

**EVANGELINE PARISH SOLID WASTE
DISPOSAL COMMISSION**

ANNUAL FINANCIAL REPORT

JUNE 30, 2017

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT	1 - 3	
BASIC FINANCIAL STATEMENTS:		
Government-Wide Financial Statements:		
Statement of Net Position	6	
Statement of Activities	7	
Fund Financial Statements:		
Governmental Funds:		
Balance sheet	9	
Reconciliation of the Governmental Funds Balance Sheet to The Governmental-Wide Financial Statement of Net Position	10	
Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds	11	
Reconciliation of the Statement of Revenues, Expenditures, and changes in Fund Balances-Governmental Funds to the Statement of Activities	12	
Notes to the Financial Statements	13 - 31	
REQUIRED SUPPLEMENTARY INFORMATION		
Budgetary Comparison Schedule:		
General Fund	33	
Schedule of Employer's Proportionate Share of Net Pension Liability	34	
Schedule of Employer's Pension Contribution	35	
Required Supplementary Notes	36	
OTHER SUPPLEMENTARY INFORMATION		
Budgetary Comparison Schedule-Expenditures:		
General Fund	38 - 41	
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		42 - 43
SCHEDULE OF FINDINGS AND RESPONSES		44 - 47
SCHEDULE OF PRIOR YEAR FINDINGS		48 - 50
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER		51

VIGE, TUJAGUE NOEL

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

151 N. 2ND STREET
P. O. BOX 1006
EUNICE, LOUISIANA 70535

SHIRLEY VIGE, JR., C.P.A.
FRANK G. TUJAGUE, C.P.A.
DOMINIQUE M. NOEL, C.P.A.

TELEPHONE:
337-457-9324
FAX:
337-457-8743

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, 2017, 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, 2017, 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

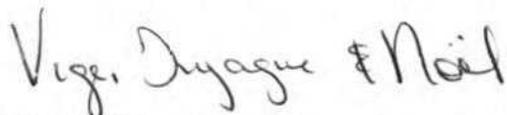
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Evangeline Parish Solid Waste Disposal Commission's basic financial statements. The individual fund financial statements are presented for purposes of additional analysis and are not 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 December 5, 2017, 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
December 5, 2017

BASIC FINANCIAL STATEMENTS

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

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION

Statement of Net Position

June 30, 2017

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Petty cash	\$ 60
Cash and interest-bearing deposits	624,852
Sales tax receivable	323,649
Accounts receivable	19,772
Other receivables	124,232
Prepaid assets	61,194
Total current assets	<u>1,153,759</u>
Noncurrent assets:	
Security deposit	375
Cash and interest-bearing deposits (emergency fund)	428,497
Capital assets, net (Note C)	1,586,144
Total noncurrent assets	<u>2,015,016</u>
Total assets	<u>3,168,775</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	<u>215,864</u>
LIABILITIES	
Current liabilities:	
Accounts payable	217,497
Retirement payable	8,536
Payroll taxes payable	6,772
Note payable	31,106
Compensated absences payable	10,419
Total current liabilities	<u>274,330</u>
Noncurrent liabilities:	
Net pension liability	189,687
Total noncurrent liabilities	<u>189,687</u>
Total liabilities	<u>464,017</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	<u>30,687</u>
NET POSITION	
Invested in capital assets, net of related debt	1,586,144
Unrestricted	1,303,791
Total net position	<u>\$ 2,889,935</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, 2017

	<u>Governmental Activities</u>
EXPENSES:	
Solid waste collection and disposal:	
Operating	\$ 3,717,813
Depreciation	195,385
Interest	<u>3,337</u>
Total program expenses	<u>3,916,535</u>
PROGRAM REVENUES:	
Charges for collection and disposal	<u>89,993</u>
Net program expenses	<u>3,826,542</u>
GENERAL REVENUE:	
Sales tax	3,627,920
Interest	2,717
Rent	37,640
Nonemployer pension contribution	6,804
Miscellaneous	35,312
Intergovernmental	36,747
FEMA Reimbursement	124,232
Gain on disposition of assets	<u>10,010</u>
Total general revenues	<u>3,881,382</u>
Increase/(decrease) in net position	<u>54,840</u>
Net Position - beginning of the year	<u>2,835,095</u>
Net Position - end of the year	<u><u>\$ 2,889,935</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, 2017

ASSETS	<u>General Fund</u>
Petty cash	\$ 60
Cash and interest bearing deposits	1,053,349
Accounts receivable	19,772
Sales tax receivable	323,649
Security deposits	<u>375</u>
Total assets	<u><u>\$ 1,397,205</u></u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 217,497
Retirement payable	8,536
Payroll taxes payable	<u>6,772</u>
Total current liabilities	<u>232,805</u>
Total liabilities	<u>232,805</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred sales tax	<u>8,641</u>
Total deferred inflows of resources	<u>8,641</u>
Fund balance:	
Committed	428,497
Unassigned	<u>727,262</u>
Total fund balance	<u>1,155,759</u>
Total liabilities and fund balance	<u><u>\$ 1,397,205</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, 2017

Total fund balances of governmental funds at June 30, 2017		\$ 1,155,759
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.		1,586,144
Revenues which were not measurable at year end and not considered available as current financial resources at year end		
Sales Tax	8,641	
FEMA Reimbursement	<u>124,232</u>	
		132,873
Prepaid Insurance		61,194
Amounts related to pension recognition are not due and payable in the current period and, therefore, are not reported in the funds		(4,510)
Some liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		
Compensated absences	(10,419)	
Note payable	<u>(31,106)</u>	
		<u>(41,525)</u>
Net Position of Governmental Activities		<u>\$ 2,889,935</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, 2017

