

DISTRICT FIVE PUBLIC WORKS COMMISSION
OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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John S. Dowling, CPA
 1904-1984
 John Newton Stout, CPA
 1936-2005
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 1955-2012

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 Public Works
 Commission of St. Landry Parish
 Lebeau, Louisiana

Report on the Financial Statements

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, 2017, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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, 2017 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on page 21 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statement that collectively comprise the Commission's basic financial statements. The other supplementary information on page 22 is presented for purposes of additional analysis and is not a required part of the basic financial statement.

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

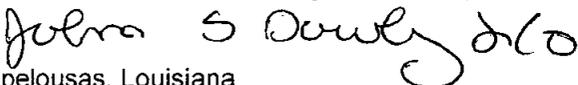
To the Board of Commissioners
District Five Public Works
Commission of St. Landry Parish
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Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 26, 2018, 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 effectiveness of the District Five Public Works Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering District Five Public Works Commission's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report, dated June 26, 2018 on the results of our state wide agreed- upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in Government Auditing Standards. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's state wide agreed- upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.


Opelousas, Louisiana
June 26, 2018

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

DISTRICT FIVE PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2017

	<u>GOVERNMENTAL ACTIVITIES</u>
<u>ASSETS</u>	
Cash on hand and in bank	\$ 73,088
Ad valorem taxes receivable, net	1,327,141
Revenue sharing receivable	20,987
Note receivable	24,447
Prepaid insurance	47,272
Capital assets, net	220,600
<u>Total assets</u>	<u>1,713,535</u>
 <u>LIABILITIES</u>	
Accounts and accrued expenses	7,548
Long-term liabilities	
Due within one year	23,290
Due in more than one year	35,484
<u>Total liabilities</u>	<u>66,322</u>
 <u>NET POSITION</u>	
Net investment in capital assets	173,337
Unrestricted	1,473,876
<u>Total net position</u>	<u>1,647,213</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, 2017

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses)</u> <u>Revenues and</u> <u>Changes in Net</u> <u>Position</u>
		<u>Fees, Fines, and</u> <u>Charges for</u> <u>Services</u>	<u>Operating Grants</u> <u>and Contributions</u>	<u>Capital Grants</u> <u>and Contributions</u>	<u>Governmental</u> <u>Activities</u>
Governmental activities					
Roads and public works	\$ 1,300,067	\$ -	\$ 98,801	\$ -	\$ (1,201,266)
Interest	4,704	-	-	-	(4,704)
<u>Total governmental activities</u>	<u>1,304,771</u>	<u>-</u>	<u>98,801</u>	<u>-</u>	<u>(1,205,970)</u>
General Revenues					
Taxes					
Property taxes					1,353,827
Intergovernmental					
State revenue sharing					21,003
Interest and investment earnings					2,716
Miscellaneous income					9,480
<u>Total general revenues</u>					<u>1,387,026</u>
Change in net position					181,056
Net position, January 1, 2017					<u>1,466,157</u>
Net position, December 31, 2017					<u>1,647,213</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, 2017

<u>ASSETS</u>	<u>GENERAL FUND</u>
Cash on hand and in bank	\$ 73,088
Ad valorem taxes receivable, net of allowance for uncollectibles	1,327,141
Revenue sharing receivable	20,987
Note receivable	24,447
<u>Total assets</u>	<u>1,445,663</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</u>	
 <u>LIABILITIES</u>	
Accounts payable	\$ 5,078
Payroll taxes payable	2,470
<u>Total liabilities</u>	<u>7,548</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>	
Unavailable revenues-property taxes	54,587
Unavailable revenues-state revenue sharing	13,991
<u>Total deferred inflows of resources</u>	<u>68,578</u>
 <u>FUND BALANCE</u>	
Fund balance	
Unassigned	1,369,537
<u>Total fund balance</u>	<u>1,369,537</u>
 <u>Total liabilities, deferred inflows of resources and fund balance</u>	 <u>1,445,663</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 STATEMENTS OF NET POSITION
DECEMBER 31, 2017

Total fund balance for the governmental fund at December 31, 2017		\$ 1,369,537
The Statement of Net Position reports receivables at their net realizable value. However, receivables not available to pay for current-period expenditures are deferred in governmental funds.		68,578
Cost of capital assets at December 31, 2017	\$ 715,904	
Less: Accumulated depreciation as of December 31, 2017	<u>(495,304)</u>	220,600
Prepaid insurance at December 31, 2017		47,272
Long-term liabilities at December 31, 2017		
Compensated absences payable	(11,511)	
Capital lease payable	<u>(47,263)</u>	<u>(58,774)</u>
Net position at December 31, 2017		<u><u>1,647,213</u></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, 2017

