

**JEFFERSON DAVIS PARISH SANITARY  
LANDFILL COMMISSION**

JENNINGS, LOUISIANA

ANNUAL FINANCIAL STATEMENTS

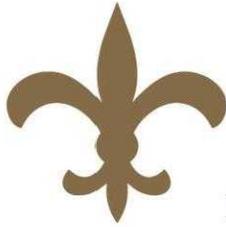
*As of and for the Year Ended December 31, 2017*

**JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION  
JENNINGS, LOUISIANA**

**Annual Financial Statements  
As of and for the Year Ended December 31, 2017**

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# J. Aaron Cooper , CPA, LLC

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*Member of the American Institute of Certified Public Accountants and the Society of Louisiana Certified Public Accountants*

## INDEPENDENT AUDITOR'S REPORT

To The Jefferson Davis Parish Sanitary Landfill Commission  
Jennings, Louisiana

### **Report on the Financial Statements**

I have audited the accompanying financial statements of the governmental activities and the major fund of the Jefferson Davis Parish Sanitary Landfill Commission, as of December 31, 2017, and for the year then ended, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

## **Opinions**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Jefferson Davis Parish Sanitary Landfill as of December 31, 2017, and the respective changes in financial position for the year ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 32 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the 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 Government 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. My opinion on the basic financial statements is not affected by this missing information.

### *Other Information*

My 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 and benefits paid to the Landfill Director is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The supplemental schedule is the responsibility of management and was derived and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, based on my audit, the procedures performed as described above, the Landfill Director's compensation and benefits are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued a report dated June 16, 2018, on my 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 my 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* and should be read in conjunction with this report in considering the results of my audit.

A handwritten signature in blue ink that reads "J. Aaron Coogan, CPA, LLC". The signature is written in a cursive, flowing style.

June 16, 2018

## **BASIC FINANCIAL STATEMENTS**

STATEMENT A

JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION

Statement of Net Position

December 31, 2017

	<u>GOVERNMENTAL ACTIVITIES</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,189,011
Investments	2,576,461
Receivables (net of allowances for uncollectibles)	429,823
Capital assets (net)	<u>1,750,383</u>
TOTAL ASSETS	<u>5,945,678</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension related deferrals	<u>82,876</u>
<b>LIABILITIES</b>	
Accounts, salaries, and other payables	25,506
Net pension liability	<u>63,903</u>
TOTAL LIABILITIES	<u>89,409</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension related deferrals	<u>11,244</u>
<b>NET POSITION</b>	
Invested in capital assets, net of related debt	1,750,383
Unrestricted	<u>4,177,518</u>
NET POSITION	<u>\$ 5,927,901</u>

The accompanying notes are an integral part of this financial statement.

## STATEMENT B

## JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION

## Statement of Activities

For the Year Ended December 31, 2017

	Expenses	Program Revenues		Net (Expenses) Revenues and Change in Net Position in Net Position Governmental Activities
		Charges for Services and Use	Operating Grants and Contributions	
<b>Governmental Activities</b>				
Sanitary landfill	\$ 662,149	\$ 3,200,158	\$ -	\$ -
				\$ 2,538,009
General revenues:				
Investment earnings				16,011
Other general revenue				128,006
Special items:				
Distributions to member governments				(2,659,791)
Total general revenues and special items				(2,515,774)
Change in net position				22,235
Net position-beginning				5,905,666
Net position-ending				\$ 5,927,901

The accompanying notes are an integral part of this financial statement.

## STATEMENT C

## JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION

## Balance Sheet – Governmental Fund

December 31, 2017

	GENERAL FUND
	<u>                    </u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,189,011
Investments	2,576,461
Receivables (net of allowances for uncollectibles)	<u>429,823</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 4,195,295</u></b>
<b>LIABILITIES AND FUND BALANCES</b>	
Liabilities:	
Accounts, salaries, and other payables	<u>\$ 25,506</u>
Fund balances:	
Committed	2,430,773
Unassigned	<u>1,739,016</u>
Total Fund Balance	<u>4,169,789</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 4,195,295</u></b>

The accompanying notes are an integral part of this financial statement.