REVENUES	<u>General Fund</u>
Sales Tax	\$ 3,625,658
Interest	2,717
Rent	37,640
Site Charges	89,993
Miscellaneous	47,249
Intergovernmental	36,747
Total Revenues	<u>3,840,004</u>
EXPENDITURES	
Current Operating	3,656,060
Capital Outlay	93,909
Debt Service:	
Principal	70,213
Interest	3,337
Total Expenditures	<u>3,823,519</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>16,485</u>
OTHER FINANCING SOURCES (USES)	
Loan Proceeds - Insurance Note	101,319
Sale of Assets	10,010
Total other financing (uses) sources	<u>111,329</u>
Net Change in Fund Balance	127,814
FUND BALANCE, BEGINNING OF THE YEAR	<u>1,027,945</u>
FUND BALANCE, END OF THE YEAR	<u><u>\$ 1,155,759</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, 2017

Total net change in fund balances for the year ended June 30, 2017 per the Statement of Revenues, Expenditures and Changes in Fund Balance		\$ 127,814
The change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	\$ 93,909	
Depreciation expense	<u>(195,386)</u>	(101,477)
In the governmental funds, proceeds from the issuance of debt as revenue, but in the Statement of Net Assets, the issuance of debt results in a liability.		(101,319)
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.		70,213
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.		
Compensated absences		1,958
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds		
Sales Tax	\$ 2,262	
FEMA Reimbursement	<u>124,232</u>	126,494
Net effect of pension liability recognition		(52,863)
Sale of capital assets		(5,131)
Difference in prepaid insurances between modified accrual and accrual basis		<u>(10,849)</u>
Total change in net position for the year ended June 30, 2017 per the Statement of Activities		<u>\$ 54,840</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, 2017

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, 2017

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, 2017

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, 2017

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 "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end.

Expenditures 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 and Interest-Bearing Deposits:

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

Receivables:

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

In the fund financial statements, material receivables in governmental funds include 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.

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 and fund financial statements, long-term obligations are reported as liabilities in the Statement of Net Position.

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, 2017,

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

the Commission's deferred inflows and outflows of resources are attributable to its pension plan on the Statement of Net Position and sales tax on the Balance Sheet.

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.
- 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.

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION

Notes to Financial Statements

June 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 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 \$428,497 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.

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.

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2017

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.

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.

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION

Notes to Financial Statements

June 30, 2017

NOTE 2 – PENSION PLANS

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 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

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION

Notes to Financial Statements

June 30, 2017

NOTE 2 – PENSION PLANS

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 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 2016 to June 2017. The Commission was required by the same statute to contribute 13.0% from July 2016 to December 2016 and 12.5% from January 2017 to June 2017. The Commission's contributions paid to PERS for the year ended June 30, 2017 was \$63,974.

According to state statute, the System also receives $\frac{1}{4}$ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

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, 2017. This amount totaled \$6,804.

At June 30, 2017, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for its participation in PERS:

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2017

NOTE 2 – PENSION PLANS

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (33,194)
Changes in assumption	36,013	-
Net difference between projected and actual earnings on pension plan investments	147,204	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	660	2,507
Employer contributions subsequent to measurement date	31,987	-
Total	\$ 215,864	\$ (30,687)

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 \$215,864, will be recognized as a reduction of the net pension liability during the year ended June 30, 2018. 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
2017	\$ 67,593
2018	64,391
2019	39,137
2020	(5,812)
Total	\$ 165,309

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, 2016, are as follows:

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2017

NOTE 2 – PENSION PLANS

	2016	2015
	Plan A	Plan A
Total Pension Liability	\$ 3,241,904	\$ 3,598,240
Plan Fiduciary Net Position	(3,052,217)	(3,318,662)
Total Net Pension Liability	\$ 189,687	\$ 279,578
Proportionate Share of Net Pension Liability	0.092103%	
Change in Proportion	-0.014108%	

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

Valuation Date	December 31, 2016
Actuarial Cost Method	Plan A - Entry Age Normal
Investment Rate of Return	7.00%, net of investment expense, including inflation
Expected Remaining Service Lives	4 years
Projected Salary Increases	Plan A - 5.25% (2.75% Merit/2.50% 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	RP-2000 Employee Sex Distinct Table was selected for employees. RP-2000 Healthy Annuitant Sex Distinct Tables were selected for annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.

The discount rate used to measure the total pension liability was 7.00% for Plan A. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the 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.

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2017

NOTE 2 – PENSION PLANS

Change in Assumptions:

Amounts reported in fiscal year ended December 31, 2016 for Parochial Employees' Retirement System reflect a discount rate of 7% to measure the total pension liability. Other changes are as follows:

Valuation Date	December 31, 2016	December 31, 2015
Inflation Rate	2.50%	2.50%
Project Salary Increases	5.25% (2.50% Inflation, 2.50% Merit)	5.75% (2.50% Inflation, 2.75% Merit)

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.66% for the year ended December 31, 2016.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Portfolio Real Rate of Return</u>
Fixed Income	35%	1.24%
Equity	52%	3.63%
Alternative Investments	11%	0.67%
Real Assets	2%	0.12%
Total	<u>100%</u>	<u>5.66%</u>
Inflation		<u>2.00%</u>
Expected Arithmetic Nominal Return		<u>7.66%</u>

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

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION

Notes to Financial Statements

June 30, 2017

NOTE 2 – PENSION PLANS

selected for annuitants and beneficiaries. For disabled annuitants, the RP-2000 Disabled Lives Mortality Table set back 5 years for males and 3 years for females was selected. For active employees, the RP-2000 Employee Sex Distinct Tables set back 4 years for males and 3 years for females was used.

Sensitivity to Changes in Discount Rate:

The following presents the net pension liability of the participating employers calculated using the discount rate of 7.00%, 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 6.00% or one percentage point higher 8.00% than the current rate.