REVENUES

Taxes	
Property taxes	\$ 1,334,455
Intergovernmental	
State revenue sharing	19,402
Federal grant	98,801
Interest income	2,716
Miscellaneous income	9,480
<u>Total revenues</u>	<u>1,464,854</u>

EXPENDITURES

Current operating	
Labor cost	
Direct to roads	463,264
Office	40,979
Payroll taxes	37,036
Road supplies	
Aggregate	164,749
Beaver control	66,000
Insurance	156,987
Professional	11,356
Property and equipment	
Rental	152,831
Repairs and maintenance	59,703
Tires/tubes	14,672
Diesel	57,762
Gasoline	16,068
Oil and filters	8,435
Office and supplies	46,339
Debt service	
Principal payments	22,878
Interest	4,704
<u>Total expenditures</u>	<u>1,323,763</u>

<u>NET CHANGE IN FUND BALANCE</u>	141,091
<u>FUND BALANCE, beginning of year</u>	<u>1,228,446</u>
<u>FUND BALANCE, end of year</u>	<u>1,369,537</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 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, 2017

Total net change in fund balance for the year ended December 31, 2017 per Statement of Revenues, Expenditures, and Changes in Fund Balance	\$ 141,091
Governmental funds defer revenues that do not provide current financial resources. However, the Statement of Activities recognizes such revenues at their net realizable value when earned, regardless of when received	20,973
Depreciation expense for year ended December 31, 2017	(33,573)
Increase in prepaid insurance on the accrual basis	23,253
Decrease in compensated absences on the accrual basis	6,434
Capital lease payments considered as an expenditure on Statement of Revenues, Expenditures and Changes in Fund Balance	<u>22,878</u>
<u>Total change in net position for the year ended December 31, 2017, per Statement of Activities</u>	<u><u>181,056</u></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, 2017

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. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. 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 Commission 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, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

B. BASIS OF PRESENTATION

Government-Wide Financial Statements (GWFS)

The Statements of Net Position 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. Indirect expenses of other functions are not allocated to those functions, but are reported separately in the Statement of Activities. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately in the Statement of Activities. 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.

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.

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

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus as defined in item "b" below.

DISTRICT FIVE PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING - Continued

Measurement Focus - Continued

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 position and financial position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using 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.

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.

DISTRICT FIVE PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING – Continued

EQUITY CLASSIFICATIONS

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

- a. Net investment in capital assets – Consists of net capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – Net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance reports aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources.

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

1. Restricted fund balance – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions for enabling legislation.
2. Committed fund balance – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Board– the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
3. Assigned fund balance – This classification reflects the amounts constrained by the Commission's "intent" to be used for specific purposes, but are neither restricted nor committed. The Board has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.
4. Unassigned fund balance – This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

DISTRICT FIVE PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING – Continued

EQUITY CLASSIFICATIONS – Continued

The Commission considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the Commission would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

When both restricted and unrestricted resources are available for use, it is the Commission's policy to use externally restricted resources first, then unrestricted resources – committed, assigned and unassigned – in order as needed.

D. BUDGETS

The Commission legally adopted a budget for the General Fund for the year ended December 31, 2017. The original budget was adopted on December 1, 2016 and amended on December 7, 2017. 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 Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation.

DISTRICT FIVE PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

G. CAPITAL ASSETS – Continued

The range of estimated useful lives by type of asset is as follows:

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. 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. Accumulated leave carried forward each year cannot exceed 20 work days. Excess will be credited to retirement records if District Five Public Works Commission of St. Landry Parish is enrolled in a retirement program. 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 for 1 to 3 years of service and 2 hours biweekly for more than three years of service. Sick leave is a gratuitous benefit of employment, which does not accrue as a wage. Sick leave will not be paid out upon an employee's termination or resignation.

Employees also accumulate compensatory time which is to be used for doctor's appointments, funerals, etc. Compensatory time will be calculated at the rate of 1 and ½ times the employee's regular hourly rate. Upon termination, accrued compensatory time accumulated will be paid to the employee.

I. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditures) until that time.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then.

