

4288

LOUISIANA DEPARTMENT OF AGRICULTURE AND FORESTRY  
AUDIT DIVISION



D'ARBONNE SOIL AND WATER CONSERVATION DISTRICT  
FARMERVILLE, LOUISIANA

RECEIVED DIRECTOR  
04 SEP 29 AM 11:28

REPORT NO. 01-02-12

*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 1-12-05

**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2002**

LOUISIANA DEPARTMENT OF AGRICULTURE AND FORESTRY  
AUDIT DIVISION

REPORT NO. 02-02-12

D'ARBONNE SOIL AND WATER CONSERVATION DISTRICT  
FARMERVILLE, LOUISIANA

TABLE OF CONTENTS

	<b>PAGE</b>
AUDITOR'S AUDIT REPORT	1
AUDITOR'S REPORT OF COMPLIANCE WITH STATE LAWS AND REGULATIONS	2
<b>EXHIBITS</b>	
A.    COMBINED BALANCE SHEET- ALL FUND TYPES AND ACCOUNT GROUPS	3
B.    STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE	4
NOTES TO THE FINANCIAL STATEMENTS	6
SUPPLEMENTAL INFORMATION SCHEDULE:	
A.    PER DIEM/MILEAGE PAID TO SUPERVISORS FOR THE YEAR ENDED	10

LOUISIANA DEPARTMENT OF AGRICULTURE AND FORESTRY  
AUDIT DIVISION

March 10, 2003

Board of Supervisors  
D'Arbonne Soil and Water Conservation District  
606 E. Water Street  
Farmerville, Louisiana 71241

Gentlemen:

We have audited the accompanying Balance Sheet of the D'Arbonne 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 D'Arbonne 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. 02-02-12

REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

Management of the D'Arbonne 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 D'Arbonne 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:

- 1) The supervisor's share of group insurance premiums must be received by and deposited to the Districts' bank account prior to the payment of said premiums by the district. It was determined during the audit that premiums for group insurance had been paid prior to their receipt by and deposit to the Districts' bank account.
- 2) Travel vouchers were not kept in a manner in accordance with Policy and Procedure Memorandum No. 3. In cases where meals are claimed, the travel voucher must reflect the time the traveler began and completed travel, this was not done. It was also determined that meals had been reimbursed in excess of the allowable rates. Out-of-State travel must have prior approval from the Office of Soil and Water Conservation. Upon request for authorization for out-of-state travel, the Office of Soil and Water Conservation will provide rates. This procedure was not followed.
- 3) The List of equipment of the District is required to be reviewed each May at their regular monthly board meeting. At this time, any additions, deletions and/or corrections shall be made. Such action shall be made part of the Districts' minutes. This procedure was not followed.
- 4) Policy and Procedure Memorandum No. 7 outlines allowable and unallowable district expenses. It was determined during the audit that expenditures were made which was in violation of this memorandum.

