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DISTRICT FIVE ROAD AND PUBLIC WORKS COMMISSION
OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9.1.04

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

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 1904-1984

Retired

Harold Dupre, CPA
 1996
 John Newton Stout, CPA
 1998
 Dwight Ledoux, CPA
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 2003

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying general purpose financial statements of District Five Road and Public Works Commission of St. Landry Parish, a component unit of the St. Landry Parish Police Jury, as of and for the year ended December 31, 2003. These general purpose financial statements are the responsibility of District Five Road and Public Works Commission's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of District Five Road and Public Works Commission of St. Landry Parish, as of December 31, 2003 and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated May 26, 2004 on our consideration of District Five Road and Public Works Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

To the Board of Commissioners
District Five Road and Public Works
Commission of St. Landry Parish
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Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The Schedule of Prior Year Findings, as required by the Louisiana Legislative Auditor, is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the District Five Road and Public Works Commission of St. Landry Parish. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

John S. Dowling & Co.

Opelousas, Louisiana
May 26, 2004

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

LEBEAU, LOUISIANA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

DECEMBER 31, 2003

ASSETS	ACCOUNT GROUPS				TOTALS	
	GOVERNMENTAL		GENERAL		(MEMORANDUM ONLY)	
	FUND TYPE	GENERAL	FIXED ASSETS	LONG-TERM DEBT	2003	2002
Cash on hand and in bank	\$130,691				\$130,691	\$78,334
Ad valorem taxes receivable, net of allowance for uncollectibles	868,449				868,449	768,023
Revenue sharing receivable	15,593				15,593	32,337
Prepaid taxes	4,095				4,095	2,460
Property and equipment		\$371,047			371,047	314,311
Amount to be provided for retirement of general long-term debt				\$70,401	70,401	29,637
Total assets	1,018,828	371,047		70,401	1,460,276	1,225,102
LIABILITIES AND FUND EQUITY						
LIABILITIES						
Accounts payable	\$11,122				\$11,122	\$13,051
Payroll taxes payable	709				709	2,021
Accrued interest payable	4,494				4,494	5,858
Revenue anticipation notes payable	260,000				260,000	260,000
Capital lease - John Deere tractor				\$25,608	25,608	
Note payable - Kobelco excavator				19,437	19,437	
Compensated absences payable				25,356	25,356	29,637
Total liabilities	276,325	-0-		70,401	346,726	310,567
FUND EQUITY						
Donation		\$2,450			2,450	1,200
Investment in general fixed assets		368,597			368,597	313,111
Fund balance						
Reserved for grants					2,163	2,163
Unreserved, undesignated					740,340	598,061
Total fund equity	742,503	371,047		-0-	1,113,550	914,535
Total liabilities and fund equity	1,018,828	371,047		70,401	1,460,276	1,225,102

The accompanying notes are an integral part of this statement.

DISTRICT FIVE ROAD AND PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
ALL GOVERNMENTAL FUND TYPES - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>2003</u>	<u>TOTAL (Memorandum Only) 2002</u>
<u>REVENUES</u>		
Taxes		
Property taxes	\$897,074	\$925,426
Intergovernmental		
State revenue sharing	22,799	24,281
Interest		
On property taxes	342	5,353
On investments	768	1,162
Miscellaneous		
Donations	1,250	
Other income	13,911	443
<u>Total revenues</u>	<u>936,144</u>	<u>956,665</u>
<u>EXPENDITURES</u>		
Current operating		
Labor cost		
Direct to roads	343,117	343,920
Contract services	2,590	
Office	38,064	38,630
Payroll taxes	25,927	33,075
Road supplies		
Aggregate	7,491	15,395
Culverts	9,636	9,229
Pothole repair	16,698	35,706
Herbicides	1,026	544
Other road supplies	314	613
Beaver control	26,191	44,164
Insurance	91,075	88,653
Legal	665	
Property and equipment		
Rental	47,604	49,415
Repairs and maintenance	53,003	56,095
Tires/tubes	14,260	11,004
Diesel	36,591	24,314
Gasoline	18,015	19,695
Oil and filters	6,627	4,341
Office and supplies	36,457	50,231
Training	175	
Capital outlay	56,736	27,052
Debt service		
Principal payments	2,660	
Interest	6,648	7,894
<u>Total expenditures</u>	<u>841,570</u>	<u>859,970</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>	<u>94,574</u>	<u>96,695</u>

Continued on next page.

The accompanying notes are an integral part of this statement.

