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DISTRICT FIVE ROAD AND PUBLIC WORKS COMMISSION
OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/6/08

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A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

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John Newton Stout, CPA
1936-2005

Retired

Harold Dupre, CPA
1996
Dwight Ledoux, CPA
1998
Joel Lanclos, Jr., CPA
2003
Russell J. Stelly, CPA
2005

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
District Five Road and Public Works
Commission of St. Landry Parish
Lebeau, Louisiana

We have audited the accompanying financial statements of the governmental activities and the major fund of District Five Road and Public Works Commission of St. Landry Parish, a component unit of the St. Landry Parish Government, as of and for the year ended December 31, 2007, which collectively comprise the Commission's basic financial statements as listed in the table of contents. These financial statements are the responsibility of District Five Road and Public Works Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our 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 District Five Road and Public Works Commission of St. Landry Parish, as of December 31, 2007 and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated June 26, 2008, on our consideration of District Five Road and Public Works Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 considered in assessing the results of our audit.

To the Board of Commissioners
District Five Road and Public Works
Commission of St. Landry Parish
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The budgetary comparison schedule on page 19 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

District Five Road and Public Works Commission has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

John B. Dowling & Co.

Opelousas, Louisiana
June 26, 2008

GOVERNMENT-WIDE FINANCIAL STATEMENTS

DISTRICT FIVE ROAD AND PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
STATEMENT OF NET ASSETS
DECEMBER 31, 2007

	<u>GOVERNMENTAL ACTIVITIES</u>
 <u>ASSETS</u>	
Cash on hand and in bank	\$206,410
Ad valorem taxes receivable, net	1,620,729
Revenue sharing receivable	15,354
Prepaid insurance	29,698
Capital assets, net	<u>275,679</u>
<u>Total assets</u>	<u>2,147,870</u>
 <u>LIABILITIES</u>	
Accounts and accrued expenses	22,101
Revenue anticipation notes payable	260,000
Long-term liabilities	
Due within one year	3,089
Due in more than one year	<u>21,523</u>
<u>Total liabilities</u>	<u>306,713</u>
 <u>NET ASSETS</u>	
Invested in capital assets, net of related debt	272,590
Restricted for grants	2,163
Unrestricted	<u>1,566,404</u>
<u>Total net assets</u>	<u>1,841,157</u>

The accompanying notes are an integral part of this statement.

DISTRICT FIVE ROAD AND PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH

LEBEAU, LOUISIANA

STATEMENT OF ACTIVITIES

DECEMBER 31, 2007

Activities	Program Revenues		Net (Expenses) Revenues and Changes in Net Assets
	Fees, Fines, and Charges for Services	Operating Grants and Contributions	
Governmental activities		Capital Grants and Contributions	
Roads and public works	\$1,396,223		\$ (1,396,223)
Interest	5,483		(5,483)
<u>Total governmental activities</u>	<u>1,401,706</u>	<u>-0-</u>	<u>(1,401,706)</u>

General Revenues	
Taxes	1,638,734
Property taxes	
Intergovernmental	23,449
State revenue sharing	4,136
Interest and investment earnings	1,250
Donations	(17,507)
Loss on disposal of fixed assets	1,755
Miscellaneous	
<u>Total general revenues</u>	<u>1,651,817</u>

Change in net assets 250,111

Net assets, January 1, 2007 1,591,046

Net assets, December 31, 2007 1,841,157

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

DISTRICT FIVE ROAD AND PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUND
DECEMBER 31, 2007

<u>ASSETS</u>	<u>GENERAL FUND</u>
Cash on hand and in bank	\$206,410
Ad valorem taxes receivable, net of allowance for uncollectibles	1,620,729
Revenue sharing receivable	<u>15,354</u>
<u>Total assets</u>	<u>1,842,493</u>
 <u>LIABILITIES AND FUND BALANCE</u>	
<u>LIABILITIES</u>	
Accounts payable	\$16,763
Payroll taxes payable	676
Accrued interest payable	4,662
Revenue anticipation notes payable	<u>260,000</u>
<u>Total liabilities</u>	<u>282,101</u>
 <u>FUND BALANCE</u>	
Fund balance	
Reserved for grants	2,163
Unreserved, undesignated	<u>1,558,229</u>
<u>Total fund balance</u>	<u>1,560,392</u>
 <u>Total liabilities and fund balance</u>	 <u>1,842,493</u>

The accompanying notes are an integral part of this statement.

