

**EVANGELINE PARISH SOLID WASTE
DISPOSAL COMMISSION**

ANNUAL FINANCIAL REPORT

JUNE 30, 2018

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INDEPENDENT AUDITOR'S REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities of the Evangeline Parish Solid Waste Disposal Commission, as of and for the year ended June 30, 2018, 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, 2018, 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

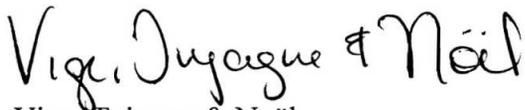
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Evangeline Parish Solid Waste Disposal Commission's basic financial statements. The individual fund financial statements are presented for purposes of additional analysis and are not 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, 2018, 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, 2018

BASIC FINANCIAL STATEMENTS

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

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION

Statement of Net Position

June 30, 2018

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Petty cash	\$ 60
Cash and interest-bearing deposits	620,425
Sales tax receivable	337,636
Accounts receivable	20,698
Prepaid assets	60,229
Total current assets	<u>1,039,048</u>
Noncurrent assets:	
Security deposit	375
Cash and interest-bearing deposits (emergency fund)	530,502
Capital assets, net (Note C)	1,454,259
Total noncurrent assets	<u>1,985,136</u>
Total assets	<u>3,024,184</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	<u>104,215</u>
LIABILITIES	
Current liabilities:	
Accounts payable	214,729
Retirement payable	8,420
Payroll taxes payable	10,823
Compensated absences payable	12,940
Total current liabilities	<u>246,912</u>
Noncurrent liabilities:	
Net pension liability	<u>60,152</u>
Total noncurrent liabilities	<u>60,152</u>
Total liabilities	<u>307,064</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	<u>180,391</u>
NET POSITION	
Invested in capital assets, net of related debt	1,454,259
Unrestricted	1,186,685
Total net position	<u><u>\$ 2,640,944</u></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, 2018

EXPENSES:	<u>Governmental Activities</u>
Solid waste collection and disposal:	
Operating	\$ 3,690,652
Depreciation	170,255
Interest	1,124
Pension Expense	137,843
Total program expenses	<u>3,999,874</u>
 PROGRAM REVENUES:	
Charges for collection and disposal	<u>100,285</u>
Net program expenses	<u>3,899,589</u>
 GENERAL REVENUE:	
Sales tax	3,549,345
Interest	3,144
Rent	38,327
Nonemployer pension contribution	6,025
Miscellaneous	30,958
Intergovernmental	36,147
FEMA Reimbursement	-
Gain (loss) on disposition of assets	<u>(13,346)</u>
Total general revenues	<u>3,650,600</u>
 Increase/(decrease) in net position	<u>(248,989)</u>
 Net Position - beginning of the year	<u>2,889,933</u>
 Net Position - end of the year	<u><u>\$ 2,640,944</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, 2018

ASSETS	<u>General Fund</u>
Petty cash	\$ 60
Cash and interest bearing deposits	1,150,927
Accounts receivable	20,698
Sales tax receivable	337,636
Security deposits	<u>375</u>
Total assets	<u><u>\$ 1,509,696</u></u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 214,729
Retirement payable	8,420
Payroll taxes payable	<u>10,823</u>
Total current liabilities	<u>233,972</u>
Total liabilities	<u>233,972</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - sales tax	<u>8,936</u>
Total deferred inflows of resources	<u>8,936</u>
Fund balance:	
Committed	530,502
Unassigned	<u>736,286</u>
Total fund balance	<u>1,266,788</u>
Total liabilities and fund balance	<u><u>\$ 1,509,696</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, 2018

Total fund balances of governmental funds at June 30, 2018	\$ 1,266,788
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.	1,454,259
Revenues which were not measurable at year end and not considered available as current financial resources at year end	
Sales Tax	8,936
Prepaid Insurance	60,229
Amounts related to pension recognition are not due and payable in the current period and, therefore, are not reported in the funds	(136,328)
Some liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.	
Compensated absences	<u>(12,940)</u>
Net Position of Governmental Activities	<u><u>\$ 2,640,944</u></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, 2018

