

DISTRICT FIVE PUBLIC WORKS COMMISSION
OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1-3
 <u>BASIC FINANCIAL STATEMENTS</u>	
Government-wide Financial Statements	
Statement of Net Position	4
Statement of Activities	5
Fund Financial Statements	
Balance Sheet – Governmental Fund	6
Reconciliation of the Governmental Fund's Balance Sheet to the Statements of Net Position	7
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund Type - General Fund	8
Reconciliation of the Statement of Revenues, Expenditures, and Changes in the Fund Balance of the Governmental Fund to the Statement of Activities	9
Notes to the Financial Statements	10-19
 <u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
Budgetary Comparison Schedule – General Fund	20
 <u>OTHER SUPPLEMENTARY INFORMATION</u>	
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer	21
 <u>RELATED REPORTS</u>	
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 <u>Government Auditing Standards</u>	22-23
Schedule of Findings and Responses	24-25
Schedule of Prior Year Findings	26
INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES	27-31
Management Responses to Statewide Agreed-Upon Procedures Exceptions	32

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Retired

Harold Dupre, CPA - 1996
 Dwight Ledoux, CPA - 1998
 Joel Lanclos, Jr., CPA - 2003
 G. Kenneth Pavy, II, CPA - 2020

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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, 2019, 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.

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

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, 2019 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 20 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 21 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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 statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements 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.

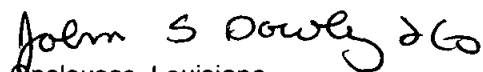
To the Board of Commissioners
District Five Public Works
Commission of St. Landry Parish
Page 3

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 23, 2020, 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 March 23, 2020 on the results of our statewide 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 statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.



Opelousas, Louisiana
March 23, 2020

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, 2019

	<u>GOVERNMENTAL ACTIVITIES</u>
<u>ASSETS</u>	
Cash	\$ 528,383
Ad valorem taxes receivable, net	1,450,444
Revenue sharing receivable	13,663
Prepaid insurance	20,887
Capital assets, net	205,958
<u>Total assets</u>	<u>2,219,335</u>
 <u>LIABILITIES</u>	
Accounts and accrued expenses	3,707
Long-term liabilities	
Due within one year	-
Due in more than one year	19,882
<u>Total liabilities</u>	<u>23,589</u>
 <u>NET POSITION</u>	
Net investment in capital assets	205,958
Unrestricted	1,989,788
<u>Total net position</u>	<u>2,195,746</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, 2019

<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	\$ 1,146,191	\$ -	\$ -	\$ -	\$ (1,146,191)
Interest	974	-	-	-	(974)
<u>Total governmental activities</u>	<u>1,147,165</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,147,165)</u>
General Revenues					
Taxes					
Property taxes					1,469,001
Intergovernmental					
State revenue sharing					20,494
Interest and investment earnings					1,491
Miscellaneous income					11,078
<u>Total general revenues</u>					<u>1,502,064</u>
Change in net position					354,899
Net position, January 1, 2019					<u>1,840,847</u>
Net position, December 31, 2019					<u>2,195,746</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, 2019

	<u>GENERAL FUND</u>
<u>ASSETS</u>	
Cash	\$ 528,383
Ad valorem taxes receivable, net of allowance for uncollectibles	1,450,444
Revenue sharing receivable	13,663
Prepaid insurance	20,887
<u>Total assets</u>	<u>2,013,377</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</u>	
<u>LIABILITIES</u>	
Accounts payable	\$ 3,707
<u>Total liabilities</u>	<u>3,707</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Unavailable revenues-property taxes	57,791
Unavailable revenues-state revenue sharing	13,663
<u>Total deferred inflows of resources</u>	<u>71,454</u>
<u>FUND BALANCE</u>	
Nonspendable	20,887
Unassigned	1,917,329
<u>Total fund balance</u>	<u>1,938,216</u>
<u>Total liabilities, deferred inflows of resources and fund balance</u>	<u>2,013,377</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, 2019

Total fund balance for the governmental fund at December 31, 2019		\$ 1,938,216
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.		71,454
Cost of capital assets at December 31, 2019	\$ 759,484	
Less: Accumulated depreciation as of December 31, 2019	<u>(553,526)</u>	205,958
Long-term liabilities at December 31, 2019 Compensated absences payable		<u>(19,882)</u>
Net position at December 31, 2019		<u><u>2,195,746</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, 2019

REVENUES

Taxes	
Property taxes	\$ 1,436,061
Intergovernmental	
State revenue sharing	20,771
Interest income	1,491
Miscellaneous income	11,078
<u>Total revenues</u>	<u>1,469,401</u>

