

**EVANGELINE PARISH SOLID WASTE
DISPOSAL COMMISSION**

ANNUAL FINANCIAL REPORT

June 30, 2021

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INDEPENDENT AUDITOR'S REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities of the Evangeline Parish Solid Waste Disposal Commission, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting

estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Evangeline Parish Solid Waste Disposal Commission, as of June 30, 2021, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, the schedule of employers share of net pension liability and the schedule of employer contributions, listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information


Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Evangeline Parish Solid Waste Disposal Commission's basic financial statements. The individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of compensation, benefits, and other payments to agency head, as listed in the table of contents, as required by the State of Louisiana, is presented for purposes of additional analysis and is not a required part of the financial statements.

The individual fund financial statements and the schedule of compensation, benefits, and other payments to agency head are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information

has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund financial statements and the schedule of compensation, benefits, and other payments to agency head are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2021, on our consideration of the Evangeline Parish Solid Waste Disposal Commission'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 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 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 Evangeline Parish Solid Waste Disposal Commission's internal control over financial reporting and compliance.



Vige, Tujague & Noël
Eunice, Louisiana
November 30, 2021

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION

Statement of Net Position

June 30, 2021

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Petty cash	\$ 60
Cash and interest-bearing deposits	1,600,795
Sales tax receivable	409,318
Accounts receivable	21,087
Other prepaid expenses	19,168
Prepaid insurance	82,559
Total current assets	<u>2,132,987</u>
Noncurrent assets:	
Security deposit	375
Capital assets, net (Note 7)	1,407,362
Total noncurrent assets	<u>1,407,737</u>
Total assets	<u>3,540,724</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	<u>114,317</u>
LIABILITIES	
Current liabilities:	
Accounts payable	227,284
Payroll taxes payable	5,599
Note payable - current portion	41,394
Compensated absences payable	17,064
Total current liabilities	<u>291,341</u>
Noncurrent liabilities:	
Note payable	53,357
Net pension liability	138,802
Total noncurrent liabilities	<u>192,159</u>
Total liabilities	<u>483,500</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	<u>295,479</u>
NET POSITION	
Invested in capital assets, net of related debt	1,407,362
Unrestricted	1,468,700
Total net position	<u>\$ 2,876,062</u>

The accompanying notes are an integral part of the basic financial statements.

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION

Statement of Activities

For the Year Ended June 30, 2021

	<u>Governmental Activities</u>
EXPENSES:	
Solid waste collection and disposal:	
Operating	\$ 4,182,162
Depreciation	139,318
Interest	3,206
Pension Expense	224,731
Total program expenses	<u>4,549,417</u>
 PROGRAM REVENUES:	
Charges for collection and disposal	<u>68,636</u>
Net program expenses	<u>4,480,781</u>
 GENERAL REVENUE:	
Sales tax	4,447,241
Interest	1,988
Rent	40,264
Nonemployer pension contribution	6,655
Miscellaneous	74,811
Intergovernmental	36,747
CARES Reimbursement	192,328
Gain (loss) on disposition of assets	21,278
Total general revenues	<u>4,821,312</u>
 Change in net position	<u>340,531</u>
 Net Position - beginning of the year	<u>2,535,531</u>
 Net Position - end of the year	<u><u>\$ 2,876,062</u></u>

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION

Balance Sheet

Governmental Funds

June 30, 2021

ASSETS	<u>General Fund</u>
Petty cash	\$ 60
Cash and interest bearing deposits	1,600,795
Accounts receivable	21,087
Sales tax receivable	409,318
Prepaid expenses	19,168
Security deposits	<u>375</u>
Total assets	<u><u>\$2,050,803</u></u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 227,284
Payroll taxes payable	<u>5,599</u>
Total current liabilities	<u>232,883</u>
Total liabilities	<u>232,883</u>
Fund balance:	
Committed	636,626
Unassigned	<u>1,181,294</u>
Total fund balance	<u>1,817,920</u>
Total liabilities and fund balance	<u><u>\$2,050,803</u></u>

The accompanying notes are an integral part of the basic financial statements.

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
 Reconciliation of the Governmental Funds
 Balance Sheet to the Statement of Net Position
 June 30, 2021

Total fund balances of governmental funds at June 30, 2021	\$ 1,817,920
Total net position 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.	1,407,362
Prepaid Insurance	82,559
Long-term liabilities, including note payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(94,751)
Amounts related to pension recognition are not due and payable in the current period and, therefore, are not reported in the funds	(319,964)
Some liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.	
Compensated absences	<u>(17,064)</u>
Net Position of Governmental Activities	<u>\$ 2,876,062</u>

The accompanying notes are an integral part of the basic financial statements.

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION

Statement of Revenues, Expenditures, and
Changes in Fund Balance-Governmental Funds
For the Year Ended June 30, 2021

REVENUES	<u>General Fund</u>
Sales Tax	\$ 4,447,241
Interest	1,988
Rent	40,264
Site Charges	68,636
Miscellaneous	74,811
Intergovernmental	36,747
CARES Reimbursement	192,328
Total Revenues	<u>4,862,015</u>
EXPENDITURES	
Current Operating	4,190,719
Capital Outlay	190,622
Debt Service:	
Principal	61,085
Interest	3,206
Total Expenditures	<u>4,445,632</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>416,383</u>
OTHER FINANCING SOURCES (USES)	
Note Proceeds	3,626
Sale of Assets	21,278
Total other financing (uses) sources	<u>24,904</u>
Net Change in Fund Balance	441,287
FUND BALANCE, BEGINNING OF THE YEAR	<u>1,376,633</u>
FUND BALANCE, END OF THE YEAR	<u><u>\$ 1,817,920</u></u>

The accompanying notes are an integral part of the basic financial statements.