	Changes in Discount Rate		
	Plan A		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	6.00%	7.00%	8.00%
Net Pension Liability (Asset)	\$ 567,431	\$ 189,687	\$ (129,706)

Change in Net Pension Liability:

The changes in the net pension liability for the year ended December 31, 2016 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, 2016 as follows:

	December 31, 2016	
	Deferred Outflows	Deferred Inflows
2016	\$ -	\$ 33,194
2015		\$ 44,432
2014	-	13,838
	\$ -	\$ 91,464

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2017

NOTE 2 – PENSION PLANS

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, 2016 as follows:

	December 31, 2016		
	Deferred Outflows	Deferred Inflows	Net Deferred Outflows Balance
2016	\$ 147,204	\$ -	\$ 147,204
2015	255,821	-	255,821
2014	64,633	-	64,633
	\$ 467,658	\$ -	\$ 467,658

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, 2016 as follows:

	December 31, 2016	
	Deferred Outflows	Deferred Inflows
2016	\$ 36,013	\$ -
2015	62,294	
2014	-	-
	\$ 98,307	\$ -

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.

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2017

NOTE 2 – PENSION PLANS

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, 2016. 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

Under state law, the Commission may deposit funds with any bank located within the state and organized under the laws of the State of Louisiana, any other state in the union, or under the laws of the United States. Further, the Commission may invest in time deposits or certificates of deposit of those banks.

Bank deposits must be secured by federal depository insurance or the pledge of securities owned by the bank. The market value of the pledged securities must at all times equal or exceed 100 percent of the uninsured amount on deposit with the bank.

The Evangeline Parish Solid Waste Disposal Commission's bank and book balances of cash and interest – bearing deposits totaled \$1,068,368 and \$1,053,349, respectively at June 30, 2017. These deposits were insured and collateralized at that date as follows:

FDIC Insurance	\$ 250,000
Collateral Pledged Securities	<u>948,885</u>
Total Insurance and Collateral	<u><u>\$ 1,198,885</u></u>

Cash was adequately collateralized at June 30, 2017.

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2017

NOTE 4 – COMPENSATION TO COMMISSIONERS

	<u>Convention</u>	<u>Travel</u>	<u>Salary</u>	<u>Total</u>
Bernice Ardoin	\$ -	\$ 317	\$ 3,450	\$ 3,767
Curley Dossman	-	193	3,600	3,793
Leon Estes	-	1,794	3,600	5,394
Dillard Fontenot	-	481	3,300	3,781
Ray Forman	-	662	3,600	4,262
John Deshotel	-	1,104	3,600	4,704
Donald Thomas	-	185	3,450	3,635
Paul N. Berzas, Jr.	-	169	3,150	3,319
Cristal Messer	-	414	3,600	4,014
Wilda Chamberlain	-	265	3,450	3,715
Sarah Fontenot	-	397	3,450	3,847
Hillery Hill	-	159	3,450	3,609
James Soileau	-	221	3,600	3,821
Total	<u>\$ -</u>	<u>\$ 6,361</u>	<u>\$ 45,300</u>	<u>\$ 51,661</u>

NOTE 5 – LITIGATION

The Commission does not have any pending or threatened litigation as of June 30, 2017.

NOTE 6 – SUBSEQUENT EVENTS

Subsequent events were evaluated through December 5, 2017, which is the date the financial statements were available to be issued.

NOTE 7 – 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.

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2017

NOTE 8 – CAPITAL ASSETS

Capital Assets activity for the year ended June 30, 2017, was as follows:

	<u>Balance</u> <u>6/30/2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2017</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 88,680	\$ -	\$ 5,000	\$ 83,680
Capital assets being depreciated:				
Machinery and equipment	1,739,912	93,909	28,827	1,804,994
Improvements other than buildings	1,599,515	-	-	1,599,515
Buildings	1,223,476	-	-	1,223,476
Total capital assets:	<u>4,651,583</u>	<u>93,909</u>	<u>33,827</u>	<u>4,711,665</u>
Less accumulated depreciation				
Machinery and equipment	1,435,614	98,632	28,695	1,505,551
Improvements other than buildings	1,232,316	65,700	-	1,298,016
Buildings	290,901	31,053	-	321,954
Total accumulated depreciation	<u>2,958,831</u>	<u>195,385</u>	<u>28,695</u>	<u>3,125,521</u>
Governmental activities capital assets, net	<u>\$ 1,692,752</u>	<u>\$ (101,476)</u>	<u>\$ 5,132</u>	<u>\$ 1,586,144</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
Solid waste collection and disposal	<u>\$ 195,385</u>
Total governmental activities depreciation expense	<u>\$ 195,385</u>

NOTE 9 – 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.

REQUIRED SUPPLEMENTARY INFORMATION

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2017

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Revenues:				
Sales Tax	\$ 3,800,000	\$ 3,525,000	\$ 3,625,658	\$ 100,658
Interest	4,000	2,711	2,717	6
Rent	38,400	37,640	37,640	-
Site Charges	66,600	84,689	89,993	5,304
Miscellaneous	3,800	38,138	47,249	9,111
Intergovernmental	35,000	36,747	36,747	-
Total Revenues	<u>3,947,800</u>	<u>3,724,925</u>	<u>3,840,004</u>	<u>115,079</u>
Expenditures				
Current Operating	4,138,272	3,849,009	3,659,397	189,612
Capital Outlay	-	-	93,909	(93,909)
Debt Service	-	-	70,213	(70,213)
Total Expenditures	<u>4,138,272</u>	<u>3,849,009</u>	<u>3,823,519</u>	<u>25,490</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(190,472)</u>	<u>(124,084)</u>	<u>16,485</u>	<u>140,569</u>
Other financing sources (uses)				
Loan Proceeds - Insurance Note	-	-	101,319	(101,319)
Sale of Assets	-	12,000	10,010	(1,990)
Total other financing sources (uses)	<u>-</u>	<u>12,000</u>	<u>111,329</u>	<u>(103,309)</u>
Net change in fund balance	<u>(190,472)</u>	<u>(112,084)</u>	<u>127,814</u>	<u>37,260</u>
Fund Balance, Beginning of Year	<u>1,027,945</u>	<u>1,027,945</u>	<u>1,027,945</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 837,473</u>	<u>\$ 915,861</u>	<u>\$ 1,155,759</u>	<u>\$ 37,260</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, 2017

