

**JEFFERSON DAVIS PARISH SANITARY
LANDFILL COMMISSION**

JENNINGS, LOUISIANA

ANNUAL FINANCIAL STATEMENTS

December 31, 2021

CONTENTS

	<u>Page</u>
Independent Auditors' Report	3
<u>Basic Financial Statements</u>	
Government-Wide Financial Statements:	
Statement of Net Position	7
Statement of Activities	8
Fund Financial Statements:	
Balance Sheet – Governmental Fund	9
Reconciliation of the Balance Sheet – Governmental Fund to the Statement of Net Position	10
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund	11
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund to the Statement of Activities	12
Notes to the Financial Statements	13
<u>Required Supplementary Information</u>	
Budgetary Comparison Schedule - General Fund	32
Schedule of Employer's Proportionate Share of Net Pension Liability	33
Schedule of Employer's Contribution	34
Note to the Required Supplementary Information	35
<u>Other Supplementary Information</u>	
Schedule of Compensation, Benefits and Other Payments to Agency Head	37
<u>Compliance and Internal Control</u>	
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 <i>Government Auditing Standards</i>	39
Schedule of Findings and Corrective Action Plan	41



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

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INDEPENDENT AUDITORS' REPORT

To the Jefferson Davis Parish Sanitary Landfill Commission
Jennings, Louisiana

Opinions

We have audited the accompanying financial statements of the Jefferson Davis Parish Sanitary Landfill Commission, as of and for the year ended December 31, 2021 and related notes to the financial statements, which collectively comprise of the Jefferson Davis Parish Sanitary Landfill Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major and non-major fund, and the aggregate remaining fund information of the Jefferson Davis Parish Sanitary Landfill Commission, as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Jefferson Davis Parish Sanitary Landfill Commission, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Jefferson Davis Parish Sanitary Landfill Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

The Jefferson Davis Parish Sanitary Landfill Commission 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, economical, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Jefferson Davis Parish Sanitary Landfill Commission's basic financial statements. The schedule of compensation, benefits and other payments to agency head is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2022, on our consideration of the Jefferson Davis Parish Sanitary Landfill Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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 the 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 the Jefferson Davis Parish Sanitary Landfill Commission's internal control over financial reporting and compliance.

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



Lake Charles, Louisiana
June 21, 2022

BASIC FINANCIAL STATEMENTS

JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION

STATEMENT OF NET POSITION

December 31, 2021

	<u>Governmental Activities</u>
ASSETS	
Cash and interest bearing deposits	\$ 3,759,635
Receivables, net of allowances of \$-0-	493,479
Capital assets (net)	1,702,808
Net pension asset	47,363
Total assets	<u>6,003,285</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Pension related deferrals	<u>50,336</u>
 Total assets and deferred outflows of resources	<u><u>\$ 6,053,621</u></u>
 LIABILITIES	
Accounts, salaries, and other payables	\$ 17,698
 DEFERRED INFLOWS OF RESOURCES	
Pension related deferrals	100,944
 NET POSITION	
Net investment in capital assets	1,702,808
Unrestricted	4,232,171
Total net position	<u>5,934,979</u>
 Total liabilities, deferred inflows of resources and net position	<u><u>\$ 6,053,621</u></u>

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

JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2021

	Expenses	Program Revenues		Net (Expenses) Revenues and Change in Net Position Governmental Activities
		Charges for Services and Use	Operating Grants and Contributions	
Governmental Activities				
Sanitary landfill	\$ 682,017	\$ 3,370,154	\$ -	\$ -
				\$ 2,688,137
General revenues:				
Investment earnings				26,694
Other general revenue				14,592
Special items:				
Distributions to member governments				(2,678,952)
Total general revenues and special items				(2,637,666)
Change in net position				50,471
Net position-beginning				5,884,508
Net position-ending				\$ 5,934,979

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

JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2021

	<u>GENERAL FUND</u>
ASSETS	
Cash and interest bearing deposits	\$ 3,759,635
Receivables, net of allowances of \$-0-	<u>493,479</u>
 TOTAL ASSETS	 <u><u>\$ 4,253,114</u></u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts, salaries, and other payables	\$ 17,698
 Fund balances:	
Committed	2,430,773
Unassigned	<u>1,804,643</u>
Total Fund Balance	<u><u>4,235,416</u></u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u><u>\$ 4,253,114</u></u>

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

JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION

**RECONCILIATION OF FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION**

December 31, 2021

FUND BALANCE OF GOVERNMENTAL FUNDS \$ 4,235,416

Amounts reported for governmental activities in the Statement of
Net Position are different because:

Certain long-term assets are not reported in the fund financial statements
because they are not available to pay current-period expenditures, but
they are reported as assets in the statement of net position.

Net pension asset	47,363
Deferred outflows - pension related	50,336

Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the governmental
funds.