Exhibit A

Audited Combined Balance Sheet

	General Fund	Gen. Fixed Asset Group	Fund Balance 2002	Fund Balance 2001
<b>ASSETS</b>				
Cash	\$9,130.09		\$9,130.09	\$4,275.94
Petty Cash	\$0.00		\$0.00	\$10.50
Accounts Receivable	\$428.00		\$428.00	\$0.00
Money Market	\$0.00		\$0.00	\$0.00
Certificate Of Deposit	\$30,000.00		\$30,000.00	\$30,000.00
Savings	\$1,642.92		\$1,642.92	\$4,302.87
Prepaid Insurance	\$91.67		\$91.67	\$62.50
Prepaid Maintenance	\$0.00		\$0.00	\$0.00
Furniture & Equipment		\$30,275.69	\$30,275.69	\$27,074.69
<b>TOTAL ASSETS</b>	<b>\$41,292.68</b>	<b>\$30,275.69</b>	<b>\$71,568.37</b>	<b>\$65,726.50</b>
<b>LIABILITIES</b>				
Accounts Payable	\$0.00		\$0.00	\$0.00
Accrued Salaries	\$910.00		\$910.00	\$980.00
Accrued FICA	\$69.62		\$69.62	\$74.97
Accrued Retirement	\$0.00		\$0.00	\$0.00
Accrued Leave	\$2,832.00		\$2,832.00	\$4,969.13
Due to LDOAF	\$0.00		\$0.00	\$0.00
<b>TOTAL LIABILITIES</b>	<b>\$3,811.62</b>	<b>\$0.00</b>	<b>\$3,811.62</b>	<b>\$6,024.10</b>
<b>FUND EQUITY</b>				
Fund Bal.-Res.-Group Insurance	(\$35.93)		(\$35.93)	(\$40.93)
Fund Bal.-Res.-Other Insurance	\$91.67		\$91.67	\$62.50
Fund Bal.-Res.-Maintenance	\$0.00		\$0.00	\$0.00
Fund Bal.-Unreserved	\$37,425.32		\$37,425.32	\$32,606.14
Investments in G. F. A.		\$30,275.69	\$30,275.69	\$27,074.69
<b>TOTAL FUND EQUITY</b>	<b>\$37,481.06</b>	<b>\$30,275.69</b>	<b>\$67,756.75</b>	<b>\$59,702.40</b>
<b>TOTAL LIABILITIES &amp; FUND EQUITY</b>	<b>\$41,292.68</b>	<b>\$30,275.69</b>	<b>\$71,568.37</b>	<b>\$65,726.50</b>

The accompanying notes are an integral part of this statement.

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

	<b>GENERAL FUND 2002</b>	<b>GENERAL FUND 2001</b>
<b>REVENUE</b>		
Area Meeting	\$0.00	\$0.00
CRP	\$0.00	\$0.00
Equipment Rentals	\$0.00	\$0.00
Interest	\$1,340.05	\$1,928.25
Local Funds	\$0.00	\$0.00
Miscellaneous	\$0.00	\$0.00
Rent	\$0.00	\$0.00
Sale of Equipment	\$0.00	\$0.00
Seedlings	\$2,476.00	\$843.00
Trade Paper	\$3,331.00	\$0.00
State Funds	\$77,574.72	\$78,737.72
WRP	\$0.00	\$0.00
<b>TOTAL REVENUES</b>	<b>\$84,721.77</b>	<b>\$81,508.97</b>
<b>EXPENDITURES</b>		
Annual Report	\$0.00	\$0.00
Area Meeting	\$122.89	\$134.50
Awards/Contests/Promotions	\$625.08	\$2,644.94
Bank Charges	\$0.00	\$0.00
Board Meetings-per diem	\$1,540.00	\$1,785.00
Board Meetings-mileage	\$654.98	\$362.32
Dues & Subscriptions	\$485.20	\$835.00
Equipment	\$4,876.00	\$0.00
Field Supplies	\$0.00	\$245.59
Insurance-group health	\$6,912.60	\$6,912.60
Insurance-other	\$1,821.83	\$1,755.00
Insurance-unemployment	\$47.12	\$47.12
Maintenance & Repairs	\$70.00	\$500.29
Miscellaneous	\$414.20	\$2,076.17
Newsletter	\$405.00	\$0.00
Office Supplies	\$653.13	\$641.76
Postage	\$0.00	\$545.00
Rent	\$0.00	\$3,000.00
Rentals	\$2,750.00	\$0.00
Salaries	\$49,544.47	\$54,654.97
FICA	\$3,933.65	\$4,171.11
Retirement	\$0.00	\$0.00
Seedlings	\$922.00	\$0.00
Telephone	\$1,056.02	\$471.31
Travel	\$3,021.50	\$1,248.03
<b>TOTAL EXPENDITURES</b>	<b>\$79,855.67</b>	<b>\$82,030.71</b>
Excess (deficiency) of Revenue over Expenditures	\$4,866.10	(\$521.74)

The accompanying notes are an  
integral part of this statement.

