

DISTRICT NO. 6 PUBLIC WORKS COMMISSION  
OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Commissioners  
District No. 6 Public Works Commission  
of St. Landry Parish  
Port Barre, Louisiana

We have audited the accompanying financial statements of the governmental activities and each major fund of District No. 6 Public Works Commission, component unit of the St. Landry Parish Government, as of and for the year ended December 31, 2018, 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 from 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 organization'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.

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1  
John S. Dowling, CPA  
1904-1984  
John Newton Stout, CPA  
1936-2005  
Chizal S. Fontenot, CPA  
1955-2012  
  
Retired  
Harold Dupre, CPA  
1996  
Dwight Ledoux, CPA  
1998  
Joel Lanclos, Jr., CPA  
2003  
Russell J. Stelly, CPA  
2005

To the Board of Commissioners  
District No. 6 Public Works Commission  
of St. Landry Parish  
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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **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 each major fund of the Commission, as of December 31, 2018, and the respective changes in financial position 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 pages 24 and 25 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.

To the Board of Commissioners  
District No. 6 Public Works Commission  
of St. Landry Parish  
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#### *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 pages 26-29 is presented for purposes of additional analysis and is not a required part of the basic financial statement.

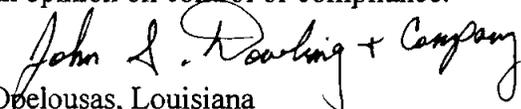
The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic 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.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2019, on our consideration of the Commission's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 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 the 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 25, 2019 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 25, 2019

## BASIC FINANCIAL STATEMENTS

The District No. 6 Public Works Commission's basic financial statements comprise the following three components:

Government-wide financial statements - provide readers with a broad overview of District No. 6 Public Works Commission's finances in a manner similar to a private sector business.

Fund financial statements - provide readers information with an emphasis on inflows and outflows of resources useful for making decisions in a budgetary context where the focus is on meeting the near-term financial needs.

Notes to financial statements - provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

DISTRICT NO. 6 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
STATEMENT OF NET POSITION  
GOVERNMENTAL FUND  
DECEMBER 31, 2018

	GOVERNMENTAL ACTIVITIES
<u>ASSETS</u>	
Cash and cash equivalents	\$ 2,321,074
Receivables	
Ad valorem taxes	1,842,108
State revenue sharing	20,620
Prepaid insurance	13,822
Prepaid taxes	1,886
Capital assets (net)	6,113,926
<u>Total assets</u>	10,313,436
 <u>LIABILITIES</u>	
Accounts payable and accrued expenses	30,843
Construction payable	780,049
<u>Total liabilities</u>	810,892
 <u>NET POSITION</u>	
Net investment in capital assets	6,113,926
Unrestricted	3,388,618
<u>Total net position</u>	9,502,544

DISTRICT NO. 6 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
STATEMENT OF ACTIVITIES  
GOVERNMENTAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2018

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u> Grants and Charges for Services	<u>Net (Expenses) Revenues and Change in Net Position</u> Governmental Activities
<u>Governmental Activities</u>			
Public works	\$ 1,066,563	\$ -	\$ (1,066,563)
<u>Total governmental activities</u>	<u>1,066,563</u>	<u>-</u>	<u>(1,066,563)</u>
General revenues			
			1,925,775
			30,494
			6,269
			248
			<u>1,962,786</u>
			896,223
			<u>8,606,321</u>
			<u>9,502,544</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

DISTRICT NO. 6 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
BALANCE SHEET  
GOVERNMENTAL FUND  
DECEMBER 31, 2018

GENERAL FUND

ASSETS

Cash	\$ 2,321,074
Ad valorem taxes receivable (net)	1,842,108
State revenue sharing receivable	20,620
Prepaid taxes	<u>1,886</u>
 <u>Total assets</u>	 <u>4,185,688</u>

LIABILITIES, DEFERRED INFLOWS OF RESOURCES  
AND FUND BALANCE

LIABILITIES

Accounts payable and accrued expenses	\$ 30,843
Construction payable	<u>780,049</u>
<u>Total liabilities</u>	<u>810,892</u>