Capital assets	\$ 4,274,376	
Accumulated depreciation	<u>(2,571,568)</u>	
		1,702,808

Long-term liabilities are not reported in the fund financial statements
because they are not due and payable in the current-period, but they
are present as liabilities in the statement of net position.

Long-term liabilities at December 31, 2021:

Deferred inflows - pension related	<u>(100,944)</u>
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Net Position of Governmental Activities	<u><u>\$ 5,934,979</u></u>
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The accompanying notes are an integral part of the basic financial statements.

JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2021

	<u>GENERAL FUND</u>
REVENUES	
Contract royalties	\$ 935,802
Methane gas sales	2,318,318
DEQ fee reimbursement	116,034
Investment earnings	26,694
Other revenues	14,592
Total revenues	<u>3,411,440</u>
EXPENDITURES	
Sanitary landfill:	
Personnel costs	316,590
Operating costs	212,950
Recycling program	13,143
Excess waste fees	83,786
Materials and supplies	1,459
Travel and other charges	3,449
Total expenditures	<u>631,377</u>
Excess of revenues over expenditures	2,780,063
OTHER FINANCING SOURCES (USES)	
Distributions to member governments	<u>(2,678,952)</u>
Total other financing sources (uses)	<u>(2,678,952)</u>
Net change in fund balance	101,111
Fund balances – beginning	<u>4,134,305</u>
Fund balances – ending	<u><u>\$ 4,235,416</u></u>

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

JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS -
TO THE STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2021

Total net changes in fund balances at December 31, 2021 per
Statement of Revenues, Expenditures and Changes in Fund Balances \$ 101,111

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	-
Depreciation	(72,026)

Government funds do not report changes in long-term liabilities as
expenditures. However, the following changes in long-term liabilities do
appear in the Statement of Activities since the liabilities are reported on
the Statement of Net Position

Net change in pension expense	<u>21,386</u>
Change in net position of governmental activities	<u>\$ 50,471</u>

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

JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION

Notes to the Financial Statements For the Year Ended December 31, 2021

INTRODUCTION

The Jefferson Davis Parish Sanitary Landfill Commission (“Commission”) was chartered February 17, 1984. The Commission was created by the joint action of the following political subdivisions: the City of Jennings, the Town of Welsh, the Town of Lake Arthur, and the Jefferson Davis Parish Police Jury. These governing bodies joined efforts for the purpose of establishing a long-term plan for disposal of solid wastes in Jefferson Davis Parish. According to the charter, the operations of the Commission are not to be financed by user charges but by direct assessment of the member governing bodies. Each member governing body is assessed directly in the proportion of the number of households within each member unit to the total number of households within all member units. These proportions were determined by the figures obtained from the 1980 U. S. Census. Based upon the information available from the 1980 U. S. Census, the following percentages for each member governing body were determined:

<u>LOCALITY</u>	<u>NUMBER OF HOUSEHOLDS</u>	<u>PERCENTAGES</u>
Jennings	4,161	.421196
Welsh	1,167	.118129
Lake Arthur	1,212	.122684
Parish (excluding Jennings, Welsh, Lake Arthur & Elton)	<u>3,339</u>	<u>.337991</u>
Totals	<u>9,879</u>	<u>1.000000</u>

In 1989, the Commission entered into a contract with Browning-Ferris, Inc. (BFI) to operate the facility and pay the Commission a royalty for its use. BFI also agreed to pay the normal operating costs, except for those items specifically allocated to the Commission, and assume responsibility for closure of the facility and any post-closure care, maintenance, and monitoring.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The financial statements of the Commission consist only of the funds of the Commission. The Commission has no financial accountability for any other governmental entity since no other entities are considered to be component units of the Commission. Governmental Accounting Standards Board (“GASB”) Statement No. 14 established criteria for determining which component units should be considered part of the Jefferson Davis Parish Sanitary Landfill Commission for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Commission to impose its will on the organization and/or,
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Commission.
2. Organizations for which the Commission does not appoint a voting majority but are fiscally dependent on the Commission.

JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION

Notes to the Financial Statements For the Year Ended December 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Reporting Entity

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Commission has determined that it has no component units.

Basis of Presentation

The accounting and reporting policies of the Jefferson Davis Parish Sanitary Landfill Commission conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units*, published by the American Institute of Certified Public Accountants; and are also made in accordance with the provisions of *Government Auditing Standards*, promulgated by the United States Comptroller General, as they pertain to financial and compliance audits.

The Commission has adopted the provisions of GASB Statement 34 and GASB Statement No. 37. These statements established standards for external financial reporting for all state and governmental entities, which includes a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows. It requires the classification of net position into three components - invested in capital assets, net of related debt, restricted; and unrestricted. These classifications are defined as follows:

- Net investment in capital assets: This component of net position consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets. The Commission has no debt attributable to its capital assets.
- Restricted net position: This component of net position consists of constraints imposed by creditors (such as through debt covenants), contributors, laws or regulations of other governments, or through constitutional provisions or enabling legislation. The Commission has no restricted net position.
- Unrestricted net position: This component of net position consists of net position that do not meet the definition of “restricted” or “net investment in capital assets.”