DISTRICT FIVE ROAD AND PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUND'S BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2007

Total fund balance for the governmental fund at December 31, 2007		\$1,560,392
Cost of capital assets at December 31, 2007	\$462,614	
Less: Accumulated depreciation as of December 31, 2007	<u>(186,935)</u>	275,679
Prepaid insurance at December 31, 2007		29,698
Long-term liabilities at December 31, 2007		
Compensated absences payable	(21,523)	
Capital leases payable	<u>(3,089)</u>	<u>(24,612)</u>
Net assets at December 31, 2007		<u>1,841,157</u>

The accompanying notes are an integral part of this statement.

DISTRICT FIVE ROAD AND PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUND TYPE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

REVENUES

Taxes	
Property taxes	\$1,638,734
Intergovernmental	
State revenue sharing	23,449
Interest	
On property taxes	900
On investments	3,236
Miscellaneous	
Donations	1,250
Other	1,755
<u>Total revenues</u>	<u>1,669,324</u>

EXPENDITURES

Current operating	
Labor cost	
Direct to roads	322,166
Office	46,453
Payroll taxes	26,295
Road supplies	
Aggregate	113,231
Pothole repair	370
Herbicides	1,501
Other road supplies	1,060
Beaver control	28,294
Insurance	86,800
Professional	9,074
Property and equipment	
Rental	90,444
Repairs and maintenance	74,999
Tires/tubes	15,088
Diesel	76,379
Gasoline	32,306
Oil and filters	10,935
Office and supplies	30,645
Training	59
Road overlay	402,148
Capital outlay	12,299
Debt service	
Principal payments	5,993
Interest	5,483
<u>Total expenditures</u>	<u>1,392,022</u>

EXCESS OF REVENUE OVER EXPENDITURES 277,302

OTHER FINANCING SOURCES

Sale of fixed assets 1,245

EXCESS OF REVENUES AND OTHER SOURCES
OVER EXPENDITURES

278,547

FUND BALANCE, beginning of year 1,281,845

FUND BALANCE, end of year 1,560,392

The accompanying notes are an integral part of this statement.

DISTRICT FIVE ROAD AND PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN THE FUND BALANCE OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007

Total net change in fund balance for the year ended December 31, 2007 per Statement of Revenues, Expenditures, and Changes in Fund Balance		\$278,547
Capital outlay which is considered as an expenditure on Statement of Revenues, Expenditures and Changes in Fund Balance	\$12,299	
Depreciation expense for year ended December 31, 2007	(25,948)	(13,649)
Increase in prepaid insurance on the accrual basis		3,249
Increase in compensated absences on the accrual basis		(5,277)
Capital lease payments considered as an expenditure on Statement of Revenues, Expenditures and Changes in Fund Balance		5,993
Loss on capital asset disposals		(18,752)
<u>Total change in net assets for the year ended December 31, 2007 per Statement of Activities</u>		<u>250,111</u>

The accompanying notes are an integral part of this statement.

DISTRICT FIVE ROAD AND PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

District Five Road and Public Works Commission of St. Landry Parish (the Commission), is a political subdivision of the State of Louisiana and possesses all the powers necessary to construct, acquire, operate, and maintain roads, bridges, and road drainage facilities as well as the rights, powers, and authority enumerated for road districts in Part II of Chapter 2 of Title 48. The Commission was created by Louisiana Revised Statute 48:600.1.

The Commission is governed by 9 commissioners appointed by the St. Landry Parish Government. Presently, the commissioners receive no compensation for their service.