DEFERRED INFLOWS OF RESOURCES

Unavailable revenues - property taxes	48,256
Unavailable revenues - state revenue sharing	<u>20,620</u>
<u>Total deferred inflows of resources</u>	<u>68,876</u>

FUND BALANCE

Nonspendable	1,886
Unassigned	<u>3,304,034</u>
<u>Total fund balance</u>	<u>3,305,920</u>

Total liabilities, deferred inflows of resources  
and fund balance

4,185,688

DISTRICT NO. 6 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
RECONCILIATION OF THE GOVERNMENTAL FUND'S BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2018

Total fund balance for the governmental fund at December 31, 2018		\$ 3,305,920
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.		68,876
Cost of capital assets at December 31, 2018	\$ 6,946,885	
Less: Accumulated depreciation as of December 31, 2018	<u>(832,959)</u>	6,113,926
Prepaid insurance		<u>13,822</u>
<u>Net position at December 31, 2018</u>		<u>9,502,544</u>

The accompanying notes are an integral part of this statement.

DISTRICT NO. 6 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
GOVERNMENTAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>GENERAL FUND</u>
<u>REVENUES</u>	
Taxes	
Property taxes	\$ 1,918,499
Intergovernmental	
State revenue sharing	30,527
Interest	6,269
Miscellaneous	248
<u>Total revenues</u>	<u>1,955,543</u>
 <u>EXPENDITURES</u>	
Current operating	
Salaries	219,434
Board member pay	7,100
Payroll taxes	17,950
Property tax pension	60,710
Accounting	20,500
Materials	170,492
Workmen's compensation	16,675
Other insurance	97,401
Legal and advertising	1,445
Telephone	7,306
Utilities	3,053
Professional fees	20
Rent	53,277
Repairs and maintenance	51,089
Fuel and oil	31,208
Parts and supplies	15,536
Office supplies	6,090
Uniform cleaning	1,956
Board meeting expense	395

Continued on next page.

The accompanying notes are an integral part of this statement.

DISTRICT NO. 6 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
GOVERNMENTAL FUND (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>GENERAL FUND</u>
<u>EXPENDITURES</u> - Continued	
Capital outlay	
Road project - Black top	\$ 1,203,592
Testing and inspection	9,695
Equipment	10,078
<u>Total expenditures</u>	2,005,002
<u>NET CHANGE IN FUND BALANCE</u>	(49,459)
<u>FUND BALANCE</u> , beginning of year	3,355,379
<u>FUND BALANCE</u> , end of year	3,305,920

The accompanying notes are an integral part of this statement.

DISTRICT NO. 6 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2018

Total net change in fund balance for the year ended December 31, 2018 per Statement of Revenues, Expenditures, and Changes in Fund Balance		\$ (49,459)
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.		7,243
Change in prepaid insurance for year ended December 31, 2018		9,122
Capital outlay which are considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balance	\$1,223,365	
Depreciation expense for year ended December 31, 2018	<u>(294,048)</u>	<u>929,317</u>
<u>Total change in net position for the year ended</u> <u>December 31, 2018 per Statement of Activities</u>		<u>896,223</u>

The accompanying notes are an integral part of this statement.

DISTRICT NO. 6 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

District No. 6 Public Works Commission of St. Landry Parish, 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 6 commissioners appointed by the St. Landry Parish Government. Effective in October 2009, the Commission approved reimbursements to commissioners for each meeting attended. Prior to October 2009, they received no compensation.

The financial statements of District No. 6 Public Works Commission of St. Landry Parish have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of certain significant accounting policies and practices of District No. 6 Public Works Commission of St. Landry Parish.

A. FINANCIAL 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.

DISTRICT NO. 6 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

A. FINANCIAL REPORTING ENTITY - Continued

This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the parish government to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the parish government.
2. Organizations for which the parish government does not appoint a voting majority but are fiscally dependent on the parish government.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the parish government appoints the commissioners of District No. 6 Public Works Commission and the function of the Commission serves as a substantial contribution to similar services provided by the parish government, the Commission was determined to be a component unit of the St. Landry Parish Government, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Commission and do not present information on the parish government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. BASIS OF PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

The Statement of Net Position and the Statement of Activities display information on all of the nonfiduciary activities of the Commission, a component unit, as a whole. They include all funds of the reporting entity. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees 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.

