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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, 2001

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 7/24/02

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

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 1904-1984

Retired

Harold Dupre, CPA
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John Newton Stout, CPA
 1998

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 1998

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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 general purpose financial statements of District Five Road and Public Works Commission of St. Landry Parish, a component unit of the St. Landry Parish Police Jury, as of and for the year ended December 31, 2001. These general purpose financial statements are the responsibility of District Five Road and Public Works Commission's management. Our responsibility is to express an opinion on these general purpose 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of District Five Road and Public Works Commission of St. Landry Parish, as of December 31, 2001 and the results of its operations 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 12, 2002 on our consideration of District Five Road and Public Works Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

To the Board of Commissioners
District Five Road and Public Works
Commission of St. Landry Parish
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Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The Schedule of Prior Year Findings, as required by the Louisiana Legislative Auditor, is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the District Five Road and Public Works Commission of St. Landry Parish. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

John S. Bowling & Co.
Opelousas, Louisiana
June 12, 2002

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

LEBEAU, LOUISIANA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

DECEMBER 31, 2001

	ACCOUNT GROUPS				TOTALS	
	GOVERNMENTAL FUND TYPE GENERAL FUND	GENERAL	LONG-TERM	(MEMORANDUM ONLY)	2001	2000
		FIXED ASSETS	DEBT			
<u>ASSETS</u>						
Cash on hand and in bank	\$108,424				\$108,424	\$176,951
Ad valorem taxes receivable, net of allowance for uncollectibles	669,853				669,853	797,024
Revenue sharing receivable	16,375				16,375	23,842
Prepaid taxes	1,673				1,673	
Property and equipment		\$287,258			287,258	264,333
Amount to be provided for retirement of general long-term debt			\$24,881		24,881	20,063
<u>Total assets</u>	<u>796,325</u>	<u>287,258</u>	<u>24,881</u>		<u>1,108,464</u>	<u>1,282,213</u>
<u>LIABILITIES AND FUND EQUITY</u>						
<u>LIABILITIES</u>						
Accounts payable	\$25,624				\$25,624	\$18,030
Payroll taxes payable	1,545				1,545	2,001
Accrued interest payable	5,627				5,627	7,014
Revenue anticipation notes payable	260,000				260,000	260,000
Compensated absences payable			\$24,881		24,881	20,063
<u>Total liabilities</u>	<u>292,796</u>	<u>-0-</u>	<u>24,881</u>		<u>317,677</u>	<u>307,108</u>
<u>FUND EQUITY</u>						
Donation		\$1,200			1,200	
Investment in general fixed assets		286,058			286,058	264,333
Fund balance						
Reserved for grants	2,163				2,163	2,163
Unreserved, undesignated	501,366				501,366	708,609
<u>Total fund equity</u>	<u>503,529</u>	<u>287,258</u>	<u>-0-</u>		<u>790,787</u>	<u>975,105</u>
<u>Total liabilities and fund equity</u>	<u>796,325</u>	<u>287,258</u>	<u>24,881</u>		<u>1,108,464</u>	<u>1,282,213</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 BALANCES -
ALL GOVERNMENTAL FUND TYPES - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>2001</u>	TOTAL (Memorandum Only) <u>2000</u>
<u>REVENUES</u>		
Taxes		
Property taxes	\$584,889	\$800,500
Intergovernmental		
State revenue sharing	24,289	23,843
Interest		
On property taxes	235	583
On investments	2,243	2,541
Miscellaneous		
Donation	1,200	50,000
Morrow Community Center - rental	347	200
Other income		982
<u>Total revenues</u>	<u>613,203</u>	<u>878,649</u>
<u>EXPENDITURES</u>		
Current operating		
Labor cost		
Direct to roads	289,562	223,108
Office	40,761	34,863
Summer temps	10,434	11,312
Payroll taxes	19,467	26,912
Road supplies		
Aggregate	48,070	69,379
Culverts	3,549	21,405
Pothole repair	68,675	39,140
Herbicides	405	18
Other road supplies	816	451
Beaver control	50,722	46,893
Bridge repairs		19,996
Insurance	57,965	43,555
Property and equipment		
Rental	49,332	48,757
Repairs and maintenance	59,825	75,411
Tires/tubes	7,199	7,351
Diesel	23,742	28,279
Gasoline	17,613	18,209
Oil and filters	4,827	4,941
Office and supplies	36,619	37,300
Capital outlay	23,125	26,022
Debt service		
Principal retirement		6,100
Interest	7,936	7,981
<u>Total expenditures</u>	<u>820,644</u>	<u>797,383</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER)</u>		
<u>EXPENDITURES</u>	<u>(207,441)</u>	<u>81,266</u>

Continued on next page.