Property taxes and state revenue sharing receivable for the governmental fund types, which have been remitted within 60 days subsequent to the year-end, are considered measurable and available and recognized as revenues. All other property taxes and state revenue sharing are offset by deferred inflows of resources and, accordingly, have not been recorded as revenue.

DISTRICT FIVE PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

2. CASH

At December 31, 2017, the bank and book balances of cash in interest-bearing and noninterest-bearing checking accounts were as follows:

	Book Balance	Bank Balance
Interest-bearing	\$ 8,410	\$ 8,410
Noninterest-bearing	64,678	77,097
<u>Total</u>	73,088	85,507

At year-end, the entire balance of cash was covered by federal depository insurance. Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Commission's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. The Commission does not have a policy for custodial credit risk, however, under state law; these deposits (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the Commission or the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2017, the Commission's total bank balances were fully insured and therefore not exposed to custodial credit risk.

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 April 21, 2012 and will expire in 2023.

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
2017	\$ 1,395,290	\$ (43,620)	\$ (10,131)	\$ (14,398)	\$ 1,327,141

DISTRICT FIVE PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017, was as follows:

	Balance 1/1/2017	Additions	Deletions	Balance 12/31/2017
<i>Governmental activities:</i>				
Furniture and fixtures	\$ 20,155	\$ -	\$ -	\$ 20,155
Equipment	495,982	-	-	495,982
Autos	147,991	-	-	147,991
Building	10,293	-	-	10,293
Land	41,483	-	-	41,483
<u>Totals</u>	<u>715,904</u>	<u>-</u>	<u>-</u>	<u>715,904</u>
<i>Less accumulated depreciation</i>				
Furniture and fixtures	16,689	460	-	17,149
Equipment	305,544	29,674	-	335,218
Autos	133,659	3,125	-	136,784
Building	5,839	314	-	6,153
<u>Total accumulated depreciation</u>	<u>461,731</u>	<u>33,573</u>	<u>-</u>	<u>495,304</u>
<i>Governmental activities, Capital assets, net</i>	<u>254,173</u>	<u>(33,573)</u>	<u>-</u>	<u>220,600</u>

Depreciation expense was charged to governmental activities as follows:

Roads and public works	<u>\$ 33,573</u>
	<u>33,573</u>

5. LONG-TERM DEBT

Changes in long-term liabilities during the year ended December 31, 2017 are as follows:

Description of Debt	Balance 1/1/2017	Increase	Decrease	Balance 12/31/2017	Due Within One Year
Compensated absences	\$ 17,945	\$ -	\$ 6,434	\$ 11,511	\$ 652
Capital lease -Tractor and Boom Mower	70,141	-	22,878	47,263	22,638
	<u>88,086</u>	<u>-</u>	<u>29,312</u>	<u>58,774</u>	<u>23,290</u>

DISTRICT FIVE PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

5. LONG-TERM DEBT - Continued

Capital Lease

On February 25, 2015, District Five Public Works Commission entered into a capital lease for a New Holland Tractor with a boom mower. The lease is for a period of five years with an interest rate of 7.27% and requires monthly payments of \$2,122. The capitalized cost of \$107,480 less accumulated depreciation of \$30,452 is included in capital assets. Depreciation expense for this equipment was \$10,748.

Future minimum lease payments are as follows:

2018	\$ 22,638
2019	24,339
2020	<u>286</u>
	<u><u>47,263</u></u>

6. OPERATING LEASES

On January 27, 2014, the Commission entered into an operating lease for a Caterpillar D6N. The lease is for a period of five years and requires monthly payments of \$3,478 plus insurance and taxes. Rental expenditures for 2017 were \$52,469.

On May 7, 2014, the Commission entered into an operating lease for a Caterpillar 329EL Excavator. The lease is for a period of five years and requires monthly payments of \$3,017 plus insurance and taxes. Rental expenditures for 2017 were \$35,938.

On July 8, 2014, the Commission entered into an operating lease for a Caterpillar 416F Backhoe Loader. The lease is for a period of five years and requires monthly payments of \$901 plus insurance and taxes. Rental expenditures for 2017 were \$11,720.

On May 18, 2015, the Commission entered into an operating lease for a John Deere 770G Motor Grader. The lease is for a period of five years and requires monthly payments of \$2,548 plus insurance and taxes. Rental expenditures for 2017 were \$30,985.