DISTRICT FIVE ROAD AND PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
ALL GOVERNMENTAL FUND TYPES - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>2003</u>	<u>TOTAL</u> <u>(Memorandum</u> <u>Only)</u> <u>2002</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
Loan proceeds	\$47,705	
<u>Total other financing sources</u>	<u>47,705</u>	<u>-0-</u>
 <u>EXCESS OF REVENUES AND OTHER FINANCING</u> <u>SOURCES OVER EXPENDITURES</u>	 142,279	 \$96,695
 <u>FUND BALANCE</u> , beginning of year	 <u>600,224</u>	 <u>503,529</u>
 <u>FUND BALANCE</u> , end of year	 <u>742,503</u>	 <u>600,224</u>

The accompanying notes are an integral part of this statement.

DISTRICT FIVE ROAD AND PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (CASH BASIS) AND ACTUAL -
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	2003		VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL	
<u>REVENUES</u>			
Taxes			
Property taxes	\$815,850	\$796,648	\$(19,202)
Intergovernmental			
State revenue sharing	31,748	39,543	7,795
Interest			
On property taxes		342	342
On investments		768	768
Miscellaneous			
Loan proceeds		47,705	47,705
Other income		<u>13,911</u>	<u>13,911</u>
<u>Total revenues</u>	<u>847,598</u>	<u>898,917</u>	<u>51,319</u>
<u>EXPENDITURES</u>			
Current operating			
Office and supplies	66,346	74,810	(8,464)
Labor	376,799	373,269	3,530
Fuel	62,030	62,029	1
Insurance	90,985	91,075	(90)
Beaver control	28,084	28,083	1
Repairs	51,498	51,422	76
Road supplies	29,085	36,324	(7,239)
Equipment rental	47,153	47,614	(461)
Tires and tubes	14,127	14,127	
Legal		665	(665)
Capital outlay	70,000	55,158	14,842
Debt service			
Principal payments		2,660	(2,660)
Interest	<u>7,502</u>	<u>8,012</u>	<u>(510)</u>
<u>Total expenditures</u>	<u>843,609</u>	<u>845,248</u>	<u>(1,639)</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER</u>			
<u>(UNDER) EXPENDITURES</u>	<u>3,989</u>	53,669	<u>49,680</u>
<u>FUND BALANCE, beginning of year</u>		<u>76,313</u>	
<u>FUND BALANCE, end of year</u>		<u>129,982</u>	

The accompanying notes are an integral part of this statement.

DISTRICT FIVE ROAD AND PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

District Five Road and Public Works Commission of St. Landry Parish (the Commission), is a political subdivision of the State of Louisiana and possesses all the powers necessary to construct, acquire, operate, and maintain roads, bridges, and road drainage facilities as well as the rights, powers, and authority enumerated for road districts in Part II of Chapter 2 of Title 48. The Commission was created by Louisiana Revised Statute 48:600.1.

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

A. BASIS OF PRESENTATION

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

B. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the St. Landry Parish Police Jury is the financial reporting entity for St. Landry Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the St. Landry Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.

DISTRICT FIVE ROAD AND PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury appoints the commissioners of District Five Road and Public Works Commission and the function of the Commission serves as a substantial contribution to similar services provided by the police jury, the Commission was determined to be a component unit of the St. Landry Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Commission and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The Commission uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designated to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the Commission are classified as governmental funds. Governmental funds account for the Commission's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. The Commission uses one governmental fund as follows:

General Fund - the general operating fund of the Commission which accounts for all financial resources.

The Commission uses two account groups as follows:

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

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

D. BASIS OF ACCOUNTING

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

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

DISTRICT FIVE ROAD AND PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. BASIS OF ACCOUNTING - Continued

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

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenue sharing revenues received from the State of Louisiana are recognized when susceptible to accrual. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

Purchase of various operating supplies are regarded as expenditures at the time purchased. The costs of governmental fund type inventories are recorded as expenditures when purchased and items on hand at year-end, if material, are recorded as assets. Expenditures for insurance and similar services which extend over more than one accounting period are accounted for as expenditures of the period of acquisition.

E. BUDGETS

The Commission legally adopted a budget for the General Fund for the year ended December 31, 2003. The budget for the General Fund is prepared on a cash basis. At year-end all appropriations lapse. The budget amounts shown in the financial statements are the final authorized amounts as revised for the year. The level of budgetary control is by total appropriations; however, for report purposes, the budgetary information has been expanded.

F. ENCUMBRANCES

The Commission does not employ the encumbrance system of accounting.

G. INVESTMENTS IN CASH

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

Louisiana statutes authorize the District to invest in United States bonds, treasury notes or certificates, time certificates of deposit in state and national banks, or any other federally insured investment.