STATEMENT D

JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION

Reconciliation of the Balance Sheet – Governmental Fund  
to the Statement of Net Position

December 31, 2017

Fund balances, total governmental funds (Statement C) \$ 4,169,789

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

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

Capital assets	\$ 4,030,964	
Accumulated depreciation	(2,280,581)	<u>1,750,383</u>

In accordance with Governmental Accounting Standards Board  
Statement No. 68, the net pension liability related to pension plans,  
deferred outflows of resources, and deferred inflows of resources  
are not recorded in the governmental funds.

Net pension related deferrals		<u>7,729</u>
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Net Position of Governmental Activities (Statement A)		<u>\$ 5,927,901</u>
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The accompanying notes are an integral part of this financial statement.

## STATEMENT E

## JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION

Statement of Revenues, Expenditures and  
and Changes in Fund Balance – Governmental Fund

For the Year Ended December 31, 2017

	GENERAL FUND
<b>REVENUES</b>	
Contract royalties	\$ 1,027,298
Methane gas sales	2,172,860
DEQ fee reimbursement	112,384
Investment earnings	16,011
Other revenues	15,622
Total revenues	<u>3,344,175</u>
<b>EXPENDITURES</b>	
Sanitary landfill:	
Personnel costs	279,225
Operating costs	204,210
Recycling program	8,203
Excess waste fees	79,519
Materials and supplies	2,768
Travel and other charges	3,200
Total expenditures	<u>577,125</u>
Excess of revenues over expenditures	2,767,050
<b>OTHER FINANCING SOURCES (USES)</b>	
Distributions to member governments	<u>(2,659,791)</u>
Net change in fund balance	107,259
Fund balances – beginning	<u>4,062,530</u>
Fund balances – ending	<u><u>\$ 4,169,789</u></u>

The accompanying notes are an integral part of this financial statement.

STATEMENT F

JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION

Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balance – Governmental Fund  
to the Statement of Activities

For the Year Ended December 31, 2017

Net change in fund balance, governmental fund, Statement E	\$ 107,259
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Amounts reported for governmental activities in the Statement of Activities are 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	(85,733)

In accordance with Governmental Accounting Standards Board Statement No. 68, the net pension liability related pension is not required to be recorded in the governmental fund financial statements. Adjustments to pension expense related to changes in deferred outflows of resources and deferred inflows of resources are reflected in the Statement of Activities:

Net change in pension expense	<u>709</u>
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Change in net position of governmental activities, Statement B	<u><u>\$ 22,235</u></u>
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The accompanying notes are an integral part of this financial statement.

**NOTES TO THE FINANCIAL STATEMENTS**

**JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION**

**Notes to the Financial Statements  
For the Year Ended December 31, 2017**

**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.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. 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.

# JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION

## Notes to the Financial Statements For the Year Ended December 31, 2017

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:

- Invested in capital assets, net of related debt: 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 “invested in capital assets, net of related debt.”

### **B. Government-Wide and Fund Financial Statements**

#### *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.

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.

# JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION

## Notes to the Financial Statements For the Year Ended December 31, 2017

### *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.

### **C. 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 generally are recorded when a liability is incurred, as under accrual accounting. 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.

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.

# JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION

## Notes to the Financial Statements For the Year Ended December 31, 2017

### D. 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. 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.
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.

### E. Budgetary Practices

For the year ended December 31, 2017, the Commission adopted a budget on December 21, 2016, 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 November 15, 2017. All budgetary appropriations lapse at the end of each fiscal year. Formal encumbrance accounting is not utilized by the Commission.

### F. Cash, Cash Equivalents and Investments

Cash includes amounts in interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. 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. Investments may include instruments or obligations issued by the United States Government or its agencies, or any other federally issued investment.

**JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION**

**Notes to the Financial Statements  
For the Year Ended December 31, 2017**

**G. 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.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Description</u>	<u>Estimated Lives</u>
Land improvements	30 years
Buildings and building improvements	30 years
Furniture and fixtures	5 years
Vehicles	5 years
Equipment and landscaping	7 years
Miscellaneous improvements	10 years

**H. 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, 2017

### I. 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.

### J. Fund Equity

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

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding 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 "invested in capital assets, net of related debt."

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balances of the governmental funds are classified 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.
- 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.

# JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION

## Notes to the Financial Statements For the Year Ended December 31, 2017

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.

### K. 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.

## 2. CASH, CASH EQUIVALENTS, AND INVESTMENTS

### Cash and Cash Equivalents

The year ended balances of deposits are as follows:

<u>Deposit Type</u>	<u>Bank Balances</u>	<u>Reported Amount</u>
Cash-demand deposits	<u>\$1,315,820</u>	<u>\$1,189,011</u>

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.

