

DISTRICT FIVE PUBLIC WORKS COMMISSION
OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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 8/10/11

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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
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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
 District Five 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 Public Works Commission of St. Landry Parish as of and for the year ended December 31, 2010, 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 Public Works Commission's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 the 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 Public Works Commission of St. Landry Parish, as of December 31, 2010 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 15, 2011, on our consideration of District Five 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.

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.

To the Board of Commissioners
District Five Public Works
Commission of St. Landry Parish
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District Five 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 S Dowley & Co

Opelousas, Louisiana
June 15, 2011

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

DISTRICT FIVE PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
STATEMENT OF NET ASSETS
DECEMBER 31, 2010

	<u>GOVERNMENTAL ACTIVITIES</u>
 <u>ASSETS</u>	
Cash on hand and in bank	\$ 93,904
Ad valorem taxes receivable, net	1,279,364
Revenue sharing receivable	15,402
Prepaid insurance	34,931
Capital assets, net	293,255
<u>Total assets</u>	<u>1,716,856</u>
 <u>LIABILITIES</u>	
Accounts and accrued expenses	30,652
Revenue anticipation notes payable	110,000
Long-term liabilities	
Due within one year	5,038
Due in more than one year	17,797
<u>Total liabilities</u>	<u>163,487</u>
 <u>NET ASSETS</u>	
Invested in capital assets, net of related debt	284,855
Unrestricted	1,268,514
<u>Total net assets</u>	<u>1,553,369</u>

The accompanying notes are an integral part of this statement.

DISTRICT FIVE PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010

Activities	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
Roads and public works	\$ 1,527,771	\$ -	\$ -	\$ -	(1,527,771)
Interest	1,644	-	-	-	(1,644)
Total governmental activities	1,529,415	-	-	-	(1,529,415)

General Revenues	
Taxes	1,337,997
Property taxes	
Intergovernmental	23,103
State revenue sharing	4,038
Interest and investment earnings	4,451
Gain on disposal of fixed assets	2,154
Miscellaneous income	
<u>Total general revenues</u>	<u>1,371,743</u>
Change in net assets	(157,672)
Net assets, January 1, 2010	1,711,041
Net assets, December 31, 2010	<u>1,553,369</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

DISTRICT FIVE PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUND
DECEMBER 31, 2010

<u>ASSETS</u>	<u>GENERAL FUND</u>
Cash on hand and in bank	\$ 93,904
Ad valorem taxes receivable, net of allowance for uncollectibles	1,279,364
Revenue sharing receivable	<u>15,402</u>
<u>Total assets</u>	<u>1,388,670</u>
 <u>LIABILITIES AND FUND BALANCE</u>	
 <u>LIABILITIES</u>	
Accounts payable	\$ 29,719
Payroll taxes payable	719
Accrued interest payable	214
Revenue anticipation notes payable	<u>110,000</u>
<u>Total liabilities</u>	<u>140,652</u>
 <u>FUND BALANCE</u>	
Fund balance	
Unreserved, undesignated	<u>1,248,018</u>
<u>Total fund balance</u>	<u>1,248,018</u>
 <u>Total liabilities and fund balance</u>	 <u>1,388,670</u>

The accompanying notes are an integral part of this statement.

DISTRICT FIVE PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUND'S BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2010

Total fund balance for the governmental fund at December 31, 2010		\$1,248,018
Cost of capital assets at December 31, 2010	\$ 561,623	
Less: Accumulated depreciation as of December 31, 2010	<u>(268,368)</u>	293,255
Prepaid insurance at December 31, 2010		34,931
Long-term liabilities at December 31, 2010		
Compensated absences payable	(14,435)	
Capital lease payable	<u>(8,400)</u>	<u>(22,835)</u>
Net assets at December 31, 2010		<u>1,553,369</u>

The accompanying notes are an integral part of this statement.