	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%	9.10%
PERS	2016	0.106211%	279,578	592,500	47.18%	9.22%
PERS	2017	0.092103%	189,687	501,778	37.80%	9.41%

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

See independent auditor's report

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
 Schedule of Employer's Pension Contributions
 For the Year Ended June 30, 2017

	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%

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

See independent auditor's report

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Required Supplementary Notes
June 30, 2017

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.

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.

OTHER SUPPLEMENTARY INFORMATION

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
 General Fund
 Budgetary Comparison Schedule - Expenditures
 For the Year Ended June 30, 2017

	Original	Final	Actual	Variance With Final Budget Positive (Negative)
Administrative Expenditures:				
Salaries - Office Personnel	\$ 168,000	\$ 207,000	\$ 193,314	\$ 13,686
Commissioner's Compensation	46,800	45,800	45,300	500
Advertisements	11,000	14,000	11,308	2,692
Dues & Subscriptions	12,000	2,500	2,211	289
Fringe Benefits	10,500	13,500	13,786	(286)
Retirement expense	30,000	22,000	24,647	(2,647)
Legal & Accounting	45,000	53,000	53,432	(432)
Meals & Entertainment	5,000	2,000	483	1,517
Office Supplies	10,000	10,000	9,174	826
Professional Fees	3,000	6,000	12,087	(6,087)
Repairs & Maintenance	5,000	9,500	8,795	705
Operating Supplies	13,000	23,500	19,290	4,210
Telephone	7,500	7,800	5,993	1,807
Travel	10,000	37,000	43,108	(6,108)
Utilities	21,000	21,000	17,319	3,681
Payroll Tax	5,500	10,100	5,532	4,568
Public Relations/Education	-	32,280	5,124	27,156
Total Administrative Expenditures	403,300	516,980	470,903	46,077
Basile Site Expenditures:				
Salaries - Site Operators	40,000	41,400	37,269	4,131
Fringe Benefits	22,000	6,000	5,214	786
Collection & Disposal of Dumpsters	5,000	5,000	1,414	3,586
Repairs & Maintenance	1,000	1,000	2,888	(1,888)
Operating Supplies	400	700	-	700
Telephone	1,200	1,200	812	388
Utilities	1,200	1,400	733	667
Backhoe Repairs	1,000	1,000	2,727	(1,727)
Payroll Tax	3,400	3,400	2,951	449
Total Basile Site Expenditures	75,200	61,100	54,008	7,092

See independent auditor's report

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION

General Fund

Budgetary Comparison Schedule - Expenditures

For the Year Ended June 30, 2017

	Original	Final	Actual	Variance With Final Budget Positive (Negative)
General Expenditures:				
Service Contract - Residential	\$ 1,862,472	\$ 1,862,500	\$ 1,831,800	\$ 30,700
White Good Removal Expense	4,000	3,000	-	3,000
Recycling Expenses	-	2,000	1,694	306
Insurance Premiums	270,000	180,000	177,487	2,513
Drug Testing & Safety Expense	10,000	10,000	3,557	6,443
Miscellaneous	2,500	2,000	3,527	(1,527)
Bad Debts	2,000	3,500	230	3,270
Salaries - Mechanic & Shop Help	91,000	80,000	53,638	26,362
Fringe Benefits	12,000	10,000	9,314	686
Retirement Expense	9,000	6,000	-	6,000
Maintenance Shop Supplies	35,000	25,000	21,745	3,255
Backhoe Repairs	1,000	-	-	-
Liter Abatement Program	12,000	16,000	14,385	1,615
Capital Outlay	-	-	13,179	(13,179)
Debt Services	-	-	70,213	(70,213)
Payroll Tax	4,000	4,000	4,179	(179)
Wash Rack Repairs	-	2,000	1,152	848
Total General Expenditures	<u>2,314,972</u>	<u>2,206,000</u>	<u>2,206,100</u>	<u>(100)</u>
Mamou Site Expenditures:				
Salaries	43,000	43,000	34,288	8,712
Collection and Disposal of Roll-offs	32,000	32,000	40,297	(8,297)
Repairs & Maintenance	1,000	1,500	114	1,386
Backhoe Repairs & Maintenance	1,500	3,000	21,669	(18,669)
Operating Supplies	1,000	1,000	1,251	(251)
Telephone	1,600	1,600	1,322	278
Utilities	2,400	2,400	1,625	775
Chip Removal	150,000	200,000	8,960	191,040
Payroll Tax	4,000	4,000	2,729	1,271
Total Mamou Site Expenditures	<u>236,500</u>	<u>288,500</u>	<u>112,255</u>	<u>176,245</u>