REVENUES	<u>General Fund</u>
Sales Tax	\$ 3,549,050
Interest	3,144
Rent	38,327
Site Charges	100,285
Miscellaneous	30,958
Intergovernmental	36,147
FEMA Reimbursement	124,232
Total Revenues	<u>3,882,143</u>
EXPENDITURES	
Current Operating	3,687,166
Capital Outlay	71,718
Debt Service:	
Principal	31,106
Interest	1,124
Total Expenditures	<u>3,791,114</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>91,029</u>
OTHER FINANCING SOURCES (USES)	
Sale of Assets	<u>20,000</u>
Total other financing (uses) sources	<u>20,000</u>
Net Change in Fund Balance	111,029
FUND BALANCE, BEGINNING OF THE YEAR	<u>1,155,759</u>
FUND BALANCE, END OF THE YEAR	<u><u>\$ 1,266,788</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, 2018

Total net change in fund balances for the year ended June 30, 2018 per the Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 111,029
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	\$ 71,718
Depreciation expense	<u>(170,255)</u> (98,537)
Revenues reported on the Statement of Activities in the year and recognized in the current year revenues in the funds.	(124,232)
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.	31,106
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	(2,521)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds	
Sales Tax	295
Net effect of pension liability recognition	(131,818)
Sale of capital assets	(33,346)
Difference in prepaid insurances between modified accrual and accrual basis	<u>(965)</u>
Total change in net position for the year ended June 30, 2018 per the Statement of Activities	<u><u>\$ (248,989)</u></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, 2018

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, 2018

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, 2018

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, 2018

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, 2018

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

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

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

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, 2018, 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

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

- c. Assigned fund balance. This classification reflects the amounts constrained by the commission's "intent" to be used for specific purposes but are neither restricted nor committed. The Evangeline Parish Solid Waste Commission has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.
- d. Unassigned fund balance. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

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

Committed Assets:

Committed assets include cash and interest-bearing deposits of the general fund that are set aside for emergency use. This takes a two-thirds vote of a quorum present to allow usage of these funds. The Commission has set aside \$530,502 for this purpose.

Revenues, Expenditures, and Expenses

Sales Tax:

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

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Operating Revenues and Expenses:

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

Expenditures/Expenses:

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

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

Governmental Funds – By Character:	Current
	Debt Service
	Capital Outlay

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

Budget and Budgetary Accounting

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

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

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2018

NOTE 2 – PENSION PLANS

For employees hired after January 1, 2007:

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

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to three percent of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

Survivor Benefits:

Upon the death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes.

Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes.

Deferred Retirement Option Plan:

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the Retirement System. DROP is an option for that member who is eligible for normal retirement.

In lieu of terminating employment and accepting a service retirement, any member of Plan A who is eligible to retire may elect to participate in the Deferred Retirement Option Plan (DROP) in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable, but employee contributions cease. The monthly 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

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2018

NOTE 2 – PENSION PLANS

money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of DROP must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of DROP are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

Disability Benefits:

For Plan A, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to three percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or three percent multiplied by years of service assuming continued service to age sixty.

Cost of Living Increases:

The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements.

In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age sixty-five equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older. (RS 11:1937). Lastly, Act 270 of 2009 provided for 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 9.35% of their salary to the plan from July 2017 to June 2018. The Commission was required by the same statute to contribute 12.5% from July 2017 to December 2017 and 11.5% from January 2018 to June 2018. The Commission's contributions paid to PERS for the year ended June 30, 2018 was \$59,018.

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

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2018

NOTE 2 – PENSION PLANS

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, 2018. This amount totaled \$6,025.

At June 30, 2018, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for its participation in PERS:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (38,938)
Changes in assumption	75,920	-
Net difference between projected and actual earnings on pension plan investments	-	(138,968)
Changes in proportion and differences between employer contributions and proportionate share of contributions	330	(2,485)
Employer contributions subsequent to measurement date	27,965	-
Total	<u>\$ 104,215</u>	<u>\$ (180,391)</u>

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 \$104,215, will be recognized as a reduction of the net pension liability during the year ended June 30, 2019. 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:	<u>PERS</u>
2018	\$ 10,022
2019	(12,051)
2020	(46,489)
2021	(54,162)
Total	<u>\$ (102,680)</u>

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2018

NOTE 2 – PENSION PLANS

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, 2017, are as follows:

	2017	2016
	Plan A	Plan A
Total Pension Liability	\$ 3,042,886	\$ 3,241,904
Plan Fiduciary Net Position	(2,982,734)	(3,052,217)
Total Net Pension Liability	\$ 60,152	\$ 189,687
Proportionate Share of Net Pension Liability	0.081040%	0.092103%
Change in Proportion	-0.011063%	-0.014108%
Net Position Percentage	9.80%	9.41%

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2017, are as follows:

Valuation Date	December 31, 2017
Actuarial Cost Method	Plan A - Entry Age Normal
Investment Rate of Return	6.75%, 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.