DISTRICT FIVE 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, 2010

REVENUES

Taxes		
Property taxes	\$	1,337,997
Intergovernmental		
State revenue sharing		23,103
Interest		
On property taxes		1,731
On investments		2,307
Miscellaneous income		2,154
<u>Total revenues</u>		<u>1,367,292</u>

EXPENDITURES

Current operating		
Labor cost		
Direct to roads		472,163
Office		52,356
Payroll taxes		41,868
Road supplies		
Aggregate		256,177
Other road supplies		675
Beaver control		45,202
Insurance		117,602
Professional		18,978
Property and equipment		
Rental		185,295
Repairs and maintenance		92,184
Tires/tubes		20,599
Diesel		86,588
Gasoline		43,091
Oil and filters		17,431
Office and supplies		37,479
Training		1,543
Capital outlay		44,584
Debt service		
Principal payments		4,710
Interest		1,644
<u>Total expenditures</u>		<u>1,540,169</u>

DEFICIENCY OF REVENUES UNDER EXPENDITURES (172,877)

OTHER FINANCING SOURCES

Proceeds from sale of asset	6,084
<u>Total other financing sources</u>	<u>6,084</u>

NET CHANGE IN FUND BALANCE (166,793)

FUND BALANCE, beginning of year 1,414,811

FUND BALANCE, end of year 1,248,018

The accompanying notes are an integral part of this statement.

DISTRICT FIVE 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, 2010

Total net change in fund balance for the year ended December 31, 2010 per Statement of Revenues, Expenditures, and Changes in Fund Balance		\$ (166,793)
Capital outlay which is considered as an expenditure on Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 44,584	
Depreciation expense for year ended December 31, 2010	<u>(35,886)</u>	8,698
Increase in prepaid insurance on the accrual basis		165
Increase in compensated absences on the accrual basis		(2,819)
Capital lease payments considered as an expenditure on Statement of Revenues, Expenditures and Changes in Fund Balance		4,710
Gain on capital asset disposals		<u>(1,633)</u>
<u>Total change in net assets for the year ended December 31, 2010 per Statement of Activities</u>		<u>\$ (157,672)</u>

The accompanying notes are an integral part of this statement.

DISTRICT FIVE PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

District Five 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 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 non-exchange 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 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010

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.

The District Five Public Works Commission has control over their operation. This includes the hiring and retention of employees, authority over budgeting, responsibility for deficits, power to incur debt and issue bonds, and the receipt and disbursement of funds. The District is financially independent and operates autonomously from the State of Louisiana and independently from the St. Landry Parish Government. 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 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010

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 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010

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.

Purchases 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, 2010. The original budget was adopted on December 3, 2009 and amended on December 2, 2010. 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 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010

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 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010

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, 2010 the bank and book balances of cash in interest-bearing and noninterest-bearing checking accounts were as follows:

	Bank Balance	Book Balance
Interest-bearing	\$ 2,922	\$ 2,427
Noninterest-bearing	134,176	91,477
<u>Total</u>	137,098	93,904

At year-end, the entire balance of cash was covered by FDIC insurance.

3. AD VALOREM TAXES

District Five Public Works Commission of St. Landry Parish 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:

	Total Per Tax Roll	Pension Fund Requirements	Allowance for Uncollectible Taxes	Tax Received In December	Tax Receivable
2010	\$ 1,387,768	\$ (43,128)	\$ (41,711)	\$ (23,565)	\$ 1,279,364

DISTRICT FIVE PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2010 was as follows:

	Balance 1/1/2010	Additions	Deletions	Balance 12/31/2010
Governmental activities:				
Furniture and fixtures	\$ 18,671	\$ -	\$ -	\$ 18,671
Equipment	375,043	6,559	7,000	374,602
Autos	99,846	38,025	300	137,571
Building	10,293	-	-	10,293
Land	20,486	-	-	20,486
<u>Totals</u>	<u>524,339</u>	<u>44,584</u>	<u>7,300</u>	<u>561,623</u>
Less accumulated depreciation				
Furniture and fixtures	14,914	683	-	15,597
Equipment	155,418	23,885	5,367	173,936
Autos	64,248	10,992	300	74,940
Building	3,569	326	-	3,895
Land	-	-	-	-
<u>Total accumulated depreciation</u>	<u>238,149</u>	<u>35,886</u>	<u>5,667</u>	<u>268,368</u>
Governmental activities, Capital assets, net	<u>286,190</u>	<u>8,698</u>	<u>1,633</u>	<u>293,255</u>

Depreciation expense was charged to governmental activities as follows:

Roads and public works	\$ 35,886
	<u>35,886</u>

5. REVENUE ANTICIPATION NOTES

On December 6, 2010, the Commission issued Revenue Anticipation Notes in the amount of \$260,000, bearing interest at the rate of 4.35% and having a maturity date of March 1, 2010. The notes were secured by a pledge and dedication of the Commission's 15 mills property tax.