DISTRICT NO. 6 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. BASIS OF PRESENTATION - Continued

FUND FINANCIAL STATEMENTS

The accounts of the Commission are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

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 emphasis on fund financial statements is on major governmental funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Commission or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The Commission reports the following major governmental fund:

General Fund - The General Operating Fund of District No. 6 Public Works Commission of St. Landry Parish is used to account for all financial resources except those required to be accounted for in other funds.

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.

DISTRICT NO. 6 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING - Continued

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.

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. A fund on an accrual basis utilizes an economic resources measurement focus. The accounting objective of this measurement focus is the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

BASIS OF ACCOUNTING

In the government-wide Statement of Net Position and Statement of Activities, governmental 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both 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) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is 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.

DISTRICT NO. 6 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING - Continued

Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received.

Purchase of various operating supplies are regarded as expenditures at the time purchased. The costs of governmental fund type inventories are recorded as expenditures when purchased and items on hand at year-end, if material, are recorded as assets. The policy regarding prepaid expenditures is to record the portion of insurance premiums that are paid during the current year for the future periods.

D. CASH AND INVESTMENTS

Investments, if any, 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. At December 31, 2018, the Commission did not hold any investments.

E. CAPITAL ASSETS

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated assets, which are recorded at their estimated fair value at the date of donation. Such assets are maintained on the basis of original cost (cash paid plus trade-in allowance, if applicable).

Depreciation of all exhaustible 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. The range of estimated useful lives by type of asset is as follows:

Infrastructure	20 years
Equipment	10-20 years
Trucks	5-15 years

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

No interest costs were incurred during construction.

DISTRICT NO. 6 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

F. BUDGETS

The Commission legally adopted a budget for the year ended December 31, 2018. The budget is prepared on a modified accrual 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 reporting purposes, the budgetary information has been expanded.

G. ENCUMBRANCES

The Commission does not employ the encumbrance system of accounting.

H. COMPENSATED ABSENCES

Annual vacation leave is provided to all full-time employees and they are encouraged to take an annual vacation. Employees earn 40 hours of vacation time for the first year of service, 80 hours for the second year, and 120 hours beginning on the eleventh year. Vacation time in excess of 30 days may not be accumulated for a period more than one year in addition to the present year in which the vacation time is being earned.

Sick leave is earned at the rate of 2.77 hours per bi-weekly period. Any unused sick leave is carried over on December 31 of each year. Upon termination or resignation accrued sick leave will not be paid to the employee.

Employees also may accumulate compensatory time for hours worked in excess of 40 hours per week. Compensatory time will not be paid upon termination or resignation.

I. LONG-TERM DEBT

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements.

Long-term debt for the governmental fund is not reported as liabilities in the fund financial statements. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

DISTRICT NO. 6 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

J. EXPENDITURES AND EXPENSES

In the government-wide financial statements, expenses are classified by function for governmental activities.

In the fund financial statements, the governmental fund reports expenditures of financial resources.

K. EQUITY CLASSIFICATIONS

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

1. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. 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.
3. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

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 – 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 or enabling legislation.

DISTRICT NO. 6 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

K. EQUITY CLASSIFICATIONS - Continued

2. Committed – Consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the board members – the government’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the board members remove 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 – Reflects the amounts constrained by the Commission’s “intent” to be used for specific purposes, but are neither restricted nor committed. The members of the board have 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 – This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

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. Additional, 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 restricted resources first, then unrestricted resources – committed, assigned, and unassigned – in order as needed.

L. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require 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, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

DISTRICT NO. 6 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

M. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

District No. 6 Public Works Commission of St. Landry Parish does not provide any post-employment benefits to employees and therefore is not required to report under GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post-employment Benefits other than Pensions.

N. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial 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. The Commission does not have any of this type.

In addition to liabilities, the statement of financial 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 that time. The Commission has only one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and state revenue sharing. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. 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.

NOTE 2 - CASH

At December 31, 2018, the bank and book balances of cash in checking accounts were \$2,329,042 and \$2,321,074, respectively.

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 the collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting 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.

