

LOUISIANA DEPARTMENT OF AGRICULTURE AND FORESTRY  
AUDIT DIVISION

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NORTHEAST SOIL AND WATER CONSERVATION DISTRICT

WINNIBORO, LOUISIANA

RECEIVED  
OFFICE OF THE AUDITOR  
04 SEP 23 09 41 AM '04

REPORT NO. 03-13-00

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 State Fiscal Office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 10/20/04

ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2003

LOUISIANA DEPARTMENT OF AGRICULTURE AND FORESTRY  
AUDIT DIVISION

REPORT NO. 03-13-00

NORTHEAST SOIL AND WATER CONSERVATION DISTRICT  
WINNABORO, LOUISIANA

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LOUISIANA DEPARTMENT OF AGRICULTURE AND FORESTRY  
AUDIT DIVISION

March 24, 2004  
Board of Supervisors  
Northeast Soil and Water Conservation District  
P. O. Box 267  
Winnsboro, Louisiana 71295

Gentlemen:

We have audited the accompanying Balance Sheet of the Northeast Soil and Water Conservation District, as of June 30, 2003, and the related Statements of Revenue, Expenditures and Changes in Fund Balance for the year then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Our audit was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures, as we considered necessary. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly in all material respects the financial position of the Northeast Soil and Water Conservation District as of June 30, 2003, and the results of its operations and changes in its fund balance for the year then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Sincerely,



Mark A. Tillman  
Audit Director

MAT: bt

cc. State Soil and Water Conservation Committee  
Legislative Auditor

LOUISIANA DEPARTMENT OF AGRICULTURE AND FORESTRY  
AUDIT DIVISION

REPORT NO. 03-12-38

REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

Management of the Northeast Soil and Water Conservation District is responsible for the District's compliance with state and local regulations. As part of our audit, we selected and tested transactions and records to determine the extent to which the Northeast Soil and Water Conservation District complied with material laws and regulations of the State of Louisiana.

Our testing of transactions and records disclosed the following instance of noncompliance:

Group insurance premium payments for retirees and supervisors are required to be received and deposited in the district bank account prior to these premiums being paid. It was determined during the audit that premiums had been paid prior to the funds to pay these premiums being received by and deposited in the district bank account.

## EXHIBIT A

## AUDITED COMBINED BALANCE SHEET

	GENERAL FUND	SPEC. REVENUE FUND	GENERAL FOOD ASSETS	FUND BALANCE 2003	FUND BALANCE 2002
<b>ASSETS</b>					
Cash	\$1,490.07	(\$1,072.88)		\$9,029.21	\$10,866.43
Accounts Receivable	\$0.00	\$4,150.75		\$2,150.72	\$0.00
Prepay Cash	\$0.00	\$0.00		\$0.00	\$0.00
Certificates of Deposit	\$8,000.00	\$0.00		\$8,000.00	\$8,000.00
Due From Other Fund	\$0.00			\$0.00	\$0.00
Money Market	\$0.00	\$0.00		\$0.00	\$0.00
Savings	\$2,401.88	\$0.00		\$1,444.56	\$2,290.78
Prepaid Insurance	\$233.33	\$0.00		1333.33	\$0.00
Prepaid Maintenance	\$0.00	\$0.00		\$0.00	\$0.00
Furniture & Equipment			\$40,310.67	\$40,310.67	\$40,310.67
<b>TOTAL ASSETS</b>	<b>\$12,125.25</b>	<b>\$2,077.87</b>	<b>\$40,310.67</b>	<b>\$52,979.43</b>	<b>\$61,567.21</b>
<b>LIABILITIES</b>					
Accounts Payable	\$0.00	\$0.00		\$0.00	\$0.00
Accrued Salaries	\$440.00	\$440.00		\$874.00	\$440.00
Accrued PICA	\$50.12	\$0.00		\$79.58	\$10.98
Accrued Retirement	\$10.00	\$0.00		\$18.60	\$11.10
Accrued Loans	\$660.11	\$0.00		\$660.12	\$2,380.00
Due To Other Fund		\$0.00		\$0.00	\$0.00
<b>TOTAL LIABILITIES</b>	<b>\$1,160.23</b>	<b>\$440.00</b>	<b>\$0.00</b>	<b>\$1,632.32</b>	<b>\$2,852.08</b>
<b>FUND EQUITY</b>					
Fund Balance-Res.-Group Insurance	\$88.42			\$90.42	\$28.82
Fund Balance-Res.-Other Insurance	\$203.23			\$233.55	\$20.00
Fund Balance-Res.-Maintenance	\$0.00			\$0.00	\$0.00
Fund Balance-Res.-Retirement	\$0.00			\$0.00	\$0.00
Fund Balance-Unreserved Investments P.C.F.A.	\$11,436.60		\$40,310.67	\$49,430.21	\$37,228.83
<b>TOTAL FUND EQUITY</b>	<b>\$11,728.25</b>	<b>\$0.00</b>	<b>\$40,310.67</b>	<b>\$50,964.21</b>	<b>\$58,715.46</b>
<b>TOTAL LIABILITIES &amp; FUND EQUITY</b>	<b>\$12,948.48</b>	<b>\$440.87</b>	<b>\$40,310.67</b>	<b>\$52,979.43</b>	<b>\$61,567.21</b>