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Jefferson Davis Parish Sanitary Landfill Commission. 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.

JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION

Notes to the Financial Statements For the Year Ended December 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Basis of Presentation

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

The Commission uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Commission functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. Various funds are classified into two categories: governmental and proprietary. 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 Commission or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10% of the corresponding total for all governmental funds. The funds of the Commission are described below:

Governmental fund: The general fund is the only governmental fund of the Commission. It is the general accounting fund of the Jefferson Davis Sanitary Landfill Commission. It accounts for all financial resources of the Commission.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Interest associated with the current fiscal period is considered to be susceptible to accrual and so it has been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION

**Notes to the Financial Statements
For the Year Ended December 31, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – (Continued)

Amounts reported as program revenues included 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues.

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.

Budgetary Practices

For the year ended December 31, 2021, the Commission adopted a budget on December 16, 2020, at a public hearing for the general fund on a basis consistent with generally accepted accounting principles (GAAP). Periodic budget comparisons were made during the year and amendments are made when deemed necessary. The budget was amended on December 15, 2021. All budgetary appropriations lapse at the end of each fiscal year. Formal encumbrance accounting is not utilized by the Commission.

Cash and Interest-bearing Deposits

Cash and interest-bearing deposits include amounts in demand deposits, interest-bearing demand deposits and time deposits. They are stated at cost, which approximates market value.

Receivables

Receivables consist of all revenues earned at year-end not yet received. Receivables are reported net of an allowance for uncollectible accounts. Allowances are reported when accounts are proven to be uncollectible. The Commission has determined there is no allowance for uncollectible accounts as of December 31, 2021.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Jefferson Davis Parish Sanitary Landfill Commission maintains as a threshold level of \$1,000 or more for capitalizing capital assets.

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

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Buildings	30 years
Improvements	7 – 30 years
Machinery and equipment	5 – 7 years

JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION

Notes to the Financial Statements For the Year Ended December 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then. The Commission has one item that qualifies for this category; pension related deferrals, which is reported in the government-wide statement.

In addition, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) at that time. The Commission has one item that qualifies for this category; pension related deferrals. This amount is recognized as an inflow of resources in the period that the amount becomes available.

Equity Classification

In the government-wide statements, equity is classified as net position and displayed in three components.

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists 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 “net investment in capital assets.”

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

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Commission is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- a. Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION

Notes to the Financial Statements For the Year Ended December 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Fund Balance Classification – (Continued)

- c. Committed - amounts that can be used only for specific purposes determined by a formal decision of the Commission's Board, which is the highest level of decision-making authority for the Commission.
- d. Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.
- e. Unassigned - all other spendable amounts.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the Commission considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Commission considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Commission has provided otherwise in their commitment or assignment actions.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Risk Management

The Commission is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions: injuries to employees; and natural disasters. The Commission manages these losses through the purchase of commercial insurance.

Compensated Absences

The Commission adopted a personnel policy during 1994. The policy states that all full-time employees shall be allowed vacation time, provided they have been employed full-time for a period of at least six months. Vacation time allowed varies from five to twenty days per year depending on length of service. Under similar circumstances part-time employees will also be allowed vacation time but on a ratio of part-time hours scheduled and working to a normal forty-hour work week. Vacation time may not be carried over to the following year.

Full-time employees shall be entitled to utilize one sick day for each month of active full-time employment up to a maximum sixty days. Regular part-time employees shall be entitled to utilize sick days at the same rate as full-time employees with a maximum accumulation of thirty days. This benefit for regular part-time employees applies only to absences lasting more than one week with the first week being an unpaid waiting period. Unless utilized, sick leave will not be paid as cash compensation, comp time or otherwise.

JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION

Notes to the Financial Statements For the Year Ended December 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Recently Issued Accounting Pronouncements

In June 2017, GASB issued Statement No. 87, *Leases*. The statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions of GASB Statement No. 87 are effective for fiscal years beginning after December 15, 2019. GASB Statement 95 postponed the effective date by eighteen months to June 15, 2021, in light of COVID-19 pandemic. The effect of implementation on the Commission's financial statements has not yet been determined.

In June 2022, GASB issued Statement No. 101, "Compensated Absences." The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 31, 2023, with earlier application encouraged. The effect of implementation on the Commission's financial statements has not yet been determined.

NOTE 2 – CASH AND INTEREST-BEARING DEPOSITS

Under state law, the Commission may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana.

The year ended balances of deposits are as follows:

<u>Deposit Type</u>	<u>Bank Balances</u>	<u>Reported Amount</u>
Cash-demand deposits	\$ 1,053,227	\$ 1,052,867
Times deposits	2,706,768	2,706,768
Total	<u>\$ 3,759,995</u>	<u>\$ 3,759,635</u>

These deposits are stated at cost, which approximates market value. Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it. The Commission does not have a policy for custodial credit risk, however, under state laws, 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 the amount on deposit with the fiscal agent.