H. FIXED ASSETS AND LONG-TERM DEBT

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

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

DISTRICT FIVE ROAD AND PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

H. FIXED ASSETS AND LONG-TERM DEBT - Continued

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

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

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

I. REVENUE ANTICIPATION NOTES PAYABLE

Revenue anticipation notes payable are shown in the General Fund's balance sheet because they are short-term liabilities. The due dates of these notes are March of the following year and are repaid when property tax revenues are received.

J. COMPENSATED ABSENCES

Annual leave is accrued based on years of service to the Commission and can only be used in the calendar year earned or in the first quarter of the following year. Any annual leave not taken at this time is put into a reserve for use as sick leave due to a long-term illness when the employee will recover and return to work. Upon termination, accrued annual leave accumulated in the previous year only will be paid to the employee.

Sick leave is accrued at the rate of 1½ hours biweekly. Upon termination, accrued sick leave will be paid to the employee.

Employees also accumulate compensatory time which is to be used for doctor's appointments, funerals, etc. Hours accumulated in 12 months may stay on books for 6 months after the end of the year and alternatively will be put in reserve to be used as sick leave on December 31 of each year.

K. TOTAL COLUMNS ON COMBINED STATEMENTS

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

DISTRICT FIVE ROAD AND PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003

2. CASH

At December 31, 2003 the bank and book balances of cash in interest-bearing and noninterest-bearing checking accounts were as follows:

	<u>Bank Balance</u>	<u>Book Balance</u>
Interest-bearing	\$69,298	\$69,298
Noninterest-bearing	<u>75,156</u>	<u>61,393</u>
<u>Total</u>	<u>144,454</u>	<u>130,691</u>

At year-end, approximately \$144,454 of the bank balance was covered by FDIC insurance.

3. AD VALOREM TAXES

District Five Road and Public Works Commission of St. Landry Parish, Louisiana levies a special tax of fifteen (15) mills on all taxable property. This tax, which was approved at a special election held on October 16, 1993, will be assessed for a period of 10 years, beginning with the year 1994 and ending with the year 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 Commission's ad valorem property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District. Property taxes are due on October 1 and become delinquent by January 1 of the following year. The St. Landry Parish Sheriff bills, collects, and distributes the property taxes for the District using the assessed values determined by the Tax Assessor of St. Landry Parish.

The Commission is required to remit a percentage of the total ad valorem taxes per the tax roll to a State Pension Fund. This amount is determined by the legislative auditor each year. Since the Sheriff collects all taxes for the parish, the tax collected in the first month is reduced by the Sheriff for the Pension Fund amount owed and the remainder is remitted to the taxing district. Therefore, the ad valorem tax receivable and revenue are shown net of Pension Fund distributions. A breakdown of tax receivable is as follows:

	<u>Total Per Tax Roll</u>	<u>Pension Fund Requirements</u>	<u>Allowance for Uncollectible Taxes</u>	<u>Tax Received In December</u>	<u>Tax Receivable</u>
2003	\$926,550	\$28,450	\$4,287	\$25,364	\$868,449

DISTRICT FIVE ROAD AND PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003

4. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in General Fixed Assets for the year 2003 are as follows:

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
Furniture and fixtures	\$16,509	\$75		\$16,584
Equipment	215,366	52,511		267,877
Autos	51,657	4,150		55,807
Building	10,293			10,293
Land	<u>20,486</u>			<u>20,486</u>
<u>Total</u>	<u>314,311</u>	<u>56,736</u>	<u>-0-</u>	<u>371,047</u>

5. REVENUE ANTICIPATION NOTES

On June 17, 2003, the Commission issued Revenue Anticipation Notes in the amount of \$260,000, bearing interest at the rate of 4 percent and having a maturity date of March 1, 2004. The notes were secured by a pledge and dedication of the Commission's 15 mills property tax.

6. LONG-TERM DEBT

Changes in long-term liabilities during the year ended December 31, 2003 are as follows:

<u>Description of Debt</u>	<u>Balance 01/01/03</u>	<u>2003 Increase</u>	<u>2003 Decrease</u>	<u>Balance 12/31/03</u>
Compensated absences	\$29,637		\$4,281	\$25,356
Capital lease		\$28,268	2,660	25,608
Notes payable		<u>19,437</u>		<u>19,437</u>
	<u>29,637</u>	<u>47,705</u>	<u>6,941</u>	<u>70,401</u>

Capital Lease

On July 15, 2003, District Five Road and Public Works Commission entered into a capital lease for a John Deere tractor. The lease is for a period of five years and requires monthly payments of \$521.94. The equipment transfers to the Commission at the inception of the lease.