The accompanying notes are an integral part of the statement.

**EXHIBIT B**

**STATEMENT OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE**

	<u>GENERAL FUND 2001</u>	<u>SPECIAL REVENUES</u>	<u>TOTAL FUND 2001</u>	<u>TOTAL FUND 2000</u>
<b>REVENUE</b>				
EQIP	\$0.00	\$0.00	\$0.00	\$0.00
GRG (2+3)	\$0.00	\$0.00	\$0.00	\$0.00
GLCI Drawing	\$0.00	\$0.00	\$0.00	\$0.00
Interest	\$298.45	\$0.00	\$298.45	\$377.73
Lottery	\$898.94	\$0.00	\$898.94	\$0.00
RFCE	\$0.00	\$0.00	\$0.00	\$0.00
RFCD	\$0.00	\$14,076.17	\$14,076.17	\$0.00
Revolutions	\$0.00	\$0.00	\$0.00	\$0.00
State/Fed	\$180.00	\$0.00	\$180.00	\$0.00
State Funds	\$41,591.58	\$0.00	\$41,591.58	\$40,525.58
Water Quality	\$0.00	\$0.00	\$0.00	\$0.00
<b>TOTAL REVENUE</b>	<b>\$43,868.98</b>	<b>\$14,076.17</b>	<b>\$57,945.15</b>	<b>\$40,903.31</b>
<b>EXPENDITURES</b>				
Advertisements (not values)	\$20.00	\$0.00	\$20.00	\$0.00
Area Meeting	\$140.00	\$0.00	\$140.00	\$108.00
Awards, Contests, Promotions	\$737.84	\$0.00	\$737.84	\$0.00
Bank Charges	\$84.38	\$0.00	\$84.38	\$0.00
Board Meetings per item	\$1,000.00	\$0.00	\$1,000.00	\$1,100.00
Board Meetings charge	\$0.00	\$0.00	\$0.00	\$0.00
Board Lunch Fees	\$0.00	\$0.00	\$0.00	\$0.00
Class & Subscriptions	\$607.00	\$0.00	\$607.00	\$1,077.00
Equipment Purchase	\$0.00	\$0.00	\$0.00	\$1,888.07
Field Materials/Supplies	\$7.97	\$0.00	\$7.97	\$84.90
Flow Trans/Funds	\$0.00	\$0.00	\$0.00	\$0.00
Insurance-group health	\$0,000.28	\$0.00	\$0,000.28	\$4,054.00
Insurance-other	\$0,470.00	\$0.00	\$0,470.00	\$0,911.04
Insurance-unemployment	\$55.00	\$0.00	\$55.00	\$100.00
Maintenance & Repairs	\$0.00	\$0.00	\$0.00	\$74.00
Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00
Office Supplies	\$1,000.00	\$0.00	\$1,000.00	\$0,000.00
Prints	\$0.00	\$0.00	\$0.00	\$0.00
Printing	\$198.88	\$0.00	\$198.88	\$247.00
RFCD Match	\$0,010.00	\$0.00	\$0,010.00	\$0.00
Rentals & Leases	\$0.00	\$0.00	\$0.00	\$0.00
Salaries	\$03,000.00	\$1,000.00	\$04,000.00	\$07,888.00
FOIA	\$1,888.00	\$1,000.00	\$2,888.00	\$0,707.04
Stationery	\$000.04	\$0.00	\$000.04	\$001.00
Telephone	\$0.00	\$0.00	\$0.00	\$0.00
Travel	\$120.00	\$0.00	\$120.00	\$0.00
Trees	\$0.00	\$0.00	\$0.00	\$0.00
<b>TOTAL EXPENDITURES</b>	<b>\$42,010.00</b>	<b>\$1,000.00</b>	<b>\$43,010.00</b>	<b>\$38,000.00</b>
<b>Excess (deficiency) of Revenue over Expenditures</b>	<b>\$1,858.98</b>	<b>\$0.00</b>	<b>\$1,858.98</b>	<b>\$1,003.31</b>

The accompanying notes are an  
integral part of this statement.