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2018

NOTE 2 – PENSION PLANS

The discount rate used to measure the total pension liability was 6.75% for Plan A. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems’ Actuarial Committee. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Change in Assumptions:

Amounts reported in fiscal year ended December 31, 2017 for Parochial Employees' Retirement System reflect a discount rate of 6.75% to measure the total pension liability. Other changes are as follows:

Valuation Date	December 31, 2016	December 31, 2017
Inflation Rate	2.50%	2.50%
Project Salary Increases	5.25% (2.50% Inflation, 2.50% Merit)	5.25% (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, 2017.

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, 2017 are summarized in the following table:

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2018

NOTE 2 – PENSION PLANS

Asset Class	Target Asset Allocation	Long-term Expected Portfolio Real Rate of Return
Fixed Income	35%	1.24%
Equity	52%	3.57%
Alternative Investments	11%	0.69%
Real Assets	2%	0.12%
Total	100%	5.62%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.62%

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 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 6.75%, as well as what the employers’ net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.75% or one percentage point higher 7.75% than the current rate.

	Changes in Discount Rate		
	Plan A		
	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability (Asset)	\$ 296,570	\$ 60,152	\$ 377,788

Change in Net Pension Liability:

The changes in the net pension liability for the year ended December 31, 2017 were recognized in the current reporting period as pension expense except as follows:

Differences between Expected and Actual Experience:

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2018

NOTE 2 – PENSION PLANS

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, 2017	
	Deferred Outflows	Deferred Inflows
2017	\$ -	\$ 38,938
2016	-	33,194
2015	-	44,432
2014	-	13,838
	\$ -	\$ 130,402

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, 2017 as follows:

	December 31, 2017		
	Deferred Outflows	Deferred Inflows	Net Deferred Outflows Balance
2017	\$ -	\$ 138,968	\$ 138,968
2016	147,204	-	147,204
2015	255,821	-	255,821
2014	64,633	-	64,633
	\$ 467,658	\$ 138,968	\$ 606,626

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, 2017 as follows:

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2018

NOTE 2 – PENSION PLANS

	December 31, 2017	
	Deferred Outflows	Deferred Inflows
2017	\$ 75,920	\$ -
2016	36,013	-
2015	62,294	-
2014	-	-
	\$ 174,227	\$ -

Change in Proportion:

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

Contributions – Proportionate Share:

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

Retirement System Audit Report:

Parochial Employees’ Retirement System of Louisiana issued a stand-alone audit report on its financial statements for the year ended December 31, 2017. Access to the audit report can be found on the System’s website: www.persla.org or on the Office of Louisiana Legislative Auditor’s official website: www.la.state.la.us.

NOTE 3 – CASH AND CASH EQUIVALENTS

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

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Commission will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2018

NOTE 3 – CASH AND CASH EQUIVALENTS

bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Commission that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Commission's name.

The Evangeline Parish Solid Waste Disposal Commission's bank and book balances of cash and interest – bearing deposits totaled \$1,155,928 and \$1,150,927, respectively at June 30, 2018. These deposits were insured and collateralized at that date as follows:

FDIC Insurance	\$ 250,000
Collateral Pledged Securities	<u>939,987</u>
Total Insurance and Collateral	<u><u>\$ 1,189,987</u></u>

Cash was adequately collateralized at June 30, 2018.

All accounts held by the Commission are demand deposit accounts.