DISTRICT NO. 6 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018

NOTE 2 - CASH - Continued

These securities are held in the name of the Commission or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. The Commission does not have a policy for custodial credit risk.

At year-end, \$250,000 of the bank balance was covered by FDIC insurance and \$2,079,042 was covered by securities.

NOTE 3 - AD VALOREM TAXES

District No. 6 Public Works Commission of St. Landry Parish levies a special tax of 14.37 mills on all taxable property. This tax, which was renewed at a special election held on April 21, 2012, will be assessed for a period of 10 years, 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 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 Commission. Property taxes are due on October 1 and become delinquent on 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 taxes receivable is as follows:

	<u>Total Per Tax Roll</u>	<u>Pension Fund Requirements</u>	<u>Received in November &amp; December</u>	<u>Allowance for Uncollectibles</u>	<u>Tax Receivable</u>
2018	\$ 1,943,206	\$ 60,710	\$ 25,315	\$ 15,073	\$ 1,842,108



DISTRICT NO. 6 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018

NOTE 6 - FUND BALANCE

The Commission does not have a deficit fund balance in its fund financial statement for the year ended December 31, 2018.

NOTE 7 - COMMISSION MEMBERS

A list of commissioners as of December 31, 2018, along with compensation received is as follows:

Jason Fitzgerald, Chairman	\$ 1,400
Sidney Bourque, Vice Chairman	1,400
James Allen Cox, Secretary	1,300
Frank Albrecht	1,300
Dale Polozola	1,200
Renee Aymond	500
	<hr/>
	7,100
	<hr/>

NOTE 8 - SUBSEQUENT EVENTS

Subsequent events were evaluated through June 25, 2019, which is the date the financial statements were available to be issued. As of June 25, 2019, there were no subsequent events noted.

NOTE 9 - FUND BALANCE CONSTRAINTS

The constraints on fund balance as listed in aggregate in the Statement of Revenues, Expenditures, and Changes in Fund Balance are detailed according to balance classification.

	<u>GENERAL FUND</u>
Fund Balance:	
Nonspendable	
Prepaid taxes	\$ 1,886
Restricted	-
Committed	-
Assigned	-
Unassigned	<hr/>
	3,304,034
	<hr/>
Total Fund Balance	3,305,920
	<hr/>

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE

DISTRICT NO. 6 ROAD PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
<u>REVENUES</u>				
Taxes				
Property taxes	\$1,935,358	\$1,901,914	\$1,918,499	\$ 16,585
Intergovernmental				
State revenue sharing	30,000	30,617	30,527	(90)
Interest	4,000	6,039	6,269	230
Miscellaneous	-	4,197	248	(3,949)
<u>Total revenues</u>	<u>1,969,358</u>	<u>1,942,767</u>	<u>1,955,543</u>	<u>12,776</u>
<u>EXPENDITURES</u>				
Current Operating				
Salaries - administration	35,000	37,298	37,337	(39)
Salaries - operators	170,000	179,084	182,097	(3,013)
Board member pay	7,800	7,100	7,100	-
Payroll taxes	17,250	21,573	17,950	3,623
Property tax pension	3,800	2,533	60,710	(58,177)
Accounting	18,100	19,720	20,500	(780)
Materials	85,000	175,313	170,492	4,821
Medical	150	-	-	-
Workmen's compensation	126,000	103,243	16,675	86,568
Insurance - other	-	15,597	97,401	(81,804)
Legal advertising	1,750	1,745	1,445	300
Telephone	7,000	7,254	7,306	(52)
Utilities	2,600	3,247	3,053	194
Engineering and professional fees	80,000	69,706	20	69,686
Rent	48,450	48,267	53,277	(5,010)
Repairs and maintenance	20,000	52,028	51,089	939
Fuel and oil	26,000	32,856	31,208	1,648
Parts and supplies	21,000	16,130	15,536	594
Office expense	6,500	5,755	6,090	(335)
Uniform cleaning	2,000	1,371	1,956	(585)
Board meeting expense	400	61	395	(334)

Continued on following page.  
See Independent Auditor's Report.