EXPENDITURES

Current operating	
Labor cost	
Direct to roads	368,811
Office	66,518
Payroll taxes	35,013
Road supplies	
Aggregate	98,785
Herbicides	280
Road flags	1,007
Advertising	56
Beaver control	66,760
Building rental	1,200
Insurance	104,652
Professional	11,184
Property and equipment	
Rental	144,380
Repairs and maintenance	78,944
Tires/tubes	17,204
Diesel	55,227
Gasoline	13,514
Oil and filters	6,990
Office and supplies	39,773
Debt service	
Principal payments	24,489
Interest	974
Capital outlay	32,385
<u>Total expenditures</u>	<u>1,168,146</u>

<u>NET CHANGE IN FUND BALANCE</u>	301,255
<u>FUND BALANCE</u> , beginning of year, as restated	<u>1,636,961</u>
<u>FUND BALANCE</u> , end of year	<u>1,938,216</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, 2019

Total net change in fund balance for the year ended December 31, 2019 per Statement of Revenues, Expenditures, and Changes in Fund Balance		\$ 301,255
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		32,663
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 32,385	
Depreciation expense for year ended December 31, 2019	<u>(29,118)</u>	3,267
Increase in compensated absences on the accrual basis		(6,775)
Capital lease payments considered as an expenditure on Statement of Revenues, Expenditures and Changes in Fund Balance		<u>24,489</u>
<u>Total change in net position for the year</u> <u>ended December 31, 2019, per Statement of</u> <u>Activities</u>		<u><u>354,899</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, 2019

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, 2019

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, 2019

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. The policy regarding prepaid expenditures is to record the portion of insurance premiums that are paid during the current year for future periods.

DISTRICT FIVE PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

D. 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, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

D. 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.

E. BUDGETS

The Commission legally adopted a budget for the General Fund for the year ended December 31, 2019. The original budget was adopted on December 6, 2018 and amended on December 5, 2019. The budget for the General Fund 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 report purposes, the budgetary information has been expanded.

F. ENCUMBRANCES

The Commission does not employ the encumbrance system of accounting.

G. 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.

H. 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.

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

DISTRICT FIVE PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

H. CAPITAL ASSETS – Continued

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.

I. COMPENSATED ABSENCES

Annual leave is granted to full time employees and 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 40 hours. The maximum amount of accumulated leave is 200 hours. Excess will be credited to a "reserve" account maintained in the personnel file. Upon termination, accrued annual leave accumulated will be paid to the employee up to the maximum of 200 hours.

Sick leave is granted to full time employees and accrued at the rate of 1½ hours biweekly for 1 to 3 years of service and 2 hours biweekly for more than 3 years of service. The unused accumulated sick leave earned by an employee shall be carried forward to the succeeding year but not to exceed 30 workdays (300 hours). 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.

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 up to the maximum of 100 hours.

J. 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.

K. 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 reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

DISTRICT FIVE PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

2. CASH

At December 31, 2019, the carrying amount of cash was \$528,383 and the bank balance of cash was \$537,455. Of the bank balance, \$500,000 was covered by federal depository insurance and \$37,455 was covered by pledged securities. Deposits secured by pledged securities were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institutions' trust department or agent, but not in the Commission's name.

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.

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:

	<u>Total Per Tax Roll</u>	<u>Pension Fund Requirements</u>	<u>Allowance for Uncollectible Taxes</u>	<u>Tax Received In December</u>	<u>Tax Receivable</u>
2019	\$ 1,520,132	\$ (47,450)	\$ (2,836)	\$ (19,402)	\$ 1,450,444

DISTRICT FIVE PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019, was as follows:

	Balance 1/1/2019	Additions	Deletions	Balance 12/31/2019
Governmental activities:				
Furniture and fixtures	\$ 20,155	\$ -	\$ -	\$ 20,155
Equipment	507,177	26,085	-	533,262
Autos	147,991	6,300	-	154,291
Building	10,293	-	-	10,293
Land	41,483	-	-	41,483
<u>Totals</u>	<u>727,099</u>	<u>32,385</u>	<u>-</u>	<u>759,484</u>
Less accumulated depreciation				
Furniture and fixtures	17,523	360	-	17,883
Equipment	360,825	26,056	-	386,881
Autos	139,663	2,458	-	142,121
Building	6,397	244	-	6,641
<u>Total accumulated depreciation</u>	<u>524,408</u>	<u>29,118</u>	<u>-</u>	<u>553,526</u>
Governmental activities, Capital assets, net	<u>202,691</u>	<u>3,267</u>	<u>-</u>	<u>205,958</u>

Depreciation expense was charged to governmental activities as follows:

Roads and public works	<u>\$ 29,118</u>
	<u>29,118</u>

5. LONG-TERM DEBT

Changes in long-term liabilities during the year ended December 31, 2019 are as follows:

Description of Debt	Balance 1/1/2019	Increase	Decrease	Balance 12/31/2019	Due Within One Year
Compensated absences	\$ 13,107	\$ 6,775	\$ -	\$ 19,882	\$ -
Capital lease -Tractor and Boom Mower	24,489	-	24,489	-	-
	<u>37,596</u>	<u>6,775</u>	<u>24,489</u>	<u>19,882</u>	<u>-</u>

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 \$51,948 is included in capital assets. Depreciation expense for this equipment was \$10,748.

