that includes all of the Commission's assets and liabilities, with the difference reported as net assets. Over time increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Commission as a whole is improving or deteriorating. Evaluation of the overall health of the Commission would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of Commission infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities, which reports how the Commission's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Commission's distinct activities or functions on revenues provided by the Commission's taxpayers.

Both government-wide financial statements show governmental activities of the Commission that are principally supported by sales taxes. Governmental activities include waste collection and disposal.

The government-wide financial statements are presented on pages 12 & 13 of this report.

### Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Commission uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Commission's most significant funds rather than the Commission as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. The Commission has no non-major funds required to be presented in the form of combining statements in a later section of this report.

The Commission has one kind of fund:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements



## Management's Discussion and Analysis (Unaudited) (Continued)

providing a distinctive view of the Commission's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term. Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 14 & 15 of this report.

### Notes to the basic financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 18 of this report.

### Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Commission's budget presentations. Budgetary comparison statements are included as "required supplementary information" for the general fund. These statements and schedules demonstrate compliance with the Commission's adopted and final revised budget. Required supplementary information can be found on page 29 of this report.

## FINANCIAL ANALYSIS OF THE COMMISSION AS A WHOLE

The Commission implemented the new financial reporting model used in this report beginning with the current fiscal year ended June 30, 2004. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the Commission as a whole. The Commission's net assets at fiscal year-end are \$2,103,286. The following table provides a summary of the Commission's net assets:

Management's Discussion and Analysis (Unaudited) (Continued)

Summary of Net Assets

Assets:	
Current assets and other assets	\$ 966,960
Restricted assets	17,243
Capital assets	<u>1,481,666</u>
Total assets	<u>\$2,465,869</u>
Liabilities:	
Current liabilities	\$ 227,583
Long-term liabilities	<u>135,000</u>
Total liabilities	<u>\$ 362,583</u>
Net assets:	
Investment in capital assets, net of debt	\$1,284,666
Restricted	15,355
Unrestricted	<u>803,265</u>
Total net assets	<u>\$2,103,286</u>

The Commission continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 6.8 to 1. This ratio indicates a strong current financial position.

The Commission reported a positive balance in net assets for governmental activities. Net assets increased \$155,981 for governmental activities. The Commission's overall financial position improved during fiscal year 2004, as total net assets increased 8%.

Note that approximately 61% of the governmental activities' net assets are tied up in capital. The Commission uses these capital assets to provide services to its citizens.

Management's Discussion and Analysis (Unaudited) (Continued)

Since this is the first year in which government-wide information is available, comparative data is not presented. However, comparative data will be accumulated and presented to assist analysis in future years. The following table provides a summary of the Commission's changes in net assets.

Summary of Changes in Net Assets

	<u>Governmental Activities</u>
Revenues:	
Program:	
Charges for services/fines	\$ 56,130
Capital grants	12,040
General:	
Sales taxes	2,600,003
Rent	10,440
Interest	10,860
Other	<u>42,635</u>
 Total revenues	 <u>\$2,732,108</u>
 Program Expenses:	
General government:	
Solid waste collection & disposal	<u>\$2,576,127</u>
 Total expenses	 <u>\$2,576,127</u>
 Change in net assets	 \$ 155,981
 Beginning net assets	 <u>1,947,305</u>
 Ending net assets	 <u>\$2,103,286</u>

GOVERNMENTAL REVENUES

This Commission levies no property taxes. The Commission is heavily reliant on sales taxes to support governmental operations. Sales tax provided 95% of the Commission's total revenues. During fiscal year 2004, we have been able to earn \$10,860 in interest earnings to help support governmental activities. Also, note that program revenues cover only 2% of governmental operating expenses. This means that the government's taxpayers and the Commission's other general revenues fund 98% of the governmental activities. As a result, the general economy and the success of local businesses have a major impact on the Commission's revenue streams, particularly as they relate to sales taxes.

Management's Discussion and Analysis (Unaudited) (Continued)

GOVERNMENTAL FUNCTIONAL EXPENSES

Solid waste collection and disposal comprise 100% of the Commission's total expenses, \$2,576,127.

This table presents the cost of the Commission's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the Commission's taxpayers by this function.

Governmental Activities

	<u>Total cost of Services</u>	<u>Net Cost of Services</u>
General government:		
Collection and Disposal of Solid Waste	\$2,576,127	\$2,519,997

FINANCIAL ANALYSIS OF THE COMMISSION'S FUNDS

Governmental funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$587,249. Of this year-end total, \$570,006 is unreserved indicating availability for continuing Commission service requirements.

The total ending fund balances of governmental funds show an increase of \$1,946 or .3% over the prior year. This increase is primarily the result of the events and programs described within the analysis of the Commission's governmental activities.