DISTRICT NO. 6 ROAD PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE (CONTINUED)  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
<u>EXPENDITURES</u> - Continued				
Capital outlay				
Road project - Black top	\$1,500,000	\$ 923,782	\$1,203,592	\$ (279,810)
Testing and inspection	-	9,695	9,695	-
Equipment	-	8,998	10,078	(1,080)
<u>Total expenditures</u>	<u>2,178,800</u>	<u>1,742,356</u>	<u>2,005,002</u>	<u>(262,646)</u>
<u>NET CHANGE IN FUND BALANCE</u>	<u>(209,442)</u>	<u>200,411</u>	<u>(49,459)</u>	<u>249,870</u>
<u>FUND BALANCE</u> , beginning of year			<u>3,355,379</u>	
<u>FUND BALANCE</u> , end of year			<u>3,305,920</u>	

See Independent Auditor's Report.

OTHER SUPPLEMENTARY INFORMATION

## GENERAL FUND

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund. The General Fund has a greater number and variety of revenue sources than any other fund, and its resources normally finance a wider range of activities. The resources of the General Fund are ordinarily largely expended and replenished on an annual basis.

DISTRICT NO. 6 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND  
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	GENERAL FUND	
	2018	2017
<u>REVENUES</u>		
Taxes		
Property taxes	\$ 1,918,499	\$ 2,005,305
Intergovernmental		
State revenue sharing	30,527	28,753
Interest	6,269	3,842
Miscellaneous	248	23,474
<u>Total revenues</u>	<u>1,955,543</u>	<u>2,061,374</u>
<u>EXPENDITURES</u>		
Current operating		
Salaries - administration	37,337	33,230
Salaries - operators	182,097	167,663
Board member pay	7,100	7,600
Payroll taxes	17,950	16,703
Property tax pension	60,710	62,393
Accounting	20,500	18,850
Materials	170,492	77,225
Workmen's compensation	16,675	30,273
Other insurance	97,401	78,049
Legal advertising	1,445	1,737
Licenses and fees	-	81
Telephone	7,306	6,646
Utilities	3,053	2,574
Engineering and professional fees	20	-
Rent	53,277	50,117
Repairs and maintenance	51,089	15,990
Fuel and oil	31,208	25,934
Parts and supplies	15,536	19,152
Office supplies	6,090	6,862
Uniform cleaning	1,956	2,074
Board meeting expense	395	483

Continued on following page.  
See Independent Auditor's Report.

DISTRICT NO. 6 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	GENERAL FUND	
	2018	2017
<u>EXPENDITURES</u> - Continued		
Capital outlay		
Road project - black top	\$ 1,203,592	\$ 925,056
Testing and inspection	9,695	-
Equipment	10,078	21,483
<u>Total expenditures</u>	2,005,002	1,570,175
<u>NET CHANGE IN FUND BALANCE</u>	(49,459)	491,199
<u>FUND BALANCE</u> , beginning of year	3,355,379	2,864,180
<u>FUND BALANCE</u> , end of year	3,305,920	3,355,379

See Independent Auditor's Report.

DISTRICT NO. 6 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS  
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER

Agency Head Name: Jason Fitzgerald, Chairman

Purpose	Amount
Salary	\$1,400
Benefits-insurance	0
Benefits-retirement	0
Benefits-<list any other here>	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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Van L. Auld, CPA

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 2003  
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 2005

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 No. 6 Public Works  
 Commission of St. Landry Parish  
 Port Barre, 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 each major fund of District No 6 Public Works Commission, component unit of the St. Landry Parish Government, as of and for the year ended December 31, 2018, 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 25, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Commission'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 Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission'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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Commission'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.

To the Board of Commissioners  
District No. 6 Public Works  
Commission of St. Landry Parish  
Page 2

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Commission'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 an instance of noncompliance or other matter that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2018-1.

### **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 Legislative Auditor as a public document.



Opelousas, Louisiana  
June 25, 2019

DISTRICT NO. 6 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2018

A. SUMMARY OF AUDIT RESULTS

1. We have audited the basic financial statements of District No. 6 Public Works Commission of St. Landry Parish as of and for the year ended December 31, 2018, and have issued our report thereon dated June 25, 2019. 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States and provisions of the Uniform Guidance. Our audit of the financial statements as of December 31, 2018, resulted in an unmodified opinion.
2. No significant deficiencies 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 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 District No 6 Public Works Commission as of and for the year ended December 31, 2018.
5. A single audit was not required under the Uniform Guidance.