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, 2021

Total net change in fund balances for the year ended June 30, 2021 per the Statement of Revenues, Expenditures and Changes in Fund Balance		\$ 441,287
The change in net position reported for governmental activities in the statement of activities is 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.</p>		
Capital outlay	\$ 190,622	
Depreciation expense	<u>(139,318)</u>	51,304
<p>Repayment of principal on debt is an expenditure in the governmental funds but reduces the liability on the Statement of Net Assets. This is the amount of principal repaid in the current year.</p>		
		61,085
<p>Some items 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>		
Compensated absences		185
<p>Long-term debt proceeds are other financing sources in the governmental funds, but the issuance increases the long-term liabilities on the statement of activities.</p>		
Note Payable		(3,626)
Net effect of pension liability recognition		(218,076)
<p>Difference in prepaid insurances between modified accrual and accrual basis</p>		
		<u>8,372</u>
Total change in net position for the year ended June 30, 2021 per the Statement of Activities		<u>\$ 340,531</u>

The accompanying notes are an integral part of the basic financial statements.

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Evangeline Parish Solid Waste Disposal Commission have been prepared in conformity with generally accepted accounting principles (GAAP) as applies to governmental units. The Governmental Accounting Standards Boards (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in the subsequent subsection of this note.

Financial Reporting Entity

The Commission is a specially-created commission, created pursuant to Act No. 710 of the regular session of the Louisiana Legislature for the year 1984, responsible for the parish-wide collection and disposal of solid waste. The Commission's major funding is provided by sales tax collections.

As the governing authority of the parish, for reporting purposes, the Evangeline Parish Government is the financial reporting entity for Evangeline Parish. The financial reporting entity consists of (a) the primary government (parish government), (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 statement to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Evangeline Parish Government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. This criterion includes:

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

The Act that created the Commission gives the Commissioners control over their operations. This includes the hiring and retention of employees, authority over budgeting, and responsibility for

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

deficits, power to incur debt and issue bonds, and the receipt and disbursement of funds. The Evangeline Parish Solid Waste Disposal Commission is financially independent and operates autonomously from the State of Louisiana and independently from the Evangeline Parish Government.

Therefore, the Commission reports as an independent reporting entity and the financial statements include only the transactions of the Evangeline Parish Solid Waste Disposal Commission.

Basis of Presentation

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and Statement of Activities display information on all of the nonfiduciary activities of the Evangeline Parish Solid Waste Disposal Commission, the primary government, as a whole. They include all funds of the reporting entity. The statements present governmental activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. 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 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

Fund financial statements of the reporting entity are organized on the basis of funds, each of which is considered to be separate accounting entities. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Fund financial statements report detailed information about the Evangeline Parish Solid Waste Disposal Commission. As a general rule, interfund eliminations are not made in the fund financial statements.

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. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Disposal Commission or meets the following criteria:

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise 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 at least 5 percent of the corresponding total for all governmental and enterprise funds combined

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.

Measurement Focus and Basis of Accounting

Measurement focus is 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:

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 available spendable financial resources during a given period. For this purpose, the Commission considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

The government-wide financial statements utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in Net Position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund balance is classified as Net Position.

Basis of Accounting

In the government-wide statement of Net Position 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

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 they become “measurable and available” as net current assets. 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 are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which are recognized when due.

Purchases of various operating supplies are regarded as expenditures at the time purchased, and inventories of such supplies (if any) are not recorded as assets at the close of the fiscal year.

Expenditures for insurance and similar services which extend over more than one accounting period are accounted for as expenditures of the period of acquisition.

When both restricted and unrestricted resources are available for use, it is the entity’s policy to use restricted resources first, then unrestricted resources as they are needed.

Assets, Liabilities, and Equity

Cash, Interest-Bearing Deposits and Investments:

For the purpose of the Statement of Net Position, cash, interest-bearing deposits and investments includes all demand, savings accounts and certificates of deposits of the Commission. The Evangeline Parish Solid Waste Disposal Commission is authorized by LA RS 39:1211-1245 and 33:2955 to invest in United States Treasury Bonds, United States Treasury Notes, United States Treasury Bills, fully collateralized certificates of deposit issued by qualified commercial banks and savings and loan associations located within the State of Louisiana, fully collateralized repurchase agreements, fully collateralized interest-bearing checking accounts and any other investment allowed by state statute for local governments.

Receivables:

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

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In the fund financial statements, material receivables in governmental funds include sales tax, dumpsite charges, roll-off charges, and limb crew salary reimbursements since they are both measurable and available. Interest and investments earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available.

Capital Assets

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

Government-wide Statements

In the government-wide financial statements, capital assets are capitalized at historical cost or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimates fair value at the date of donation. The Commission maintains a threshold level of \$5,000 or more for capitalizing capital assets. Estimated historical cost of \$275,709 was used to value the assets acquired prior to July 1, 1988.

Depreciation of all exhaustible capital assets is recorded as an allocated 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 range of estimated useful lives by type of asset is as follows:

Equipment	10 years
Improvements	20 years
Buildings	40 years

The cost of normal maintenance and repairs that do not add to the value to the asset or materially extend asset lives are not capitalized.

Fund Financial Statements

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

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column of the statement of net position.

In the fund financial statements, governmental fund types recognize debt issued as other financing sources. Repayment of the principal and interest is shown as an expenditure.

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position or fund balance as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position or fund balance as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. At June 30, 2021, the Commission's deferred inflows and outflows of resources are attributable to its pension plan on the Statement of Net Position.

Equity Classifications

Government-wide Statements

Equity is classified as Net Position 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
- b. Restricted Net Position – Consist of Net Position 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 Position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund Statements

In the fund financial statements, governmental funds report aggregate amount for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

- a. Restricted fund balance. This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- b. Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Evangeline Parish Solid Waste Commission. Those committed amounts cannot be used for any other purpose unless the city council removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
- c. Assigned fund balance. This classification reflects the amounts constrained by the commission's "intent" to be used for specific purposes but are neither restricted nor committed. The Evangeline Parish Solid Waste Commission has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.
- d. Unassigned fund balance. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the Commission's policy to use externally restricted resources first unless prohibited by legal or contractual provisions, then unrestricted resources – committed, assigned, and unassigned – in order as needed.

Committed Assets:

Committed assets include cash and interest-bearing deposits of the general fund that are set aside for emergency use. This takes a two-thirds vote of a quorum present to allow usage of these funds. The Commission has set aside \$636,626 for this purpose.

Revenues, Expenditures, and Expenses

Sales Tax:

The Commission presently levies a one-percent sales tax on taxable sales within the Commission's 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 Position.