Major Governmental Funds

The General Fund is the Commission's only operating fund and the source of day-to-day service delivery. The General Fund's fund balance increased by \$1,946. In fiscal year 2003, the fund balance decreased \$59,355. Key factors contributing to this change were the lack of a major hurricane cleanup and continued efforts to control operating costs.

Total revenues in fiscal 2004 were below those in fiscal 2003 by \$1,854,354. Loans, grants and insurance proceeds were down \$1,904,155 or 99% from the prior year because of no major hurricane cleanup.

Management's Discussion and Analysis (Unaudited) (Continued)

The General Fund's ending fund balance is considered adequate, representing the equivalent of 23.5% of annual expenditures. Although the percentage may seem large, a larger percentage is necessary in a small Commission compared to a larger Commission. For example, if a hurricane occurs, and the Commission must spend \$1,000,000 to cleanup the debris, this amount would have a greater impact on our Commission's budget than in a larger Commission.

BUDGETARY HIGHLIGHTS

The General Fund – Both the general fund's original and final revenue budget were less than the actual revenues reported in fiscal year 2004. The actual sales tax revenues exceeded the original budget by \$16,744 or .7%.

The expenditure side of the original budget for the general fund was revised approximately \$100,000 or 4.2% this year. Much of this revision was necessary to allow for the higher cost of fuel, insurance, and repairs.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The Commission's investment in capital assets, net of accumulated depreciation, for governmental activities as of June 30, 2004, was \$1,487,666. The total decrease in this net investment was 8.6%. See Note B and C for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

	Capital Assets	
	<u>Governmental Activities</u>	
	2004	2003
Non-depreciable assets:		
Land	\$ 68,680	\$ 68,680
Total non-depreciable	\$ 68,680	\$ 68,680
Depreciable assets:		
Buildings	\$ 872,747	\$ 868,045
Equipment, furniture and fixtures	411,729	402,934
Other Improvements	<u>1,311,600</u>	<u>1,310,755</u>
Total depreciable assets	\$2,596,076	\$2,581,734
Less accumulated depreciation	<u>1,183,090</u>	<u>1,029,959</u>

Management's Discussion and Analysis (Unaudited) (Continued)

Book value-depreciable assets	<u>1,412,986</u>	<u>1,551,775</u>
Percentage depreciated	<u>46%</u>	<u>40%</u>
Book value-all assets	<u>\$1,481,666</u>	<u>\$1,620,455</u>

At June 30, 2004, the depreciable capital assets for governmental activities were 46% depreciated. This is an increase of 6% over the June 30, 2003, percentage, which is a somewhat negative indicator.

Long-term debt

At the end of the fiscal year, the Commission had total bonded debt outstanding of \$197,000. Pledged revenues generated primarily by the governmental activities (sales tax) support all of these bonds.

During the year, the Commission retired \$59,000, or 23%, of the beginning outstanding bonded debt balance.

Outstanding Borrowings

	Governmental Activities 2004	2003	Percentage Change
General Obligation Bonds	\$197,000	\$256,000	(23)

On the outstanding bonds, \$23,059 in interest costs will be incurred over the next 3 years.

See Note D for additional information about the Commission's long-term debt.

ECONOMIC CONDITIONS AFFECTING THE COMMISSION

Due to the relatively stable condition of the economy, the Commission anticipates steady sales tax revenues in the near future:

Management's Discussion and Analysis (Unaudited) (Continued)

CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Commission's finances, comply with finance-related laws and regulations, and demonstrate the Commission's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact the Commission's Manager at the Evangeline Parish Solid Waste Disposal Commission in Ville Platte, LA.

**COMPONENT UNIT FINANCIAL STATEMENTS**



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**GOVERNMENT – WIDE  
FINANCIAL STATEMENTS**

**EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION**

Statement of Net Assets

June 30, 2004

	Governmental Activities
<b>ASSETS</b>	
Current Assets:	
Cash and Interest-Bearing Deposits	\$ 719,252
Petty Cash	60
Sales Tax Receivable	233,259
Accounts Receivable	<u>14,014</u>
Total Current Assets	<u>\$ 966,585</u>
Noncurrent Assets:	
Security Deposit	\$ 375
Restricted Assets:	
Cash and Interest-Bearing Deposits	17,243
Capital Assets, Net (Note C)	<u>1,481,666</u>
Total Noncurrent Assets	<u>\$1,499,284</u>
Total Assets	<u>\$2,465,869</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	\$ 140,591
Retirement Payable	22,417
State Unemployment Payable	687
Bonds Payable	62,000
Accrued Interest	<u>1,888</u>
Total Current Liabilities	<u>\$ 227,583</u>
Noncurrent Liabilities:	
Bonds Payable	<u>\$ 135,000</u>
Total Noncurrent Liabilities	<u>\$ 135,000</u>
Total Liabilities	<u>\$ 362,583</u>
<b>NET ASSETS</b>	
Invested in Capital Assets, Net of Related Debt	\$1,284,666
Restricted For Debt Service	15,355
Unrestricted	<u>803,265</u>
Total Net Asset	<u>\$2,103,286</u>

The accompanying notes are an integral part of this statement.

**EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION**

Statement of Activities

For the Year Ended June 30, 2004

	<b>Governmental Activities</b>
<b>Expenses:</b>	
Solid Waste Collection and Disposal:	
Operating	\$2,408,841
Depreciation	153,131
Interest	14,155
Total program expenses	<u>\$2,576,127</u>
<b>Program revenues:</b>	
Charges for Collection and Disposal	\$ 56,130
Net program expense	<u>\$2,519,997</u>
<b>General revenues:</b>	
Sales Tax	\$2,600,003
Interest	10,860
Rent	10,440
Miscellaneous	12,341
Intergovernmental	30,294
Grants	12,040
Total general revenues	<u>\$2,675,978</u>
 Increase in net assets	 \$ 155,981
<b>Net assets – beginning of the year</b>	<u>1,947,305</u>
<b>Net assets – end of the year</b>	<u>\$2,103,286</u>

The accompanying notes are an integral part of this statement.

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**FUND FINANCIAL STATEMENTS**

## **FUND DESCRIPTIONS**

### **General Fund**

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

**EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION**

Balance Sheet  
Governmental Funds  
June 30, 2004

	<u>General Fund</u>
<b>ASSETS</b>	
Cash and Interest – Bearing Deposits	\$ 736,495
Petty Cash	60
Accounts Receivable	14,014
Security Deposits	<u>375</u>
Total Assets	<u>\$ 750,944</u>
<b>LIABILITIES AND FUND BALANCES</b>	
Liabilities:	
Accounts Payable	\$ 140,591
Retirement Payable	22,417
State Unemployment Payable	<u>687</u>
Total Liabilities	<u>\$ 163,695</u>
Fund Balance:	
Reserved for Debt Service	\$ 17,243
Unreserved	<u>570,006</u>
Total Fund Balance	<u>\$ 587,249</u>
Total Liabilities and Fund Balance	<u>\$ 750,944</u>

The accompanying notes are an integral part of this statement.

**EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION**  
Reconciliation of the Governmental Funds  
Balance Sheet to the Statement of Net Assets  
June 30, 2004

Governmental Funds Fund Balances at June 30, 2004	\$ 587,249
Total net assets reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	1,481,666
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	233,259
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(197,000)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.	<u>(1,888)</u>
Net assets of governmental activities	<u>\$2,103,286</u>

The accompanying notes are an integral part of this statement.

**EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION**

Statement of Revenues, Expenditures, and  
Changes in Fund Balance-Governmental Funds  
For the Year Ended June30, 2004

	<b>General Fund</b>
<b>Revenues</b>	
Sales Tax	\$2,366,744
Interest	10,860
Rent	10,440
Site Changes	56,130
Miscellaneous	12,341
Intergovernmental	30,294
Grants	<u>12,040</u>
Total Revenues	<u>\$2,498,849</u>
<b>Expenditures</b>	
Current Operating	\$2,408,841
Capital Outlay	14,342
Debt Service	<u>73,720</u>
Total Expenditures	<u>\$2,496,903</u>
Net Change in Fund Balance	\$ 1,946
<b>Fund Balance, Beginning of Year</b>	<u>585,303</u>
<b>Fund Balance, End of Year</b>	<u>\$ 587,249</u>

The accompanying notes are an integral part of this statement.



**EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION**  
 Reconciliation of the Statement of Revenues,  
 Expenditures, and Changes in Fund Balances-Governmental Funds  
 to the Statement of Activities  
 For the Year Ended June 30, 2004

Net change in fund balances-total governmental funds	\$ 1,946
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The change in net assets reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$153,131) exceeded capital outlays (\$14,342) in the current year.	(138,789)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	233,259
--	---------

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	59,000
--	--------

Interest on long-term debt is recorded on the accrual basis in the statement of activities. However, interest is recorded on the modified accrual basis in the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds.	<u>565</u>
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Change in net assets of governmental activities	<u>\$155,981</u>
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The accompanying notes are an integral part of this statement

**Evangeline Parish Solid Waste Disposal Commission**  
**Notes to Financial Statements**  
**June 30, 2004**

**Note A – Summary of Significant Accounting Policies**

The Commission's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Commission are discussed below.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Certain of the significant changes in the Statement include the following:

- For the first time the financial statements include:
  - A Management Discussion and Analysis (MD&A) section providing an analysis of the Commission's overall financial position and results of operations.
  - Financial statements prepared using full accrual accounting for all of the Commission's activities, including infrastructure (roads, bridges, etc.).
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements). The Commission has elected to implement the general provisions of the Statement in the current year.