The accompanying financial statements of the District Five Road and Public Works Commission of St. Landry Parish have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. BASIS OF PRESENTATION

Government-wide Financial Statements (GWFS)

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Commission's governmental activities. Direct expenses are those that are specifically associated with a program or function, and therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The Commission uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designated to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

DISTRICT FIVE ROAD AND PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

A. BASIS OF PRESENTATION - Continued

Fund Financial Statements - Continued

Funds of the Commission are classified as governmental funds. Governmental funds account for the Commission's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets, and the servicing of general long-term debt. The Commission uses one governmental fund as follows:

General Fund - the general operating fund of the Commission which accounts for all financial resources.

B. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the St. Landry Parish Government is the financial reporting entity for St. Landry Parish. The financial reporting entity consists of (a) the primary government (parish government), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the St. Landry Parish Government 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 parish government to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the parish government.
2. Organizations for which the parish government does not appoint a voting majority but are fiscally dependent on the parish government.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the parish government appoints the commissioners of District Five Road and Public Works Commission and the function of the Commission serves as a substantial contribution to similar services provided by the parish government, the Commission was determined to be a component unit of the St. Landry Parish Government, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Commission and do not present information on the parish government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

DISTRICT FIVE ROAD AND PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

The government-wide Statement of Net Assets and the Statement of Activities are presented using the economic resources measurement focus as defined in item "b" below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The government-wide financial statements utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

Basis of Accounting

The government-wide Statement of Net Assets and Statement of Activities, use the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "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 (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

DISTRICT FIVE ROAD AND PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING - Continued

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenue sharing revenues received from the State of Louisiana are recognized when susceptible to accrual. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

Purchase of various operating supplies are regarded as expenditures at the time purchased. The costs of governmental fund type inventories are recorded as expenditures when purchased and items on hand at year-end, if material, are recorded as assets. Expenditures for insurance and similar services which extend over more than one accounting period are accounted for as expenditures of the period of acquisition.

D. BUDGETS

The Commission legally adopted a budget for the General Fund for the year ended December 31, 2007. The budget for the General Fund is prepared on a cash basis. At year-end all appropriations lapse. The budget amounts shown in the financial statements are the final authorized amounts as revised for the year. The level of budgetary control is by total appropriations; however, for report purposes, the budgetary information has been expanded.

E. ENCUMBRANCES

The Commission does not employ the encumbrance system of accounting.

F. INVESTMENTS IN CASH

Investments are stated at cost or amortized cost, which approximates market.

Louisiana statutes authorize the Commission to invest in United States bonds, treasury notes or certificates, time certificates of deposit in state and national banks, or any other federally insured investment.

G. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental columns in the government-wide or fund 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 costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

DISTRICT FIVE ROAD AND PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

G. CAPITAL ASSETS - Continued

Buildings and improvements	20-40 years
Equipment and vehicles	5-20 years
Furniture and fixtures	10-20 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

H. REVENUE ANTICIPATION NOTES PAYABLE

Revenue anticipation notes payable are shown in the General Fund's balance sheet because they are short-term liabilities. The due dates of these notes are March of the following year and are repaid when property tax revenues are received.

I. COMPENSATED ABSENCES

Annual leave is accrued based on years of service to the Commission and can only be used in the calendar year earned or in the first quarter of the following year. Any annual leave not taken at this time is put into a reserve for use as sick leave due to a long-term illness when the employee will recover and return to work. Upon termination, accrued annual leave accumulated in the previous year only will be paid to the employee.

Sick leave is accrued at the rate of 1½ hours biweekly. Upon termination, accrued sick leave will be paid to the employee.

Employees also accumulate compensatory time which is to be used for doctor's appointments, funerals, etc. Hours accumulated in 12 months remain on the books for 6 months after the end of the year and alternatively will be put in reserve to be used as sick leave on December 31 of each year.