DISTRICT FIVE PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

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 2019 were \$7,358.

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 2019 were \$10,742.

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 2019 were \$5,882.

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 2019 were \$30,582.

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 2019 were \$22,017.

On February 20, 2019, 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 \$3,799 plus insurance and taxes. Rental expenditures for 2019 were \$ 38,620.

On June 6, 2019, the Commission entered into an operating lease for a Caterpillar 316FL Excavator. The lease is for a period of five years and requires monthly payments of \$1,902 plus insurance and taxes. Rental expenditures for 2019 were \$ 13,318.

On June 6, 2019, the Commission entered into an operating lease for a Caterpillar 308E Excavator. The lease is for a period of five years and requires monthly payments of \$1,325 plus insurance and taxes. Rental expenditures for 2019 were \$ 9,277.

On July 22, 2019, the Commission entered into an operating lease for a Caterpillar 420F2 Backhoe. The lease is for a period of five years and requires monthly payments of \$1,101 plus insurance and taxes. Rental expenditures for 2019 were \$ 6,585.

Future minimum lease payments are as follows:

2020	\$ 125,578
2021	98,871
2022	98,871
2023	98,871
2024	32,222
	454,413
	454,413

Rental expenditures under all operating leases were approximately \$144,380.

DISTRICT FIVE PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

7. FUND BALANCE

The General Fund does not have a deficit fund balance for the year ended December 31, 2019.

8. BOARD MEMBERS

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

Name	Office Held
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	

9. 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.

10. SUBSEQUENT EVENTS

Subsequent events were evaluated through March 23, 2020, which is the date the financial statements were available to be issued. As of March 23, 2020, there were no subsequent events noted.

11. PRIOR PERIOD ADJUSTMENT

A prior period adjustment was made to correct prior year prepaid insurance on the fund financial statements.

Fund Balance, as Previously Reported	Prior Period Adjustment	Fund Balance, as Restated
<u>\$ 1,656,476</u>	<u>\$ (19,515)</u>	<u>\$ 1,636,961</u>

The effect on the prior year's Statement of Revenues, Expenditures and Changes in Fund Balance was an overstatement of Fund Balance of \$19,515.

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 (GAAP BASIS) AND ACTUAL
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>REVENUES</u>				
Taxes				
Property taxes	\$ 1,303,877	\$ 1,317,495	\$ 1,436,061	\$ 118,566
Intergovernmental				
State revenue sharing	20,500	20,771	20,771	-
Interest	-	-	1,491	1,491
Miscellaneous income	-	-	11,078	11,078
<u>Total revenues</u>	<u>1,324,377</u>	<u>1,338,266</u>	<u>1,469,401</u>	<u>131,135</u>
<u>EXPENDITURES</u>				
Current operating				
Contract services	66,000	66,835	66,760	75
Office and supplies	84,000	103,648	87,226	16,422
Insurance	90,000	105,250	104,652	598
Repairs	72,000	78,190	78,944	(754)
Fuel	95,000	75,731	75,731	-
Labor and expenses	470,000	422,455	435,329	(12,874)
Training and education	8,000	900	-	900
Road supplies	150,500	99,634	100,072	(438)
Equipment rental	180,500	169,841	144,380	25,461
Tires and tubes	16,000	18,726	17,204	1,522
Debt service				
Principal payments	22,636	-	24,489	(24,489)
Interest	2,824	-	974	(974)
Capital outlay	-	32,385	32,385	-
<u>Total expenditures</u>	<u>1,257,460</u>	<u>1,173,595</u>	<u>1,168,146</u>	<u>5,449</u>
<u>NET CHANGE IN FUND BALANCE</u>	<u>66,917</u>	<u>164,671</u>	<u>301,255</u>	<u>136,584</u>
<u>FUND BALANCE</u> , beginning of year, as restated			<u>1,636,961</u>	
<u>FUND BALANCE</u> , end of year			<u>1,938,216</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, 2019

Agency Head Name: Angelique Fogleman, Chairwoman

<u>Purpose</u>	<u>Amount</u>
Salary	0
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
 Michael A. Roy, CPA
 Lisa Trouille Manuel, CPA
 Dana D. Quebedeaux, CPA



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Retired

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Van L. Auld, CPA

**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, 2019, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated March 23, 2020.