**1. Financial Reporting Entity**

This report includes all of the funds of the Commission. It includes all activities considered to be part of (controlled by or dependent on) the Commission. The Commission is a component unit of the Evangeline Parish Police Jury.

**Evangeline Parish Solid Waste Disposal Commission**  
**Notes to Financial Statements, Cont'd**

**2. Basis of Presentation**

Government – Wide Financial Statements:

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. These statements present governmental activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses.

Funds of the Commission are classified as governmental funds. Governmental funds account for the Commission's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds of the Commission include the General Fund. The General Fund is the primary operating fund of the Commission. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

**3. Measurement Focus and 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 Assets and the Statement of Activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund balance is classified as net assets.

In the fund financial statements, 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

**Evangeline Parish Bolid Waste Disposal Commission**  
**Notes to Financial Statements, Cont'd**

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 Assets and Statement of Activities, governmental 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.

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 sixty days after year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

**4. Assets, Liabilities, and Equity**

Cash and Interest-Bearing Deposits:

For the purpose of the Statement of Net Assets, cash and interest-bearing deposits includes all demand, savings accounts, and certificates of deposits of the Commission.

Receivables:

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivables balances for the governmental activities include sales tax, dumpsite charges, roll-off charges, and limb crew salary reimbursements.

In the fund financial statements, material receivables in governmental funds include dumpsite charges, roll-off charges, and limb crew salary reimbursements.

Fixed Assets:

The accounting treatment over property, plant, and equipment (fixed assets) depends on whether they are reported in the government-wide or fund financial statements.

**Evangeline Parish Solid Waste Disposal Commission**  
**Notes to Financial Statements Cont'd**

*Government-wide Statements*

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation. Estimated historical cost of \$275,709 was used to value the assets acquired prior to July 1, 1988.

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

Equipment	10 years
Improvements	20 years
Buildings	40 years

*Fund Financial Statements*

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

Restricted Assets:

Restricted assets include cash and interest-bearing deposits of the general fund that are set aside for repayment of certificates of indebtedness because their use is limited by applicable bond covenants.

Long-term Debt:

The accounting treatment of long-term debt depends on whether the assets are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term debt consists of certificates of indebtedness.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures.

**Evangeline Parish Solid Waste Disposal Commission  
Notes to Financial Statements, Cont'd**

Equity Classifications:

*Government-wide Statements*

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets 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 assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

*Fund Statements*

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved.

**5. Revenues, Expenditures, and Expenses**

Sales Tax:

The Commission presently levies a one-percent sales tax on taxable sales within the District. The sales tax is collected by the Evangeline Parish Tax Commission and is remitted to the Commission by the end of the month following receipt by the Tax Commission. The Tax Commission receives the sales tax approximately 20 days after the end of the month in which the sales occurred. The sales tax is recorded entirely in the General Fund. Sales taxes collected by the Tax Commission in July (which represents sales for June) and received by the Commission in July have been accrued and are included under the caption “Sales Tax Receivable” in the Statement of Net Assets.

**Evangeline Parish Solid Waste Disposal Commission  
Notes to Financial Statements Cont'd**

Operating Revenues and Expenses:

Operating revenues and expenses for governmental funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Expenditures/Expenses:

In the government-wide financial statements, expenses are classified by function for governmental activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds – By Character:	Current
	Debt Service
	Capital Outlay

In the fund financial statements, governmental funds report expenditures of financial resources.

**6. Budget and Budgetary Accounting**

The Commission follows these procedures in establishing the budgetary data reflected in these financial statements:

- a. The Commission manager meets with the Budget and Finance Committee to draw up the budget before the beginning of the new year. At the Budget Committee meeting they recommend that the commission accept the budget presented to them. If there are no objections, it is then moved and seconded that they accept the recommendations of the Budget and Finance Committee. The Commission voted to accept the original budget at their regular meeting held on June 9, 2003. The Commission voted to accept the amended budget as presented at their May 10, 2004, regular meeting.
- b. All Budgetary appropriations lapse at the end of each fiscal year.