J. EQUITY CLASSIFICATIONS

In the government-wide statements, equity is classified as net assets 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 assets - Consists of net assets 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 assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

DISTRICT FIVE ROAD AND PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

J. EQUITY CLASSIFICATIONS - Continued

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

2. CASH

At December 31, 2007 the bank and book balances of cash in interest-bearing and noninterest-bearing checking accounts were as follows:

	<u>Bank</u> <u>Balance</u>	<u>Book</u> <u>Balance</u>
Interest-bearing	\$111,930	\$110,123
Noninterest-bearing	<u>97,322</u>	<u>96,287</u>
<u>Total</u>	<u>209,252</u>	<u>206,410</u>

At year-end, \$197,322 was covered by FDIC insurance. The remaining balance of \$11,930 was covered by securities pledged by the bank.

3. AD VALOREM TAXES

District Five Road and Public Works Commission of St. Landry Parish, Louisiana levies a special tax of fifteen (15) mills on all taxable property. This tax, which was approved at a special election held on October 16, 1993, was assessed for a period of 10 years, beginning with the year 1994 and ending with the year 2004, for the purpose of constructing, acquiring, operating and maintaining the roads, bridges and road drainage facilities of the Commission and acquiring the necessary equipment therefore. The tax was renewed on May 4, 2002 and will expire in 2014.

The Commission's ad valorem property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District. Property taxes are due on October 1 and become delinquent by January 1 of the following year. The St. Landry Parish Sheriff bills, collects, and distributes the property taxes for the Commission using the assessed values determined by the Tax Assessor of St. Landry Parish.

The Commission is required to remit a percentage of the total ad valorem taxes per the tax roll to a State Pension Fund. This amount is determined by the legislative auditor each year. Since the Sheriff collects all taxes for the parish, the tax collected in the first month is reduced by the Sheriff for the Pension Fund amount owed and the remainder is remitted to the taxing district. Therefore, the ad valorem tax receivable and revenue are shown net of Pension Fund distributions. A breakdown of tax receivable is as follows:

DISTRICT FIVE ROAD AND PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007

3. AD VALOREM TAXES - Continued

	<u>Total Per</u> <u>Tax Roll</u>	<u>Pension Fund</u> <u>Requirements</u>	<u>Allowance for</u> <u>Uncollectible</u> <u>Taxes</u>	<u>Tax Received</u> <u>In</u> <u>December</u>	<u>Tax</u> <u>Receivable</u>
2007	\$1,695,208	\$(52,770)	\$(7,087)	\$(14,622)	\$1,620,729

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2007 was as follows:

	<u>Balance</u> <u>1/01/07</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/07</u>
Governmental activities:				
Furniture and fixtures	\$17,071	\$1,700	\$100	\$18,671
Equipment	340,297	9,849	29,157	320,989
Autos	104,155	750	12,730	92,175
Building	10,293			10,293
Land	20,486			20,486
<u>Totals</u>	<u>492,302</u>	<u>12,299</u>	<u>41,987</u>	<u>462,614</u>
Less accumulated depreciation				
Furniture and fixtures	11,659	1,097	50	12,706
Equipment	119,846	16,386	12,252	123,980
Autos	50,126	8,139	10,933	47,332
Building	2,591	326		2,917
Land				
<u>Total accumulated</u> <u>depreciation</u>	<u>184,222</u>	<u>25,948</u>	<u>23,235</u>	<u>186,935</u>
Governmental activities, Capital assets, net	<u>308,080</u>	<u>(13,649)</u>	<u>18,752</u>	<u>275,679</u>

Depreciation expense was charged to governmental activities as follows:

Roads and public works	\$25,948
	<u>25,948</u>

5. REVENUE ANTICIPATION NOTES

On August 7, 2007, the Commission issued Revenue Anticipation Notes in the amount of \$260,000, bearing interest at the rate of 7% and having a maturity date of March 1, 2008. The notes were secured by a pledge and dedication of the Commission's 15 mills property tax.