NOTE 4 – COMPENSATION TO COMMISSIONERS

	Convention	Travel	Salary	Total
Bernice Ardoin	\$ -	\$ 317	\$ 3,450	\$ 3,767
Curley Dossman	-	193	3,600	3,793
Leon Estes	-	1,794	3,600	5,394
Dillard Fontenot	-	524	3,600	4,124
Ray Forman	-	635	3,450	4,085
John Deshotel	-	1,104	3,600	4,704
Donald Thomas	-	185	3,450	3,635
Paul N. Berzas, Jr.	-	185	3,450	3,635
Cristal Messer	-	414	3,600	4,014
Wilda Chamberlain	-	276	3,600	3,876
Sarah Fontenot	-	414	3,600	4,014
Hillery Hill	-	159	3,450	3,609
James Soileau	-	193	3,150	3,343
Total	<u><u>\$ -</u></u>	<u><u>\$ 6,393</u></u>	<u><u>\$ 45,600</u></u>	<u><u>\$ 51,993</u></u>

NOTE 5 – LITIGATION

The Commission does not have any pending or threatened litigation as of June 30, 2018.

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2018

NOTE 6 – SUBSEQUENT EVENTS

Subsequent events were evaluated through December 5, 2018, 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.

NOTE 8 – 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.

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2018

NOTE 9 – CAPITAL ASSETS

Capital Assets activity for the year ended June 30, 2018, was as follows:

	Balance 6/30/2017	Additions	Deletions	Balance 6/30/2018
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 83,680	\$ -	\$ -	\$ 83,680
Capital assets being depreciated:				
Machinery and equipment	1,804,994	71,718	62,885	1,813,827
Improvements other than buildings	1,599,514	-	-	1,599,514
Buildings	1,223,476	-	-	1,223,476
Total capital assets:	<u>4,711,664</u>	<u>71,718</u>	<u>62,885</u>	<u>4,720,497</u>
Less accumulated depreciation				
Machinery and equipment	1,505,552	74,772	29,539	1,550,785
Improvements other than buildings	1,298,017	64,430	-	1,362,447
Buildings	321,953	31,053	-	353,006
Total accumulated depreciation	<u>3,125,522</u>	<u>170,255</u>	<u>29,539</u>	<u>3,266,238</u>
Governmental activities capital assets, net	<u>\$ 1,586,142</u>	<u>\$ (98,537)</u>	<u>\$ 33,346</u>	<u>\$ 1,454,259</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
Solid waste collection and disposal	<u>\$ 170,255</u>
Total governmental activities depreciation expense	<u>\$ 170,255</u>

REQUIRED SUPPLEMENTARY INFORMATION

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2018

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Revenues:				
Sales Tax	\$ 3,525,000	\$ 3,504,000	\$ 3,549,050	\$ 45,050
Interest	3,000	3,200	3,144	(56)
Rent	39,500	38,000	38,327	327
Site Charges	118,500	100,930	100,285	(645)
Miscellaneous	20,000	16,600	30,958	14,358
Intergovernmental	37,000	37,000	36,147	(853)
FEMA Reimbursement	-	124,232	124,232	-
Total Revenues	<u>3,743,000</u>	<u>3,823,962</u>	<u>3,882,143</u>	<u>58,181</u>
Expenditures				
Current Operating	3,696,473	3,753,300	3,688,290	65,010
Capital Outlay	6,500	80,000	71,718	8,282
Debt Service	-	-	31,106	(31,106)
Total Expenditures	<u>3,702,973</u>	<u>3,833,300</u>	<u>3,791,114</u>	<u>42,186</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>40,027</u>	<u>(9,338)</u>	<u>91,029</u>	<u>100,367</u>
Other financing sources (uses)				
Sale of Assets	-	20,000	20,000	-
Total other financing sources (uses)	<u>-</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Net change in fund balance	40,027	10,662	111,029	100,367
Fund Balance, Beginning of Year	<u>1,155,759</u>	<u>1,155,759</u>	<u>1,155,759</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,195,786</u>	<u>\$ 1,166,421</u>	<u>\$ 1,266,788</u>	<u>\$ 100,367</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, 2018

	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%
PERS	2018	0.081040%	60,152	491,689	12.23%	9.80%

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

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Schedule of Employer's Pension Contributions
For the Year Ended June 30, 2018

	Fiscal Year	Statutorily Required Contribution	Contributions in Relation to Statutorily Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percent of Covered Employee Payroll
PERS	2015	\$ 106,747	\$ 106,747	\$ -	\$ 699,057	15.27%
PERS	2016	81,475	81,475	-	592,500	13.75%
PERS	2017	63,974	63,974	-	501,779	12.75%
PERS	2018	59,019	59,019	-	491,689	12.00%

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

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Required Supplementary Notes
June 30, 2018