**Evangeline Parish Solid Waste Disposal commission  
Notes to Financial Statements, Cont'd**

**7. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United State of America require 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, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**Note B – Prior Period Adjustment**

As stated in Note A, the Commission implemented GASB Statement No. 34, *Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments*, in the current year. As a result, the General Fund "fund balance" at June 30, 2003, has been converted to "net assets" as follows:

General Fund fund balance at June 30, 2003		\$ 585,303
Add: Cost of capital assets at June30,2003		2,650,414
Less: Accumulated depreciation at June 30,2003	\$(1,029,959)	
Bond principal at June 30, 2003	(256,000)	
Accrued interest payable at June 30,2003	<u>(2,453)</u>	<u>(1,288,412)</u>
Net assets at June 30, 2003		<u>\$1,947,305</u>



**Evangeline Parish Solid Waste Disposal commission**  
**Notes to Financial Statements, Cont'd**

**Note C – Capital Assets**

Capital asset activity for the year ended June 30, 2004 was as follows:

	Balance <u>7/1/03</u>	Additions	Retirements	Balance <u>6/30/04</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 68,680	\$	\$	\$ 68,680
Capital assets being depreciated:				
Machinery and equipment	868,045	4,702		872,747
Improvements other than buildings	1,310,755	845		1,311,600
Buildings	<u>402,934</u>	<u>8,795</u>		<u>411,729</u>
Total capital assets:	\$2,650,414	\$ 14,342	\$ 0	\$2,664,756
Less accumulated depreciation:				
Machinery and Equipment	\$ 511,811	\$ 77,286	\$	\$ 589,097
Improvements other than buildings	431,360	65,561		496,921
Buildings	<u>86,788</u>	<u>10,284</u>		<u>97,072</u>
Total accumulated depreciation	<u>\$1,029,959</u>	<u>\$ 153,131</u>	<u>\$ 0</u>	<u>\$1,183,090</u>
Governmental activities capital assets, net	<u>\$1,620,455</u>	<u>\$(138,789)</u>	<u>\$ 0</u>	<u>\$1,481,666</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
Solid Waste Collection and Disposal	<u>\$153,131</u>
Total governmental activities depreciation expense	<u>\$153,131</u>

**Evangeline Parish Solid Waste Disposal commission  
Notes to Financial Statements, Cont'd**

**NOTE D: LONG – TERM LIABILITIES**

Long – term Liability Activity:

Long – term liability activity for the year ended June 30, 2004 was as follows:

Governmental Activities	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>
<b>Bonds Payable:</b>					
Certificate of Indebtness	\$256,000	\$ 0	\$59,000	\$197,000	\$62,000
<b>Governmental Activities</b>					
Long- term liabilities	<u>\$256,000</u>	<u>\$ 0</u>	<u>\$59,000</u>	<u>\$197,000</u>	<u>\$62,000</u>

Payments on the certificates of indebtedness are made by the General Fund.

Description of Debt:

Governmental Activities:

Bonds Payable:

\$550,000 of Certificates of Indebtedness, Series 1997, of Evangeline Parish Solid Waste Disposal District, State of Louisiana, dated June 10, 1997, due in annual installments and bearing interest at the rate of 5.75% per annum payable semi-annually on May 1, and November 1. The Certificates are secured by and payable solely from a pledge and dedication of the excess of annual revenues of the Commission above statutory, necessary and usual charges in each of the fiscal years during which the Certificates are outstanding.

**Evangeline Parish Solid Waste Disposal commission  
Notes to Financial Statements, Cont'd**

Debt Maturity:

Debt Service requirements at June 30, 2004, for the Commission's governmental activities were as follows:

Certificates of Indebtedness, Series 1997		
Year Ending June 30	<u>Principal</u>	<u>Interest</u>
2005	\$ 62,000	\$11,328
2006	66,000	7,763
2007	<u>69,000</u>	<u>3,968</u>
Total	<u>\$197,000</u>	<u>\$23,059</u>

**NOTE E – RETIREMENT COMMITMENTS**

As of January 1, 1991, all eligible employees of the Solid Waste Commission became members of the State Parochial Employees Retirement System. Contributions to the system are made by both employees and the commission as a percentage of salaries. Future deficits in the system will be financed by the state and the commission will have no further liability to the system, except current contributions. Data concerning the actual status of the system is not available. The Commission contributed \$39,905.76 on wages of \$414,359.42 during the fiscal year ended June 30, 2004.