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION

**Notes to the Financial Statements
For the Year Ended December 31, 2021**

NOTE 2 – CASH AND INTEREST-BEARING DEPOSITS – (Continued)

At December 31, 2021, the Commission has \$3,759,995 in deposits (collected bank balances). These deposits are secured from risk by \$500,000 of federal deposit insurance, \$3,548,479 of pledged securities held by the custodial banks in the name of the fiscal agent bank and a \$3,830,000 letter of credit.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 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 has failed to pay deposited funds upon demand.

At December 31, 2021, maturities of time deposits are as follows:

	<u>Fair Value</u>	<u>Investments</u>	
		<u>Maturities (in Years)</u>	
		<u>Less than 1</u>	<u>1-5</u>
Certificate of deposits- non-negotiable	<u>\$ 2,706,768</u>	<u>\$ 1,752,868</u>	<u>\$ 953,900</u>

NOTE 3 – RECEIVABLES

Receivables for fund financial statements at December 31, 2021, are as follows:

Contracts	\$ 77,013
Gas sales	414,746
Accrued interest receivable	<u>1,720</u>
	<u>\$ 493,479</u>

These receivables are normally collected within 30 to 60 days. Due to past collection history and short duration of outstanding amounts, no allowance for doubtful accounts has been established.

JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION

**Notes to the Financial Statements
For the Year Ended December 31, 2021**

NOTE 4 – CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2021, is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 1,242,370	\$ -	\$ -	\$ 1,242,370
Capital assets being depreciated:				
Building	415,953	-	-	415,953
Improvements other than buildings	2,446,188	-	-	2,446,188
Machinery and equipment	<u>169,865</u>	<u>-</u>	<u>-</u>	<u>169,865</u>
Total capital assets being depreciated	3,032,006	-	-	3,032,006
Less accumulated depreciation for:				
Buildings	393,009	5,736	-	398,745
Building improvements	1,942,055	64,689	-	2,006,744
Machinery and equipment	<u>164,478</u>	<u>1,601</u>	<u>-</u>	<u>166,079</u>
Total accumulated depreciation	<u>2,499,542</u>	<u>72,026</u>	<u>-</u>	<u>2,571,568</u>
Total capital assets being depreciated, net	<u>532,464</u>	<u>(72,026)</u>	<u>-</u>	<u>460,438</u>
Total capital assets	<u>\$ 1,774,834</u>	<u>\$ (72,026)</u>	<u>\$ -</u>	<u>\$ 1,702,808</u>

Depreciation expense in the amount of \$72,026 was charged to sanitary landfill.

NOTE 5 – ACCOUNTS, SALARIES AND OTHER PAYABLES

The accounts, salaries, and other payables consisted of the following at December 31, 2021:

Accounts	\$ 5,740
Salaries and payroll liabilities	<u>11,958</u>
	<u>\$ 17,698</u>

NOTE 6 – COMPENSATION PAID TO BOARD MEMBERS

The Commission paid no compensation to board members for the year ended December 31, 2021.

JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION

Notes to the Financial Statements For the Year Ended December 31, 2021

NOTE 7 – LITIGATION AND CLAIMS

Claims, expenditures, and liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. No claim expenditures or liabilities are reported in the accompanying financial statements. The Commission is not presently involved in any litigation as a defendant.

NOTE 8 – LANDFILL OPERATOR AND SIGNIFICANT CONTRACT PROVISIONS

On July 26, 1989, the Commission entered into an exclusive contract with Browning Ferris Industries, Inc. (BFI) for the daily operations of waste disposal at the landfill site. The Commission will receive a royalty on all waste deposited into landfill for which BFI is compensated. The more significant outstanding provisions of that contract are as follows:

- a. BFI shall be responsible for all law violations that are caused by BFI's performance of its tasks at the landfill.
- b. Unless this contract is early terminated, BFI is responsible for closure in accordance with the permit and for appropriate seeding of the sanitary landfill for erosion control. BFI's post-closure care, maintenance and monitoring responsibility shall be 3 years, or as required by law, following closure. Afterwards, the Commission is responsible for all post-closure care.
- c. BFI shall take all necessary precautions to prevent receipt of and deposit into the landfill regulated "hazardous waste", wet sludge, and oilfield wastes.
- d. BFI will maintain all liability insurance as set forth in the contract.

Contract is scheduled to expire in 2027.

NOTE 9 – PENSION PLAN

Parochial Employees Retirement System of Louisiana (PERS)

Plan Description: Employees of the Commission's office are members of the Parochial Employees' Retirement System of Louisiana (System), a cost-sharing multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All participating employees of the Commission are members of Plan A.

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.

JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION

Notes to the Financial Statements For the Year Ended December 31, 2021

NOTE 9 – PENSION PLAN – (Continued)

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

Any member of Plan A can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

1. Any age with thirty or more years of creditable service.
2. Age 55 with twenty-five years of creditable service.
3. Age 60 with a minimum of ten years of creditable service.
4. Age 65 with a minimum of seven years of creditable service.

For employees hired after January 1, 2007:

1. Age 55 with thirty years of service.
2. Age 62 with ten years of service.
3. Age 67 with seven years of service.

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

Deferred Retirement Option Plan (DROP) Benefits: Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the Retirement System. DROP is an option for that member who is eligible for normal retirement. In lieu of terminating employment and accepting a service retirement, any member of Plan A who is eligible to retire may elect to participate in the DROP in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account. Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date. For individuals who become eligible to participate in the Deferred Retirement Option Plan on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the Plan will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of this Plan 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 the Plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION

Notes to the Financial Statements For the Year Ended December 31, 2021

NOTE 9 – PENSION PLAN – (Continued)

Survivor's Benefits: Upon the death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes. Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes.

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.

Contributions: According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2020, the actuarially determined contribution rate was 11.11% of member's compensation for Plan A. According to state statute, the System also receives $\frac{1}{4}$ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The Commission's proportionate share of the Net Pension Liability is allocated based on the December 31, 2020 measurement date. The Commission uses this method to record its Net Pension Liability and associated amounts as of December 31, 2021, in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at December 31, 2020 along with the change compared to the December 31, 2019 rate. The Commission's proportion of the Net Pension Liability was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION

**Notes to the Financial Statements
For the Year Ended December 31, 2021**

NOTE 9 – PENSION PLAN – (Continued)

	Net Pension Asset at <u>December 31, 2020</u>	Rate at <u>December 31, 2020</u>	Increase (Decrease) to <u>December 31, 2019</u>
Jefferson Davis Parish Sanitary Landfill Commission's Retirement System	\$ 47,363	0.0027%	-0.0250%

The following list the Commission's recognized pension benefit for the Parochial Employees' Retirement System of Louisiana:

Jefferson Davis Parish Sanitary Landfill Commission's Retirement System	\$ 21,386
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At December 31, 2021, the Commission reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflow of Resources</u>
Jefferson Davis Parish Sanitary Landfill Commission's Retirement System		
Differences between expected and actual experience	\$ 11,531	\$ (5,653)
Change of assumptions	15,496	-
Net difference between projected and actual earnings on pension plan investments	-	(92,439)
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	(2,852)
Employer contributions subsequent to the measurement date	<u>23,309</u>	<u>-</u>
Total	<u>\$ 50,336</u>	<u>\$ (100,944)</u>

Deferred outflows of resources of \$23,309 related to PERS resulting from the Commission's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended December 31, 2021.

JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION

**Notes to the Financial Statements
For the Year Ended December 31, 2021**

NOTE 9 – PENSION PLAN – (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS will be recognized in pension expense as follows:

For the year ending December31,	<u>Amount</u>
2021	\$ (21,130)
2022	(7,909)
2023	(29,655)
2024	(15,105)
	<u><u>\$ (73,799)</u></u>

Contributions - Proportionate Share: Differences between contributions remitted to the Fund and the employer's proportionate share are 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 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 Fund and contributions reported by the participating employer.

Actuarial 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.

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

Valuation Date	December 31, 2020
Actuarial Cost Method	Plan A - Entry Age Normal
Investment Rate of Return	6.40%, net of investment expense, including inflation
Expecting Remaining Service Lives	4 years
Projected Salary Increases	Plan A - 4.75%

JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION

Notes to the Financial Statements For the Year Ended December 31, 2021

NOTE 9 – PENSION PLAN – (Continued)

Costs-of-Living Adjustment	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees.
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.
Inflation Rate	2.30%

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

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the 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 7.00% for the year ended December 31, 2020.

JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION

**Notes to the Financial Statements
For the Year Ended December 31, 2021**

NOTE 9 – PENSION PLAN – (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the System’s target asset allocation as of December 31, 2020, are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Fixed income	33%	0.86%
Equity	51%	3.36%
Alternatives	14%	0.67%
Real assets	2%	0.11%
Totals	<u>100%</u>	<u>5.00%</u>
Inflation		<u>2.00%</u>
Expected Arithmetic Nominal Return		<u>7.00%</u>

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

Sensitivity to Changes in Discount Rate: The following presents the Commission’s proportionate share of the PERS net pension liability calculated using the discount rate of 6.40%, as well as what the Commission’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate:

	PLAN A		
	Changes in Discount Rate		
	2020		
	1% Decrease	Current Discount Rate	1% Increase
	<u>5.40%</u>	<u>6.40%</u>	<u>7.40%</u>
Net Pension Liability (Asset)	<u>\$ 99,307</u>	<u>\$ (47,363)</u>	<u>\$ (170,196)</u>

JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION

Notes to the Financial Statements For the Year Ended December 31, 2021

NOTE 9 – PENSION PLAN – (Continued)

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued Parochial Employees' Retirement System of Louisiana Annual Financial Report at www.persla.org or www.la.state.la.us.