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, 2018

	Original	Final	Actual	Variance With Final Budget Positive (Negative)
Administrative Expenditures:				
Salaries - Office Personnel	\$ 206,150	\$ 192,000	\$ 190,747	\$ 1,253
Commissioner's Compensation	46,800	45,800	45,600	200
Advertisements	7,000	13,000	12,015	985
Dues & Subscriptions	2,300	2,300	2,219	81
Fringe Benefits	15,500	18,000	17,789	211
Retirement expense	26,520	26,000	21,803	4,197
Legal & Accounting	62,000	70,000	67,041	2,959
Meals & Entertainment	500	500	629	(129)
Office Supplies	8,000	6,000	5,861	139
Professional Fees	6,000	4,000	5,574	(1,574)
Repairs & Maintenance	4,000	7,000	6,300	700
Operating Supplies	16,000	24,000	22,773	1,227
Telephone	6,000	7,000	6,524	476
Travel	46,000	40,000	39,228	772
Utilities	17,000	20,000	18,701	1,299
Payroll Tax	6,200	7,000	6,677	323
Total Administrative Expenditures	475,970	482,600	469,481	13,119
Basile Site Expenditures:				
Salaries - Site Operators	37,782	34,000	33,148	852
Fringe Benefits	5,500	3,000	1,648	1,352
Collection & Disposal of Dumpsters	1,000	1,000	82	918
Repairs & Maintenance	500	500	106	394
Operating Supplies	500	500	25	475
Telephone	800	600	607	(7)
Utilities	800	1,100	1,114	(14)
Backhoe Repairs	1,000	6,500	6,168	332
Payroll Tax	3,248	3,000	2,546	454
Total Basile Site Expenditures	51,130	50,200	45,444	4,756

See independent auditor's report

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
 General Fund
 Budgetary Comparison Schedule - Expenditures
 For the Year Ended June 30, 2018

	Original	Final	Actual	Variance With Final Budget Positive (Negative)
General Expenditures:				
Service Contract - Residential	\$ 1,924,000	\$ 1,882,000	\$ 1,881,792	\$ 208
Recycling Expenses	1,000	1,000	166	834
Insurance Premiums	210,000	220,000	181,906	38,094
Drug Testing & Safety Expense	3,000	4,000	3,776	224
Miscellaneous	500	5,000	5,596	(596)
Bad Debts	1,000	1,000	915	85
Salaries - Mechanic & Shop Help	56,080	55,000	54,529	471
Maintenance Shop Supplies	20,000	17,000	16,680	320
Liter Abatement Program	14,000	16,000	15,939	61
Debt Services	-	-	31,106	(31,106)
Payroll Tax	4,659	5,000	3,821	1,179
Wash Rack Repairs	1,500	4,000	4,460	(460)
Total General Expenditures	2,235,739	2,210,000	2,200,686	9,314
Mamou Site Expenditures:				
Salaries	36,626	41,000	39,620	1,380
Fringe Benefits	-	5,000	4,943	57
Collection and Disposal of Roll-offs	30,000	30,000	34,633	(4,633)
Repairs & Maintenance	1,500	1,000	186	814
Backhoe Repairs & Maintenance	1,000	6,000	8,714	(2,714)
Operating Supplies	1,200	1,000	534	466
Telephone	1,400	1,400	1,278	122
Utilities	1,500	2,100	2,107	(7)
Payroll Tax	3,200	3,200	3,054	146
Total Mamou Site Expenditures	76,426	90,700	95,069	(4,369)

See independent auditor's report

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
 General Fund
 Budgetary Comparison Schedule - Expenditures
 For the Year Ended June 30, 2018