On September 25, 2015, the Commission entered into an operating lease for a John Deere 160GLC Excavator. The lease is for a period of five years and requires monthly payments of \$1,835 plus insurance and taxes. Rental expenditures for 2017 were \$21,719.

Future minimum lease payments are as follows:

2018	\$ 141,348
2019	70,070
2020	<u>26,707</u>
	<u><u>238,125</u></u>

Rental expenditures under all operating leases were approximately \$152,831.

DISTRICT FIVE PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

7. FUND BALANCE

The General Fund does not have a deficit fund balance for the year ended December 31, 2017.

8. BOARD MEMBERS

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

<u>Name</u>	<u>Office Held</u>
Angelique Fogleman	Chairwoman
Andrea Kim Innerarity	Commissioner
Julian Rideau	Commissioner
Vince Sagnibene	Commissioner
Dennis Simon	Commissioner
Krysten Cannatella	Commissioner
Joey Duplechain	Commissioner
Tracy Beard	Commissioner
Vacant Spot	

DISTRICT FIVE PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

9. BUDGET RECONCILEMENT

A reconciliation of the figures shown on page 8 to the cash basis figures shown on page 21 are as follows:

	<u>2017</u>
<u>Revenues</u>	
Revenues - page 8	\$ 1,464,854
Add: Prior year property tax receivable	1,184,498
Prior year state revenue sharing receivable	18,585
Current year unavailable revenue	68,578
Less: Current year property tax receivable	(1,327,141)
Current year state revenue sharing receivable	(20,987)
Prior year unavailable revenue	<u>(47,603)</u>
Revenues - page 21	<u>1,340,784</u>
<u>Expenditures</u>	
Expenditures - page 8	\$ 1,323,763
Add: Prior year accounts payable	12,334
Less: Current year accounts payable	<u>(5,078)</u>
Expenditures - page 21	<u>1,331,019</u>
<u>Fund Balance</u>	
Fund balance - page 8	\$ 1,369,537
Add: Current year payables	5,078
Current year unavailable revenue	68,578
Less: Current year receivable	<u>(1,348,125)</u>
Fund balance - page 21	<u>95,068</u>

10. 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.

11. 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.

12. SUBSEQUENT EVENTS

Subsequent events were evaluated through June 26, 2018, which is the date the financial statements were available to be issued. As of June 26, 2018, there were no subsequent events noted.

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, 2017

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Taxes				
Property taxes	\$ 1,266,213	\$ 1,213,590	\$ 1,211,186	\$ (2,404)
Intergovernmental				
State revenue sharing	21,534	18,528	18,601	73
Federal grant	-	98,801	98,801	-
Interest	-	-	2,716	2,716
Miscellaneous income	-	-	9,480	9,480
<u>Total revenues</u>	<u>1,287,747</u>	<u>1,330,919</u>	<u>1,340,784</u>	<u>9,865</u>
<u>EXPENDITURES</u>				
Current operating				
Office and supplies	85,000	87,377	49,499	37,878
Labor and expenses	520,000	558,921	541,279	17,642
Fuel	81,000	82,025	73,722	8,303
Insurance	176,000	154,460	157,083	(2,623)
Beaver control	66,000	66,000	66,000	-
Professional	-	-	11,491	(11,491)
Repairs	60,000	61,497	69,953	(8,456)
Road supplies	100,000	154,259	164,749	(10,490)
Equipment rental	160,000	184,809	152,831	31,978
Tires and tubes	15,000	16,830	16,830	-
Debt service				
Principal payments	21,054	21,054	22,878	(1,824)
Interest	4,407	4,407	4,704	(297)
<u>Total expenditures</u>	<u>1,288,461</u>	<u>1,391,639</u>	<u>1,331,019</u>	<u>60,620</u>
<u>NET CHANGE IN FUND BALANCE</u>	<u>(714)</u>	<u>(60,720)</u>	<u>9,765</u>	<u>70,485</u>
<u>FUND BALANCE, beginning of year</u>	<u>11,085</u>	<u>85,303</u>	<u>85,303</u>	<u>-</u>
<u>FUND BALANCE, end of year</u>	<u>10,371</u>	<u>24,583</u>	<u>95,068</u>	<u>70,485</u>

See Independent Auditor's Report.

OTHER SUPPLEMENTARY INFORMATION

DISTRICT FIVE PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
DECEMBER 31, 2017

Agency Head Name: Ronald Buschel, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 19,510
Benefits-insurance	0
Benefits-retirement	0
Benefits	0
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	0
Travel	0
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Unvouchered expenses	0
Special meals	0

See Independent Auditor's Report.