Payables to Pension Plan: The Commission had \$11,419 owed to the System for the year ended December 31, 2021.

NOTE 10 – RELATED PARTY TRANSACTIONS

During 2021, the Commission voted to distribute \$400,000 to the four local government bodies that participate in the Landfill Commission and funded its construction and early operations. Additionally, the Commission distributed \$2,063,952 related to sales of methane. The distributions were made in the same proportions as the original investments by the governments (see Note 1). In addition, the Commission distributed an additional \$40,000 (\$10,000 each) to the members for special projects. Effective January 1, 2016, the Commission and the Jefferson Davis Parish Economic Development Commission entered into a Cooperative Endeavor Agreement, whereby the Commission would pay the Economic Development Commission \$43,750 per quarter to provide the Parish with functions and activities necessary to create economic benefits to the people and business of the Parish. The total amount paid during the year was \$175,000. This agreement was renewed for the year ending 2021. There are no amounts due to the member governments at December 31, 2021.

NOTE 11 – CONTINGENCIES

The Landfill Commission, as owner of a sanitary landfill, is subject to Environmental Protection Agency (EPA) regulations that require monitoring the landfill site for 30 years following closure of the site in addition to other closure requirements. These regulations also mandate that landfill owners provide financial assurances that they will have the resources available to satisfy the post-closure standards. These guarantees can be third-party trusts, surety bonds, letters of credit, insurance, or state sponsored plans. According to the Commission's contract with the site operator, "...the contractor shall be responsible for closure in accordance with the permit..." Additionally, "...the contractor's post-closure care, maintenance and monitoring responsibility shall be three (3) years, or as required by law,...". In the event the operator is for whatever reason unwilling or unable to fulfill this requirement, the responsibility for closure and post closure monitoring will revert back to the Commission. Additionally, because of the industry the Commission participates in, certain potential liabilities are always present. These include, but are not limited to, environmental cleanup costs and EPA penalties for violation of its regulations. The EPA is empowered by law (through the Superfund legislation) to seek recovery from anyone who ever owned or operated a particular contaminated site, or anyone who ever generated or transported hazardous materials to a site (these parties are commonly referred to as potentially responsible parties ("PRPs")). Potentially, the liability can extend to subsequent owners or to the parent company of a PRP. While there are no asserted or unasserted potential costs or penalties at the date of this report that the Commission is aware of, the potential is present.

JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION

Notes to the Financial Statements For the Year Ended December 31, 2021

NOTE 12 – LEASES

The Commission entered into a site lease with South-Tex Treaters, LP in June, 2007 for the purpose of recovering and selling methane gas produced by the decomposing waste in the landfill. The lease is for an initial period of twenty (20) years, with an option to extend the lease for an additional ten (10) years. The commission is to receive rent of \$1 per month plus a royalty ranging from 13% to 25% depending on volumes produced and the sales price of gas per thousand cubic feet (mcf), less certain agreed-upon costs. The facility began operations in April, 2008.

NOTE 13 – COMMITTED FUND BALANCE

The Commission has established a policy of annually designating three percent (3%) of the beginning committed fund balance, or the total interest earned on investments, whichever is lesser, for potential post-closure contingencies. However, the Commission changed the policy in 2004 to eliminate annually committing 3% and freezing the committed fund balance at the December 31, 2003, level of \$2,930,773. In 2006, the Commission approved reducing the committed balance by \$500,000 to \$2,430,773 to provide for an additional distribution to its members.

NOTE 14 – SUBSEQUENT EVENTS

On January 19, 2022, the Commission distributed \$400,000 to the members in proportion to each member's original contribution amount. The Commission also distributed an additional \$40,000 (\$10,000 each) to the members for special projects. Subsequent events were evaluated through June 21, 2022, which is the date the financial statements were available to be issued. Management has determined that there are no additional events that occurred subsequent to year end that are required to be disclosed.