See independent auditor's report

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION

General Fund

Budgetary Comparison Schedule - Expenditures

For the Year Ended June 30, 2017

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Limb Crew Expenditures:				
Salaries	\$ 210,000	\$ 160,000	\$ 123,805	\$ 36,195
Truck Maintenance, III	3,500	7,000	1,690	5,310
Truck Maintenance, IV	3,500	2,000	1,388	612
Truck Maintenance, V	3,500	1,500	1,769	(269)
Fringe Benefits	24,000	14,000	18,121	(4,121)
Retirement Expense	30,000	19,000	13,085	5,915
Chipper Repairs & Maintenance	3,000	3,000	401	2,599
Operating Supplies	1,000	1,000	1,220	(220)
Telephone	3,500	3,500	3,067	433
Ford Van #6 Repairs	500	1,000	87	913
Truck Maintenance, VII	500	1,500	-	1,500
Capital Outlay			74,345	(74,345)
Grapple Truck #9 Repairs	1,000	35,000	3,618	31,382
Payroll Tax	9,000	6,000	3,605	2,395
Total Limb Crew Expenditures	<u>293,000</u>	<u>254,500</u>	<u>246,201</u>	<u>8,299</u>
Pine Prairie Site Expenditures:				
Salaries - Site Operator	85,000	85,000	70,135	14,865
Fringe Benefits	15,000	15,000	15,265	(265)
Retirement expense	14,000	12,000	8,945	3,055
Collection & Disposal of Dumpsters	38,000	43,000	44,634	(1,634)
Repairs & Maintenance	-	500	223	277
Backhoe Repairs & Maintenance	1,500	1,000	14,395	(13,395)
Operating Supplies	500	500	259	241
Telephone	700	700	619	81
Utilities	4,000	4,000	2,594	1,406
Payroll Tax	2,300	2,300	1,161	1,139
Total Pine Prairie Expenditures	<u>161,000</u>	<u>164,000</u>	<u>158,230</u>	<u>5,770</u>

See independent auditor's report

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION

General Fund

Budgetary Comparison Schedule - Expenditures

For the Year Ended June 30, 2017

	Original	Final	Actual	Variance With Final Budget Positive (Negative)
Roll - Off Expenditures:				
Roll- Off Salary	\$ 94,000	\$ 90,000	\$ 69,591	\$ 20,409
Fringe Benefits-Roll-Off Salary	15,000	15,000	16,330	(1,330)
Retirement Expense	15,000	13,000	8,877	4,123
Telephone	4,500	4,000	2,935	1,065
Maintenance SW VIII	3,000	10,000	15,702	(5,702)
Maintenance SW I Parts & Repairs	3,500	15,000	3,059	11,941
Maintenance SW II Parts & Repairs	3,500	2,000	1,360	640
Maintenance SW X Parts & Repairs	5,000	11,000	10,334	666
Roll - Off Motor & Hydraulic Oil	10,000	10,000	5,132	4,868
Roll - Off Containers & Repairs	1,000	1,000	1,837	(837)
Roll - Off Diesel	125,000	75,000	71,772	3,228
Roll - Off Tires	75,000	75,000	60,725	14,275
Capital Outlay	-	-	-	-
Payroll Tax	2,000	2,000	1,156	844
Total Roll - Off Expenditures	356,500	323,000	268,810	54,190
Ville Platte Site Expenditures:				
Salaries - Site Operators	112,000	123,000	97,696	25,304
Fringe Benefits	26,000	26,000	21,764	4,236
Retirement Expense	20,000	15,000	8,422	6,578
Collection & Disposal of Roll-Offs	130,000	150,000	162,613	(12,613)
Repairs & Maintenance	1,000	8,000	800	7,200
Backhoe Repairs & Maintenance	1,500	6,000	1,944	4,056
Grapple Truck	-	2,000	-	2,000
Operating Supplies	-	500	1,100	(600)
Telephone	800	850	677	173
Utilities	2,500	2,500	2,081	419
Capital Outlay	-	-	6,385	(6,385)
Payroll Tax	4,000	3,000	3,530	(530)
Miscellaneous	-	-	-	-
Total Ville Platte Expenditures	297,800	336,850	307,012	29,838
Total Expenditures	\$ 4,138,272	\$ 4,150,930	\$ 3,823,519	\$ 327,411

See independent auditor's report

VIGE, TUJAGUE NOEL

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

151 N. 2ND STREET
P. O. BOX 1006
EUNICE, LOUISIANA 70535

SHIRLEY VIGE, JR., C.P.A.
FRANK G. TUJAGUE, C.P.A.
DOMINIQUE M. NOEL, C.P.A.
BROOKE CARRIER, C.P.A.

TELEPHONE:
337-457-9324
FAX:
337-457-8743

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, 2017, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated December 5, 2017.

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 items #2017-001 through #2017-003 that we consider to be significant deficiencies.

Compliance and Other Matters

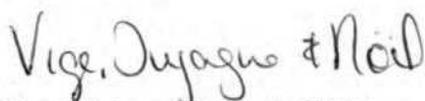
As part of obtaining reasonable assurance about whether Evangeline Parish Solid Waste Disposal Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items #2017-001 through #2017-003.

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
December 5, 2017

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Schedule of Findings and Responses
June 30, 2017

We have audited the financial statements of Evangeline Parish Solid Waste Disposal Commission as of and for the year ended June 30, 2017, and have issued our report thereon dated December 5, 2017. 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, 2017, 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

#2017-001 – Segregation of Duties

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

Criteria: SAS 109, *Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement*, AU 314.43 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 (SSEA) AT 501.03 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, 2017

- 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.

Corrective Action in Progress:

#2017-002 Travel Reimbursement Policy and Procedures

- Condition: Mileage reimbursement for out of parish travel is allowed for travel by the Commission Executive Director who receives an auto allowance for all in parish travel.
- Criteria: The Commissions Travel Expense policy states that it will reimburse for reasonable business travel expenses if the Executive director travels out of the parish. Approved travel expenses such as travel mileage, meals, lodging and other expenses are to be reimbursed if they were necessary to meet the objectives of the trip. Expenses are to be kept within reasonable limits.
- Cause: The submitted Daily Travel Log included travel within the parish regarding the flood that occurred during the month of August 2016. While this travel was extraordinary, no provision was made for the reimbursement of this in-parish travel.
- Effect: In calculating the reimbursement for out of parish travel for the months of August 2016 through November 2016, in-parish travel regarding the flood of August 2016 was included in the reimbursement of mileage under the accountable travel plan while the travel was covered by the unaccountable in-parish travel plan. By using the wrong amount of mileage for the mileage reimbursement an over payment resulted in the amount of \$3,538.62.