6. LONG-TERM DEBT

Changes in long-term liabilities during the year ended December 31, 2007 are as follows:

<u>Description of Debt</u>	<u>Balance</u> <u>01/01/07</u>	<u>2007</u> <u>Increase</u>	<u>2007</u> <u>Decrease</u>	<u>Balance</u> <u>12/31/07</u>
Compensated absences	\$16,246	\$5,277		\$21,523
Capital lease	<u>9,082</u>		<u>5,993</u>	<u>3,089</u>
	<u>25,328</u>	<u>5,277</u>	<u>5,993</u>	<u>24,612</u>

DISTRICT FIVE ROAD AND PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007

6. LONG-TERM DEBT - Continued

Capital Lease

On July 15, 2003, District Five Road and Public Works Commission entered into a capital lease for a John Deere tractor. The lease is for a period of five years with an interest rate of 4.25% and requires monthly payments of \$521.94. The equipment transfers to the Commission at the inception of the lease. The capitalized cost of \$28,268 less accumulated depreciation of \$6,360 is included in capital assets. Depreciation expense for this equipment was \$1,413.

The following is a schedule of the future minimum lease payments at December 31, 2007:

	2008	\$3,131
Total minimum lease payments		3,131
Less amount representing interest		<u>(42)</u>
Present value of net minimum capital lease		<u>3,089</u>

7. GRANTS

During the year ended December 31, 1998, District Five Road and Public Works Commission of St. Landry Parish was awarded two grants for the purpose of purchasing and upgrading the Morrow Community Center. The grants awarded were the Rural Development Grant in the amount of \$15,680 and a grant from the Governor's Office of Urban Affairs and Development for \$10,000. The Commission expended \$23,517 of the total grants received during the year ended December 31, 1998. The unexpended portion of the grants, amounting to \$2,163, is reflected in fund balance as a reserve.

8. OPERATING LEASES

On April 21, 2004, District Five Road and Public Works Commission entered into an operating lease for a 325CL Caterpillar excavator. The lease is for a period of five years and requires monthly payments of \$2,983. Rental expenditures for 2007 were \$35,793.

On February 17, 2004, the Commission entered into an operating lease for a 12H Motor Grader. The lease is for a period of three years and required monthly payments of \$1,500. Rental expenditures for 2007 were \$12,100.

On January 9, 2007, the Commission entered into an operating lease for a 315CL Caterpillar excavator. The lease is for a period of five years and requires monthly payments of \$2,866. Rental expenditures for 2007 were \$31,530.

On August 27, 2007, the Commission entered into an operating lease for a Caterpillar 12H Motor Grader. The lease is for a period of three years and requires monthly payments of \$2,280. Rental expenditures for 2007 were \$9,120.

DISTRICT FIVE ROAD AND PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007

8. OPERATING LEASES - Continued

Future minimum lease payments are as follows:

2008	\$97,548
2009	73,684
2010	52,632
2011	34,392
2012	2,866

Rental expenditures under all operating leases were approximately \$90,444.

9. FUND BALANCE

The General Fund does not have a deficit fund balance for the year ended December 31, 2007.

10. BOARD MEMBERS

Board members do not get paid for serving on the board. A list of board members follows:

John Andries	Dana A. Carmon
Octavia Irving	Melvin Soileau
Floyd L. Simpson	Bonnie Lowrey
Glenn E. Beard	Reynard Readore
Denise Cannatella	

11. BUDGET RECONCILEMENT

A reconcilment of the figures shown on page 7 to the cash basis figures shown on page 19 follows:

	<u>2007</u>
<u>Revenues</u>	
Revenues - page 7	\$1,669,324
Add: Prior year property tax receivable	1,288,396
Prior year state revenue sharing receivable	15,219
Less: Current year property tax receivable	(1,620,729)
Current year state revenue sharing receivable	<u>(15,354)</u>
Revenues - page 19	<u>1,336,856</u>
<u>Expenditures</u>	
Expenditures - page 7	\$1,392,022
Add: Prior year accounts payable	19,500
Prior year accrued expenditures	5,393
Less: Current year accounts payable	(16,763)
Current year accrued expenditures	<u>(5,338)</u>
Expenditures - page 19	<u>1,394,814</u>
<u>Fund Balance</u>	
Fund balance - page 7	\$1,560,392
Add: Current year payables	282,101
Less: Current year receivable	<u>(1,636,083)</u>
Fund balance - page 19	<u>206,410</u>