Description of Debt	Balance 1/1/2010	2010 Increase	2010 Decrease	Balance 12/31/2010
Revenue anticipation note	\$ 260,000	\$ 110,000	\$ 260,000	\$ 110,000
	<u>260,000</u>	<u>110,000</u>	<u>260,000</u>	<u>110,000</u>

DISTRICT FIVE PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010

6. LONG-TERM DEBT

Changes in long-term liabilities during the year ended December 31, 2010 are as follows:

Description of Debt	Balance 1/1/2010	2010 Increase	2010 Decrease	Balance 12/31/2010
Compensated absences	\$ 11,616	\$ 2,819	\$ -	\$ 14,435
Capital lease	13,110	-	4,710	8,400
	<u>24,726</u>	<u>2,819</u>	<u>4,710</u>	<u>22,835</u>

Capital Lease

On October 1, 2009, District Five Public Works Commission entered into a capital lease for a Caterpillar Multi Terrain Loader. The lease is for a period of three years with an interest rate of 6.75% and requires monthly payments of \$454.25. The equipment transfers to the Commission at the inception of the lease. The capitalized cost of \$14,766 less accumulated depreciation of \$4,219 is included in capital assets. Depreciation expense for this equipment was \$2,109.

Future minimum lease payments are as follows:

2011	\$ 5,038
2012	<u>3,362</u>
	<u>8,400</u>

7. OPERATING LEASES

On May 18, 2010, the Commission entered into an operating lease for a Caterpillar MT-455B Tractor. The lease is for a period of four years and requires monthly payments of \$1,836. Rental expenditures for 2010 were \$14,685.

On December 16, 2008, the Commission entered into an operating lease for a Caterpillar dozer. The lease is for a period of five years and requires monthly payments of \$3,442. Rental expenditures for 2010 were \$49,054.

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 2010 were \$37,262.

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 2010 were \$27,360. The district continued to lease the equipment after the lease expired but a new lease agreement was not signed until March 16, 2011.

On April 2, 2009, the Commission entered into an operating lease for a Caterpillar 329DL excavator. The lease is for a period of five years and requires monthly payments of \$3,434. Rental expenditures for 2010 were \$41,209.

On April 29, 2009, the Commission entered into an operating lease for a Caterpillar 416E backhoe loader. The lease is for a period of five years and requires monthly payments of \$1,121. Rental expenditures for 2010 were \$13,451.

DISTRICT FIVE PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010

7. OPERATING LEASES – Continued

Future minimum lease payments are as follows:

2011	152,388
2012	117,996
2013	114,554
2014	21,009
2015	-0-

Rental expenditures under all operating leases were approximately \$183,021.

8. FUND BALANCE

The General Fund does not have a deficit fund balance for the year ended December 31, 2010.

9. BOARD MEMBERS

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

John Andries	Randall Tyler
Ella Rose Chatman	Grant Cannatella
Albert Hardy	A. Dale St. Cyr
Emmett Firmin	Katherine Pickett
Stephen Buller	

10. BUDGET RECONCILEMENT

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

	<u>2010</u>
<u>Revenues</u>	
Revenues - page 7	\$ 1,367,292
Add: Prior year property tax receivable	1,371,391
Prior year state revenue sharing receivable	15,092
Less: Current year property tax receivable	(1,279,364)
Current year state revenue sharing receivable	<u>(15,402)</u>
Revenues - page 19	<u>1,459,009</u>
<u>Expenditures</u>	
Expenditures - page 7	\$ 1,540,169
Add: Prior year accounts payable	47,986
Prior year accrued expenditures	6,023
Less: Current year accounts payable	(29,719)
Current year accrued expenditures	<u>(933)</u>
Expenditures - page 19	<u>1,563,526</u>
<u>Fund Balance</u>	
Fund balance - page 7	\$ 1,248,018
Add: Current year payables	140,652
Less: Current year receivable	(1,294,766)
Add: Prior year revenue anticipation note payable	260,000
Less: Current year revenue anticipation note payable	<u>(110,000)</u>
Fund balance - page 19	<u>243,904</u>

DISTRICT FIVE PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010

11. 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.