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Schedule of Findings and Responses (continued)
June 30, 2017

Recommendation: The Commission should follow the policies and procedures that have been adopted regarding travel reimbursement for in-parish and out of parish travel. The Commission could consider the adoption of a travel reimbursement policy regarding emergency situations.

Response: The Commission will follow the policy and procedures for reimbursement of travel. Office personnel and the Board will review on a scheduled basis the policies and procedures and will consider the adoption of a policy regarding declared emergency situations. Reimbursement of the overpayment will be made.

#2017-003 Issuance of Debt

Condition: The Constitution provides that “No bonds or other obligations shall be issued or sold by the state, directly or through any state board, agency or commission, or by any political subdivision of the state, unless written approval of the bond commission is obtained.”

Criteria: The Commission is required to get approval from the Louisiana State Bonding Commission prior to incurring debt that extends beyond a ninety day period.

Cause: The policy for issuance of debt was not followed. The Commission entered into an insurance financing arrangement that was for a period of ten months, for payment of the Commissions insurance coverage for the calendar year of 2017, without the prior approval of the Louisiana State Bonding Commission.

Effect: The Commission was in violation of State law by incurring debt without the prior approval of the Louisiana State Bonding Commission. The debt was paid in full on September 12, 2017.

Recommendation: The Commission should follow the policy for incurring debt and request approval from the Louisiana State Bonding Commission for all future borrowings that exceed a ninety day period. The Commission should have in service and training for Administrative staff to review the policies & procedures on a periodic basis.

Response: The Commission will follow the laws as related to the issuance of debt. We were unaware of the required approval for the financing of insurance coverage. The financing of the insurance premiums was done to better

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Schedule of Findings and Responses (continued)
June 30, 2017

manage the cash flow of the Commission. The Commission will have in service and training for the Administrative staff and seek approval from the Louisiana State Bonding Commission prior to obtaining any future insurance financing arrangements.

Section III. Management Letter

None Issued.

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Status of Prior Year Audit Findings
June 30, 2017

#2016-001 – Segregation of Duties

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

Criteria: SAS 109, *Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement*, AU 314.43 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 (SSEA) AT 501.03 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 cleared.

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Status of Prior Year Audit Findings
June 30, 2017

#2016-002 Travel Reimbursement Policy and Procedures

- Condition: Mileage reimbursement for out of parish travel is allowed for travel by the Commission Executive Director who receives an auto allowance for all in parish travel.
- Criteria: The Commissions Travel Expense policy states that it will reimburse for reasonable business travel expenses if the Executive Director travels out of the parish. Approved travel expenses such as travel, meals, lodging and other expenses are to be reimbursed as long as they were necessary to meet the objectives of the trip. Expenses are to be kept within reasonable limits.
- Cause: The daily travel log did not clearly specify the distinction between out of parish and in parish travel.
- Effect: In calculating the reimbursement for out of parish travel for the month of February 2016 the total mileage for both in parish and out of parish travel was used in error. By using the wrong amount of mileage for the mileage reimbursement an over payment resulted in the amount of \$198.72
- Recommendation: The Commission should develop and adopt a new daily travel log for the Commission Executive Director that better distinguishes between in parish and out of parish travel.
- Response: While the Commission did have a daily travel log in place, we see the need to develop a more comprehensive daily travel log that better distinguishes between in parish and out of parish travel. We are in the process of developing such a document for approval by the Commissioners.
- Status: This finding was repeated for June 30, 2017.

#2017-003 Payroll Calculations

- Condition: The review of calculated payroll hours per the time records and the generated payroll checks disclosed errors in some payroll calculations.
- Criteria: Time card records should be checked against the generated payroll checks for each payroll to verify the accuracy of the payroll checks and adherence to the policies for payment of overtime before issuance. The policy states that overtime will not be paid during a period in which vacation or holiday

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Status of Prior Year Audit Findings
June 30, 2017

pay is paid during that same period and the actual time at work was not in excess of 40 hours worked.

Cause: Payroll checks were not verified against the time records and overtime policy before issuance of payroll checks. A clerical error was made in transferring the number of hours calculated on the time records to the payroll system resulting in overpayment.

Effect: A payroll check was issued in which 8 hours of overtime was paid to an employee during a time period in which vacation was taken. This resulted in the payment of overtime instead of regular time and amounted to a \$56.32 overpayment.

A payroll check was issued in which 20 additional hours were paid due to a clerical error in posting the hours as calculated on the time records to the payroll system for the generation of payroll checks. This error resulted in the payment of 20 additional hours of overtime and amounted to an overpayment of \$436.40.

Recommendation: The overtime policy should be reviewed by personal in charge of the generation of payroll checks for a better understanding of the policy. Verification of the calculated hours per the time records and the generated checks should be performed to safeguard against over or underpayment of wages.