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

Budget and Budgetary Accounting

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

1. Prior to May 31, the Commission manager meets with the Budget and Finance Committee to draw up the budget.
2. A summary of the budget is published and made available for public inspection.
3. A public hearing is held during the regular June meeting of the Commission. The budget is then adopted by resolution of the Commission.
4. Amendments to any items of the budget must be approved by the Commission.
5. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles of the United States of America. Budgeted amounts are as originally adopted or as amended during the year by the Commission
6. Operating appropriations, to the extent not expended or encumbered, lapse at year-end. Capital appropriations continue in force until the project is completed or deemed abandoned.

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

7. Budgets for funds are adopted on a basis consistent with generally accepted accounting principles of the United States of America. Budgeted amounts are as originally adopted or as amended from time to time by the Board of Commissioners. The Budget was amended prior to the fiscal year end June 30, 2021.

Use of 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, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

FASB issued SFAS No 165, Subsequent Events (ASC 855) establishes general standards for accounting for and disclosures of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. We have evaluated events subsequent to the balance sheet through November 30, 2021, the date the financial statements were available to be issued.

NOTE 2 – PENSION PLANS

Parochial Employees' Retirement System of Louisiana is the administrator of a cost sharing multiple employer defined benefit pension plan. The System was established and provided for by R.S.11:1901 of the Louisiana Revised Statute (LRS).

The System provides retirement benefits to employees of taxing districts of a parish or any branch or section of a parish within the State which does not have their own retirement system and which elects to become members of the System.

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

Eligibility Requirements:

All permanent parish government employees (except those employed by Orleans, Lafourche and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate.

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2021

NOTE 2 – PENSION PLANS

As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join the System.

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 (30) or more years of creditable service.
2. Age 55 with twenty-five (25) years of creditable service.
3. Age 60 with a minimum of ten (10) years of creditable service.
4. Age 65 with a minimum of seven (7) years of creditable service.

For employees hired after January 1, 2007:

1. Age 55 with 30 years of service.
2. Age 62 with 10 years of service.
3. Age 67 with 7 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.

Survivor 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.

Deferred Retirement Option Plan:

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 Deferred Retirement Option Plan (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

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2021

NOTE 2 – PENSION PLANS

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.

For individuals who become eligible to participate in the Deferred Retirement Option Plan (DROP) 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.

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

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2021

NOTE 2 – PENSION PLANS

further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

Employer Contributions:

According to state statute, contributions for all employers are actuarially determined each year. Covered employees were required by state statute to contribute 9.5% of their salary to the plan from July 2020 to June 2021. The Commission was required by the same statute to contribute 12.25% from July 2020 to June 2021. The Commission’s contributions paid to PERS for the year ended June 30, 2021 was \$66,858.

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.

Non-employer contributions:

MPERS also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions are recognized as revenue during the year ended June 30, 2021. This amount totaled \$6,655.

At June 30, 2021, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for its participation in PERS:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 33,794	\$ (16,567)
Changes in assumption	45,412	-
Net difference between projected and actual earnings on pension plan investments	-	(270,901)
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,682	(8,011)
Employer contributions subsequent to measurement date	33,429	-
Total	<u>\$ 114,317</u>	<u>\$ (295,479)</u>

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2021

NOTE 2 – PENSION PLANS

Deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date for PERS and the net difference between projected and actual earnings on pension plan investments of \$114,317, will be recognized as a reduction of the net pension liability during the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (benefit) as follows:

Year Ended June 30:	PERS
2021	\$ (59,050)
2022	(20,586)
2023	(87,892)
2024	(44,256)
Total	\$ (211,784)

Actuarial Methods and Assumptions:

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

The components of the net pension liability of the System's employers as of December 31, 2020, are as follows:

	2019	2020
	Plan A	Plan A
Total Pension Liability	\$ 3,423,237	\$ 3,471,732
Plan Fiduciary Net Position	(3,419,303)	(3,332,930)
Total Net Pension Liability	\$ 3,934	\$ 138,802
Proportionate Share of Net Pension Liability	0.083565%	0.079161%
Change in Proportion	-0.002525%	-0.004404%
Net Position Percentage	99.89%	96.00%

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2020, are as follows:

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2021

NOTE 2 – PENSION PLANS

Valuation Date	December 31, 2020
Actuarial Cost Method	Plan A - Entry Age Normal
Investment Rate of Return	6.4%, net of investment expense, including inflation
Expected Remaining Service Lives	4 years
Projected Salary Increases	Plan A - 4.75% (2.35% Merit/2.40% Inflation)
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future 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 6.4% 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.

Change in Assumptions:

Amounts reported in fiscal year ended December 31, 2020, for Parochial Employees' Retirement System reflect a discount rate of 6.4% to measure the total pension liability. Other changes are as follows:

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2021

NOTE 2 – PENSION PLANS

Valuation Date	December 31, 2019	December 31, 2020
Inflation Rate	2.40%	2.30%
Project Salary Increases	4.75% (2.40% Inflation, 2.35% Merit)	4.75% (2.30% Inflation, 2.45% Merit)

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.00% for the year ended December 31, 2020.

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, 2020, are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Portfolio Real Rate of Return</u>
Fixed Income	33%	0.86%
Equity	51%	3.36%
Alternative Investments	14%	0.67%
Real Assets	2%	0.11%
Total	<u>100%</u>	<u>5.00%</u>
Inflation		<u>2.00%</u>
Expected Arithmetic Nominal Return		<u>7.00%</u>

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

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2021

NOTE 2 – PENSION PLANS

multiplied by 130% for males and 125% for females, each with gull generational projection using the MP2018 scale.

Sensitivity to Changes in Discount Rate:

The following presents the net pension liability of the participating employers calculated using the discount rate of 6.4%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.4% or one percentage point higher 7.4% than the current rate.