RELATED REPORTS

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

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

We have audited, in accordance with the 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, 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, 2017, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated June 26, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered District Five Public Works Commission of St. Landry Parish's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the District Five Public Works Commission of St. Landry Parish's internal control.

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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies listed as items 2017-1, 2017-2, and 2017-3.

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

Compliance and Other Matters

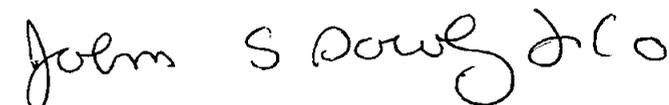
As part of obtaining reasonable assurance about whether District Five Public Works Commission of St. Landry Parish's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance 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 is described in the accompanying schedule of findings and responses as item 2017-3.

District Five Public Works Commission of St. Landry Parish's Response to Findings

District Five Public Works Commission of St. Landry Parish's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. District Five Public Works Commission of St. Landry Parish's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



Opelousas, Louisiana
June 26, 2018

DISTRICT FIVE PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2017

A. SUMMARY OF AUDITOR'S RESULTS

1. We have audited the basic financial statements of the District Five Public Works Commission of St. Landry Parish, as of and for the year ended December 31, 2017, and have issued our report thereon dated June 26, 2018. 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. Our audit of the financial statements as of December 31, 2017 resulted in an unmodified opinion.
2. Three significant deficiencies and no material weaknesses relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. One instance of noncompliance relating to the audit of the financial statements of the District Five Public Works Commission of St. Landry Parish was reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
4. No management letter was issued for the District Five Public Works Commission of St. Landry Parish, as of and for the year ended December 31, 2017.
4. There was no single audit required under the Uniform Guidance.

B. 2017 FINDING – FINANCIAL STATEMENT AUDIT

Internal Control Material to the Financial Statements

2017-1 Inadequate Segregation of Duties

Condition: Due to the small number of employees, District Five Publics Works Commission does not have adequate segregation of functions within the accounting system. A system of internal control procedures contemplates a segregation of duties so that no one individual handles a transaction from its inception to its completion.

Criteria: District Five Publics Works Commission should have adequate segregation of duties over accounting functions.

Cause: There are a small number of employees at District Five Publics Works Commission performing the daily operating activities.

Effect: Accounting functions are not segregated and it is important that you are aware of this condition because errors or fraud could occur and not be detected.

Recommendation: A system of internal control procedures should be established in order to mitigate the problem of having such a small number of employees performing the daily operating activities.

DISTRICT FIVE PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2017

B. 2017 FINDING – FINANCIAL STATEMENT AUDIT - Continued

Internal Control Material to the Financial Statements - Continued

2017-1 Inadequate Segregation of Duties - Continued

Management Response: Due to the size and nature of our operations, it is not considered to be cost beneficial to hire additional personnel at this time. Internal control procedures including reviewing expense and income reports, disbursement listings, and dual signatures of board members on expenditures help mitigate errors or fraud.

Contact Person: Andrew Guidroz II, Office Manager

2017-2 Review of General Ledger on a Monthly Basis

Condition: The general ledger is not being reviewed on a monthly basis by the accounting personnel to ensure that transactions are being properly recorded. There were numerous transactions that were not coded to the proper general ledger accounts.

Criteria: Proper internal controls dictates that the general ledger to be reviewed before the finalization of the monthly financial statements.

Cause: The Commission does not have procedures in place to ensure that the general ledger is being reviewed before the issuance of the monthly financial statements.

Effect: The Organization's monthly financial statements might not be accurate.

Recommendation: The accounting personal should review the general ledger on a monthly basis to ensure that transactions are being coded to the correct general ledger accounts. They should also review the financial statements before they are issued to the Board.

Management Response: The Accounting personnel shall review the general ledger on a monthly basis to ensure that transactions are being coded to the correct general ledger accounts. They shall also review the financial statements before they are issued to the Board.

Contact Person: Andrew Guidroz II, Office Manager

2017-3 Payment of Vacation Pay

Condition: The Commission paid an employee vacation pay and regular pay for the same period of time.