Response: An ongoing review of all payroll policies shall be put in place so that all personal in the payroll process will be kept up to date to safeguard against

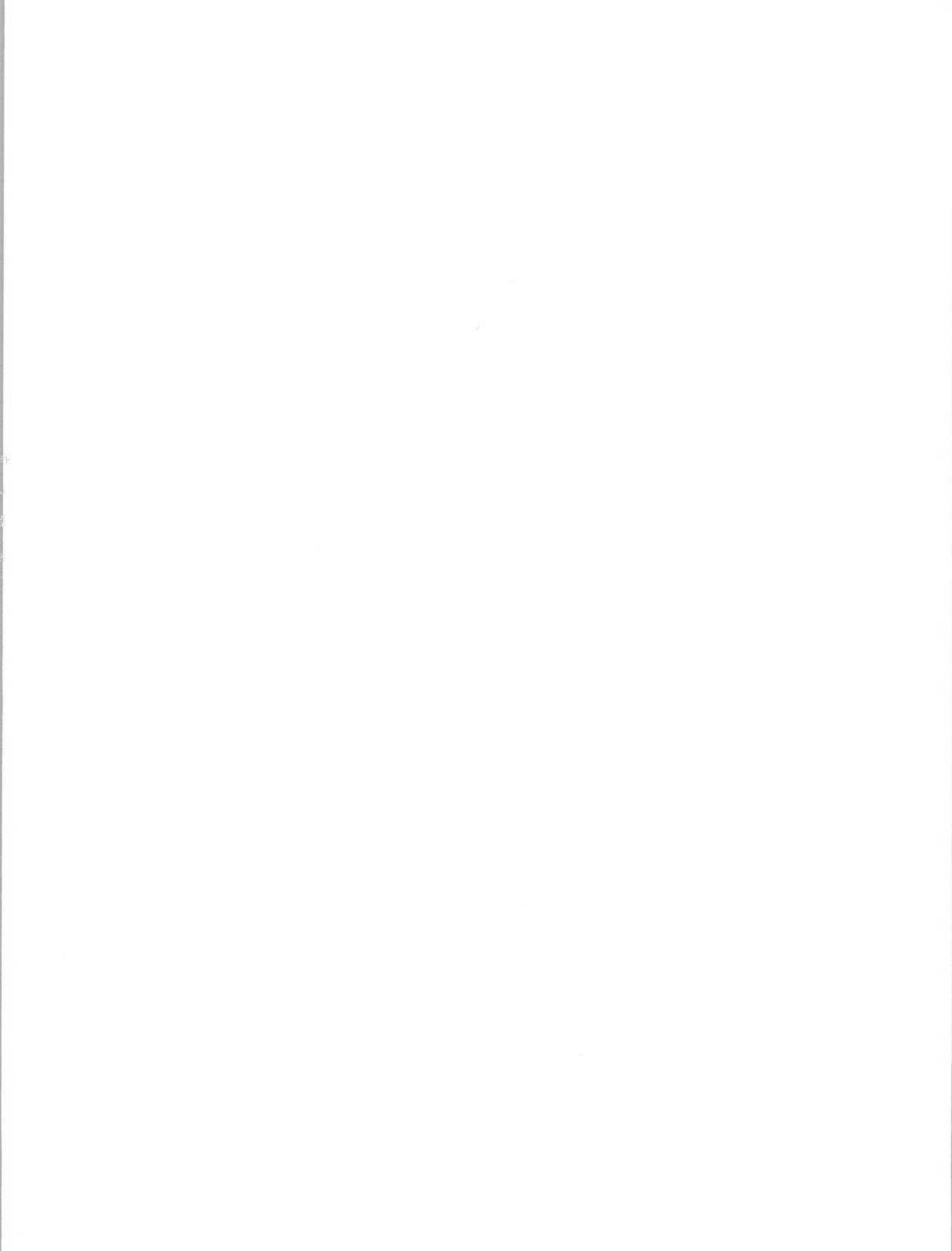
Status: This finding has been cleared.

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, 2017

Agency Head Name: Patrick E. Deroselle, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 53,000
Benefits - Retirement	7,675
Travel - Out of Parish	4,756
Car Allowance - In Parish	7,200
Telephone	565
	<u>\$ 73,196</u>

EVANGELINE PARISH SOLID WASTE
DISPOSAL COMMISSION
STATEWIDE AGREED-UPON PROCEDURES REPORT
YEAR ENDED JUNE 30, 2017



VIGE, TUJAGUE NOEL

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

151 N. 2ND STREET
P. O. BOX 1006
EUNICE, LOUISIANA 70535

SHIRLEY VIGE, JR., C.P.A.
FRANK G. TUJAGUE, C.P.A.
DOMINIQUE M. NOEL, C.P.A.

TELEPHONE:
337-457-9324
FAX:
337-457-8743

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Management and Commission Members of the Evangeline Parish Solid Waste Commission and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Evangeline Parish Solid Waste Commission and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2016 through June 30, 2017. The Evangeline Parish Solid Waste Commission's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
The entity does not have any written policies and procedures addressing the functions noted above.
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase

orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

Written policies were obtained and address the functions noted above.

- c) **Disbursements**, including processing, reviewing, and approving

The entity does not have any written policies and procedures addressing the functions noted above.

- d) **Receipts**, including receiving, recording, and preparing deposits

The entity does not have any written policies and procedures addressing the functions noted above.

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

Written policies were obtained and address the functions noted above.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

The entity does not have any written policies and procedures addressing the functions noted above.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage

Written policies were obtained and address the functions noted above.

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

Written policies were obtained and address the functions noted above.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

The entity does not have any written policies and procedures addressing the functions noted above.

- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

The entity does not have any written policies and procedures addressing the functions noted above.

Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

Obtained and reviewed minutes of the managing board for the fiscal period noting that the board met monthly.

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

Obtained and reviewed minutes of the managing board for the fiscal period noting that the minutes included monthly budget-to-actual comparisons for the major funds.

- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

There was no deficit spending noted.

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

Obtained and reviewed the minutes of the managing board for the fiscal period noting that non-budgetary financial information was referenced.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

Obtained a listing of cash collection locations and management's representation that the listing is complete.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

Obtained bank statements and reconciliations for all months in the fiscal period for all selected accounts noting that reconciliations have been prepared for all months.

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

The bank reconciliations prepared for all accounts examined include evidence of board member and fee accountant review.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Obtained bank statements and reconciliations for all months in the fiscal period noting that there are no items that have been outstanding for more than 6 months.

Collections

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

Obtained a listing of cash collection locations and management's representation that the listing is complete.