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 BALANCES -
ALL GOVERNMENTAL FUND TYPES - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>2001</u>	TOTAL (Memorandum Only) <u>2000</u>
<u>OTHER FINANCING SOURCES</u>		
Sale of general fixed assets	<u>\$198</u>	<u> </u>
<u>Total other financing sources</u>	<u>198</u>	<u>-0-</u>
 <u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER</u> <u>FINANCING SOURCES OVER EXPENDITURES</u>	 (207,243)	 \$81,266
 <u>FUND BALANCE</u> , beginning of year	 <u>710,772</u>	 <u>629,506</u>
 <u>FUND BALANCE</u> , end of year	 <u>503,529</u>	 <u>710,772</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 BALANCES -
BUDGET (CASH BASIS) AND ACTUAL -
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>2001</u>		<u>VARIANCE</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>FAVORABLE</u>
			<u>(UNFAVORABLE)</u>
<u>REVENUES</u>			
Taxes			
Property taxes	\$836,720	\$712,060	\$ (124,660)
Intergovernmental			
State revenue sharing	24,657	31,756	7,099
Interest			
On property taxes		235	235
On investments		2,243	2,243
Miscellaneous			
Morrow Community Center - rental		347	347
<u>Total revenues</u>	<u>861,377</u>	<u>746,641</u>	<u>(114,736)</u>
<u>EXPENDITURES</u>			
Current operating			
Office and supplies	68,277	36,423	31,854
Labor	324,095	361,897	(37,802)
Fuel	50,260	44,757	5,503
Insurance	58,195	57,965	230
Beaver control	50,006	44,156	5,850
Repairs	71,442	65,414	6,028
Road supplies	47,706	119,656	(71,950)
Equipment rental	52,086	46,588	5,498
Tires and tubes	6,798	6,806	(8)
Capital outlay	20,000	21,925	(1,925)
Debt service			
Interest		9,323	(9,323)
<u>Total expenditures</u>	<u>748,865</u>	<u>814,910</u>	<u>(66,045)</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u>			
<u>OVER (UNDER) EXPENDITURES</u>	112,512	(68,269)	(180,781)
<u>OTHER FINANCING SOURCES</u>			
Sale of general fixed assets		198	198
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER</u>			
<u>SOURCES OVER EXPENDITURES</u>	<u>112,512</u>	<u>(68,071)</u>	<u>(180,583)</u>
<u>FUND BALANCE, beginning of year</u>		<u>174,950</u>	
<u>FUND BALANCE, end of year</u>		<u>106,879</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, 2001

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 12 commissioners appointed by the St. Landry Parish Police Jury. Presently, the commissioners receive no compensation for their service.

A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of District Five Road and Public Works Commission of St. Landry Parish have been prepared in conformity with accounting principles (GAAP) generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the St. Landry Parish Police Jury is the financial reporting entity for St. Landry Parish. The financial reporting entity consists of (a) the primary government (police jury), (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 Police Jury 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 police jury 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 police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.

DISTRICT FIVE ROAD AND PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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 police jury 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 police jury, the Commission was determined to be a component unit of the St. Landry Parish Police Jury, 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 police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

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.

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 general fixed 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.

The Commission uses two account groups as follows:

General Fixed Assets Account Group - established to account for all fixed assets used in governmental fund type operations.

General Long-term Debt Account Group - established to account for all long-term obligations.

DISTRICT FIVE ROAD AND PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental fund types are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, if measurable.

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.

E. BUDGETS

The Commission legally adopted a budget for the General Fund for the year ended December 31, 2001. 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.

F. ENCUMBRANCES

The Commission does not employ the encumbrance system of accounting.

DISTRICT FIVE ROAD AND PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

G. INVESTMENTS IN CASH

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

Louisiana statutes authorize the District 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.

H. FIXED ASSETS AND LONG-TERM DEBT

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the General Fixed Assets Account Group.

The Commission has elected not to capitalize public domain (infrastructure) fixed assets consisting of certain improvements other than buildings, including roads, bridges, and drainage systems. No depreciation has been provided on general fixed assets. Interest costs during construction are not capitalized. All fixed assets are valued at historical cost.

Long-term liabilities expected to be financed from governmental fund types are accounted for in the General Long-term Debt Account Group, not in the governmental funds.

The account group is not a "fund." It is concerned only with the measurement of financial position. It is not involved with measurement of results of operations.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-term Debt Account Group.

I. 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.

J. 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.

DISTRICT FIVE ROAD AND PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

J. COMPENSATED ABSENCES - Continued

Sick leave is accrued at the rate of 1 ½ 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 may stay on books for 6 months after the end of the year and alternatively will be put in reserve to be used as sick leave on the 31st of December of each year.

K. TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the combined statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position, in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. CASH

At December 31, 2001 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	\$60,336	\$60,336
Noninterest-bearing	<u>46,323</u>	<u>48,088</u>
<u>Total</u>	<u>106,659</u>	<u>108,424</u>

At year-end, approximately \$106,659 of the bank balance was covered by FDIC insurance.

DISTRICT FIVE ROAD AND PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001

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, will be assessed for a period of 10 years, beginning with the year 1994 and ending with the year 2003, for the purpose of constructing, acquiring, operating and maintaining the roads, bridges and road drainage facilities of the Commission and acquiring the necessary equipment therefor.

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 District 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:

	<u>Total Per</u>	<u>Pension Fund</u>	<u>Allowance for</u>	<u>Tax Received</u>	
	<u>Tax Roll</u>	<u>Requirements</u>	<u>Uncollectible</u>	<u>In</u>	<u>Tax</u>
			<u>Taxes</u>	<u>December</u>	<u>Receivable</u>
2001	\$737,312	\$21,683	\$35,171	\$10,605	\$669,853

4. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in General Fixed Assets for the year 2001 are as follows:

	<u>Balance</u>			<u>Balance</u>
	<u>Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>End</u>
	<u>of Year</u>			<u>of Year</u>
Furniture and fixtures	\$16,434	\$75		\$16,509
Equipment	177,374	20,845	\$200	198,019
Autos	40,879	2,205		43,084
Building	9,160			9,160
Land	20,486			20,486
<u>Total</u>	<u>264,333</u>	<u>23,125</u>	<u>200</u>	<u>287,258</u>

DISTRICT FIVE ROAD AND PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001

5. REVENUE ANTICIPATION NOTES

On July 19, 2001, the Commission issued Revenue Anticipation Notes in the amount of \$260,000, bearing interest at the rate of 6.0 percent and having a maturity date of March 1, 2002. The notes were secured by a pledge and dedication of the Commission's 15 mill property tax.

6. LONG-TERM DEBT

On February 29, 1996, the Commission issued \$25,000 of Certificates of Indebtedness, Series 1995 bearing interest at the rate of 7.75 percent and had a final maturity of March 1, 2000. The certificates were secured by a pledge and dedication of the Commission's 15 mill property tax and were issued for the purpose of purchasing and improving property.

Changes in long-term liabilities during the year ended December 31, 2001 are as follows:

	<u>Compensated Absences</u>
Balance - 1/1/01	\$20,063
Increase in 2001	<u>4,818</u>
Balance - 12/31/01	<u>24,881</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. DONATION

The Commission received \$50,000 from a third party for the purchase of gravel during the year ended December 31, 2000. The gravel was used to refurbish a public road that the third party used to access their property.

DISTRICT FIVE ROAD AND PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001

9. OPERATING LEASE

On September 30, 1998, District Five Road and Public Works Commission entered into an operating lease for a Kobelco tractor. The lease is for a period of five years and requires monthly payments of \$1,511. Rental expenditures for 2001 were \$18,132. The payment schedule is as follows:

2002	\$18,132
2003	13,599

On April 24, 2001, District Five Road and Public Works Commission renewed an operating lease for an excavator. The lease is for a period of two years and requires monthly payments of \$2,500. Rental expenditures for 2001 were \$30,000. The payment schedule is as follows:

2002	\$30,000
2003	10,000

10. FUND BALANCE

The General Fund does not have a deficit fund balance for the year ended December 31, 2001.

11. BOARD MEMBERS

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

Leroy Randall, Jr.	Eugene Cane
Thomas Rabalais	Vincent Johnson, Jr.
Denise Oliney	Joy V. Ortego
Douglas Gerace	Wendell Walker
Paul M. Guillot	Charles J. Cannatella
Gregory A. Herbert	Tommy Thayer

12. BUDGET RECONCILEMENT

A reconciliation of the figures shown on pages 3 and 4 to the cash basis figures shown on page 5 follows:

	<u>2001</u>
<u>Revenues</u>	
Revenues - page 4	\$613,203
Add: Prior year property tax receivable	797,024
Prior year state revenue sharing receivable	23,842
Less: Current year property tax receivable	(669,853)
Current year state revenue sharing receivable	(16,375)
Current year donation	<u>(1,200)</u>
Revenues - page 6	<u>746,641</u>

DISTRICT FIVE ROAD AND PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001

12. BUDGET RECONCILEMENT (Continued)

2001

Expenditures

Expenditures - page 4	\$820,644
Add: Prior year accounts payable	18,030
Prior year accrued expenditures	7,014
Current year prepaid taxes	1,673
Less: Current year accounts payable	(25,624)
Current year accrued expenditures	(5,627)
Current year donation	<u>(1,200)</u>

Expenditures - page 6	<u>814,910</u>
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Fund Balance