	Changes in Discount Rate		
	Plan A		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	5.40%	6.40%	7.40%
Net Pension Liability (Asset)	<u>\$ 291,027</u>	<u>\$ 138,802</u>	<u>\$ (498,775)</u>

Change in Net Pension Liability:

The changes in the net pension liability for the year ended December 31, 2020, were recognized in the current reporting period as pension expense except as follows:

Differences between Expected and Actual Experience:

Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual experience resulted in a deferred inflow of resources for Plan A as of December 31, 2020, as follows:

Differences between Projected and Actual Investment Earnings:

Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The difference between projected and actual investment earnings resulted in a net deferred outflow of resources and a pension expense as of December 31, 2020, as follows:

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2021

NOTE 2 – PENSION PLANS

	December 31, 2020	
	Deferred Outflows	Deferred Inflows
2020	\$ 33,793	\$ -
2019	-	35,216
2018	-	21,992
2017	-	38,938
	\$ 33,793	\$ 96,146

	December 31, 2020		
	Deferred Outflows	Deferred Inflows	Net Deferred Outflows Balance
2020	\$ -	\$ 177,025	\$ (177,025)
2019	-	147,459	(147,459)
2018	172,800	-	172,800
2017	-	138,968	(138,968)
	\$ 172,800	\$ 463,452	\$ (290,652)

Changes of Assumptions:

The changes of assumptions about future economic or demographic factors were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The changes of assumptions or other inputs resulted in deferred outflows of resources and a pension expense as of December 31, 2020, as follows:

	December 31, 2020	
	Deferred Outflows	Deferred Inflows
2020	\$ 29,170	\$ -
2019	54,940	-
2018	90,256	-
2017	75,920	-
	\$ 250,286	\$ -

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2021

NOTE 2 – PENSION PLANS

Change in Proportion:

Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan.

Contributions – Proportionate Share:

Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of employer amounts due to differences that could arise between contributions reported by the System and contributions reported by the participating employer.

Retirement System Audit Report:

Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on its financial statements for the year ended December 31, 2020. Access to the audit report can be found on the System's website: www.persla.org or on the Office of Louisiana Legislative Auditor's official website: www.la.state.la.us.

NOTE 3 – CASH AND CASH EQUIVALENTS

The cash and cash equivalents of the Commission are subject to the following risk:

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Commission will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. 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 Commission that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Commission's name.

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2021

NOTE 3 – CASH AND CASH EQUIVALENTS

The Evangeline Parish Solid Waste Disposal Commission’s bank and book balances of cash and interest – bearing deposits totaled \$1,644,177 and \$1,600,795, respectively at June 30, 2021. These deposits were insured and collateralized at that date as follows:

	Investar Bank
Bank balances	\$ 1,644,177
FDIC Insurance	\$ 250,000
Collateral Pledged Securities	1,400,795
Total Insurance and Collateral	1,650,795
Excess/(Shortage)	\$ 6,618

Cash was adequately collateralized at June 30, 2021.

All accounts held by the Commission are demand deposit accounts.

NOTE 4 – COMPENSATION TO COMMISSIONERS

	Travel	Salary	Total
Cristal Allen	\$ 317	\$ 3,600	\$ 3,917
Bernice Ardoin	407	3,600	4,007
Paul N. Berzas, Jr.	131	3,600	3,731
John Deshotel	746	3,600	4,346
Leon Estes	1,128	3,600	4,728
Dillard Fontenot	507	3,450	3,957
Sarah Fontenot	32	300	332
Ray Forman	557	3,600	4,157
Hillery Hill	159	3,600	3,759
Tommy Jones	145	3,600	3,745
Danzel Marcantel	165	3,000	3,165
James Soileau	226	3,600	3,826
Alton Thomas	332	3,300	3,632
Donald Thomas	150	3,600	3,750
Total	\$ 5,002	\$46,050	\$51,052

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2021

NOTE 5 – LITIGATION

The Commission does not have any pending or threatened litigation as of June 30, 2021.

NOTE 6 – CONCENTRATION OF RISK

The Evangeline Parish Solid Waste Commission is dependent on collections of a 1% general sales tax collected in Evangeline Parish and is geographically bound by the boundary of Evangeline Parish.

NOTE 7 – CAPITAL ASSETS

Capital Assets activity for the year ended June 30, 2021, was as follows:

	Balance <u>06/30/2020</u>	Additions	Deletions	Balance <u>06/30/2021</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 83,680	\$ -	\$ -	\$ 83,680
Capital assets being depreciated:				
Machinery and equipment	1,962,345	190,622	163,265	1,989,702
Improvements other than buildings	1,599,514	-	-	1,599,514
Buildings	1,223,476	-	-	1,223,476
Total capital assets:	<u>4,869,015</u>	<u>190,622</u>	<u>163,265</u>	<u>4,896,372</u>
Less accumulated depreciation				
Machinery and equipment	1,645,142	82,224	163,265	1,564,101
Improvements other than buildings	1,452,703	26,041	-	1,478,744
Buildings	415,112	31,053	-	446,165
Total accumulated depreciation	<u>3,512,957</u>	<u>139,318</u>	<u>163,265</u>	<u>3,489,010</u>
Governmental activities capital assets, net	<u>\$ 1,356,058</u>	<u>\$ 51,304</u>	<u>\$ -</u>	<u>\$ 1,407,362</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
Solid waste collection and disposal	<u>\$ 139,318</u>
Total governmental activities depreciation expense	<u>\$ 139,318</u>

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2021

NOTE 8 – COMPENSATED ABSENCES

Employees receive six days of sick leave upon employment. After one full year of employment, employees receive ten days of sick leave and five days of vacation. Employees receive ten days of vacation for years three through ten of employment and fifteen days of vacation for years eleven through twenty –five of employment. After twenty-five years’ employment, employees receive twenty days of vacation. Vacation time may be carried over no longer than one year. Sick leave may be carried over for an unlimited period. The Commission changed its policy on compensated absences with the adoption of a new employee handbook on May 14, 2012. Under the new policy, unused sick leave will no longer be payable at time of termination, resignation, or retirement. The Commission will allow up to thirty days of accumulated sick leave to be accounted for in the time of service calculation, if, time of service has already been met for purposes of meeting the retirement qualifications. The thirty days are credited to time of service in calculating the retirement benefit.