- 6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). For each cash collection location selected:

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

Written documentation was obtained and addresses the functions note above; however, the persons responsible for collecting cash are also responsible for recording the related transaction, and reconciling the bank account, and shares a cash drawer with another employee.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

Written documentation was obtained and addresses the functions noted above; however, this process is not performed by a person independent of the cash collections process.

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

Collection documentation was obtained and deposits were made within one or two days of collection.

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Daily cash collections are not supported by collection documentation. Receipts are issued only for actual cash transactions. No receipts are issued for payment in the form of a check.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

There are no written policies and procedures to address the functions noted above. The person who collects cash also determines completeness.

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

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

Listing of disbursements and management's representation that the listing is complete was obtained.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

Examined supporting documentation for each of the 25 disbursements selected and found that purchases are initiated using a requisition or purchase order system that separates the initiation and approval functions.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

Examined supporting documentation for each of the 25 disbursements selected and found that purchase orders were approved by a person who did not initiate the purchase.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Examined supporting documentation for each of the 25 disbursements and found that most payments were processed with proper approval, receiving report and approved invoice.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

The person responsible for processing payments can also add vendors.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

The person with signatory authority cannot initiate and record purchases.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Inquiry and observation note no exceptions.

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

No signature stamp or signature machine is utilized.

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

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

A listing of active credit cards and management's representation that the listing is complete was obtained.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

Monthly statements were obtained and supporting documentation was reviewed and approved by someone other than the cardholder.

- b) Report whether finance charges and/or late fees were assessed on the selected statements.

There were no finance charges on the monthly statement selected.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)

Each transaction was supported by an itemized receipt.

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

Each transaction was supported by an itemized receipt including the business/public purpose.

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

Each transaction was supported by a purchase order or written authorization.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

We compared the transaction detail to the entity's purchasing/disbursement policies and the Louisiana Public Bid Law and noted no exceptions.

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

We compared the entity's documentation for each transaction and noted no exceptions to the requirements of Article 7, Section 14.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

Obtained a listing of travel and expense reimbursements by person and management's representation that the listing is complete was obtained.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

Prescribed forms for expense reimbursement were obtained. No amounts listed exceed GSA rates.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

Expenses were paid in accordance with policy, with the exception of a travel reimbursement paid to the executive director after flooding in the area. The executive director receives a monthly per diem for travel within the parish.

b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

No exceptions noted.

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

No exceptions noted.

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

No exceptions noted.

c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exceptions noted.

d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Obtained a listing of contracts in effect during the fiscal year and management's representation that the listing is complete was obtained.

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

There is a formal/written contract that supports the service arrangement and amounts paid for the contract.

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

No noncompliance noted.

- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

Not applicable.

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

There were no amendments to the contract.

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

No noncompliance noted.

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Proper approval noted.

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

Listing of employees with their related salaries and management's representation that the listing is complete was obtained.

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

No exceptions noted.

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

Changes were approved in writing and in accordance with written policy.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

No exceptions noted.

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

No exceptions noted.

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

We obtained written documentation of the entities written leave records on selected employees.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

A listing of employees/officials terminated during the fiscal year and management's representation that the listing is complete was obtained. Termination payments were made in strict accordance with policy and approved by management.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

No exceptions noted.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

The entity did not comply with the mandatory ethics training requirements.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Management asserted that they have received no allegations during the fiscal year.

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

The Commission entered into an insurance financing arrangement that was for a period of 10 months, without the proper approval of the State Bond Commission.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

Not applicable

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

The entity has no tax millages relating to debt service.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

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

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.lla.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Required notice was posted on the entity's premises.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

No exceptions noted.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Vige, Tujague & Noel

Vige, Tujague & Noel

Eunice, Louisiana

December 5, 2017

EVANGELINE PARISH SOLID WASTE COMMISSION
STATEWIDE AGREED-UPON PROCEDURES
MANAGEMENT'S RESPONSE
YEAR ENDED JUNE 30, 2017

Agreed Upon Procedures - Management's Response

- 1a Budgeting - Management has prepared written policies and procedures addressing the functions noted above and is scheduled to be adopted on December 11, 2017.
- 1c Disbursements - Management has prepared written policies and procedures addressing the functions noted above and is scheduled to be adopted on December 11, 2017.
- 1d Receipts - Management has prepared written policies and procedures addressing the functions noted above and is scheduled to be adopted on December 11, 2017.
- 1f Contracting - Management has prepared written policies and procedures addressing the functions noted above and is scheduled to be adopted on December 11, 2017.
- 1i Ethics - Management has prepared written policies and procedures addressing the functions noted above and is scheduled to be adopted on December 11, 2017.
- 1j Debt Service - Management has prepared written policies and procedures addressing the functions noted above and is scheduled to be adopted on December 11, 2017.
- 6a Person collecting cash does not make deposits at bank, and Management has prepared policies and procedures addressing the reconciling of the bank accounts and is scheduled to be adopted on December 11, 2017.
- 6b Collections - Management has prepared written policies and procedures addressing the functions noted above and is scheduled to be adopted on December 11, 2017.
- 6c Collections - Management has prepared written policies and procedures addressing the functions noted above and is scheduled to be adopted on December 11, 2017.
- 7 Management has prepared written policies and procedures addressing the functions noted above and is scheduled to be adopted on December 11, 2017.
- 10 Management has prepared written policies and procedures addressing the functions noted above and is scheduled to be adopted on December 11, 2017.
- 19a Management has prepared written policies and procedures addressing the functions noted above and is scheduled to be adopted on December 11, 2017.

- 26 Management has prepared written policies and procedures addressing the functions noted above and is scheduled to be adopted on December 11, 2017.

- 28 Management has prepared written policies and procedures addressing the functions noted above and is scheduled to be adopted on December 11, 2017.