

LOUISIANA DEPARTMENT OF AGRICULTURE AND FORESTRY
AUDIT DIVISION



NORTHEAST SOIL AND WATER CONSERVATION DISTRICT
WINNSBORO, LOUISIANA

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STATE OF LOUISIANA
APR 23 2003

REPORT NO. 02-13-38

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Release Date 10/20/04

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002

LOUISIANA DEPARTMENT OF AGRICULTURE AND FORESTRY
AUDIT DIVISION

REPORT NO. 82-11-00

NORTHEAST SOIL AND WATER CONSERVATION DISTRICT
WINNBOORO, LOUISIANA

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LOUISIANA DEPARTMENT OF AGRICULTURE AND FORESTRY
AUDIT DIVISION

April 24, 2002

Board of Supervisors
Northeast Soil and Water Conservation District
P. O. Box 287
Winnsboro, Louisiana 71295

Gentlemen:

We have audited the accompanying Balance Sheet of the Northeast Soil and Water Conservation District, as of June 30, 2002, 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, 2002, 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. 03-13-38

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 instances of noncompliance:

The financial statements of the District were not prepared and were therefore prepared by the auditor.

Leave balance sheets, which are required to be maintained, by the district to verify the leave balances of employees were not properly maintained and had to be constructed by the auditor.

Policy and procedure Memorandum Number 4 states that all invoices must be listed in the minutes. This was not consistently done.

Exhibit A

Audited Combined Balance Sheet

	General Fund	Gen. Fixed Asset Group	Fund Balance 2002	Fund Balance 2001
ASSETS				
Cash	\$10,898.43		\$10,898.43	\$11,053.41
petty Cash	\$0.00		\$0.00	\$0.00
Accounts Receivable	\$0.00		\$0.00	\$0.00
Money Market	\$0.00		\$0.00	\$0.00
Certificate of Deposit	\$8,000.00		\$8,000.00	\$8,000.00
Savings	\$2,293.78		\$2,293.78	\$2,042.67
Prepaid Insurance	\$33.33		\$33.33	\$33.34
Prepaid Maintenance	\$0.00		\$0.00	\$0.00
Furniture & Equipment		\$48,319.67	\$48,319.67	\$38,489.75
TOTAL ASSETS	\$21,187.94	\$48,319.67	\$61,567.21	\$68,632.17
LIABILITIES				
Accounts Payable	\$0.00		\$0.00	\$0.00
Accrued Salaries	\$440.00		\$440.00	\$440.00
Accrued FICA	\$33.66		\$33.66	\$33.66
Accrued Retirement	\$12.18		\$12.18	\$12.18
Accrued Leave	\$3,380.00		\$3,380.00	\$3,380.00
Due to LDC&P	\$0.00		\$0.00	\$0.00
TOTAL LIABILITIES	\$3,765.78	\$0.00	\$3,765.78	\$3,765.78
FUND EQUITY				
Fund Bal.-Res.-Group Insurance	\$20.52		\$20.52	\$2.52
Fund Bal.-Res.-Other Insurance	\$33.33		\$33.33	\$33.34
Fund Bal.-Res.-Maintenance	\$0.00		\$0.00	\$0.00
Fund Bal.-Unassigned	\$17,336.83		\$17,336.83	\$16,318.88
Investments in G. P. A.		\$40,319.67	\$40,319.67	\$38,498.75
TOTAL FUND EQUITY	\$17,401.75	\$40,319.67	\$61,721.45	\$64,866.41
TOTAL LIABILITIES & FUND EQUITY	\$21,187.94	\$48,319.67	\$61,807.21	\$68,632.17

The accompanying notes are an integral part of this statement.