DISTRICT FIVE ROAD AND PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007

12. USE OF ESTIMATES

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

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE

DISTRICT FIVE ROAD AND PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (CASH BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>REVENUES</u>				
Taxes				
Property taxes	\$1,302,923	\$1,250,953	\$1,306,401	\$55,448
Intergovernmental				
State revenue sharing	24,000	22,838	23,314	476
Interest				
On property taxes			900	900
On investments			3,236	3,236
Miscellaneous				
Donations			1,250	1,250
Other			1,755	1,755
Total revenues	<u>1,326,923</u>	<u>1,273,791</u>	<u>1,336,856</u>	<u>63,065</u>
<u>EXPENDITURES</u>				
Current operating				
Office and supplies	75,000	78,795	76,920	1,875
Labor	370,000	355,649	348,836	6,813
Fuel	100,000	122,398	112,268	10,130
Insurance	70,000	86,140	86,800	(660)
Beaver control	40,000	32,135	28,996	3,139
Professional			9,685	(9,685)
Repairs	80,000	78,575	87,729	(9,154)
Road supplies and repairs	501,346	468,805	515,204	(46,399)
Equipment rental	60,000	94,072	90,889	3,183
Tires and tubes	20,000	15,015	14,956	59
Capital outlay		15,000	11,928	3,072
Debt service				
Principal payments			5,993	(5,993)
Interest	6,000	4,340	4,610	(270)
Total expenditures	<u>1,322,346</u>	<u>1,350,924</u>	<u>1,394,814</u>	<u>(43,890)</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>4,577</u>	<u>(77,133)</u>	<u>(57,958)</u>	<u>19,175</u>
<u>OTHER FINANCING SOURCES</u>				
Sale of fixed assets			1,245	1,245
Total other financing sources	<u>-0-</u>	<u>-0-</u>	<u>1,245</u>	<u>1,245</u>
<u>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES</u>	<u>4,577</u>	<u>(77,133)</u>	<u>(56,713)</u>	<u>20,420</u>
<u>FUND BALANCE, beginning of year</u>			<u>263,123</u>	
<u>FUND BALANCE, end of year</u>			<u>206,410</u>	

RELATED REPORT

Chizal S. Fontenot, CPA
 James L. Nicholson, Jr., CPA
 G. Kenneth Pavy, II, CPA
 Michael A. Roy, CPA
 Lisa Trouille Manuel, CPA
 Dana D. Quebedeaux, CPA



JOHN S. DOWLING & COMPANY
 A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

John S. Dowling, CPA
 1904-1984
 John Newton Stout, CPA
 1936-2005

Retired

Harold Dupre, CPA
 1996
 Dwight Ledoux, CPA
 1998
 Joel Lanclos, Jr., CPA
 2003
 Russell J. Stelly, CPA
 2005

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 Board of Commissioners
 District Five Road and Public Works
 Commission of St. Landry Parish
 Lebeau, Louisiana

We have audited the financial statements of the governmental activities and the major fund of District Five Road and Public Works Commission of St. Landry Parish, as of and for the year ended December 31, 2007, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated June 26, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered District Five Road and Public Works Commission of St. Landry Parish's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District Five Road and Public Works Commission of St. Landry Parish's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District Five Road and Public Works Commission of St. Landry Parish's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District Five Road and Public Works Commission of St. Landry Parish's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District Five Road and Public Works Commission of St. Landry Parish's financial statements that is more than inconsequential will not be prevented or detected by the District Five Road and Public Works Commission of St. Landry Parish's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District Five Road and Public Works Commission of St. Landry Parish's internal control.

To the Board of Commissioners
District Five Road and Public Works
Commission of St. Landry Parish
Page 2

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We noted certain matters that we reported to management of District Five Road and Public Works Commission in a separate letter dated June 26, 2008.