	Original	Final	Actual	Variance With Final Budget Positive (Negative)
Limb Crew Expenditures:				
Salaries	\$ 112,061	\$ 123,000	\$ 122,910	\$ 90
Truck Maintenance, III	3,000	1,000	1,682	(682)
Truck Maintenance, IV	2,000	2,000	1,438	562
Truck Maintenance, V	1,000	4,000	3,214	786
Fringe Benefits	18,000	32,000	30,162	1,838
Retirement Expense	14,132	15,000	14,753	247
Chipper Repairs & Maintenance	1,000	1,000	-	1,000
Operating Supplies	2,000	1,000	375	625
Telephone	3,000	3,000	2,716	284
Truck Maintenance, VII	-	1,000	52	948
Grapple Truck #9 Repairs	4,000	23,000	21,616	1,384
Payroll Tax	5,131	4,000	1,781	2,219
Total Limb Crew Expenditures	165,324	210,000	200,699	9,301
Pine Prairie Site Expenditures:				
Salaries - Site Operator	75,564	76,000	75,235	765
Fringe Benefits	16,500	22,000	21,023	977
Retirement expense	9,696	9,700	9,028	672
Collection & Disposal of Dumpsters	42,000	43,000	43,211	(211)
Repairs & Maintenance	500	500	98	402
Backhoe Repairs & Maintenance	2,000	3,000	1,732	1,268
Operating Supplies	500	1,000	839	161
Telephone	700	700	651	49
Utilities	2,500	3,200	3,022	178
Capital Outlay	-	-	1,328	(1,328)
Payroll Tax	1,580	1,700	1,107	593
Total Pine Prairie Expenditures	151,540	160,800	157,274	3,526

See independent auditor's report

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2018

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Roll - Off Expenditures:				
Roll- Off Salary	\$ 72,745	\$ 74,000	\$ 74,199	\$ (199)
Fringe Benefits-Roll-Off Salary	15,000	22,000	22,289	(289)
Retirement Expense	9,093	9,000	8,901	99
Telephone	3,000	3,000	2,791	209
Maintenance SW VIII	2,000	7,000	7,019	(19)
Maintenance SW I Parts & Repairs	3,000	5,000	5,447	(447)
Maintenance SW II Parts & Repairs	2,000	1,000	425	575
Maintenance SW X Parts & Repairs	3,000	7,000	7,412	(412)
Roll - Off Motor & Hydraulic Oil	7,000	4,000	2,394	1,606
Roll - Off Containers & Repairs	2,000	2,000	1,620	380
Roll - Off Diesel	75,000	75,000	83,125	(8,125)
Roll - Off Tires	56,000	56,000	56,493	(493)
Payroll Tax	1,569	2,000	1,088	912
Total Roll - Off Expenditures	<u>251,407</u>	<u>267,000</u>	<u>273,203</u>	<u>(6,203)</u>
Ville Platte Site Expenditures:				
Salaries - Site Operators	92,722	67,000	66,280	720
Fringe Benefits	25,000	27,000	25,332	1,668
Retirement Expense	9,650	5,000	4,766	234
Collection & Disposal of Roll-Offs	150,000	165,000	167,377	(2,377)
Repairs & Maintenance	1,000	1,000	2,685	(1,685)
Backhoe Repairs & Maintenance	2,000	7,000	5,449	1,551
Grapple Truck	500	500	-	500
Operating Supplies	1,000	1,500	976	524
Telephone	800	1,000	824	176
Utilities	2,500	3,000	2,500	500
Capital Outlay	6,500	80,000	70,390	9,610
Payroll Tax	3,765	4,000	2,679	1,321
Total Ville Platte Expenditures	<u>295,437</u>	<u>362,000</u>	<u>349,258</u>	<u>12,742</u>
Total Expenditures	<u>\$ 3,702,973</u>	<u>\$ 3,833,300</u>	<u>\$ 3,791,114</u>	<u>\$ 42,186</u>

See independent auditor's report

VIGE, TUJAGUE NOEL

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of the Evangeline Parish Solid Waste Disposal Commission, as of and for the year ended June 30, 2018, 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, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Evangeline Parish Solid Waste Disposal Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Evangeline Parish Solid Waste Disposal Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of Evangeline Parish Solid Waste Disposal Commission's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did

not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item #2018-001 that we consider to be a significant deficiency.

Compliance and Other Matters

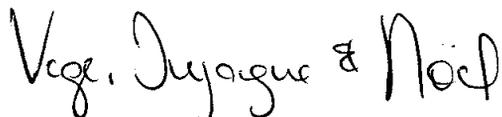
As part of obtaining reasonable assurance about whether Evangeline Parish Solid Waste Disposal Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item #2018-001.

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, 2018

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Schedule of Findings and Responses
June 30, 2018

We have audited the financial statements of Evangeline Parish Solid Waste Disposal Commission as of and for the year ended June 30, 2018, and have issued our report thereon dated December 5, 2018. 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, 2018, 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

#2018-001 – 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, 2018

- 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.