### Investments

At December 31, 2017, the commission had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investments Maturities (in Years)</u>	
		<u>Less than 1</u>	<u>1-5</u>
Certificate of deposits- non-negotiable	<u>\$2,576,461</u>	<u>\$1,967,754</u>	<u>\$ 608,707</u>

**JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION**

**Notes to the Financial Statements  
For the Year Ended December 31, 2017**

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The commission does not have a written investment policy, but does adhere to state laws regarding allowable investments. The above investments are not rated.

For cash and investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the commission will not be able to recover the value of its cash, investments or collateral securities that are in the possession of an outside party. The deposits and investments are secured from risk by \$750,000 of federal deposit insurance and \$3,330,000 of pledged securities held by a custodial bank listing the Jefferson Davis Parish Sanitary Landfill Commission as pledgee. As such, these deposits are not considered subject to custodial credit risk.

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.

The Commission has a concentration of credit risk in that it places no limit on the amount it may invest in any one issuer. More than 5 percent of the Commission's investments at December 31, 2017 are invested in certificates of deposit held at Jeff Davis Bank. These investments are 100% of the Commission's total investments at December 31, 2017.

**3. RECEIVABLES**

Receivables for fund financial statements at December 31, 2017, are as follows:

Contracts	\$ 80,060
Gas sales	347,208
Accrued interest receivable	<u>2,555</u>
	<u>\$ 429,823</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, 2017**

**4. CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended December 31, 2017, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 1,242,370	\$ -	\$ -	\$ 1,242,370
Capital assets being depreciated:				
Building	422,499	-	-	422,499
Improvements other than buildings	2,197,506	-	-	2,197,506
Machinery and equipment	168,589	-	-	168,589
Total capital assets being depreciated	2,788,594	-	-	2,788,594
Less accumulated depreciation for:				
Building and improvements	2,040,788	79,542	-	2,120,330
Machinery and equipment	154,060	6,191	-	160,251
Total accumulated depreciation	2,194,848	85,733	-	2,280,581
Total capital assets being depreciated, net	593,746	(85,733)	-	508,013
Total capital assets	<u>\$ 1,836,116</u>	<u>\$ (85,733)</u>	<u>\$ -</u>	<u>\$ 1,750,383</u>

Depreciation expense of \$85,733 for the year ended December 31, 2017, was charged to the Landfill.

**5. ACCOUNTS, SALARIES AND OTHER PAYABLES**

The accounts, salaries, and other payables consisted of the following at December 31, 2017:

Accounts	\$ 6,227
Retirement plan	7,914
Salaries and payroll liabilities	<u>11,365</u>
	<u>\$ 25,506</u>

# JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION

## Notes to the Financial Statements For the Year Ended December 31, 2017

### 6. COMPENSATION PAID TO BOARD MEMBERS

The Commission paid no compensation to board members for the year ended December 31, 2017.

### 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 reasonable estimated. No claim expenditures or liabilities are reported in the accompanying financial statements. The Commission is not presently involved in any litigation as defendant.

### 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 earlier 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.

### 9. PENSION PLAN

#### A. 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.

# JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION

## Notes to the Financial Statements For the Year Ended December 31, 2017

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.

**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.

# JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION

## Notes to the Financial Statements For the Year Ended December 31, 2017

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.

**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.

**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.

**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, 2016, the actuarially determined contribution rate was 10.52% of member's compensation for Plan A. According to state statute, the System also receives ¼ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities. Contributions to the pension plan from the Commission were \$21,072, for the year ended December 31, 2017.

**JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION**

**Notes to the Financial Statements  
For the Year Ended December 31, 2017**

*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, 2016 measurement date. The Commission uses this method to record its Net Pension Liability and associated amounts as of December 31, 2017, in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at December 31, 2016, along with the change compared to the December 31, 2015 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.