The following is a schedule of the future minimum lease payments at December 31, 2003:

2004	\$5,277
2005	5,505
2006	5,744
2007	5,993
2008	<u>3,089</u>
	<u>25,608</u>

Notes Payable - Kobelco Excavator

On November 19, 2003, District Five Road and Public Works Commission borrowed \$19,437 to purchase a Kobelco excavator. This note with Case Credit carries a 6.75 percent interest rate and matures on November 19, 2004 with payments of \$1,620 due monthly.

DISTRICT FIVE ROAD AND PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003

7. GRANTS

During the year ended December 31, 1998, District Five Road and Public Works Commission of St. Landry Parish was awarded two grants for the purpose of purchasing and upgrading the Morrow Community Center. The grants awarded were the Rural Development Grant in the amount of \$15,680 and a grant from the Governor's Office of Urban Affairs and Development for \$10,000. The Commission expended \$23,517 of the total grants received during the year ended December 31, 1998. The unexpended portion of the grants, amounting to \$2,163, is reflected in fund balance as a reserve.

8. OPERATING LEASES

On September 30, 1998, District Five Road and Public Works Commission entered into an operating lease for a Kobelco excavator. The lease is for a period of five years and requires monthly payments of \$1,511. Rental expenditures for 2003 were \$13,625.

On April 24, 2003, District Five Road and Public Works Commission renewed an operating lease for a Caterpillar excavator. The lease is for a period of one year and requires monthly payments of \$2,500. Rental expenditures for 2003 were \$32,500.

9. FUND BALANCE

The General Fund does not have a deficit fund balance for the year ended December 31, 2003.

10. BOARD MEMBERS

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

Thomas Rabalais	Joy V. Ortego
Denise Oliney	Wendell Walker
Douglas Gerace	Charles J. Cannatella
Paul M. Guillot	Tommy Thayer
Gregory A. Herbert	Agatha Bush
Paul Benson	Ethel W. Rideau

11. BUDGET RECONCILEMENT

A reconciliation of the figures shown on pages 4 and 5 to the cash basis figures shown on page 6 follows:

	<u>2003</u>
<u>Revenues</u>	
Revenues - page 4	\$983,849
Add: Prior year property tax receivable	768,023
Prior year state revenue sharing receivable	32,337
Less: Current year property tax receivable	(868,449)
Current year state revenue sharing receivable	(15,593)
Current year donations	<u>(1,250)</u>
Revenues - page 6	<u>898,917</u>
<u>Expenditures</u>	
Expenditures - page 4	841,570
Add: Prior year accounts payable	13,051
Prior year accrued expenditures	5,858
Current year prepaid taxes	4,095

DISTRICT FIVE ROAD AND PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003

11. Budget Reconciliation - Continued

Expenditures - Continued

Less: Current year accounts payable	(11,122)
Current year accrued expenditures	(4,494)
Prior year prepaid taxes	(2,460)
Current year donations	<u>(1,250)</u>

Expenditures - page 6

845,248

Fund Balance

Fund balance - page 5	742,503
Add: Current year payables	275,616
Less: Current year receivable	(884,042)
Current year prepaid expenses	<u>(4,095)</u>

Fund balance - page 6

129,982



Russell J. Stelly, CPA
 Chizal S. Fontenot, CPA
 James L. Nicholson, Jr., CPA
 G. Kenneth Pavy, II, CPA
 Darren J. Cart, CPA
 Michael A. Roy, CPA
 Lisa T. Manuel, CPA

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

John S. Dowling, CPA
 1904-1984

Retired

Harold Dupre, CPA
 1996
 John Newton Stout, CPA
 1998
 Dwight Ledoux, CPA
 1998
 Joel Lanclos, Jr., CPA
 2003

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the general purpose financial statements of District Five Road and Public Works Commission of St. Landry Parish, as of and for the year ended December 31, 2003, and have issued our report thereon dated May 26, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether District Five Road and Public Works Commission of St. Landry Parish's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance that are required to be reported under Government Auditing Standards, which is described in the accompanying Schedule of Current Year Findings as items 2003-1 and 2003-2.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered District Five Road and Public Works Commission of St. Landry Parish's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of District Five Road and Public Works Commission of St. Landry Parish in a separate letter dated May 26, 2004.

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

This report is intended for the information of District Five Road and Public Works Commission of St. Landry Parish, its Commissioners and the appropriate regulatory agency and is not intended to be and should not be used by anyone other than these specified parties.