EXHIBIT B

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

	GENERAL FUND 2000	GENERAL FUND 2001
REVENUE:		
Arts Meeting	\$0.00	\$0.00
C&M	\$0.00	\$0.00
DOJ (176)	\$0.00	\$11,187.00
Interest	\$377.73	\$771.73
Local Funds	\$0.00	\$0.00
Miscellaneous	\$0.00	\$0.00
Rent	\$0.00	\$0.00
Sale of Equipment	\$0.00	\$0.00
Seedlings	\$0.00	\$0.00
State/Fed/Grants	\$00.00	\$100.00
State Funds	\$40,000.00	\$38,200.00
Other	\$0.00	\$0.00
TOTAL REVENUES	\$40,377.73	\$50,258.67
EXPENDITURES:		
Annual Report	\$0.00	\$0.00
Arts Meeting	\$700.00	\$700.00
Books/Concessions/Prescriptions	\$0.00	\$400.00
Birth Charges	\$0.00	\$0.00
Board Meetings- per diem	\$1,000.00	\$700.00
Board Meetings- mileage	\$0.00	\$0.00
Books & Subscriptions	\$1,000.00	\$400.00
Equipment	\$1,000.00	\$0.00
Field Supplies	\$00.00	\$0.00
Flow Time Funds	\$0.00	\$11,000.00
Insurance-group/health	\$1,000.00	\$1,000.00
Insurance-other	\$2,000.00	\$2,400.00
Insurance-employment	\$70.00	\$70.00
Maintenance & Repairs	\$270.00	\$200.00
Miscellaneous	\$0.00	\$00.00
Office Supplies	\$3,000.00	\$200.00
Postage	\$000.00	\$00.00
Rent	\$0.00	\$0.00
Supplies	\$0.00	\$0.00
Salaries	\$20,000.00	\$20,000.00
FICA	\$1,700.00	\$1,700.00
Retiree(s)	\$000.00	\$000.00
State/Fed/Grants	\$0.00	\$0.00
Telephone	\$0.00	\$0.00
Travel	\$0.00	\$0.00
TOTAL EXPENDITURES	\$30,000.00	\$45,470.70
Excess (deficiency) of Revenues over Expenditures	\$10,377.73	\$4,787.97

The accompanying notes are an integral part of this statement.

EXHIBIT C

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

	GENERAL FUND 2000	GENERAL FUND 2001
Fund Balance-Unreserved Beginning of the year	\$18,140.00	\$18,508.00
Excess (deficiency) of Revenue over Expenditures	\$1,826.12	\$1,668.84
Less: Prior Period Adjustment	\$0.00	\$0.00
Less: Estimated F. B.-Reserved for Other Available	\$0.00	\$41.87
Less: Estimated F. B.-Reserved for Maintenance	\$0.00	\$0.00
	<u>\$17,366.00</u>	<u>\$18,110.88</u>
Fund Balance-Unreserved End of the Year	<u>\$17,366.00</u>	<u>\$18,110.88</u>
 OTHER FINANCING SOURCES		
Fund Balance-Reserved for Group Insurance (Beg. Balance)	\$2.50	\$0.00
Plus: Payroll by Supervisors	\$558.34	\$510.24
Less: Payroll by District	(\$523.34)	(\$507.72)
Less: Prior Period Correction	\$0.00	\$0.00
	<u>\$79.50</u>	<u>\$2.28</u>
Fund Balance-Reserved for Group Insurance (Ending Balance)	<u>\$79.50</u>	<u>\$2.28</u>
Fund Balance-Reserved for Other Insurance (Beg. Balance)	\$33.34	\$10.01
Plus: Payroll	\$1,011.51	\$2,490.57
Less: Payroll	(\$1,011.52)	(\$2,336.56)
	<u>\$33.33</u>	<u>\$13.02</u>
Fund Balance-Reserved for Other Insurance (Ending Balance)	<u>\$33.33</u>	<u>\$13.02</u>
Fund Balance-Reserved for Maintenance (Beg. Balance)	\$0.00	\$0.00
Plus: Payroll	\$214.00	\$0.00
Less: Payroll	(\$214.00)	\$0.00
	<u>\$0.00</u>	<u>\$0.00</u>
Fund Balance-Reserved for Maintenance (Ending Balance)	<u>\$0.00</u>	<u>\$0.00</u>

The accompanying notes are an integral part of this statement.

LOUISIANA DEPARTMENT OF AGRICULTURE AND FORESTRY
AUDIT DIVISION

REPORT NO. 03-13-00

NORTHEAST SOIL AND WATER CONSERVATION DISTRICT

WINNBOBO, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002

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

The financial statements of the Northeast Soil and Water Conservation District

LOUISIANA DEPARTMENT OF AGRICULTURE AND FORESTRY
AUDIT DIVISION

REPORT NO. 02-13-38

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 no financial resources, which are required to be accounted for in other funds, only a general operating fund was used.

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.

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

LOUISIANA DEPARTMENT OF AGRICULTURE AND FORESTRY
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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, 2002 (fiscal close), the Northeast Soil and Water Conservation District had accumulated and vested \$3,300.00, in leave privileges, required to be accrued under SFAS 43. Current year expenditures for salary and leave privileges total \$22,968.00.

**F. PENSION PLAN
SOCIAL SECURITY BENEFITS**

Substantially all employees of the Northeast Soil and Water Conservation District

LOUISIANA DEPARTMENT OF AGRICULTURE AND FORESTRY
AUDIT DIVISION

REPORT NO. 02-

are members of the Social Security System. The Employee contribution was 7.65% of gross salary from July 1, 2001, through June 30, 2002. The District contributed an additional 7.65% of gross salary from July 1, 2001, through June 30, 2002. The District does not guarantee the benefits granted by the Social Security System.