B. FINANCIAL STATEMENT FINDINGS – AUDIT

Compliance

2018-1 Actual Expenditures Exceeded Budgeted Expenditures By More Than Five Percent

Condition: Total expenditures exceeded budgeted expenditures by \$262,646, which caused the percentage variance to be 13%.

Criteria: Louisiana Revised Statute (RS 39:1310-1311) states that the budget must be amended when actual expenditures exceed budgeted expenditures by more than five percent.

Cause: The budget was not properly amended to account for increase in expenditures.

Effect: Although the budget was amended before the fiscal year-end, the actual expenditures exceeded the budgeted expenditures by more than five percent.

DISTRICT NO. 6 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2018

B. FINANCIAL STATEMENT FINDINGS – AUDIT (CONTINUED)

Compliance (Continued)

2018-1 Actual Expenditures Exceeded Budgeted Expenditures By More Than Five Percent  
(Continued)

Recommendation: The Commission should budget expenditures more accurately in the future to reflect actual expenditures.

Corrective Action Plan: The Commission will properly amend the budget in future years to accurately reflect expenditures.

Contact Person: Jason Fitzgerald, Chairman

DISTRICT NO. 6 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2018

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

2017-1 Actual Expenditures Exceeded Budgeted Expenditures By More Than Five Percent – Unresolved – Repeat Comment

SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

N/A.

SECTION III - MANAGEMENT LETTER

No findings.

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 ACCOUNTANT'S REPORT**  
**ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Commissioners  
 District No. 6 Public Works  
 Commission of St. Landry Parish  
 Port Barre, Louisiana

We have performed the procedures enumerated below, which were agreed to by the Board of Commissioners of District No. 6 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, 2018 through December 31, 2018. The Entity'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 and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget

*There are no written policies and procedures addressing 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.

*There are no written policies and procedures addressing purchasing.*

c) ***Disbursements***, including processing, reviewing, and approving

*There are no written policies and procedures addressing disbursements.*

To the Board of Commissioners  
 District No. 6 Public Works Commission  
 of St. Landry Parish  
 Page 2

- d) **Receipts**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or 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).

*There are no written policies and procedures addressing receipts.*

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

*There are no written policies and procedures addressing payroll/personnel.*

- 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

*There are no written policies and procedures addressing 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 of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)

*Not applicable to the entity.*

- h) **Travel and travel-related expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

*There are no written policies and procedures addressing 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.

*There are no written policies and procedures addressing ethics.*

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

*Not applicable to the entity.*

#### **Board or Finance Committee**

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

*Obtained and inspected the board minutes and equivalent documents for the fiscal period.*

To the Board of Commissioners  
 District No. 6 Public Works Commission  
 of St. Landry Parish  
 Page 3

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

*Observed the minutes of the board for the fiscal period noting the board commissioners meet on a monthly basis.*

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

*The minutes packet included monthly budget-to-actual comparisons and referenced the approval of monthly financial statements. The budget is prepared on an annual basis.*

- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the General Fund. If the General Fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the General Fund.

*The general fund unrestricted fund balance from the prior year audit report was not negative.*

### **Bank Reconciliations**

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

*We were provided with the list of bank accounts from management and management's representation that the listing is complete. Management identified the entity's main operating account. There are only two bank accounts for the entity, only one of which requires bank reconciliations. Randomly selected one month and obtained the corresponding bank statement and reconciliation for the operating account only.*

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

*There is electronically logged evidence that the selected bank reconciliation was prepared within 2 months of the related statement closing date.*

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- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each reconciliation (e.g., initialed and dated, electronically logged); and

*The bank reconciliation obtained did not include evidence that management or a board member reviewed the bank reconciliations, which were prepared by the bookkeeper.*

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

*There were three outstanding items for more than 12 months from the statement closing date, and no documentation that management has researched these items.*

### Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

*There is only one deposit site where deposits for cash are prepared and obtained management's representation that the listing is complete.*

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

*There is only one collection location and obtained management's representation that the listing is complete. There are no written policies and procedures relating to employee job duties. The secretary is the only employee at the collection location.*