Criteria: The Commission did not follow its written policies or AG opinion No. 00-470 concerning payment of vacation pay. The District's policy is that unused vacation will be paid out upon an employee's resignation or termination. AG opinion No. 00-0470 states that a public employee may not receive both his vacation pay and regular pay for the same period of time; that is, when an employee is on vacation, their status for payroll is annual leave with pay; if at work, their status is paid for services rendered.

Cause: The Commission failed to follow its written policies and AG opinion No. 00-0470 concerning vacation pay.

DISTRICT FIVE PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2017

B. 2017 FINDING – FINANCIAL STATEMENT AUDIT - Continued

Internal Control Material to the Financial Statements - Continued

2017-3 Payment of Vacation Pay - Continued

Effect: Vacation pay was paid to an employee that was not entitled to receive it.

Recommendation: The Commission should follow its policies and the AG opinion concerning vacation pay.

Management Response: Upon learning of the incorrect payment, duties concerning payroll were assigned to a different employee. Two officers of the board review all timesheets as well as accrued vacation time at each payroll period. The recipient of the overpayment returned one half of the amount of overpayment and is paying back the remainder in installments to be completed over the course of the current fiscal year.

Contact Person: Andrew Guidroz II, Office Manager

C. FINDINGS AND QUESTIONED COST – MAJOR FEDERAL AWARDS PROGRAM AUDIT

N/A

DISTRICT FIVE PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
DECEMBER 31, 2017

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

2016-1 Inadequate Segregation of Duties
Unresolved- Repeat Comment

2016-2 Inadequate Control Over Petty Cash
Resolved

2016-3 Review of General Ledger on a Monthly Basis
Unresolved- Repeat Comment

SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

N/A

SECTION III - MANAGEMENT LETTER

N/A

James L. Nicholson, Jr., CPA
 G. Kenneth Pavy, II, CPA
 Michael A. Roy, CPA
 Lisa Trouille Manuel, CPA
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**INDEPENDENT ACCOUNTANT'S REPORT
 ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Commissioners of District Five Public Works Commission of St. Landry Parish
 and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by To the Board of Commissioners District Five Public Works Commission of St. Landry Parish (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2017 through December 31, 2017. *The Commission's management is responsible for those C/C areas identified in the SAUPs.*

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
The Commission does not have written policies and procedures for budgeting.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
The Commission does not have written policies and procedures for purchasing.
 - c) **Disbursements**, including processing, reviewing, and approving
The Commission does not have written policies and procedures for disbursements.
 - d) **Receipts**, including receiving, recording, and preparing deposits
The Commission does not have written policies and procedures for receipts.
 - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
The Commission does not have written policies and procedures for payroll, however, the Commission does have written policies and procedures for personnel.

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

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
The Commission does not have written policies and procedures for contracting.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage
The Commission does not have written policies and procedures for credit cards.
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
The Commission does not have written policies and procedures for travel and expense reimbursement.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
The Commission does not have written policies and procedures for ethics.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
The Commission does not have written policies and procedures for debt service.

Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:
- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
Obtained and reviewed minutes of the board for the fiscal period noting the board met monthly.
- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
 > If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
The Commission's minutes did not reference monthly budget-to-actual comparisons. Deficit spending was not noted during the fiscal period.
- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.
There was approval of contracts and disbursements for at least one meeting during the fiscal period.

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Bank Reconciliations

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

We were provided with a list of the Commission's bank accounts from management and management's representation that the listing is complete.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

Monthly bank statements and bank reconciliations were obtained for the selected bank accounts for each month of the fiscal period. No exceptions were noted.

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

The bank reconciliations do not include written evidence that a member of management or a board member has reviewed the bank reconciliations.

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

Only one account has reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period. Management does not have documentation reflecting that it has researched those reconciling items.

Collections

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

We were provided with a list of the Commission's collection locations from management and management's representation that the listing is complete.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**

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

The individuals responsible for collecting cash are bonded. The Commission mainly collects checks; therefore, they do not have a cash drawer. One employee is responsible for depositing cash in the bank, another employee records the related transaction and an outside party reconciles the related bank account.

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

The Commission does not have a formal process to reconcile cash collections to the general ledger by someone who is not responsible for cash collections in the collection location selected.

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

The selected deposit was made within one day of collection.

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

The selected deposit was completely supported by documentation and no exceptions were noted.

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

The Commission does not have written procedures to determine completeness of all collections.

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

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

Obtained the general ledger from management and management's representation that the population is complete.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

Purchases were initiated using a purchase order system by authorized personnel.