Section III. Management Letter

None Issued.

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Status of Prior Year Audit Findings
June 30, 2018

#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.”

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 not been cleared.

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Status of Prior Year Audit Findings
June 30, 2018

#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.
- 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.
- Status: This finding has been cleared.

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION
Status of Prior Year Audit Findings
June 30, 2018

#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
- 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, 2018

Agency Head Name: Patrick E. Derouselle, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 58,000
Benefits - Retirement	7,824
Travel - Out of Parish	5,484
Car Allowance - In Parish	7,200
Telephone	565
	<u>\$ 79,073</u>

EVANGELINE PARISH SOLID
WASTE DISPOSAL COMMISSION
STATEWIDE AGREED UPON PROCEDURES REPORT
YEAR ENDED JUNE 30, 2018



VIGE, TUJAGUE NOEL

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Management and Board of Aldermen of the Evangeline Parish Solid Waste Disposal Commission and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Evangeline Parish Solid Waste Disposal 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, 2017 through June 30, 2018. The Evangeline Parish Solid Waste Disposal 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 and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget

Written policies and procedures were obtained and address 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 and procedures were obtained and address the functions noted above.

- c) **Disbursements**, including processing, reviewing, and approving
Written policies and procedures were obtained and address the functions noted above.
- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
Written policies and procedures were obtained and address 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 and procedures 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
Written policies and procedures were obtained and address 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 of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
Written policies and procedures 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 and procedures 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.
Written policies and procedures were obtained and address the functions noted above.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
Written policies and procedures were obtained and address the functions noted above.

Board or Finance Committee

No exceptions in prior year. This category was excluded from testing in the current year.

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.
 - c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Bank Reconciliations

No exceptions in prior year. This category was excluded from testing in the current year.

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Collections

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

Obtained a listing of deposit sites and managements representation that the listing is complete.

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

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

Employees that are responsible for cash collections share a cash register.

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

The clerk is responsible for collecting cash, along with a part time employee. The clerk is also responsible for preparing the bank deposit.

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

The clerk is responsible for collecting cash and posting collection entries to the general ledger.

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

The clerk is responsible for reconciling cash collections to the general ledger is also responsible for collecting cash.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

The employees who have access to cash are covered by a bond or insurance policy for theft.

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

- a) Observe that receipts are sequentially pre-numbered.

Observed that receipts are sequentially pre-numbered.

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

Traced sequentially pre-numbered receipts or collections documentation to the deposit slip with no exceptions.

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

Traced the deposit slip total to the actual deposit per the bank statement.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

Deposits selected were made within one week of receipt at the collection location. The depository is more than 10 miles from the collection location.

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

Traced the actual deposit per the bank statement to the general ledger with no exception.

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

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

Obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete.

- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

No exceptions noted.

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

No exceptions noted.

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

The person responsible for processing payments can also add/modify vendor files; however, changes to vendor files are reviewed periodically by the Executive Director.

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

No exceptions noted.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original invoice/billing statement.

Obtained management's representation that the population is complete. No exceptions noted.

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

Obtained management's representation that the population is complete. No exceptions noted.

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

No exceptions in prior year. This category was excluded from testing in the current year.

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

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

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

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

No exceptions noted.

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

N/A

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

No exceptions noted.

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

No exceptions noted.

Contracts

No exceptions in prior year. This category was excluded from testing in the current year.

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

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

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

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

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

Payroll and Personnel

No exceptions in prior year. This category was excluded from testing in the current year.

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that 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.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
 - a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

No exceptions noted.

- b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

No exceptions noted.

Debt Service

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

Obtained managements representation that there were no bonds/notes issued during the fiscal period.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Obtained managements representation that there were no bonds/notes outstanding at the end of the fiscal period.

Other

No exceptions in prior year. This category was excluded from testing in the current year.

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

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, 2018

EVANGELINE PARISH SOLID WASTE DISPOSAL COMMISSION

Management's Response to Statewide Agreed-Upon Procedures
For the Year Ended June 30, 2018

Management Response to Item:

5a, 5b, 5c, 5d

Each person collecting cash has a separate book of receipts that are sequentially pre-numbered. The Executive Director has taken responsibility for reconciling collection documentation and ledger postings to each other and to the deposit.



Patrick Deroselle, Executive Director