**EXHIBIT C**

**STATEMENT OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE**

	<b>GENERAL FUND 2000</b>	<b>SPEC. REVENUE FUNDS</b>	<b>TOTAL FUND 2000</b>	<b>TOTAL FUND 2000</b>
Fund Balance Unreserved Beginning of the Year	\$17,208.00	\$0.00	\$17,208.00	\$18,210.80
Revenue (Refundary) or Revenue over Expenditures	\$794.04	\$0.00	\$794.04	\$1,885.32
Less: Prior Period Adjustment/Transfer	(\$48.70)	\$0.00	(\$48.70)	\$0.00
Less: Establish F. B.-Reserved for Other Insurance	(\$208.00)	\$0.00	(\$208.00)	\$0.00
Less: Establish F. B.-Reserved for Maintenance	\$0.00	\$0.00	\$0.00	\$0.00
<b>Fund Balance Unreserved/End of the Year</b>	<b>\$16,651.30</b>	<b>\$0.00</b>	<b>\$16,651.30</b>	<b>\$17,208.00</b>
<b>OTHER FINANCING SOURCES</b>				
Fund Balance-Reserved for Group Insurance (Beg. Balance)	\$29.00	\$0.00	\$29.00	\$0.00
Plus: Paid-in by Supervisor(s)	\$1,644.78	\$0.00	\$1,644.78	\$568.28
Less: Paid-out by District	(\$1,488.28)	\$0.00	(\$1,488.28)	(\$623.38)
Less: Prior Period Correction	\$0.00	\$0.00	\$0.00	\$0.00
<b>Fund Balance Reserved for Group Insurance (Ending Balance)</b>	<b>\$80.72</b>	<b>\$0.00</b>	<b>\$80.72</b>	<b>\$29.00</b>
Fund Balance Reserved for Other Insurance (Beg. Balance)	\$00.00	\$0.00	\$00.00	\$00.04
Plus: Paid-in	\$2,478.08	\$0.00	\$2,478.08	\$2,041.04
Less: Paid-out	(\$2,478.08)	\$0.00	(\$2,478.08)	(\$2,041.00)
<b>Fund Balance Reserved for Other Insurance (Ending Balance)</b>	<b>\$220.00</b>	<b>\$0.00</b>	<b>\$220.00</b>	<b>\$200.00</b>
Fund Balance Reserved for Maintenance (Beg. Balance)	\$0.00	\$0.00	\$0.00	\$0.00
Plus: Paid-in	\$0.00	\$0.00	\$0.00	\$279.80
Less: Paid-out	\$0.00	\$0.00	\$0.00	(\$279.80)
<b>Fund Balance Reserved for Maintenance (Ending Balance)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

The accompanying notes are an  
integral part of this statement.

LOUISIANA DEPARTMENT OF AGRICULTURE AND FORESTRY  
AUDIT DIVISION

REPORT NO. 83-13-00

NORTHEAST SOIL AND WATER CONSERVATION DISTRICT

WINNABORO, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Louisiana Legislature created the Northeast Soil and Water Conservation District. The District primarily assists farmers and other land users in the wise use of their lands and the prevention of erosion of farm and urban land and the pollution of waters in the state. The governing board of supervisors administers the operations and responsibilities of the District in accordance with Louisiana Statutes. The board is comprised of five members.

In April 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. In November, 1984, the GASB issued a codification of governmental accounting and financial reporting standards. This codification and subsequent pronouncements are recognized as generally accepted accounting principles for state and local governments.

The financial statements of the Northeast Soil and Water Conservation District are prepared in accordance with the standards established by the GASB. GASB Codification Section 2100 established criteria for determining the governmental reporting entity to be the Northeast Soil and Water Conservation District. The accompanying statements present information only as to the transactions of the District.