**NOTE F – SCHEDULE OF COMPENSATION PAID TO COMMISSIONERS:**

NAME OF COMMISSIONERS	<u>Travel</u>	<u>Salary</u>	<u>Total</u>
Bernice Ardoin	\$ 224	\$ 2,400	\$ 2,624
Curley Dossman	69	2,200	2,269
Leon Estes	655	2,300	2,955
Dillard Fontenot	254	2,400	2,654
Ray Forman	374	2,400	2,774
Lee Bertman Ardoin	90	2,400	2,490
John Deshotel	561	2,400	2,961
Lionel Manuel	150	2,400	2,550
J. Dowell Deshotel	74	2,400	2,474
Nettie Campbell	254	2,400	2,654
Jake Dupuis	90	2,400	2,490
Lonnie Sonnier	9	200	209
Donald Thomas	90	2,400	2,490
Phillip Miller	<u>103</u>	<u>1,500</u>	<u>1,603</u>
Total	<u>\$2,997</u>	<u>\$30,200</u>	<u>\$33,197</u>

**Evangeline Parish Solid Waste Disposal commission**  
**Notes to Financial Statements, Cont'd**

**NOTE G – CASH**

The Evangeline Parish Solid Waste Disposal Commission's cash and interest – bearing deposits totaled \$736,495 at June 30, 2004. These deposits were insured and collateralized at that date as follows:

FDIC Insurance	\$ 117,243
Cash Collateralized	<u>584,111</u>
Total Insurance and Collateral	<u>\$ 701,354</u>

Cash was not adequately collateralized at June 30, 2004.

**NOTE H – LITIGATION**

The Commission does not have any pending or threatened litigation as of June 30, 2004.

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**Other Required  
Supplementary Information**

**EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION**

Budgetary Comparison Schedule

General Fund

For the Year Ended June 30, 2004

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Revenues:				
Sales Tax	\$2,350,000	\$2,300,000	\$2,366,744	\$66,744
Interest	2,000	10,000	10,860	860
Rent	10,000	10,000	10,440	440
Site Charges	34,250	45,150	56,130	10,980
Miscellaneous	2,100	2,100	12,341	10,241
Intergovernmental	30,000	30,000	30,294	294
Grants	<u>100,000</u>	<u>13,000</u>	<u>12,040</u>	<u>(960)</u>
Total Revenues	<u>\$2,528,350</u>	<u>\$2,410,250</u>	<u>\$2,498,849</u>	<u>\$88,599</u>
Expenditures				
Current Operating	\$2,297,100	\$2,386,100	\$2,408,841	\$22,741
Capital Outlay	0	12,800	14,342	1,542
Debt Service	<u>75,000</u>	<u>75,000</u>	<u>73,720</u>	<u>(1,280)</u>
Total Expenditures	<u>\$2,372,100</u>	<u>\$2,473,900</u>	<u>\$2,496,903</u>	<u>\$23,003</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 156,250	\$ (63,650)	\$ 1,946	\$65,596
Fund Balance, Beginning of Year	<u>463,648</u>	<u>585,303</u>	<u>585,303</u>	<u>          </u>
Fund Balance, End of Year	<u>\$ 619,898</u>	<u>\$ 521,663</u>	<u>\$ 587,249</u>	<u>\$65,596</u>

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## **Other Supplementary Information**

**EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION**  
**General Fund**  
**Budgetary Comparison Schedule – Expenditures**  
**For the Year Ended June 30, 2004**

	<u>Budget</u>			Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Administrative Expenditures</u>				
Salaries - Office Personnel	\$ 125,000	\$ 125,000	\$123,150	\$ (1,850)
Commissioner's Compensation	31,000	30,000	30,200	200
Advertisements	8,000	3,500	3,200	(300)
Dues, Subscriptions & Registrations	3,000	1,700	2,342	642
Fringe Benefits	1,800	19,000	17,421	(1,579)
Legal & Accounting	16,500	28,000	29,670	1,670
Meals & Entertainment	4,000	1,000	871	(129)
Office Supplies	7,000	8,500	8,480	(20)
Professional Fees	7,000	2,000	3,818	1,818
Repairs & Maintenance	7,000	14,000	15,524	1,524
Operating Supplies	15,000	18,000	19,707	1,707
Telephone	7,500	6,500	6,390	(110)
Travel	30,000	21,000	22,073	1,073
Utilities	12,000	6,000	5,770	(230)
Payroll Tax	<u>0</u>	<u>0</u>	<u>5,585</u>	<u>5,585</u>
Total Administrative Expenditures	<u>\$274,800</u>	<u>\$284,200</u>	<u>\$294,201</u>	<u>\$10,001</u>
<u>Basile Site Expenditures:</u>				
Salaries – Site Operators	\$ 25,000	\$ 25,000	\$ 25,582	\$ 582
Fringe Benefits	2,600	2,600	2,169	(431)
Collection & Disposal of Dumpsters	10,000	9,000	10,004	1,004
Repairs & Maintenance	500	500	313	(187)
Operating Supplies	1,000	1,000	640	(360)
Telephone	600	600	557	(43)
Utilities	1,000	1,000	887	(113)
Payroll Tax	<u>0</u>	<u>0</u>	<u>873</u>	<u>873</u>
Total Basile Site Expenditures	<u>\$ 40,700</u>	<u>\$ 39,700</u>	<u>\$ 41,025</u>	<u>\$ 1,325</u>



**EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION**  
**General Fund**  
**Budgetary Comparison Schedule – Expenditures**  
**For the Year Ended June 30, 2004**  
**(Continued)**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
<u>General Expenditures:</u>				
Service Contract – Residential	\$1,100,000	\$1,100,000	\$1,085,973	\$(14,027)
Closing of Prom. Dumpsites	3,000	1,000	0	(1,000)
Capital Outlay – Administrative Complex	-0-	12,800	3,924	(8,876)
Debt Service – Bonds	75,000	75,000	73,720	(1,280)
White Good Removal Expense	6,000	2,000	2,148	148
Recycling Expenses	3,000	3,000	4,497	1,497
Recycling Planner	3,600	3,600	3,600	-0-
Insurance Premiums	110,000	115,000	113,659	(1,341)
Drug Testing & Safety Expense	9,000	9,000	10,356	1,356
Miscellaneous	6,000	5,000	7,959	2,959
Bad Debts	600	-0-	300	300
Salaries – Mechanic & Shop Help	25,200	40,200	45,963	5,763
Fringe Benefits	6,300	7,300	5,729	(1,571)
Maintenance Shop Supplies	39,000	27,000	26,786	(214)
Capital Outlay – Equipment Shed	-0-	-0-	8,795	8,795
Capital Outlay – Wash Rack	-0-	-0-	300	300
Payroll Tax	-0-	-0-	1,568	1,568
Total General Expenditures	<u>\$1,386,700</u>	<u>\$1,400,900</u>	<u>\$1,395,277</u>	<u>\$ (5,623)</u>
<u>Limb Crew Expenditures:</u>				
Salaries	\$ 156,000	\$ 120,000	\$ 124,507	\$ 4,507
Truck Maintenance, III	4,500	4,000	3,731	(269)
Truck Maintenance, IV	3,000	2,500	2,207	(293)
Truck Maintenance, V	4,000	2,000	2,746	746
Fringe Benefits	15,600	18,600	16,993	(1,607)
Chipper Repairs & Maintenance	2,000	1,500	4,249	2,749
Grapple Truck #7 Repairs & Maintenance	500	500	125	(375)
Operating Supplies	7,000	2,000	1,361	(639)
Telephone	2,000	3,500	2,918	(582)
Payroll Tax	-0-	-0-	4,249	4,249
Total Limb Crew Expenditures	<u>\$ 194,600</u>	<u>\$154,600</u>	<u>\$ 163,086</u>	<u>\$ 8,486</u>
<u>Mamou Site Expenditures:</u>				
Salaries	\$ 31,000	\$ 31,000	\$ 28,106	\$ (2,894)
Fringe Benefits	3,200	3,200	1,414	(1,786)
Collection and Disposal of Roll-Offs	31,000	29,000	31,535	2,535
Repairs and Maintenance	2,000	1,100	1,041	(59)
Backhoe Repairs & Maintenance	2,000	2,000	2,748	748
Chipper Repairs and Maintenance	-0-	-0-	300	300
Operating Supplies	1,500	600	1,103	503
Telephone	700	700	644	(56)
Utilities	1,600	2,000	1,954	(46)
Payroll Tax	-0-	-0-	959	959
Total Mamou Site Expenditures	<u>\$ 73,000</u>	<u>\$ 69,600</u>	<u>\$ 69,804</u>	<u>\$ 204</u>

**EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION**  
**General Fund**  
**Budgetary Comparison Schedule – Expenditures**  
**For the Year Ended June 30, 2004**  
**(Continued)**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
<u>Pine Prairie Site Expenditures:</u>				
Salaries – Site Operator	\$ 32,000	\$ 34,000	\$ 37,722	\$ 3,722
Fringe Benefits	4,500	5,000	4,907	(93)
Collection & Disposal of Dumpsters	37,500	50,000	48,899	(1,101)
Repairs & Maintenance	1,000	1,000	1,211	211
Backhoe Repairs & Maintenance	1,500	1,500	1,450	(50)
Operating Supplies	700	700	410	(290)
Telephone	500	500	467	(33)
Utilities	1,200	2,000	1,188	(812)
Payroll Tax	0	0	1,287	1,287
Total Pine Prairie Expenditures	<u>\$ 78,900</u>	<u>\$ 94,700</u>	<u>\$ 97,541</u>	<u>\$ 2,841</u>
<u>Roll – Off Expenditures:</u>				
Roll – Off Salary	\$ 51,000	\$ 74,000	\$ 70,788	\$ (3,212)
Fringe Benefits – Roll – Off Salary	7,600	9,000	8,023	(977)
Telephone	1,500	2,800	2,853	53
Maintenance–SW I Parts & Repairs	5,000	16,500	14,856	(1,644)
Maintenance-SW II Parts & Repairs	4,000	2,000	3,719	1,719
Roll –Off Motor & Hydraulic Oil	3,000	5,200	6,051	851
Roll-Off Containers & Repairs	4,000	2,000	2,522	522
Roll-Off Diesel	30,000	42,000	43,699	1,699
Roll-Off Tires	48,000	55,000	58,116	3,116
Capital Outlay	0	0	1,323	1,323
Payroll Tax	0	0	2,416	2,416
Total Roll-Off Expenditures	<u>\$ 154,100</u>	<u>\$ 208,500</u>	<u>\$ 214,366</u>	<u>\$ 5,866</u>
<u>Ville Platte Site Expenditures</u>				
Salaries – Site Operators	\$ 45,000	\$ 62,000	\$ 62,784	\$ 784
Fringe Benefits	6,700	9,700	8,466	(1,234)
Collection & Disposal of Roll-Offs	103,000	126,000	121,559	(4,441)
Repairs & Maintenance	2,000	4,400	3,565	(835)
Backhoe Repairs & Maintenance	6,000	15,000	18,146	3,146
Chipper Maintenance & Repairs	2,300	1,000	733	(267)
Operating Supplies	1,500	700	1,352	652
Telephone	800	900	940	40
Utilities	2,000	2,000	1,916	(84)
Payroll Tax	0	0	2,142	2,142
Total Ville Platte Expenditures	<u>\$ 169,300</u>	<u>\$ 221,700</u>	<u>\$ 221,603</u>	<u>\$ (97)</u>
 Total Expenditures	 <u>\$2,372,100</u>	 <u>\$2,473,900</u>	 <u>\$2,496,903</u>	 <u>\$ 23,003</u>

# MICHAEL W. JOHNSON

*Certified Public Accountant*

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

Honorable President and Commission Members  
Evangeline Parish Solid Waste Disposal Commission  
Ville Platte, Louisiana

I have audited the component unit financial statements of the Evangeline Parish Solid Waste Disposal Commission as of and for the year ended June 30, 2004, and have issued my report thereon dated December 9, 2004. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### **Compliance**

As part of obtaining reasonable assurance about whether the Evangeline Parish Solid Waste Disposal Commission's component unit financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2004-2.

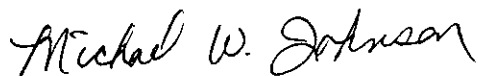
### **Internal Control Over Financial Reporting**

In planning and performing my audit, I considered the Evangeline Parish Solid Waste Disposal Commission's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the component unit financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions.

Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect the Evangeline Parish Solid Waste Disposal Commission's ability to record, process, summarize and report financial data consistent with the assertions of management in the component unit financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 2004-1 and 2004-2.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the component unit financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, I consider item 2004-2 to be a material weakness.

This report is intended solely for the information and use of the audit committee, management, the commission members, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Michael W. Johnson  
Certified Public Accountant

December 9, 2004

**EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2004**

I have audited the component unit financial statements of Evangeline Parish Solid Waste Disposal Commission as of and for the year ended June 30, 2004, and have issued my report thereon dated December 9, 2004. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the component unit financial statements as of June 30, 2004, resulted in an unqualified opinion.

**Section I. Summary of Auditor's Reports**

- a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses  Yes  No

Reportable Conditions  Yes  No

Compliance

Compliance Material to Financial Statements  Yes  No

## **Section II. Financial Statement Findings**

### **2004-1. Inadequate Segregation of Duties**

Finding: The segregation of duties is inadequate to provide effective internal control.

Cause: The condition is due to economic and space limitations.

Recommendation: No action is recommended.

### **2004-2. Cash Not Adequately Collateralized**

Finding: The Commission's cash was not adequately collateralized at June 30, 2004.

Cause: Management overlooked this requirement.

Recommendation: Management should ensure that the Commission's cash is adequately collateralized at all times.

**EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION**  
**MANAGEMENT'S CORRECTIVE ACTION PLAN**  
**For the Year Ended June 30, 2004**

**SECTION I. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS**

**2004-2. Cash Not Adequately Collateralized at June 30, 2004.**  
Management should ensure that the Commission's cash is adequately collateralized at all times.

Management will establish procedures to ensure that the Commission's cash is adequately collateralized at all times.

**EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION**  
**SCHEDULE OF PRIOR YEAR FINDINGS**  
**For the Year Ended June 30, 2004**

**SECTION I. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE  
FINANCIAL STATEMENTS**

None.