REQUIRED SUPPLEMENTAL INFORMATION

JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Over(Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Contract royalties	\$ 960,000	\$ 960,000	\$ 935,802	\$ (24,198)
Methane gas sales	1,000,000	2,100,000	2,318,318	218,318
DEQ fee reimbursement	100,000	115,000	116,034	1,034
Investment earnings	46,000	28,000	26,694	(1,306)
Other revenues	15,000	15,000	14,592	(408)
Total Revenues	<u>2,121,000</u>	<u>3,218,000</u>	<u>3,411,440</u>	<u>193,440</u>
EXPENDITURES				
Personnel costs	347,077	332,077	316,590	(15,487)
Operating costs	246,800	265,800	212,950	(52,850)
Recycling program	10,000	10,000	13,143	3,143
Excess waste fees	85,000	85,000	83,786	(1,214)
Materials and supplies	4,000	4,000	1,459	(2,541)
Travel and other charges	-	-	3,449	3,449
Total Expenditures	<u>692,877</u>	<u>696,877</u>	<u>631,377</u>	<u>(65,500)</u>
Excess of revenues over expenditures	1,428,123	2,521,123	2,780,063	258,940
OTHER FINANCING SOURCES (USES)				
Distributions to member governments	<u>(1,615,000)</u>	<u>(2,815,000)</u>	<u>(2,678,952)</u>	<u>136,048</u>
Net change in fund balance	(186,877)	(293,877)	101,111	394,988
Fund balances – beginning	<u>4,125,235</u>	<u>4,134,305</u>	<u>4,134,305</u>	<u>-</u>
Fund balances – ending	<u>\$ 3,938,358</u>	<u>\$ 3,840,428</u>	<u>\$ 4,235,416</u>	<u>\$ 394,988</u>

See accompanying independent auditors' report and the accompanying notes to the required supplemental information

JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION

**SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY**

For the Year Ended June 30, 2021

<u>Year Ended</u>	<u>Proportion of the net pension liability</u>	<u>Proportionate share of the net pension (asset) liability</u>	<u>Covered employee payroll</u>	<u>Share of the net pension liability as a percentage of its covered employee payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
December 31, 2021	0.027012%	\$ (47,363)	\$ 172,256	-27.50%	104.00%
December 31, 2020	0.027661%	\$ 1,302	\$ 175,391	0.74%	99.89%
December 31, 2019	0.030218%	\$ 134,118	\$ 185,765	72.20%	88.86%
December 31, 2018	0.031313%	\$ (23,242)	\$ 192,736	-12.06%	101.98%
December 31, 2017	0.031028%	\$ 63,903	\$ 184,015	34.73%	94.15%
December 31, 2016	0.030842%	\$ 81,185	\$ 176,834	45.91%	92.23%
December 31, 2015	0.030111%	\$ 8,233	\$ 113,406	7.26%	99.15%

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

JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION

SCHEDULE OF EMPLOYER'S CONTRIBUTION

For the Year Ended June 30, 2021

<u>Year Ended</u>	<u>Contractually required contribution</u>	<u>Contributions in relation to contractual required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>Employer's covered employee payroll</u>	<u>Contributions as a % of covered employee payroll</u>
December 31. 2021	\$ 21,101	\$ 21,101	\$ -	\$ 172,256	12.25%
December 31. 2020	\$ 20,170	\$ 20,170	\$ -	\$ 175,391	11.50%
December 31. 2019	\$ 21,363	\$ 21,363	\$ -	\$ 185,765	11.50%
December 31. 2018	\$ 24,092	\$ 24,092	\$ -	\$ 192,736	12.50%
December 31. 2017	\$ 23,922	\$ 23,922	\$ -	\$ 184,015	13.00%
December 31. 2016	\$ 25,641	\$ 25,641	\$ -	\$ 176,834	14.50%
December 31. 2015	\$ 18,145	\$ 18,145	\$ -	\$ 113,406	16.00%

See accompanying independent auditors' report and the accompanying notes to the required supplemental information.

JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION

**Notes to the Required Supplementary Information
For the Year Ended December 31, 2021**

1. BUDGETS AND BUDGETARY ACCOUNTING

- a. The proposed budget for the general fund is submitted to the Commission for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
- b. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- c. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
- d. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
- e. All budgetary appropriations lapse at the end of each fiscal year.
- f. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Commission.

2. 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.

Amounts reported in fiscal year ended December 31, 2021 for Parochial Employee’s Retirement System of Louisiana reflect an adjustment in the discount rate used to measure the total pension liability. The discount rate for the System was reduced by 0.1% to 6.40% as of the valuation date December 31, 2020. Other changes are as follows:

Valuation Date	December 31, 2020	December 31, 2019
Investment Rate of Return	7.00%	7.18%

SUPPLEMENTAL INFORMATION

Jefferson Davis Parish Sanitary Landfill Commission

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD
For the Year Ended December 31, 2021**

Agency Head Name: Daniel B. Hylton

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 98,477
Benefits-insurance	-
Benefits-retirement	12,063
Benefits-dues	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
	<u>\$ 110,540</u>

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

**COMPLIANCE
AND
INTERNAL CONTROL**



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

LESTER LANGLEY, JR.
DANNY L. WILLIAMS
PHILLIP D. ABSHIRE, JR.
DAPHNE BORDELON BERKEN

NICHOLAS J. LANGLEY
PHILLIP D. ABSHIRE, III
SARAH CLARK WERNER
ALEXIS H. O'NEAL
JESSICA LOTT-HANSEN

**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 Jefferson Davis Parish Sanitary Landfill Commission
Jennings, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Jefferson Davis Parish Sanitary Landfill Commission, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise of the Jefferson Davis Parish Sanitary Landfill Commission's basic financial statements and have issued our report thereon dated June 21, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Jefferson Davis Parish Sanitary Landfill Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Jefferson Davis Parish Sanitary Landfill Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Jefferson Davis Parish Sanitary Landfill 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Jefferson Davis Parish Sanitary Landfill 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 financial statements. 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standard*.