	Net Pension Liability at <u>December 31, 2017</u>	Rate at <u>December 31, 2016</u>	Increase (Decrease) to <u>December 31, 2015</u>
Jefferson Davis Parish Sanitary Landfill Commission's Retirement System	\$ <u>63,903</u>	<u>0.0310%</u>	<u>0.0020%</u>

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

Jefferson Davis Parish Sanitary Landfill Commission's Retirement System	\$ <u>38,001</u>
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**JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION**

**Notes to the Financial Statements  
For the Year Ended December 31, 2017**

At December 31, 2017, 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 Inflows of Resources</u>
Jefferson Davis Parish Sanitary Landfill Commission's Retirement System		
Differences between expected and actual experience	\$ -	\$ (11,182)
Change of assumptions	12,132	-
Net difference between projected and actual earnings on pension plan investments	49,591	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	81	(62)
Employer contributions subsequent to the measurement date	<u>21,072</u>	<u>-</u>
Total	<u>\$ 82,876</u>	<u>\$ (11,244)</u>

Deferred outflows of resources of \$21,072 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS will be recognized in pension expense as follows:

	<u>Year</u>	<u>Amount</u>
Jefferson Davis Parish Sanitary Landfill Commission's Retirement System		
	2018	\$ 18,827
	2019	20,010
	2020	13,063
	2021	<u>(1,340)</u>
		<u>\$ 50,560</u>

**JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION**

**Notes to the Financial Statements  
For the Year Ended December 31, 2017**

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

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

The discount rate used to measure the total pension liability was 7.00% for Plan A. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION**

**Notes to the Financial Statements  
For the Year Ended December 31, 2017**

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

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

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Fixed income	35%	1.24%
Equity	52%	3.63%
Alternatives	11%	0.67%
Real assets	2%	0.12%
	<u>100%</u>	<u>5.66%</u>
Inflation		<u>2.00%</u>
Expected Arithmetic Nominal Return		<u>7.66%</u>

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2010 through December 31, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System’s liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The RP-2000 Healthy Annuitant Sex Distinct Tables (set forward two years for males and set forward one year for females) projected to 2031 using Scale AA was selected for annuitants and beneficiaries. For disabled annuitants, the RP-2000 Disabled Lives Mortality Table set back five years for males and three years for females was selected. For active employees, the RP-2000 Employee Sex Distinct Tables set back four years for males and three years for females was used.

**JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION**

**Notes to the Financial Statements  
For the Year Ended December 31, 2017**

*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 7.00%, 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		
	2016		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	6.00%	7.00%	8.00%
Net Pension Liability (Asset)	\$ 191,158	\$ 63,903	\$ (43,696)

*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](http://www.persla.org) or [www.lla.state.la.us](http://www.lla.state.la.us).

*Payables to Pension Plan:* The Commission recorded accrued liabilities to the System for the year ended December 31, 2017. The amount due was \$7,914, which included both employer and employee contributions.

**10. RELATED PARTY TRANSACTIONS**

During 2017, 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 \$2,044,791 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 2018. There are no amounts due to the member governments at December 31, 2017.

# JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION

## Notes to the Financial Statements For the Year Ended December 31, 2017

### 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, or 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.

### 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.

### 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.

**JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION**

**Notes to the Financial Statements  
For the Year Ended December 31, 2017**

**14. SUBSEQUENT EVENTS**

On January 17, 2018, the Commission distributed \$300,000 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 16, 2018, 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

**Statement of Revenues, Expenditures, and Changes in Fund Balance –  
Budget and Actual  
General Fund**

**For the Year Ended December 31, 2017**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Over(Under)
	Original	Final		
<b>REVENUES</b>				
Contract royalties	\$ 870,000	\$ 970,000	\$ 1,027,298	\$ 57,298
Methane gas sales	1,200,000	2,000,000	2,172,860	172,860
DEQ fee reimbursement	85,000	110,000	112,384	2,384
Investment earnings	15,000	15,000	16,011	1,011
Other revenues	15,000	15,000	15,622	622
Total Revenues	<u>2,185,000</u>	<u>3,110,000</u>	<u>3,344,175</u>	<u>234,175</u>
<b>EXPENDITURES</b>				
Personnel costs	284,338	284,338	279,225	5,113
Operating costs	209,800	234,800	204,210	30,590
Recycling program	10,000	10,000	8,203	1,797
Excess waste fees	50,000	80,000	79,519	481
Materials and supplies	5,000	5,000	2,768	2,232
Travel and other charges	5,000	5,000	3,200	1,800
Capital outlay	300,000	-	-	-
Total Expenditures	<u>864,138</u>	<u>619,138</u>	<u>577,125</u>	<u>42,013</u>
Excess of revenues over expenditures	1,320,862	2,490,862	2,767,050	276,188
<b>OTHER FINANCING SOURCES (USES)</b>				
Distributions to member governments	<u>(1,815,000)</u>	<u>(2,615,000)</u>	<u>(2,659,791)</u>	<u>(44,791)</u>
Net change in fund balance	(494,138)	(124,138)	107,259	231,397
Fund balances – beginning	<u>4,062,530</u>	<u>4,062,530</u>	<u>4,062,530</u>	<u>-</u>
Fund balances – ending	<u>\$ 3,568,392</u>	<u>\$ 3,938,392</u>	<u>\$ 4,169,789</u>	<u>\$ 231,397</u>