Fund balance - page 5	\$503,529
Add: Current year payables	291,251
Less: Current year receivable	(686,228)
Current year prepaid expenses	<u>(1,673)</u>

Fund balance - page 6	<u>106,879</u>
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 Russell J. Stelly, CPA
 Chizal S. Fontenot, CPA
 James L. Nicholson, Jr., CPA
 G. Kenneth Pavy, II, CPA
 Darren J. Carl, CPA
 Michael A. Roy, CPA

Lisa T. Manuel, CPA



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

John S. Dowling, CPA
 1904-1984

Retired

Harold Dupre, CPA
 1996

John Newton Stout, CPA
 1998

Dwight Ledoux, CPA
 1998

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF GENERAL PURPOSE 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 general purpose financial statements of District Five Road and Public Works Commission of St. Landry Parish, as of and for the year ended December 31, 2001, and have issued our report thereon dated June 12, 2002. 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.

Compliance

As part of obtaining reasonable assurance about whether District Five Road and Public Works Commission of St. Landry Parish's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 an instance of noncompliance that is required to be reported under Government Auditing Standards, which is described in the accompanying Schedule of Current Year Findings as item 2001-1.

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 in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

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

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information 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.

John S. Bowling & Co.
Opelousas, Louisiana
June 12, 2002

SUPPLEMENTARY INFORMATION

DISTRICT FIVE ROAD AND PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
SCHEDULE OF CURRENT YEAR FINDINGS
DECEMBER 31, 2001

Compliance Material to the Financial Statements

2001-1 Budget Amendment

Condition: As of December 31, 2001, General Fund actual expenditures exceed budgeted expenditures by 9 percent and general fund budgeted revenues exceed actual revenues by 13 percent.

Criteria: State law requires that the budget be amended when actual expenditures exceed budgeted expenditures or when budgeted revenues exceed actual revenues by more than 5 percent.

Cause: The budget for the General Fund was not properly amended in December, 2001.

Effect: The expenditures budget was exceeded by 9 percent and budgeted revenues exceed the actual revenues by 13 percent.

DISTRICT FIVE ROAD AND PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
DECEMBER 31, 2001

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

2000-1 Budget Amendment

Unresolved - REPEAT COMMENT

SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

N/A

SECTION III - MANAGEMENT LETTER

Suggestion 2000-2 Revenue Anticipation Loans

Unresolved - REPEAT COMMENT

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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, 2001, and have issued our report thereon dated June 12, 2002. 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 12, 2002, and our report on internal control and compliance with laws, regulations, and contracts, dated June 12, 2002.

The following matter is a suggestion.

Suggestion 2001-2. Revenue Anticipation Loans

Condition: The District should reduce its dependance on the use of revenue anticipation loans.

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

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

REPEAT COMMENT

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.

John S. Dowling & Co.
Opelousas, Louisiana
June 12, 2002

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

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

(887) 585-8887
(800) 260-0887
(818) 585-8228 FAX



June 28, 2001

CORRECTIVE ACTION PLAN

Louisiana Legislative Auditor
Baton Rouge, Louisiana 70804

District Five Road and Public Works Commission of St. Landry Parish respectfully submits the following “*corrective plan*” for the year ending December 31, 2001.

Name and address of independent public accounting firm: John S. Dowling & Company, P.O. Box 433, Opelousas, Louisiana 70571-1549.

Audit Period: Year ending December 31, 2001.

The findings from the 2001 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

2001-1 Budget Amendment

Action Taken: The Board of Commissioners amended the budget at the end of 2001, but did not include Capital Outlay, that was done at the end of 2001. We had budgeted money into the Capital Outlay Account over the years and when we performed the work, we paid for the work out of that account. In the future, we will modify the budget and show a transfer into the Operating Account and show where we expended the revenues.

FINDINGS-FEDERAL AWARD PROGRAMS AUDIT

N/A

FINDINGS-MANAGEMENT LETTER

2001-2 Revenue Anticipation Loans

Action Taken: The Board of Commissioners have been having to borrow the same amount of money each year due to the fact that we started operations one (1) year

Better Roads Through Citizen Participation!!!

CORRECTIVE ACTION PLAN

Page #2

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 paid first out of the taxes collected and the balance left over plus the new loan is the amount that is used for the year. The amount borrowed yearly is always the same amount, \$260,000.⁰⁰. Since we are geared to this policy, we have never had surplus funds to reduce the amount borrowed. The tax payers have just renewed the taxes by an eighty-two (82%) percent margin. The Board feels that the public is in favor of the way that the Board has been utilizing the revenues.

Sincerely,

A handwritten signature in cursive script, appearing to read "Gregory Herbert".

Gregory A. Herbert
Chairman

GAH/jas

cc: Legislative Audit Files FY 2001