This report is intended solely for the information and use of District Five Road and Public Works Commission of St. Landry Parish, its Commissioners and the appropriate regulatory agency and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

John B. Dawling & Co.
Opelousas, Louisiana
June 26, 2008

DISTRICT FIVE ROAD AND PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2007

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the basic financial statements of the District Five Road and Public Works Commission of St. Landry Parish.
2. No significant deficiencies relating to the audit of the financial statements are reported in the 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. However, we noted other matters involving the internal controls over financial reporting that we have reported to management of District Five Road and Public Works Commission of St. Landry Parish in a separate letter.
3. No instances of noncompliance material to the financial statements of the District Five Road and Public Works Commission of St. Landry Parish were disclosed during the audit.

B. 2007 FINDING - FINANCIAL STATEMENT AUDIT

None

DISTRICT FIVE ROAD AND PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
DECEMBER 31, 2007

SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

2006-1 Public Bids

Resolved

2006-2 Payments to an Employee in Lieu of Vacation

Resolved

SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

N/A

SECTION III - MANAGEMENT LETTER

2006-3 Revenue Anticipation Loans

Unresolved - REPEAT COMMENT

2006-4 Formal Written Procedures

Resolved

2006-5 Donation to Nonprofit Organization

Resolved

2006-6 Publishing of Minutes

Resolved

Chizal S. Fontenot, CPA
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2003
Russell J. Stelly, CPA
2005

To the Board of Commissioners
District Five Road and Public Works
Commission of St. Landry Parish
Lebeau, Louisiana

We have audited the financial statements of District Five Road and Public Works Commission of St. Landry Parish as of and for the year ended December 31, 2007, and have issued our report thereon dated June 26, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

As part of our examination, we have issued our report on the financial statements dated June 26, 2008, and our report on internal control and compliance with laws, regulations, and contracts dated June 26, 2008.

During our audit, we became aware of the following matters which represent suggestions for improved internal controls or immaterial deviations of noncompliance.

Internal Controls

2007-1 Revenue Anticipation Loans

Condition: The Commission uses revenue anticipation loans on a regular basis.

Criteria: The Commission should employ better cash management procedures to reduce the amount of revenue anticipation loans made each year.

Cause: The Commission takes out revenue anticipation loans to pay expenses until property tax collections are received.

Effect: The uncertainty surrounding property tax collections could prevent the Commission from being able to meet the demand of the anticipation loans.

Recommendation: The Commission should reduce its dependence on the use of revenue anticipation loans.

We recommend management address the foregoing issues as an improvement to operations and administration of public programs. We are available to further explain the suggestions or help implement the recommendations.


Opelousas, Louisiana
June 26, 2008

*District Five Road and Public Works
Commission of St. Landry Parish*

P.O. Box 86
Lebeaux, LA 71845-0086



(837) 585-6687
(800) 260-0667
(837) 585-6228

June 26, 2008

CORRECTIVE ACTION PLAN

Louisiana Legislative Auditor
Baton Rouge, LA 70804

District Five Road and Public Works Commission of St. Landry Parish respectfully submits the following "corrective plan" for the year ending December 31, 2007.

Name and address of independent public accounting firm: John S. Dowling & Company, P O Box 1549, Opelousas, LA 70571-1549.

Audit Period: Year Ending December 31, 2007

The findings from the 2007 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS-FINANCIAL STATEMENT AUDIT

N/A

FINDINGS-FEDERAL AWARD PROGRAMS AUDIT

N/A

FINDINGS-MANAGEMENT LETTER

2007-1 Revenue Anticipation Loans

Action taken: The Board of Commissioners has had to borrow the same amount of money each year because we started operations one (1) year before we collected any revenues. We borrowed a sum of money to do this. The public's feeling was, when we asked them to pass a tax, if you collect taxes, spend it all on the intentions of the law. This law is to maintain roads and public works, so we spend the total tax collections each year. The loans are first to be paid out of the taxes collected, the balance left over, and the new loan is the amount that is used for the year. The amount borrowed yearly is always the same amount of \$260,000. Since we are geared to this policy, we have never had surplus funds to reduce the amount borrowed. The taxpayers have renewed the taxes by an eighty-two (82%) percent margin. The Board feels that the public is in favor of the way the Board has been utilizing the funds.

Sincerely,

Ronald E. Buschel
Executive Director

Better Roads Through Citizen Participation!!!