NOTE 9 – LONG-TERM LIABILITIES

Long-term liabilities for the year ended June 30, 2021, was a follows:

	Payable at July 1, 2020	Additions	Retirements	Payable at June 30, 2021
Note Payable	\$ 152,210	\$ 3,626	\$ (61,085)	\$ 94,751
	\$ 152,210	\$ 3,626	\$ (61,085)	\$ 94,751

Note payable at June 30, 2021 is comprised of the following individual issue:

Note payable to Community Bank of Louisiana, dated February 14, 2020 in the amount of \$164,228.06 payable monthly in the amount of \$3,613.93, bearing interest at 2.600% per annum, secured by (1) 2021 Mack Granite 64FR with roll-off container.	\$ 94,751
Total Note Payable	\$ 94,751
Less Current Portion	41,394
Note Payable	\$ 53,357

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2021

NOTE 9 – LONG-TERM LIABILITIES

The annual requirements to amortize the bond payable outstanding as of June 30, 2021 are as follows:

June 30,	Principal	Interest	Total
2022	\$ 42,484	\$ 883	\$ 43,367
2023	10,873	47	10,920
	\$ 53,357	\$ 930	\$ 54,287

NOTE 10 – RECENTLY ISSUED AND ADOPTED ACCOUNTING PRONOUNCEMENTS

The Government Accounting Standards Board (GASB) has issued the following Statements which will become effective in futures years as shown below:

Statement No. 87, “*Leases*” 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. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Early application is encouraged. Management has not yet determined the effect of this Statement on the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION

Budgetary Comparison Schedule

General Fund

For the Year Ended June 30, 2021

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Revenues:				
Sales Tax	\$3,620,000	\$4,180,000	\$4,447,241	\$ 267,241
Interest	3,000	2,000	1,988	(12)
Rent	45,000	45,000	40,264	(4,736)
Site Charges	71,500	94,845	68,636	(26,209)
Miscellaneous	6,500	40,480	74,811	34,331
Intergovernmental	37,000	-	36,747	36,747
FEMA Reimbursement	-	-	-	-
CARES Reimbursement	-	192,328	192,328	-
Total Revenues	<u>3,783,000</u>	<u>4,554,653</u>	<u>4,862,015</u>	<u>307,362</u>
Expenditures				
Current Operating	3,915,656	4,409,500	4,191,531	217,969
Capital Outlay	160,602	173,327	190,622	(17,295)
Debt Service	-	-	63,479	(63,479)
Total Expenditures	<u>4,076,258</u>	<u>4,582,827</u>	<u>4,445,632</u>	<u>137,195</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(293,258)</u>	<u>(28,174)</u>	<u>416,383</u>	<u>444,557</u>
Other financing sources (uses)				
Loan Proceeds	-	-	3,626	(3,626)
Sale of Assets	-	21,278	21,278	-
Total other financing sources (uses)	<u>-</u>	<u>21,278</u>	<u>24,904</u>	<u>(3,626)</u>
Net change in fund balance	(293,258)	(6,896)	441,287	440,931
Fund Balance, Beginning of Year	<u>1,376,633</u>	<u>1,376,633</u>	<u>1,376,633</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,083,375</u>	<u>\$ 1,369,737</u>	<u>\$ 1,817,920</u>	<u>\$ 440,931</u>

See independent auditor's report

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
 Schedule of Employer's Proportionate Share of Net Pension Liability
 For the Year Ended June 30, 2021

	Fiscal Year	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 It's Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
PERS	2015	0.113854%	\$ 31,129	\$ 699,057	4.45%	91.00%
PERS	2016	0.106211%	279,578	592,500	47.18%	92.20%
PERS	2017	0.092103%	189,687	501,778	37.80%	94.14%
PERS	2018	0.081040%	60,152	491,689	12.23%	98.02%
PERS	2019	0.081331%	360,976	581,471	62.08%	88.86%
PERS	2020	0.083565%	3,934	517,355	0.76%	99.89%
PERS	2021	0.079161%	138,802	545,780	25.43%	96.00%

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

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

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
 Schedule of Employer's Pension Contributions
 For the Year Ended June 30, 2021

	Fiscal Year	Statutorily Required Contribution	Contributions in Relation to Statutorily Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percent of Covered Employee Payroll
PERS	2015	\$ 106,747	\$ 106,747	\$ -	\$ 699,057	15.27%
PERS	2016	81,475	81,475	-	592,500	13.75%
PERS	2017	63,974	63,974	-	501,779	12.75%
PERS	2018	59,019	59,019	-	491,689	12.00%
PERS	2019	59,624	59,624	-	518,471	11.50%
PERS	2020	61,408	61,408	-	517,355	11.87%
PERS	2021	66,858	66,858	-	545,780	12.25%

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

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Required Supplementary Notes
June 30, 2021

Budget and Budgetary Accounting

The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP).

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

1. Prior to May 31, the Commission manager meets with the Budget and Finance Committee to draw up the budget.
2. A summary of the budget is published and made available for public inspection.
3. A public hearing is held during the regular June meeting of the Commission. The budget is then adopted by resolution of the Commission.
4. Amendments to any items of the budget must be approved by the Commission.
5. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles of the United States of America. Budgeted amounts are as originally adopted or as amended during the year by the Commission
6. Operating appropriations, to the extent not expended or encumbered, lapse at year-end. Capital appropriations continue in force until the project is completed or deemed abandoned.
7. Budgets for funds are adopted on a basis consistent with generally accepted accounting principles of the United States of America. Budgeted amounts are as originally adopted or as amended from time to time by the Board of Commissioners. The Budget was amended prior to the fiscal year end June 30, 2021.

Pension Plan

Changes of Assumptions – Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. These assumptions include the rate of investment return, mortality of plan members, rate of salary increases, rates of retirement, rates of termination, rates of disability, and various other factors that have an impact on the cost of the plans.