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 a certain deficiency in internal control, described in the accompanying schedule of findings and responses that we consider to be a significant deficiency, listed as item 2019-1.

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 Phone: 337-948-4848
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To the Board of Commissioners
District Five Public Works
Commission of St. Landry Parish
Page 2

Compliance and Other Matters

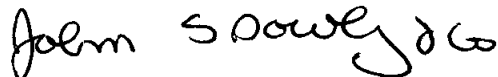
As part of obtaining reasonable assurance about whether District Five Public Works Commission of St. Landry Parish's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance 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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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
March 23, 2020

DISTRICT FIVE PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2019

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, 2019, and have issued our report thereon dated March 23, 2020. 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, 2019 resulted in an unmodified opinion.
2. One significant deficiency 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. No instances 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, 2019.
4. There was no single audit required under the Uniform Guidance.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

Internal Control Material to the Financial Statements

2019-1 Inadequate Segregation of Duties

Condition: Due to the small number of employees, District Five Public 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 Public Works Commission should have adequate segregation of duties over accounting functions.

Cause: There are a small number of employees at District Five Public 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, 2019

B. FINDINGS – FINANCIAL STATEMENT AUDIT - Continued

Internal Control Material to the Financial Statements - Continued

2019-1 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

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, 2019

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

2018-1 Inadequate Segregation of Duties
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
 Michael A. Roy, CPA
 Lisa Trouille Manuel, CPA
 Dana D. Quebedeaux, CPA



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Van L. Auld, CPA

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, 2019 through December 31, 2019. 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 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
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/Collections**, 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).
The Commission does not have written policies and procedures for receipts/collections.

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

- 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.*
- 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 of statements, and (5) monitoring card usage (e.g. determining the reasonableness of fuel card purchases)
- 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
- Written policies and procedures were obtained for travel and expense reimbursement and address all of the above functions.*
- 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.
- The Commission does not have written policies and procedures for ethics.*
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- The Commission does not have written policies and procedures for debt service.*
- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- The Commission does not have written policies and procedures for disaster recovery/business continuity.*

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:
- 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);
- No exceptions noted. Bank reconciliations included an electronic date as well as the signature of the preparer.*

To the Board of Commissioners of
 District Five Public Works Commission
 of St. Landry Parish
 Page 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 bank reconciliation (e.g., initialed and dated, electronically logged); and

No exceptions noted.

- 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.

Not applicable.

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).

The Commission only has one deposit site 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 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 deposit site and only one collection location for that deposit site.

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

The Commission mainly collects checks for property taxes and revenue sharing; therefore, the Commission's employees do not have a cash drawer or 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.

No exceptions noted.

- 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 Office Manager is responsible for collections and 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 Office Manager reconciles the bank accounts and is responsible for collections.

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

The employees who have access to cash are covered by a bond.

To the Board of Commissioners of
 District Five Public Works Commission
 of St. Landry Parish
 Page 4

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:
- a. Observe that receipts are sequentially pre-numbered.
No exceptions noted.
 - 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 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 deposit is more than 10 miles from the collection location or the deposit is less than \$100).
No exceptions noted.
 - e. Trace the actual deposit per the bank statement to the general ledger.
No exceptions noted.

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

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).
The Commission processes payments at one location and obtained management's representation that the listing is complete.
9. For each location selected under #8, 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:
- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
No exceptions noted.
 - b) At least two employees are involved in processing and approving payments to vendors.
No exceptions noted.
 - 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.
No exceptions noted.

To the Board of Commissioners of
 District Five Public Works Commission
 of St. Landry Parish
 Page 5

- 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 Accounting Clerk is responsible for mailing the payments once signed by the board members. However, on occasion, the Office Manager mails the payments and he is responsible for processing payments.

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:

- 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.

Ethics

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

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

No exceptions noted.

- 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.

The Commission does not have an ethics policy.

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.

John S. Dawley DLO

Opelousas, Louisiana

March 23, 2020

DISTRICT FIVE PUBLIC WORKS
COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
DECEMBER 31, 2019

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

Written Policies and Procedures

1. a) Budgeting
- b) Purchasing
- c) Disbursements
- d) Receipts/Collections
- e) Payroll/Personnel
- f) Contracting
- g) Credit cards
- i) Ethics
- j) Debt Service

Management's Response: The District plans to develop written policies and procedures in the future. Due to the limited number of staff and resources, this will be a long-term project.

Collections

5. 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.

5. 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.

Management's 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 expenses and income reports, disbursement listings and dual signatures of board members on expenditures, help mitigate errors or fraud.

Non-Payroll Disbursements

9. 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.

Management's 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 expenses and income reports, disbursement listings and dual signatures of board members on expenditures, help mitigate errors or fraud.