12. SUBSEQUENT EVENTS

One suit was pending against the District Five Public Works Commission of St. Landry Parish and its insurer. The claim was for a vehicle accident involving one of the employees. The Commission was liable for \$25,000 which they have since paid in May 2011. Subsequent events were evaluated through June 15, 2011, which is the date the financial statements were available to be issued. As of June 15, 2011, no other subsequent events were noted.

13. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The District Five Public Works Commission of St. Landry Parish does not provide any post-employment benefits to retirees and therefore is not required to report under GASB No. 45, Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions.

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE

DISTRICT FIVE PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (CASH BASIS) AND ACTUAL
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Taxes				
Property taxes	\$ 1,407,050	\$ 1,337,101	\$ 1,430,024	\$ 92,923
Intergovernmental				
State revenue sharing	24,000	22,638	22,793	155
Interest				
On property taxes	-	-	1,731	1,731
On investments	-	-	2,307	2,307
Miscellaneous income	-	-	2,154	2,154
<u>Total revenues</u>	<u>1,431,050</u>	<u>1,359,739</u>	<u>1,459,009</u>	<u>99,270</u>
<u>EXPENDITURES</u>				
Current operating				
Office and supplies	80,000	97,179	35,450	61,729
Labor	400,000	530,028	564,955	(34,927)
Fuel	150,000	154,537	129,136	25,401
Insurance	95,000	109,274	117,602	(8,328)
Beaver control	40,000	41,872	45,202	(3,330)
Professional	-	-	20,521	(20,521)
Repairs	75,000	85,037	110,360	(25,323)
Road supplies and repairs	466,553	481,415	280,015	201,400
Equipment rental	160,000	188,045	181,479	6,566
Tires and tubes	20,000	20,985	21,349	(364)
Unemployment expense	-	-	3,510	(3,510)
Capital outlay	-	-	44,584	(44,584)
Debt service				
Principal payments	-	-	4,710	(4,710)
Interest	-	-	4,653	(4,653)
<u>Total expenditures</u>	<u>1,486,553</u>	<u>1,708,372</u>	<u>1,563,526</u>	<u>144,846</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(55,503)</u>	<u>(348,633)</u>	<u>(104,517)</u>	<u>244,116</u>
<u>OTHER FINANCING SOURCES</u>				
Proceeds from sale of asset			6,084	
<u>Total other financing sources</u>			<u>6,084</u>	
<u>NET CHANGE IN FUND BALANCE</u>			(98,433)	
<u>FUND BALANCE, beginning of year</u>			<u>342,337</u>	
<u>FUND BALANCE, end of year</u>			<u>243,904</u>	

RELATED REPORTS

Chizai 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 Lancos, 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 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 Public Works Commission of St. Landry Parish, as of and for the year ended December 31, 2010, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated June 15, 2011. 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 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 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 Public Works Commission of St. Landry Parish's internal control over financial reporting.

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 the material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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. However, we identified one certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as item 2010-1 that we consider to be a significant deficiency in internal control over financial reporting. 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.

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

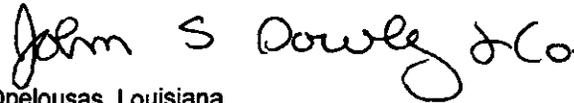
Compliance and Other Matters

As part of obtaining reasonable assurance about whether District Five 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 one instance of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and responses as item 2010-2.

We noted a certain matter that we reported to management of District Five Public Works Commission in a separate letter dated June 15, 2011.

The District Five Public Works Commission of St. Landry Parish's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the Commission's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of District Five 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.