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

Some purchase orders were approved by the Executive Director, who also had the authority to initiate a purchase. All other purchase orders were approved by the Board, who does not have the authority to initiate a purchase.

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

All payments for purchases were not processed without an approved purchase order, an approved invoice, and/or a receiving report.

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

The Office Manager and Office Clerk were responsible for processing payments and both had the ability to add vendors to the Commission's purchasing/disbursement system.

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

The Board members are the only individuals with signature authority and those individuals do not have responsibility for initiating or recording purchases.

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

The supply of unused checks is maintained in a locked location, with access restricted from those with signature authority. Checks are printed electronically and persons with signature authority do not have system access to print checks.

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

The Commission does not have a signature stamp or signature machine. Signed checks are maintained under the control of the Office Manager or Office Clerk until mailed.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

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

Obtained from management a listing of all active credit cards and fuel cards, including the card numbers and names of the persons who maintained possession of the cards, along with management's representation that the listing is complete.

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

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

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

Monthly statements were obtained for the 6 active credit cards and fuel card and at least one board member initialed each statement as evidence of review and approval.

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

No finance charges or late fees were assessed on the selected statements.

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

- a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)

All transactions were supported by an original itemized receipt.

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

All documentation was complete.

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

The Commission does not have a written policy for credit cards and fuel cards.

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

The Commission does not have a written policy and purchases on the selected statements did not require bids or quotes. No exceptions were noted.

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

No exceptions were noted.

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Travel and Expense Reimbursement

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

The Commission did not have any travel and expense reimbursements during the fiscal period.

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

The Commission does not have written policies related to travel and expense reimbursements.

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

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.
- b) Report whether each expense is supported by:
 - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
 - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
 - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

The Commission did not have any travel and expense reimbursements during the fiscal period.

Contracts

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

Obtained a listing of all contracts in effect during the fiscal period and management's representation that the listing was complete.

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

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

There are formal, written contracts that support the services arrangements and the amounts paid.

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

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

The contracts were not subject to the Louisiana Public Bid Law or Procurement Code.

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

The Commission did not solicit quotes as a best practice.

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

The contracts were not amended.

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

The invoices and related payments complied with the terms and conditions of the contracts.

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

No exceptions were noted.

Payroll and Personnel

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

Obtained a listing of employees and their related salaries/pay rates from management and management's representation that the listing is complete.

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

No exceptions were noted.

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

Changes made to hourly pay rates during the fiscal period were not approved in writing. The Commission does not have a written policy for payroll/personnel.

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

Obtained attendance and leave records and randomly selected one pay period in which leave was taken by at least one employee. Due to the Commission having a total of 18 employees during the fiscal period, 6 employees were randomly selected.

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

All of the selected employees documented their daily attendance and leave.

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

Supervisory approvals were noted on all selections, without exception.

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

The Commission maintained written leave records on all of the selected employees.

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

Obtained from management a list of those employees that terminated during the fiscal period and management's representation that the list is complete. Terminated payments to employees were made in strict accordance with policy and were approved by management.

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

Obtained supporting documentation relating to payroll taxes during the fiscal period. Employee and employer portions of payroll taxes, including required reporting forms, were submitted to the applicable agencies by the required deadlines. The Commission does not have a retirement plan.

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Ethics (excluding nonprofits)

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

Ethics training documentation was not found for the 5 randomly selected employees, which were selected for payroll/personnel procedures.

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

Per inquiry of management, there were no alleged ethics violations reported to the Commission during the fiscal period.

Debt Service (excluding nonprofits)

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

No debt was issued during the fiscal period.

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

Obtained supporting documentation from the Commission noting that they made scheduled debt service payments on leases, as required by the debt covenants.

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

The Commission did not have tax millages relating to debt service during the fiscal period.

Other

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

Per inquiry of management, there were no misappropriations of public funds or assets.

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

The Commission has posted the notice required by R.S. 24:523.1 on its premise. The Commission did not have a website during the fiscal period.

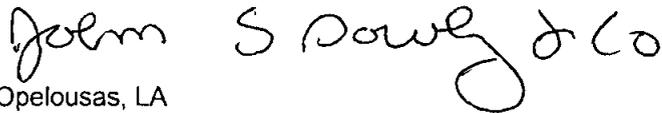
33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

No exceptions were noted.

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

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Handwritten signature in cursive script that reads "John S. Dawley & Co".

Opelousas, LA
June 26, 2018