John S. Crawley & Co
Opelousas, Louisiana
May 26, 2004

SUPPLEMENTARY INFORMATION

DISTRICT FIVE ROAD AND PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
SCHEDULE OF CURRENT YEAR FINDINGS
DECEMBER 31, 2003

2003-1 Public Bids

Condition: The Commission did not obtain at least three telephone or facsimile quotes for the purchase of an excavator which cost between \$10,000 and \$20,000. The equipment was previously being leased under an operating lease with an option to purchase.

Criteria: L.R.S. 38:2212 requires that at least three telephone or facsimile quotes must be obtained for the purchase of equipment between \$10,000 and \$20,000.

Effect: The Commission may not have obtained the lowest price for the purchase of the excavator.

2003-2 Approval of State Bond Commission

Condition: The Commission entered into a twelve month financing agreement for the purchase of equipment without the prior approval of the State Bond Commission. The equipment was previously being leased under an operating lease with an option to purchase at percentage of residual value.

Criteria: State law requires the State Bond Commission must give its consent and approval when any public body borrows money, incurs debt or issues bonds or other evidences of debt or levying taxes or pledging uncollected taxes or revenues for the payment thereof, except for purchases made in the ordinary course of administration on terms of credit not to exceed 90 days.

Effect: The Commission incurred debt without following requirements of state law.

DISTRICT FIVE ROAD AND PUBLIC WORKS COMMISSION OF ST. LANDRY PARISH
LEBEAU, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
DECEMBER 31, 2003

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

No findings.

SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

N/A

SECTION III - MANAGEMENT LETTER

Suggestion 2002-2 Revenue Anticipation Loans

Unresolved - REPEAT COMMENT

Russell J. Stelly, CPA
Chizal S. Fontenot, CPA
James L. Nicholson, Jr., CPA
G. Kenneth Pavy, II, CPA
Darren J. Cart, CPA
Michael A. Roy, CPA
Lisa T. Manuel, CPA



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

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John S. Dowling, CPA
1984
Retired
Harold Dupre, CPA
1996
John Newton Stout, CPA
1998
Dwight Ledoux, CPA
1998
Joel Lanclos, Jr., CPA
2003

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

We have audited the financial statements of District Five Road and Public Works Commission of St. Landry Parish as of and for the year ended December 31, 2003, and have issued our report thereon dated May 26, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

As part of our examination, we have issued our report on the financial statements dated May 26, 2004, and our report on internal control and compliance with laws, regulations, and contracts, dated May 26, 2004.

The following matter is a suggestion.

Suggestion 2003-3. Revenue Anticipation Loans

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

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

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

REPEAT COMMENT

We recommend management address the foregoing issues as an improvement to operations and administration of public programs. We are available to further explain the suggestions or help implement the recommendations.

John S. Dowling & Co.

Opelousas, Louisiana
May 26, 2004

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

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

(504) 585-6687
B001 260-0887
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June 29, 2004

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CORRECTIVE ACTION PLAN

Louisiana Legislative Auditor
Baton Rouge, Louisiana 70804

District Five Road and Public Works Commission of St. Landry Parish respectfully submits the following "corrective plan" for the year ending December 31, 2003.

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

Audit Period: Year ending December 31, 2003.

The findings from the 2003 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS-FINANCIAL STATEMENT AUDIT

2003-2 Approval of State Bond Commission

Action Taken: The Board of Commissioners were unaware that this type of transaction was required to be approved by the State Bond Commission. In the future, the Board will get the prior approval of the State Bond Commission before incurring debt.

2003-1 Public Bids

Action Taken: The Board of Commissioners will obtain at least three (3) quotes for purchases of equipment that cost between \$10,000 and \$20,000.

FINDINGS-FEDERAL AWARD PROGRAMS AUDIT

N/A

FINDINGS-MANAGEMENT LETTER

Better Roads Through Citizen Participation!!!

CORRECTIVE ACTION PLAN

June 29, 2004 - Page #2

2003-3 Revenue Anticipation Loans

Action Taken: The Board of Commissioners have been having to borrow the same amount of money each year due to the fact that we started operations one (1) year before we collected any revenues. We borrowed a sum of money to do this. The public's feeling was, when we asked them to pass a tax, if you collect taxes, spend it all on the intentions of the law. This law is to maintain roads and public works, so we spend the total tax collections each year. The loans are paid first out of the taxes collected and the balance left over plus the new loan is the amount that is used for the year. The amount borrowed yearly is always the same amount, \$260,000.⁰⁰ Since we are geared to this policy, we have never had surplus funds to reduce the amount borrowed. The tax payers have renewed the taxes by an eighty-two (82%) percent margin. The Board feels that the public is in favor of the way that the Board has been utilizing the funds.

Sincerely,



Gregory A. Herbert
Chairman

GAH/jas

cc: Legislative Audit Files FY 2003