A. FUND ACCOUNTING



LOUISIANA DEPARTMENT OF AGRICULTURE AND FORESTRY  
AUDIT DIVISION

The financial statements of the Northeast Soil and Water Conservation District

**REPORT NO. 03-13-36**

are presented as if the accounts were organized on the basis of funds and account groups, each of which would be considered a separate accounting entity. Since the District has financial resources, which are required to be accounted for in other funds, a general fund and a special revenue fund were both employed.

During the fiscal year ending June 30, 2003, the Northeast Soil and Water Conservation District began receiving funds, which it considers Special Revenue Funds and the financial records have been prepared accordingly.

**B. FIXED ASSETS**

Fixed assets used in the governmental fund type operations are accounted for in the General Fixed Assets account group, rather than the Governmental Fund. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

This account group is not a "fund." It is concerned with the measurement of financial position, not with measurement of operations.

**C. BASIS OF ACCOUNTING**

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. The records are maintained on a cash basis and the accompanying financial statements have been converted to a modified accrual basis of accounting using the following practices:

(1) Revenue

State Funds are recorded when the District is entitled to the funds.

Newsletter sponsors and equipment rental are recorded in the year earned.

LOUISIANA DEPARTMENT OF AGRICULTURE AND FORESTRY  
AUDIT DIVISION

Interest income on time deposits is recorded when the deposits have matured and the income is available.

**REPORT NO. 03-13-30**

Rents and royalties are recorded in the year earned.

Subsequently all other revenues are recorded when received.

(2) Expenditures

Expenditures were recognized in the accounting period in which the liabilities are both measurable and incurred.

**D. BUDGETARY PRACTICES**

A budget was submitted to the Office of Soil and Water Conservation, Louisiana Department of Agriculture and Forestry. State Funding for the year was based upon the allocation procedures established in the program rules and regulations.

**E. ANNUAL AND SICK LEAVE**

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. Unused annual and sick leave accumulates without limit. The number of hours of unused annual leave for which an employee may receive a lump sum payment upon termination from District employment may not exceed 300 hours.

At June 30, 2003 (fiscal close), the Northeast Soil and Water Conservation District had accumulated and vested \$860.13 in leave privileges, required to be accrued under SFAS 43. Current year expenditures for salary and leave privileges total \$36212.13.

**F. PENSION PLAN  
SOCIAL SECURITY BENEFITS**

LOUISIANA DEPARTMENT OF AGRICULTURE AND FORESTRY  
AUDIT DIVISION

Substantially all employees of the Northeast Soil and Water Conservation District

**REPORT NO. 03-13-39**

are members of the Social Security System. The Employee contribution was 7.65% of gross salary from July 1, 2002, through June 30, 2003. The District contributed an additional 7.65% of gross salary from July 1, 2002, through June 30, 2003. The District does not guarantee the benefits granted by the Social Security System.

**PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM**

Employees of the Northeast Soil and Water Conservation District are Members of the Parochial Employees' Retirement System of Louisiana ("system"), a cost-sharing multiple employer public employees retirement system (PERS), controlled and administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separately held assets and separate benefit provisions. Eligible employees of the Northeast Soil and Water Conservation District are members of Plan B. In the fiscal year ended June 30, 2003, the total payroll for employees of the District was \$90,212.15.

**3. CHANGES IN GENERAL FIXED ASSETS**

The General Fixed Assets of the Northeast Soil and Water Conservation District remained the same for the year ended June 30, 2003.

LOUISIANA DEPARTMENT OF AGRICULTURE AND FORESTRY  
 ADULT DIVISION

REPORT NO. 03-13-00

4. COMPENSATION PAID TO BOARD MEMBERS

The schedule of compensation paid to the Northeast Soil and Water Conservation District Supervisors is presented in compliance with House Concurrent Resolution No. 54 of the 1970 Session of the Louisiana Legislature. Compensation of the Northeast Soil and Water Conservation District Supervisors is included in the general administrative expenditures of the General Fund. Members of the governing board receive compensation pursuant to Louisiana Revised Statute 3:1267.