OTHER SUPPLEMENTARY INFORMATION

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION

General Fund

Budgetary Comparison Schedule - Expenditures

For the Year Ended June 30, 2021

	Original	Final	Actual	Variance With Final Budget Positive (Negative)
Administrative Expenditures:				
Salaries - Office Personnel	\$ 180,000	\$ 180,000	\$ 179,333	\$ 667
Commissioner's Compensation	46,800	46,000	46,050	(50)
Advertisements	14,000	14,000	14,062	(62)
Dues & Subscriptions	2,000	2,100	2,071	29
Fringe Benefits	22,000	22,000	20,039	1,961
Retirement Expense	21,000	23,000	21,635	1,365
Legal & Accounting	70,000	70,000	53,673	16,327
Meals & Entertainment	1,000	1,000	770	230
Office Supplies	10,000	9,000	8,337	663
Professional Fees	3,000	45,000	41,709	3,291
Repairs & Maintenance	4,000	55,000	37,315	17,685
Operating Supplies	23,000	23,000	23,326	(326)
Telephone	6,700	9,000	8,658	342
Travel	45,000	48,000	46,854	1,146
Utilities	18,000	19,000	17,431	1,569
Payroll Tax	7,000	7,000	6,272	728
Total Administrative Expenditures	<u>473,500</u>	<u>573,100</u>	<u>527,535</u>	<u>45,565</u>
Basile Site Expenditures:				
Salaries - Site Operators	29,000	29,000	28,501	499
Fringe Benefits	11,000	14,000	13,523	477
Collection & Disposal of Dumpsters	600	2,000	1,486	514
Repairs & Maintenance	500	500	402	98
Backhoe Repairs	1,000	1,000	31	969
Operating Supplies	200	200	103	97
Telephone	600	700	884	(184)
Utilities	1,500	1,700	1,680	20
Payroll Tax	1,000	1,000	427	573
Retirement	3,300	3,600	3,491	109
Total Basile Site Expenditures	<u>48,700</u>	<u>53,700</u>	<u>50,528</u>	<u>3,172</u>

See independent auditor's report

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION

General Fund

Budgetary Comparison Schedule - Expenditures

For the Year Ended June 30, 2021

	Original	Final	Actual	Variance With Final Budget Positive (Negative)
General Expenditures:				
Service Contract - Residential	\$2,021,656	\$2,003,000	\$2,002,752	\$ 248
Recycling Expenses	1,000	1,000	-	1,000
Insurance Premiums	210,000	260,000	240,057	19,943
Drug Testing & Safety Expense	3,600	5,000	3,916	1,084
Miscellaneous	1,000	150,000	113,138	36,862
Interest Paid	-	-	812	(812)
Bad Debts	1,000	1,000	1,415	(415)
Salaries - Mechanic & Shop Help	56,000	56,000	55,575	425
Maintenance Shop Supplies	25,000	27,000	28,925	(1,925)
Backhoe Repairs	1,000	1,000	-	1,000
Liter Abatement Program	12,000	12,000	4,726	7,274
Payroll Tax	4,400	5,000	4,265	735
Wash Rack Repairs	1,000	1,000	-	1,000
Capital Outlay	-	3,284	5,784	(2,500)
Total General Expenditures	<u>2,337,656</u>	<u>2,525,284</u>	<u>2,461,365</u>	<u>63,919</u>
Mamou Site Expenditures:				
Salaries	30,000	30,000	29,780	220
Fringe Benefits	14,000	14,000	13,523	477
Collection and Disposal of Roll-offs	40,000	46,000	46,692	(692)
Repairs & Maintenance	1,000	4,000	1,964	2,036
Backhoe Repairs & Maintenance	4,000	4,000	1,762	2,238
Operating Supplies	1,000	1,000	565	435
Telephone	1,000	1,200	1,114	86
Utilities	2,500	2,500	2,246	254
Payroll Tax	3,000	3,000	2,292	708
Total Mamou Site Expenditures	<u>96,500</u>	<u>105,700</u>	<u>99,938</u>	<u>5,762</u>

See independent auditor's report

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
 General Fund
 Budgetary Comparison Schedule - Expenditures
 For the Year Ended June 30, 2021

	Original	Final	Actual	Variance With Final Budget Positive (Negative)
Limb Crew Expenditures:				
Salaries	\$ 110,000	\$ 130,000	\$ 127,933	\$ 2,067
Fringe Benefits	24,000	27,000	27,940	(940)
Retirement Expense	11,000	15,000	14,229	771
Truck Maintenance, III	2,000	14,000	10,656	3,344
Truck Maintenance, IV	3,000	6,000	7,388	(1,388)
Truck Maintenance, V	2,000	2,000	198	1,802
Grapple Truck #9 Repairs	4,000	27,000	22,933	4,067
SW VI Van Repairs	-	-	17	(17)
SW VII Repairs & Maintenance	1,000	1,000	78	922
Chipper Repairs & Maintenance	1,000	1,000	88	912
Payroll Tax	3,000	3,000	2,447	553
Operating Supplies	200	700	480	220
Telephone	2,100	3,000	2,642	358
Total Limb Crew Expenditures	<u>163,300</u>	<u>229,700</u>	<u>217,029</u>	<u>12,671</u>
Pine Prairie Site Expenditures:				
Salaries - Site Operator	77,000	77,000	76,291	709
Fringe Benefits	22,000	22,000	21,907	93
Retirement expense	9,000	10,000	9,346	654
Collection & Disposal of Dumpsters	43,000	68,000	65,590	2,410
Repairs & Maintenance	500	500	-	500
Backhoe Repairs & Maintenance	2,000	2,000	867	1,133
Operating Supplies	500	500	455	45
Telephone	700	1,000	743	257
Utilities	3,200	4,000	3,884	116
Payroll Tax	1,700	1,700	1,115	585
Total Pine Prairie Expenditures	<u>159,600</u>	<u>186,700</u>	<u>180,198</u>	<u>6,502</u>

See independent auditor's report

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
 General Fund
 Budgetary Comparison Schedule - Expenditures
 For the Year Ended June 30, 2021