2. CHANGES IN GENERAL FIXED ASSETS

The General Fixed Assets of the Northeast Soil and Water Conservation District had a net increase of \$1,819.62, for the year ended June 30, 2002.

LOUISIANA DEPARTMENT OF AGRICULTURE AND FORESTRY
AUDIT DIVISION

REPORT NO. 02-37-02

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 2:1207.

**PER DIEM/LEADAGE PAID TO BOARD MEMBERS
FOR THE YEAR ENDING JUNE 30, 2002**

BOARD MEMBER	MEETINGS REIMBURSED	PER DIEM	MILEAGE	TOTAL AMOUNT
Adron Butler	7	\$ 245.00	\$ 0.00	\$ 245.00
John Stapp	7	\$ 245.00	\$ 0.00	\$ 245.00
Mike Watson	5	\$ 175.00	\$ 0.00	\$ 175.00
H. B. Wiggins	6	\$ 210.00	\$ 0.00	\$ 210.00
Glen Williams	7	\$ 245.00	\$ 0.00	\$ 245.00
	TOTALS	\$1,120.00	\$ 0.00	\$1,120.00

TOTAL NUMBER OF BOARD MEETINGS DURING THE YEAR WAS 7.



LOUISIANA DEPARTMENT OF AGRICULTURE & FORESTRY
BOB ODOM, COMMISSIONER



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April 25, 2003

Mr. Banner Wiggins, Chairman
Northeast SWCD
P. O. Box 57
Winnboro, LA 71286

MAILED FROM
SECURITY COMPLAINTS

ASSISTANT
COMMISSIONER

Agricultural
Environmental Sciences
Matthew Wigginton, II
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Services
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Forest
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Patty Fry
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Management
Affairs
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Fax: 225-437-74

Marketing
Shirley Wilkins
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Fax: 225-437-75

Soil & Water
Conservation
Walter S. Taylor
P.O. Box 1040
Baton Rouge, LA 70801
(225) 432-1349
Fax: 225-437-76

Dear Mr. Wiggins:

Attached is the Northeast Soil and Water Conservation District Audit Report for the year ending June 30, 2002. Please be advised that during the recent audit the state auditor found the following findings.

- (1) It was determined that the financial statements of the district were not prepared prior to the audit. It is a state requirement that financial statements be completed by the district prior to conducting the audit. This requirement must be complied with prior to all future audits.
- (2) Leave balance sheets were not prepared and maintained as per PPM 82, District Leave Policy. Leave balance sheets are required to be properly prepared and maintained by the district.
- (3) All invoice payments must be approved by the district board. The payment amount and the board's actions are to be listed in the monthly board minutes as per PPM 84, District Board Meeting Minutes. District board minutes are to be maintained as per this PPM.

Your immediate attention to correcting these findings is requested. Also, within forty-five (45) days provide this office in writing the actions taken by the Northeast Soil and Water Conservation board to correct these findings and to ensure that there will be no recurrence of them.

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

Sincerely,

Barbara Spicer
Assistant Commissioner

BEG:is

Attachments

cc: Barbara Tate (3)



Northeast Soil & Water Conservation District

444 Shaw Rd / PO Box 97 - Winona LA, 71291 - Phone (337)793-3333 x1

July 1, 2001



Mr. Brad Spitzer, Assistant Commissioner
Louisiana Department of Agriculture and Forestry
Office of Soil and Water Conservation
PO Box 9534
Baton Rouge LA, 70821-0534

Dear Mr. Spitzer,

The Northeast Soil and Water Conservation Board of Supervisors held a meeting on June 29, 2001. During this meeting, the District Audit Report for the year ending June 30, 2001 was reviewed. The main auditor found the following findings:

1. It was determined that the financial statements of the District were not prepared prior to the audit.
2. Leave balance sheets were not prepared and maintained as per FPMR, District Leave Policy.
3. All invoice payments need to be approved by the District Board.

After discussion of these findings, the Board decided to take or has already taken the following actions to correct these findings:

1. Mr. Potockberry was advised that financial statements were to be provided and assured the Board that they would be done prior to the next audit.
2. On the day of the audit, Mr. Tate showed Mr. Potockberry the forms to be used and how to maintain the leave balance sheets in accordance with FPMR. The leave balance sheets have been properly maintained since that time.
3. Disbursement of monthly and monthly invoice payments have been listed and approved by the Board since January, 2001.

Please accept the assurance of this Board that these areas of the audit will not be incorrect in the future.

Sincerely,

Bruce Wiggins
Chairman
Northeast Soil and Water Conservation District