PER DIEM/MEILEAGE PAID TO BOARD MEMBERS  
 FOR THE YEAR ENDING JUNE 30, 2003

BOARD MEMBER	MEETINGS REIMBURSED	PER DIEM	MEILEAGE	TOTAL AMOUNT
Adron Butler	9	\$ 315.00	\$0.00	\$ 315.00
John Stapp	11	\$ 385.00	\$0.00	\$ 385.00
Mike Watson	9	\$ 280.00	\$0.00	\$ 280.00
H. Bonner Wiggins	10	\$ 350.00	\$0.00	\$ 350.00
Glen Williams	11	\$ 385.00	\$0.00	\$ 385.00
	TOTALS	\$1,715.00	\$0.00	\$1,715.00

TOTAL NUMBER OF BOARD MEETINGS DURING THE YEAR WAS 11.



LOUISIANA DEPARTMENT OF AGRICULTURE & FORESTRY  
 BOB ODOM, COMMISSIONER



RECEIVED  
 DIRECTOR  
 04 SEP 29 09:11:23

WALDORF  
 COUNTY COMMISSIONER

May 9, 2004

AGRICULTURE  
 COMMISSIONER

Mr. Glen Williams  
 Chairman Northeast SWCD  
 P. O. Box 57  
 Winnsboro, LA 71265

Agricultural &  
 Environmental Division  
 Wildlife Program, 11  
 P.O. Box 9389  
 Baton Rouge, LA 70801  
 (225)383-2710  
 Fax: 303-2793

Dear Mr. Williams:

Agri Consumer  
 Services

Attached is the Northeast Soil and Water Conservation District Audit Report for the year ending June 30, 2003. Please be advised that during the recent audit the state auditor found the following citing.

Wildlife Division  
 P.O. Box 9389  
 Baton Rouge, LA 70801  
 (225)383-2710  
 Fax: 303-2793

- (1) Group Insurance - Group insurance premium payments for releases and supervisors are required by state law to be received and deposited in the district bank account prior to those premiums being paid to OCS.

Animal Health  
 Services

Your immediate attention to correcting this finding is requested. Also, within 30 days provide this office in writing the actions taken by the Northeast Soil and Water Conservation board to correct the finding and to assure that there will be no recurrence.

Texas Cattle  
 P.O. Box 1085  
 Baton Rouge, LA 70801  
 (225)383-2662  
 Fax: 303-4300

If we can assist your board in meeting its administrative and program responsibilities, including resolving the finding cited in this audit, please let us know.

Feeding  
 P.O. Box 1085  
 Baton Rouge, LA 70801  
 (225)383-2662  
 Fax: 303-4300

Sincerely,

Inspection  
 & Review  
 Ship/Phone  
 P.O. Box 1041  
 Baton Rouge, LA 70801  
 (225)383-2382  
 Fax: 303-6933

Bradley E. Scott  
 Assistant Commissioner

Marketing  
 Inspection  
 P.O. Box 1034  
 Baton Rouge, LA 70801  
 (225)383-2711  
 Fax: 303-2382

RC 504

Soil & Water  
 Conservation  
 Bradley E. Scott  
 P.O. Box 1034  
 Baton Rouge, LA 70801  
 (225)383-2711  
 Fax: 303-2382

Attachment

cc: Bernice Tate (2)



**Northeast Soil & Water Conservation District**  
604 River Rd / PO Box 37 - Winnsboro, LA 71292 - Phone 504-878-6161 option 2

June 17, 2004

Mr. Bradley H. Spicer, Executive Director, SWPCC  
La. Dept. of Agriculture and Forestry  
Office of Soil and Water Conservation  
PO Box 1004  
Baton Rouge, LA 70821-0104

Dear Mr. Spicer,

The Northeast Soil and Water Conservation District Board of Supervisors reviewed the District Audit Report for the year ending June 30, 2003 during their regular scheduled June meeting. The audit notice found the following citing:

- (1) **Group Insurance:** Group insurance premium payments for retirees and supervisors are required by state law to be received and deposited in the district bank account prior to these premiums being paid to OGB.

The Board has taken the following actions to correct this finding:

1. **Findings:**

- (1) The ledger incorrectly kept to track payments and disbursements of insurance premiums has been changed to reflect the manner the individual pays the premiums to the district, the date it was deposited to the district's checking account, and the day it is disbursed to OGB. Statements will be generated at the first of each month to inform the retiree's of the amount due for their premiums and if they have remaining funds left if paying ahead. Premiums are being paid one month in advance.

Please accept the assurance of this board that this area of the audit will be correct in the future.

Sincerely,

*Don L. Williams By: Jira Johnston*

Don L. Williams, Chairman  
Northeast Soil & Water Conservation District

CLW:ad  
Civ. Service Title