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

*The secretary is the only employee that collects cash and does not have a cash drawer/register.*

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

*The secretary that is responsible for collecting cash also is responsible for preparing/making bank deposits. The outside fee accountant/bookkeeper is responsible for reconciling collection documentation to the deposit.*

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- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

*The secretary that collects cash is not responsible for posting collection entries to the general ledger. The bookkeeper is responsible for posting collection entries to the general ledger.*

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

*The bookkeeper that reconciles cash collections to the general ledger is not responsible for collecting cash.*

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

*The only employee that has access to cash is covered by a bond.*

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

*Randomly selected two deposit dates for the one bank account selected for procedure #3 and obtained supporting documentation for each of the two deposits.*

- a) Observe that receipts are sequentially pre-numbered.

*Of the two deposits selected, the receipts are pre-numbered.*

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

*No exceptions noted.*

- c) Trace the deposit slip total to the actual deposit per the bank statement.

*No exceptions noted.*

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

*Of the two deposits selected, both were made within one business day of receipt at the collection location.*

- e) Trace the actual deposit per the bank statement to the general ledger.

*No exceptions noted.*

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***Non-Payroll Disbursements – General (excluding credit card purchases/payments, travel reimbursements, and petty cash purchases)***

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8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

*Obtained a listing of locations that process payments and management's representation that the listing is complete. There is only one location that processes payments.*

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

*Obtained a listing of employees involved with non-payroll purchasing and payment functions. There are no written policies and procedures relating to employee job duties.*

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

*More than one employee is involved in initiating a purchase request, approval and making the purchase. All purchases were made by authorized personnel. Invoices are approved by a person who does not initiate the purchase. The Chairman of the board approves all invoices.*

- b) At least two employees are involved in processing and approving payments to vendors.

*The bookkeeper processes the payments to the vendors and the invoices and checks are reviewed for approval by the board commissioners at the monthly board meetings. The checks require dual signatures by the board commissioners.*

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

*The bookkeeper who is responsible for processing payments is prohibited from adding/modifying vendor files, which are kept at the entity's office with the secretary.*

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

*The checks require dual signatures by the board commissioners. After the checks are signed, the secretary who is not responsible for processing payments mails the check to the vendor.*

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10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

*Obtained the entity's non-payroll disbursement transaction population by filtering the general ledger and management's representation that the population is complete. Randomly selected 5 transactions for the one location listed under #8 above.*

- a) Observe that the disbursement matched the related original invoice/billing statement.

*No exceptions noted.*

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

*No exceptions noted.*

#### *Credit Cards/Debit Cards/Fuel Cards/P-Cards*

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, 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.

*The entity does not have credit cards, debit cards, fuel cards or P-cards.*

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

*The entity does not have credit cards, debit cards, fuel cards or P-cards.*

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) 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.]]

*The entity does not have credit cards, debit cards, fuel cards or P-cards.*

- b) Observe that finance charges and late fees were not assessed on the selected statements.

*The entity does not have credit cards, debit cards, fuel cards or P-cards.*

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13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, report whether the transaction is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

*The entity does not have credit cards, debit cards, fuel cards or P-cards.*

**Travel and Travel-Related Expense Reimbursements (excluding card transactions)**

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

*Obtained the general ledger and compiled a listing of all travel and travel-related reimbursements and management's representation that the listing is complete. The secretary is the only employee reimbursed during the fiscal period for mileage. Randomly selected 5 reimbursements, obtained the Road Trip Log sheets and supporting documentation for the selected.*

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

*All reimbursements selected were reimbursed at the GSA rate for the fiscal period.*

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

*Travel and travel-related reimbursements are only reimbursed using per diem rates.*

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

*Each reimbursement is supported documentation of the business purpose. The entity does not have written policies related to travel and travel-related reimbursements.*

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*The related documentation was reviewed and approved, in writing, by the Chairman of the board.*

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### ***Contracts***

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15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

*Obtained from management a listing of all contracts that were initiated or renewed during the fiscal period and management's representation that the listing is complete. The entity entered into one contract during the fiscal year for a construction project.*

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

*For the construction project, no exceptions noted. The construction project was advertised for bids and the lowest bidder was selected for approval.*