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.

Joseph Williams, Co., P.C.

Lake Charles, Louisiana
June 21, 2022

JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION

**SUMMARY SCHEDULE OF CURRENT AND PRIOR AUDIT
FINDINGS AND CORRECTIVE ACTION PLAN**

SECTION 1 – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditors’ report issued: Unqualified

Internal control over financial reporting:

a. Material weakness identified? NO

b. Significant deficiencies identified that are not
considered to be material weaknesses? NO

Noncompliance material to financial statements noted? NO

Federal Awards

Not applicable

JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION

**SCHEDULE OF CURRENT AND PRIOR YEAR FINDINGS
AND CORRECTIVE ACTION PLAN**

Management's Status of Current Year Audit Findings

<u>Ref No</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>
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No current year findings.

Management's Status of Prior Year Audit Findings

<u>Ref No</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>
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No prior year findings.



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Jefferson Davis Parish Sanitary Landfill Commission
Welsh, Louisiana

To the Governing Board of the Jefferson Davis Parish Sanitary Landfill Commission and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. The Jefferson Davis Parish Sanitary Landfill Commission's management is responsible for those C/C areas identified in the SAUPs.

The Jefferson Davis Parish Sanitary Landfill Commission ("Landfill") has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - 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.
 - c) ***Disbursements***, including processing, reviewing, and approving.

- 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).
- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- 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.
- 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).
- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/Electronic Municipal Market Access ("EMMA") reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Exception: Per our inspection of the policies and procedures of the Landfill, we noted that the Landfill did not have written policies and procedures.

Management's response: Management is in the process of creating their policies and procedures to address the above exception.

Board or Finance Committee

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.

The board met on a monthly basis for the fiscal period with a quorum in attendance at all meetings.

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

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

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

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

Bank Reconciliations

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

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

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

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

- 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

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

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

There were no outstanding items over 12 months thus making this procedure not applicable.

Collections (excluding electronic funds transfers)

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).

We obtained a listing of all deposit sites for the fiscal period and management's 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 responsible for cash collections do not share cash drawers/registers.

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

- 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.

Exception: At various times, the same person collecting receipts may also be responsible for depositing in the bank. However, recording the deposit and reconciling bank statements is performed by a separate accounting service.

- 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.

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

- 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/official verifies the reconciliation.

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

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

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

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.

There are normally only 3-4 receipts per month; therefore, they do not have a system in place to issue sequentially pre-numbered receipts thus making this procedure not applicable.

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

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

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

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

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

Exception: There was no way to determine if the Landfill made the deposit within one day of receipt at the collection location.

Management's response: Management will document when they receive a check to deposit to address this exception above.

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

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

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).

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

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.

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

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

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

- 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.

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

- 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.

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

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

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

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

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

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

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.

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

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 whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

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

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

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

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 it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

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

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, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

There were no travel expenses incurred by the entity during the fiscal period making this procedure not applicable.

Contracts

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 whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
None of the selected contracts were subject to bid law; therefore, this procedure is not applicable.
 - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
There were no exceptions noted as a result of applying this procedure.
 - c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
There were no amendments during the fiscal period; therefore, this procedure is not applicable.
 - 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 the invoice and related payment agreed to the terms and conditions of the contract.

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

Payroll and Personnel

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

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

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

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

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

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

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

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

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

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

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

There were no terminated employees during the fiscal period thus making this procedure not applicable.

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

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

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

Exception: Two of the five employees did not complete their ethics training for the year.

Managements response: Management will make sure that all employees complete their hourly ethics training each year.

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

Exception: Due to the entity not having a written ethics policy, employees are not able to read the policy for the fiscal period.

Management’s response: Management will implement a procedure that will ensure that each employee read the entity’s ethics policy each year.

Debt Service

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

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

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 (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

There is no debt, therefore, this procedure is not applicable.

Fraud Notice

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.

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

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

The Landfill has posted on its premises the notice required by R.S. 24:523.1.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”

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

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

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

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

- c) Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

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

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Exception: No employees completed one hour of sexual harassment training during the calendar year.

Management’s response: Management is in the process of updating their policies and procedures to address the above exceptions.

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

Exception: The Landfill does not have a sexual harassment policy so it cannot post anything in their premises.

Management’s response: Management is in the process of updating their policies and procedures to address the above exceptions.

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

Exception: The Landfill does not have a sexual harassment policy so it cannot meet the above requirements.

Management's response: Management is in the process of updating their policies and procedures to address the above exceptions.

We were engaged by the Jefferson Davis Parish Sanitary Landfill Commission to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Jefferson Davis Parish Sanitary Landfill Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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



Langley, Williams & Co., LLC
Lake Charles, LA
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