	Original	Final	Actual	Variance With Final Budget Positive (Negative)
Roll - Off Expenditures:				
Roll- Off Salary	\$ 77,000	\$ 87,000	\$ 83,642	\$ 3,358
Fringe Benefits-Roll-Off Salary	25,000	25,000	24,432	568
Retirement Expense	9,500	10,000	10,246	(246)
Telephone	2,700	2,700	2,518	182
Maintenance SW VIII	3,000	5,000	3,948	1,052
Maintenance SW I Parts & Repairs	4,000	9,000	6,036	2,964
Maintenance SW II Parts & Repairs	1,000	2,000	1,212	788
Maintenance SW X Parts & Repairs	6,000	19,000	21,661	(2,661)
Roll - Off Containers & Repairs	1,000	1,000	-	1,000
Roll - Off Diesel	85,000	85,000	83,193	1,807
Roll - Off Tires	67,000	70,000	67,469	2,531
Capital Outlay	160,602	170,043	176,188	(6,145)
Debt Services	43,500	68,000	63,479	4,521
Payroll Tax	2,500	2,500	1,240	1,260
Total Roll - Off Expenditures	<u>487,802</u>	<u>556,243</u>	<u>545,264</u>	<u>10,979</u>
Ville Platte Site Expenditures:				
Salaries - Site Operators	94,000	96,000	94,783	1,217
Fringe Benefits	21,000	21,000	21,096	(96)
Retirement Expense	8,000	8,000	7,911	89
Collection & Disposal of Roll-Offs	175,000	215,000	222,020	(7,020)
Repairs & Maintenance	1,000	1,000	352	648
Backhoe Repairs & Maintenance	2,000	3,000	1,818	1,182
Grapple Truck	500	500	-	500
Operating Supplies	500	500	719	(219)
Tire Removal	200	200	-	200
Telephone	1,000	1,200	978	222
Utilities	2,500	2,500	2,172	328
Payroll Tax	3,500	3,500	3,276	224
Capital Outlay	-	-	8,650	(8,650)
Total Ville Platte Expenditures	<u>309,200</u>	<u>352,400</u>	<u>363,775</u>	<u>(11,375)</u>
Total Expenditures	<u>\$ 4,076,258</u>	<u>\$ 4,582,827</u>	<u>\$ 4,445,632</u>	<u>\$ 137,195</u>

VIGE, TUJAGUE NOEL

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

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SHIRLEY VIGE, JR., C.P.A.
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the President and Commission Members
Evangeline Parish Solid Waste Disposal Commission
Ville Platte, 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 of the Evangeline Parish Solid Waste Disposal Commission, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated November 30, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Evangeline Parish Solid Waste Disposal Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Evangeline Parish Solid Waste Disposal Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of Evangeline Parish Solid Waste Disposal Commission'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did

not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item #2021-001 to #2021-004 that we consider to be a significant deficiency.

Compliance and Other Matters

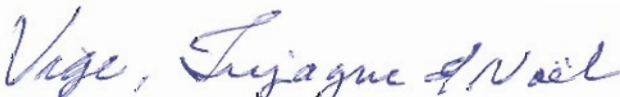
As part of obtaining reasonable assurance about whether Evangeline Parish Solid Waste Disposal Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with 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 our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item #2021-001 to #2021-004.

Evangeline Parish Solid Waste Disposal Commission's Response to Findings

Evangeline Parish Solid Waste Disposal Commission's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. Evangeline Parish Solid Waste Disposal Commission's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our 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.



Vige, Tujague & Noël, CPA's
Eunice, Louisiana
November 30, 2021

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Schedule of Findings and Responses
June 30, 2021

We have audited the financial statements of Evangeline Parish Solid Waste Disposal Commission as of and for the year ended June 30, 2021, and have issued our report thereon dated November 30, 2021. We conducted our 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. Our audit of the financial statements as of June 30, 2021, resulted in an unmodified 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 x No Significant Deficiencies x Yes ___ No

Compliance

Noncompliance Material to Financial Statement ___ Yes x No

Section II. Financial Statement Findings

#2021-001 – Segregation of Accounting Functions

Condition: The Evangeline Parish Solid Waste Commission did not have adequate segregation of functions within the accounting system.

Criteria: SAS109, *Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement*, AU314.43 defines internal control as follows:

“Internal Control is a process, affected by those charged with governance, management, and other personnel, designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.”

Additionally, Statements on Standards for Attestation Engagements (SSAE) AT501.03 states:

“An entity’s internal control over financial reporting includes those policies and procedures that pertain to an entity’s ability to record, process, summarize, and report financial data consistent with the assertions embodied in either annual financial statements or interim financial statements, or both.”

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Schedule of Findings and Responses (continued)
June 30, 2021

- Cause: The cause of the condition is the fact that the Commission does not have a sufficient number of staff performing administrative and financial duties so as to provide adequate segregation of accounting and financial duties.
- Effect: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.
- Recommendation: Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.
- Response: It is not cost effective to achieve complete segregation of duties within the accounting function. No corrective action is considered necessary.

#2021-002 – Cash in Bank

- Condition: A bank account was not reconciled, and transactions were not recorded on the financial statements.
- Criteria: All bank accounts shall be reconciled in a timely manner and all transactions recorded onto the financial statements.
- Cause: The cause of the condition was that a bank account was not reconciled when the account was closed, and the funds were disbursed to purchase a truck.
- Effect: The Commission had overstated Cash in Bank and understated Capital Outlay by \$146,145 and a transfer of \$66 to close the account.
- Recommendation: All bank accounts should be timely reconciled, and all transactions should be recorded. The commission should communicate with its fee accountant to put in place safeguards and procedures to verify that all accounts have been reconciled and all transactions have been recorded.
- Response: We will communicate with our fee accountant and develop a procedure to assure that all accounts have been reconciled and all transactions are recorded.

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Schedule of Findings and Responses (continued)
June 30, 2021

#2021-003 – Misuse of Public Funds - Salaries & Wages

Condition: An employee was paid wages while repurposed (not working in their normal job classification) during a declared emergency and paid a salary during the same period, in connection with the cleanup effort after hurricane Laura that hit the area on August 27, 2020.

Criteria: Salaried employees are not allowed to be paid twice for the same hours worked.

Cause: There was no policy in place that would have been applicable for a declared emergency for repurposed employees which would state the compensation alternative for the declared emergency period.

Effect: An employee was paid, on an hourly basis, \$6,964 for 302 hours in addition to his normal salary, while repurposed during the cleanup period.

Recommendation: The Commission should, with the assistance of legal counsel, develop policies and procedures to set rates of pay for repurposed employees during a declared emergency.

Response: The Commission was informed that an employee was being paid above his current salary while he was re-purposed during the declared state of emergency and agreed with the payments. With the hectic schedule during the state of emergency, the policy for states of emergency was inadvertently not amended to include paying salaried employees the greater of their normal salary and the total hours worked at their regular rate of pay.

(Regular rate of pay equals their regular salary divided by their scheduled hours worked in a regular pay period.)

The Commission will vote to ratify this policy change to retroactively include the state of emergency declared for Hurricane Laura beginning on August 27, 2020, at the next full board meeting on December 13, 2021.

