

***Memorandum of Advisory Comments***

**CHOCTAW ROAD LANDFILL**

***(A joint venture of the  
Washington Parish Government  
and the City of Bogalusa)***

*December 31, 2015*

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**INTERNAL CONTROL  
AND RELATED MATTERS**

# Kushner LaGraize, L.L.C.

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## WASHINGTON PARISH SOLID WASTE COMMITTEE

We have audited the financial statements of CHOCTAW ROAD LANDFILL ("the Landfill"), as of and for the year ended December 31, 2015, and have issued our report thereon dated May 9, 2016. As part of our audit we considered the Landfill's internal control in order to determine the nature, timing, and extent of our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal controls.

Our consideration of the internal controls has been reported on in a separately issued report entitled "*Independent Auditors' 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.*"

This memorandum summarizes various other matters which have come to our attention. While not involving significant deficiencies, these matters do present opportunities for strengthening the internal control and improving the operating efficiency of the Landfill.

We have discussed our comments and recommendations with various administrative personnel and the Landfill has completed a corrective action plan. We will be pleased to discuss these comments and suggestions with you in further detail at your convenience, perform any additional study of these matters, or assist you in implementing the recommendations.

*Kushner LaGraize, L.L.C.*

Metairie, Louisiana  
May 9, 2016

**CHOCTAW ROAD LANDFILL  
MANAGEMENT LETTER COMMENTS**

*December 31, 2015*

**COMMENT**

**2015-01**

Choctaw Road Landfill (the Landfill) is a joint venture between the Washington Parish Government (the Parish) and the City of Bogalusa (the City). The agreed upon percentages for sharing construction costs, revenues, and operating costs is 58.1% for the Parish and 41.9% for the City. It was noted during our audit that as of December 31, 2015, the Landfill has recorded a receivable balance of \$1,072,408 due from the City of Bogalusa (the City). This receivable consists of outstanding balances in the amounts of \$528,585, \$424,768, and \$119,055 from the years 2015, 2014 and 2013, respectively. Per review of the City's Audited Financial Statements as of December 31, 2014 and 2013, we noted that the 5-mill ad valorem tax dedicated to the Landfill to fund the City's portion of Landfill operational costs, provided revenues of approximately \$334,884 and \$322,500, respectively. From this information, it appears the funding with which the City relies upon to support the Landfill may no longer be sufficient to support their annual share of the Landfill's operational costs. If this underfunding is not addressed immediately, this could have an impact on the operations of the Landfill and their plans to build out new cells in the near future.

**Recommendation**

As in prior year, we strongly recommend that management of both entities continue to evaluate the effect of the City's financial situation and its potential consequences on the operations of the Landfill and develop a plan of action to mitigate any negative impact this could have on the Landfill's current and future operations and plans.

**Management's Response**

See Management's Corrective Action Plan



# WASHINGTON PARISH

Richard N. Thomas, Jr., Parish President

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\* \* \* \* \*  
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May 10, 2016

**MEMORANDUM OF ADVISORY COMMENTS  
CORRECTIVE ACTION PLAN  
December 31, 2015**

**Louisiana State Legislative Auditor**

Choctaw Road Landfill, a joint venture between Washington Parish Government and the City of Bogalusa, respectfully submits to you the following corrective action plan for the audit comments for the year ended December 31, 2015.

Kushner LaGraize, LLC  
Certified Public Accountants and Consultants  
3330 W Esplande Ave – Suite 100  
Metairie, La 70002

Audit period: January 1, 2015 – December 31, 2015

**Comments**

**2015-01**

Choctaw Road Landfill (the Landfill) is a joint venture between the Washington Parish Government (the Parish) and the City of Bogalusa (the City). The agreed upon percentages for sharing construction costs, revenues, and operating costs is 58.1% for the Parish and 41.9% for the City. It was noted during our audit that as of December 31, 2015, the Landfill has recorded a receivable balance of \$1,072,408., due from the City of Bogalusa (the City). This receivable consists of outstanding balances in the amounts of \$528,585, \$424,768 and \$119,055 from the years 2015, 2014 and 2013, respectively. Per review of the City's Audited Financial Statements as of December 31, 2014 and 2013, we noted that the 5-mill ad valorem tax dedicated to the Landfill to fund the City's portion of Landfill operational costs, provided revenues of approximately \$334,884 and \$322,500, respectively. From this information, it appears the funding with which the City relies upon to support the Landfill may no longer be sufficient to support their annual share of the Landfill's operational costs. If this underfunding is not addressed immediately this

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**Recommendation:**

As in prior years, we strongly recommend that management of both entities continue to evaluate the effect of the City's financial situation and its potential consequences on the operations of the Landfill and develop a plan of action to mitigate any negative impact this could have on the Landfill's current and future operations and plans.

**Management's Response:**

The Washington Parish Government and City of Bogalusa Solid Waste Committee met in early 2016 to discuss the financial condition of the Landfill and the corresponding funding as it has been provided for in the past. The economic and sociological make up of the city and parish have changed over the past 5 years, however, tonnage of garbage debris to the landfill from the parish and city remain representative of the percentage of financial responsibility as established in their previous agreement. The parties discussed possible options for remedy of the City's inability to currently fund its capital obligations to the Joint Venture. We will follow up with additional meetings, in a timely manner, until a solution can be reached between the joint owners.