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

*Per the board meeting minutes, the contract was approved by the board commissioners.*

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

*The contract was not amended during the fiscal period.*

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

*Selected the only payment from the fiscal period for the one contract, obtained the supporting invoice and agreed the invoice to the contract terms. The invoice and related payment agreed to the terms and conditions of the contract.*

### ***Payroll and Personnel***

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16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

*Obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly selected 5 employees/officials and obtained their related paid salaries and personnel file, then agreed paid salaries for selected employees/officials to authorized salaries/pay rates in personnel files.*

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17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

*Randomly selected one pay period during the fiscal period and obtained attendance records and leave documentation for the 5 selected employees/officials under #16 above for the selected pay period.*

- a) Observe that 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.)

*For the 5 selected employees/officials, three of the selected are employees and the remaining two are board commissioners. Only employees are eligible to earn leave. All daily attendance and leave were documented for the selected employees. The board commissioners are not eligible to earn leave and their attendance is documented at the board meetings for per diem only.*

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

*There is written documentation that supervisors approved, in writing, the attendance and leave of the selected employees.*

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

*There is written documentation that the entity maintains leave records on the selected employees that earn leave.*

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select the two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

*Per management's representation, no employees were terminated during the fiscal period.*

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by the required deadlines.

*Obtained management's representation and noted no exceptions with regards to the employer and employee portions of payroll taxes, health insurance premiums and worker's compensation premiums. The entity does not participate in any retirement plans. All payroll taxes and premiums have been paid and the associated forms have been filed by the required deadlines.*

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### ***Ethics***

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

*Management provided ethics documentation for the 5 selected employees/officials noting that three of the selected are employees and the remaining two are board commissioners.*

- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

*The ethics documentation demonstrated that all the selected board commissioners and one of the selected employees completed one hour of ethics training during the fiscal period.*

- b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

*There are no written policies and procedures addressing ethics for the entity.*

### ***Debt Service***

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21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

*Not applicable to the entity.*

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

*Not applicable to the entity.*

### ***Other***

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23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

*There were no misappropriations of public funds or assets during the fiscal period per management.*

To the Board of Commissioners  
District No. 6 Public Works Commission  
of St. Landry Parish

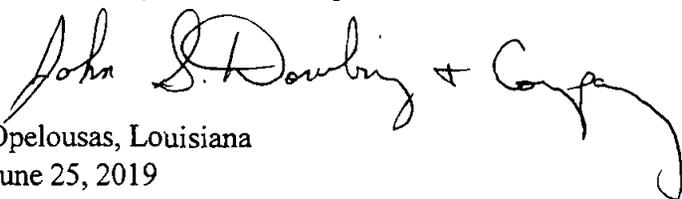
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24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

*The notice is posted on the premises. The entity does not have a website.*

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.



Opelousas, Louisiana  
June 25, 2019

DISTRICT NO. 6 PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH  
PORT BARRE, LOUISIANA  
FOR THE YEAR ENDED DECEMBER 31, 2018

Management's responses to the following agreed-upon procedure sections:

**Written Policies and Procedures:**

1. a) Budgeting
- b) Purchasing
- c) Disbursements
- d) Receipts
- e) Payroll/Personnel
- f) Contracting
- h) Travel and travel-related expense reimbursements
- i) Ethics

**Management's Response:**

The Commission follows policies and procedures set forth by the St. Landry Parish Government.

**Bank Reconciliations:**

3. b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each reconciliation (e.g., initialed and dated, electronically logged); and
- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

**Management's Response:**

In the future, the bookkeeper will print out and bring the current finalized bank reconciliation to the monthly board meetings. The Board Chairman will review, sign/initial and date the bank reconciliation for approval. If the Board Chairman is not at the meeting, the Vice Chairman will review the bank reconciliation. The Board Commissioners will begin researching items that have been outstanding for more than 12 months.

**Ethics:**

20. a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
- b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

**Management's Response:**

The Board Commissioners will monitor the employees' ethics training in the future. Towards the end of the fiscal period, the Board Commissioners will verify that all have received the required ethics training. If they have not, the Board will make sure that it is completed by year end. Once the employees/officials complete their ethics training, their certificates or other documentation will be placed in their personnel file.