Opelousas, Louisiana
June 15, 2011

DISTRICT FIVE PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2010

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the basic financial statements of the District Five Public Works Commission of St. Landry Parish.
2. One significant deficiency relating to the audit of the financial statements is 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 one other matter involving the internal controls over financial reporting that we have reported to management of District Five Public Works Commission of St. Landry Parish in a separate letter.
3. One instance of noncompliance material to the financial statements of the District Five Public Works Commission of St. Landry Parish was disclosed during the audit.

B. 2010 FINDING – FINANCIAL STATEMENT AUDIT

Internal Control Material to the Financial Statements

2010-1 Inadequate Control over Petty Cash

Condition: The existing system of handling petty cash transactions does not provide for the proper recording of revenues and expenditures.

Criteria: Government accounting standards require that adequate internal controls be maintained over cash balances.

Cause: Petty cash transactions were not being recorded on the books.

Effect: The accounting records did not reflect petty cash transactions.

Recommendation: The Commission should reconcile the petty cash balance and record all transactions on the books. The Commission should also keep the petty cash balance to the minimum amount needed for daily activities.

Compliance Material to the Financial Statements

2010-2 Public Bid Law Not Followed

Condition: District Five Public Works Commission of St. Landry Parish did not follow the public bid law in one purchase of a vehicle.

Criteria: Louisiana Revised Statute 38:2212 states that for all purchases which exceed \$10,000 but are less than \$30,000 the government should obtain no less than three quotes from different suppliers.

Cause: The Commission failed to comply with the public bid law.

Effect: Purchases were made by the Commission without obtaining proper quotes.

Recommendation: The Commission should strictly adhere to the Public Bid Law for all purchases.

DISTRICT FIVE PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
DECEMBER 31, 2010

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

N/A

SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

N/A

SECTION III - MANAGEMENT LETTER

2009-1 Revenue Anticipation Loans

Unresolved - REPEAT COMMENT

Chizai 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



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Joel Lanclos, Jr., CPA
2003
Russell J. Stelly, CPA
2005

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

We have audited the financial statements of District Five Public Works Commission of St. Landry Parish, as of and for the year ended December 31, 2010, and have issued our report thereon dated June 15, 2011. 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 15, 2011, and our report on internal control and compliance with laws, regulations, and contracts dated June 15, 2011.

During our audit, we became aware of the following matter which represents a suggestion for improved internal controls:

Internal Controls

2010-3 Revenue Anticipation Loans

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

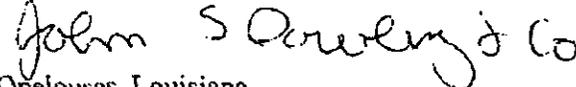
Criteria: The Commission should employ better cash management procedures to reduce the amount of revenue anticipation loans made each year.

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 issue 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 15, 2011

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

P.O. Box 86
Lafayette, LA 71345-0086



(337) 585-6687
(800) 260-0667
(337) 585-6228

June 20, 2011

CORRECTIVE ACTION PLAN

Louisiana Legislative Auditor
Baton Rouge, LA 70804

District Five Public Works Commission of St. Landry Parish respectfully submits the following "corrective plan" for the year ending December 31, 2010.

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, 2010.

The findings from the 2010 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

- 2010-1 Inadequate Control Over Petty Cash
Action Taken: The Board of Commissioners will set up an account for *Petty Cash Lockbox* and track all expenses paid with these funds.
- 2010-2 Public Bid Law Not Followed
Action Taken: The Board of Commissioners will attempt to receive at least three (3) quotes for purchases of equipment between \$10,000 and \$30,000. The Commission will also advertise for purchases exceeding \$30,000 and purchase from the lowest bidder.
- 2010-3 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 road 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 eight-two (82%) percent margin. The Board feels that the public is in favor of the way the Board has been utilizing the funds.

Better Roads Through Citizen Participation!!!

CORRECTIVE ACTION PLAN

June 20, 2011 - Page #2

FINDINGS-FEDERAL AWARD PROGRAMS AUDIT

N/A

Sincerely,

A handwritten signature in cursive script, appearing to read "Ronald E. Buschel".

Ronald E. Buschel
Executive Director

REB/jas

cc: Legislative Audit Files FY 2010