See accompanying notes to the budgetary comparison schedule.

**JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION**

**Notes to Budgetary Comparison Schedule  
For the Year Ended December 31, 2017**

**Budget Basis of Accounting**

The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted and as finally amended by the Commission. State statutes require the Commission to amend its budget when revenues plus projected revenues are expected to be less than five percent or more of budgeted revenues and/or expenditures are expected to exceed budgeted expenditures by five percent or more.

**SUPPLEMENTAL INFORMATION**

JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION

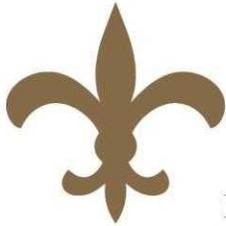
Schedule of Compensation, Benefits, and Other Payments to the  
Landfill Director

For the Year Ended December 31, 2017

Daniel B. Hylton  
Landfill Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 84,200
Benefits-insurance	9,415
Benefits-retirement	10,946
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	-

## **OTHER REPORTS**



# J. Aaron Cooper , CPA, LLC

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

To the Jefferson Davis Parish Sanitary Landfill Commission  
Jennings, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of American and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and major fund of the Jefferson Davis Parish Sanitary Landfill Commission, as of and for the year ended December 31, 2017, and the related notes to the financial statements, and have issued my report thereon dated June 16, 2018.

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

In planning and performing my audit of the financial statements, I considered the Jefferson Davis Parish Sanitary Landfill Commission's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion 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, I do not express an opinion on the effectiveness of the Jefferson Davis Parish Sanitary Landfill Commission's internal controls.

*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 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.

My 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 my audit we did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Jefferson Davis Parish Sanitary Landfill Commission's financial statements are free of material misstatement. I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, I do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Jefferson Davis Parish Sanitary Landfill Commission'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 Jefferson Davis Parish Sanitary Landfill Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "J. Aaron Cozart, CPA, LLC". The signature is written in a cursive, flowing style.

Jennings, Louisiana  
June 16, 2018

**JEFFERSON DAVIS PARISH SANITARY LANDFILL COMMISSION**

**Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2017**

**Management's Status of Prior Year Audit Findings**

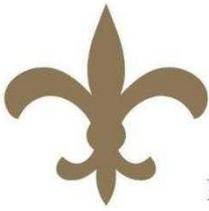
<u>Ref No</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>
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No prior year findings.

**Management's Status of Current Year Audit Findings**

<u>Ref No</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>
---------------	-------------------------------	--------------------------------

No current year findings.



# J. Aaron Cooper , CPA, LLC

P.O. Box 918 • 510 North Cutting Avenue • Jennings, Louisiana 70546

*Member of the American Institute of Certified Public Accountants and the Society of Louisiana Certified Public Accountants.  
Recipient of Advanced Single Audit Certificate*

## INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING AGREED-UPON PROCEDURES

Jefferson Davis Parish Sanitary Landfill Commission  
Jennings, Louisiana

I have performed the procedures enumerated below, which were agreed to by the Jefferson Davis Parish Sanitary Landfill Commission and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA’s Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year ended December 31, 2017. The Entity’s management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

### ***Written Policies and Procedures***

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1. Obtain the entity’s written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
  - 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***, including receiving, recording, and preparing deposits

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- 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, and (5) monitoring card usage.
- 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 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

*The Landfill Commission maintains written policies for Payroll/Personnel and Budgeting. Written procedures are not maintained for the other policies and procedures.*

***Board (or Finance Committee, if applicable)***

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

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

*The Commissioners meet monthly. Meetings without a quorum were not noted.*

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

*Budget-to-actual financial reports are provided monthly to the commissioners at their meetings.*

- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate

the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

*Not applicable*

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

*Non-budgetary financial information is mentioned when applicable.*

### ***Bank Reconciliations***

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

*I obtained listing of client bank accounts from management and management's representation that the listing is complete.*

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

*I obtained bank statements and reconciliations for all months in the fiscal period noting that monthly reconciliations have been prepared.*

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

*Accounts tested did not contain evidence that management or management separate from involvement of transactions reviewed the bank reconciliations.*

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

*No items over 6 months were noted.*

## *Collections*

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

*Obtained listing of collection locations and management's representation that listing is complete. The Commission has two primary customers from which it receives payments. These payments are received monthly by check. No cash receipts were noted. The facility has one location.*

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

**For each cash collection location selected:**

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

*The person responsible for collections is bonded. At various times, the same person collecting receipts may also be responsible for depositing in the bank. Recording the deposit and reconciling bank statements is performed by separate accounting service. Only one person is responsible for collections and there are no drawers.*

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

*The person responsible for reconciling collections is separate from collections.*

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
  - Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

*Collection documentation was obtained. Deposits were made within one to two days of collection.*

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

*Collection documentation was obtained and addresses the functions noted above.*

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

*There is no written documentation specifically defined to determine the completeness of all collections by a person who is not responsible for collections.*

*Management concurs, but has a limited staff available to accomplish complete separation of duties.*

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

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

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

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:
  - a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

*Examined supporting documentation for each of the 25 disbursements selected and found that a purchase order system is not utilized.*

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

*Examined supporting documentation for each of the 25 disbursements selected and found that a purchase order system is not utilized.*

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

*Examined supporting documentation for each of the 25 disbursements selected and found that a purchase order system is not utilized, but that approved invoices were utilized.*

*Management concurs, but with a limited staff does not feel a PO system is cost beneficial.*

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

*The person responsible for processing payments is able to add vendors.*

*Management concurs, but has a limited staff available to accomplish complete separation of duties.*

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

*The person with signatory authority may initiate purchase, but does not record purchases.*

*Management concurs, but has a limited staff available to accomplish complete separation of duties.*

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

*Check stock is maintained offsite by accounting service with access restricted to a person who does not have signatory authority.*

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

*Signature stamp is not utilized. Signed checks are not maintained under control of the signer until mailed. They are maintained by the accounting service and mailed after the Director and board member sign.*

### **Credit Cards/Debit Cards/Fuel Cards/P-Cards**

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

*Listing of active credit cards, bank debit cards, fuel cards and name of person who maintain possession of cards and management's representation that the listing is complete was obtained.*

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

*Listing was obtained. One credit card and one Sam's Club card are maintained.*

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

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

*Monthly statements were obtained and address the functions noted above.*

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

*No finance charges or fees were noted.*

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

- a) For each transaction, report whether the transaction is supported by:
- An original itemized receipt (i.e., identifies precisely what was purchased)

*Monthly statements were obtained and address the functions noted above.*

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

*Monthly statements were obtained and address the functions noted above.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

### ***Travel and Expense Reimbursement***

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

travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

*No travel and expense reimbursements were noted.*

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

*No exceptions noted.*

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

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

*No exceptions noted.*

- b) Report whether each expense is supported by:

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

*No exceptions noted.*

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

*No exceptions noted.*

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

- *No exception noted.*

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report

any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

*No exception noted.*

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

*No exception noted.*

### ***Contracts***

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

*Listing of all contracts in effect and management's representation that the listing is complete was obtained.*

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

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

*No exceptions noted.*

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

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

*No noncompliance noted.*

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

*Not applicable.*

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

*No amendments noted.*

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

*No noncompliance noted.*

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

*Not applicable.*

### ***Payroll and Personnel***

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

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

*No exception noted.*

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

*No exceptions noted.*

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

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exception noted.*

***Ethics (excluding nonprofits)***

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

*Ethics training was not completed on all employees.*

*Management concurs and will require training.*

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

management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

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

#### ***Debt Service (excluding nonprofits)***

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

*Not applicable.*

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

*No outstanding debt noted.*

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

*Not applicable.*

#### ***Other***

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

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

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

*Required notices were posted on the entity's premises. Entity does not maintain a website.*

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

*No exceptions noted.*

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

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control and 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.

J. Aaron Cozart, CPA, LLC

June 16, 2018