#2021-004 – Misuse of Public Funds - Travel Reimbursement

Condition: Excess reimbursements for in parish travel during a declared emergency were paid to the Executive Director.

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Schedule of Findings and Responses (continued)
June 30, 2021

- Criteria: Travel reimbursements are governed by the policy and procedures adopted by the Commission for Executive Director travel.
- Cause: The policy for Executive travel during a declared emergency was not followed. The policy states that "Executive Director is reimbursed for mileage out of parish only, unless otherwise approved by the Board. Executive Director is reimbursed for in-parish mileage in excess of 1,100 miles per month at the current IRS rate during the cleanup of Commission specified events." The Executive Director was paid for all mileage for in-parish travel, in connection with a declared emergency, without first reducing the miles by the stated 1,100-mile per month limitation.
- Effect: The Executive Director was over reimbursed \$4,147 for in-parish travel during the declared emergency period of August 27, 2020, through March 11, 2021, for hurricane Laura clean up.
- Response: The wording concerning in-parish mileage for the director was misstated in the policy for states of emergency. It should read that the director will be reimbursed for mileage in-parish, only during periods covered by Declarations of Emergency.
- The director is not reimbursed for any in-parish mileage unless there is a state of emergency declared.
- The in-parish mileage for the director will be reimbursed at the current IRS rate for business travel. The director will be reimbursed for any mileage in-parish that is in excess of 550 miles per pay period. (This equals to 1100 miles x 12 months divided by 24 pay periods.)
- The commission has been made aware of this and will vote to amend the policy accordingly at its December 13, 2021 full board meeting.

Section III. Management Letter

None Issued.

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Status of Prior Year Audit Findings
June 30, 2021

#2020-001 – Segregation of Accounting Functions

- Condition: The Evangeline Parish Solid Waste Commission did not have adequate segregation of functions within the accounting system.
- Criteria: SAS109, *Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement*, AU314.43 defines internal control as follows:
- “Internal Control is a process, affected by those charged with governance, management, and other personnel, designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.”
- Additionally, Statements on Standards for Attestation Engagements (SSAE) AT501.03 states:
- “An entity’s internal control over financial reporting includes those policies and procedures that pertain to an entity’s ability to record, process, summarize, and report financial data consistent with the assertions embodied in either annual financial statements or interim financial statements, or both.”
- Cause: The cause of the condition is the fact that the Commission does not have a sufficient number of staff performing administrative and financial duties so as to provide adequate segregation of accounting and financial duties.
- Effect: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.
- Recommendation: Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.
- Response: It is not cost effective to achieve complete segregation of duties within the accounting function. No corrective action is considered necessary.
- Status: This finding has been repeated.

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
VILLE PLATTE, LOUISIANA
Schedule of Compensation, Benefits and Other Payments
To Agency Head or Chief Executive Officer
For the Year Ended June 30, 2021

Agency Head Name: Patrick E. Derouselle, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 58,000
Benefits - Retirement	7,987
Travel - Out of Parish	9,126
Travel - In Parish	4,147
Car Allowance - In Parish	7,200
Telephone	518
	<u>\$ 86,978</u>

Evangeline Parish Solid Waste Commission

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Patrick Derousselle

SECRETARY:
Phyllis H. McGee

OFFICERS:
Leon E. Estes, President
Bernice Ardoin, Vice-President
Paul N. "T Boy" Berzas, Sec-Treasurer

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WARD 2
John Deshotel
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WARD 3
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WARD 4
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WARD 5
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Donald Thomas
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Mamou, LA 70554

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P.O. Box 1006
Eunice, LA 70535

RE: Management Response

The following are our response to your recommendations we received in the Evangeline Parish Solid Waste Disposal Commission's Audited Financial Statement as of June 30, 2021.

#2021-001 – Segregation of Accounting Functions

Condition: The Evangeline Parish Solid Waste Commission did not have adequate segregation of functions within the accounting system.

Recommendation: Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

Response: It is not cost effective to achieve complete segregation of duties within the accounting function. No corrective action is considered necessary.

#2021-002 – Cash in Bank

Condition: A bank account was not reconciled, and transactions were not recorded on the financial statements.

Recommendation: All bank accounts should be timely reconciled, and all transactions should be recorded. The commission should communicate with its fee accountant to put in place safeguards and procedures to verify that all accounts have been reconciled and all transactions have been recorded.

Response: We will communicate with our fee accountant and develop a procedure to assure that all accounts have been reconciled and all transactions are recorded.

#2021-003 – Misuse of Public Funds - Salaries & Wages

Condition: An employee was paid wages while repurposed (not working in their normal job classification) during a declared emergency and paid a salary during the same period, in connection with the cleanup effort after hurricane Laura that hit the area on August 27, 2020.

Recommendation: The Commission should, with the assistance of legal counsel, develop policies and procedures to set rates of pay for repurposed employees during a declared emergency.

Response: The Commission was informed that an employee was being paid above his current salary while he was re-purposed during the declared state of emergency and agreed with the payments. With the hectic schedule during the state of emergency, the policy for states of emergency was inadvertently not amended to include paying salaried employees the greater of their normal salary and the total hours worked at their regular rate of pay.

(Regular rate of pay equals their regular salary divided by their scheduled hours worked in a regular pay period.)

The Commission will vote to ratify this policy change to retroactively include the state of emergency declared for Hurricane Laura beginning on August 27, 2020, at the next full board meeting on December 13, 2021.

#2021-004 – Misuse of Public Funds - Travel Reimbursement


Condition: Excess reimbursements for in-parish travel during a declared emergency were paid to the Executive Director.

Response: The wording concerning in-parish mileage for the director was misstated in the policy for states of emergency. It should read that the director will be reimbursed for mileage in-parish, only during periods covered by Declarations of Emergency.

The director is not reimbursed for any in-parish mileage unless there is a state of emergency declared.

The in-parish mileage for the director will be reimbursed at the current IRS rate for business travel. The director will be reimbursed for any mileage in-parish that is in excess of 550 miles per pay period. (This equals to 1100 miles x 12 months divided by 24 pay periods.)

The commission has been made aware of this and will vote to amend the policy accordingly at its December 13, 2021 full board meeting.



Patrick E. Derouselle, Executive Director