**EXHIBIT C**

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

	<b>GENERAL FUND 2002</b>	<b>GENERAL FUND 2001</b>
Fund Balance-Unreserved Beginning of the year	\$32,606.14	\$33,167.98
Excess (deficiency) of Revenue over Expenditures	\$4,866.10	(\$521.74)
Less: Prior Period Adjustment	(\$17.75)	(\$40.10)
Less: Establish F. B.-Reserved for Other Insurance	(\$29.17)	\$0.00
Less: Establish F. B. -Reserved for Maintenance	\$0.00	\$0.00
	<hr/>	<hr/>
Fund Balance-Unreserved End of the Year	<u>\$37,425.32</u>	<u>\$32,606.14</u>

**OTHER FINANCING SOURCES**

Fund Balance-Reserved for Group Insurance (Beg. Balance)	(\$40.93)	\$17.07
Plus: Paid-in by Supervisors	\$1,921.82	\$1,748.00
Less: Paid-out by District	(\$1,916.82)	(\$1,806.00)
Less: Prior Period Correction	\$0.00	\$0.00
	<hr/>	<hr/>

Fund Balance Reserved for Group Insurance (Ending Balance)	<u>(\$35.93)</u>	<u>(\$40.93)</u>
---	------------------	------------------

Fund Balance-Reserved for Other Insurance (Beg. Balance)	\$62.50	\$62.50
Plus: Paid-in	\$1,851.00	\$1,755.00
Less: Paid-out	(\$1,821.83)	(\$1,755.00)
	<hr/>	<hr/>

Fund Balance Reserved for Other Insurance (Ending Balance)	<u>\$91.67</u>	<u>\$62.50</u>
---	----------------	----------------

Fund Balance-Reserved for Maintenance (Beg. Balance)	\$0.00	\$0.00
Plus: Paid-in	\$414.20	\$500.29
Less: Paid-out	(\$414.20)	(\$500.29)
	<hr/>	<hr/>

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. 02-02-12

D'ARBONNE SOIL AND WATER CONSERVATION DISTRICT

FARMERVILLE, LOUISIANA

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Louisiana Legislature created the D'Arbonne 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 D'Arbonne 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 D'Arbonne 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 D'Arbonne Soil and Water Conservation District



LOUISIANA DEPARTMENT OF AGRICULTURE AND FORESTRY  
AUDIT DIVISION

REPORT NO. 02-02-12

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  
AUDIT DIVISION

REPORT NO. 02-02-12

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 D'Arbonne Soil and Water Conservation District had accumulated and vested \$2,832.00, in leave privileges, required to be accrued under SFAS 43. Current year expenditures for salary and leave privileges total \$49,544.47.

**F. PENSION PLAN  
SOCIAL SECURITY BENEFITS**

Substantially all employees of the D'Arbonne Soil and Water Conservation District

LOUISIANA DEPARTMENT OF AGRICULTURE AND FORESTRY  
AUDIT DIVISION

REPORT NO. 02-02-12

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 D'Arbonne Soil and Water Conservation District had a net increase of 3,201.00, for the year ended June 30, 2002.

LOUISIANA DEPARTMENT OF AGRICULTURE AND FORESTRY  
AUDIT DIVISION

REPORT NO. 02-02-12

**4. COMPENSATION PAID TO BOARD MEMBERS**

The schedule of compensation paid to the D'Arbonne Soil and Water Conservation District Supervisors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the D'Arbonne 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 3:1207.

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

BOARD MEMBER	MEETINGS REIMBURSED	PER DIEM	MILEAGE	TOTAL AMOUNT
James Marsalis	12	\$ 385.00	\$234.00	\$ 619.00
Sammy Riser	5	\$ 175.00	\$ 30.90	\$ 205.90
Butch Sensley	8	\$ 280.00	\$105.60	\$ 385.60
Kay Shipp	9	\$ 315.00	\$451.20	\$ 766.20
Reggie Skains	11	\$ 385.00	\$137.40	\$ 522.40
	TOTALS	\$1,540.00	\$959.10	\$2,499.10

TOTAL NUMBER OF BOARD MEETINGS DURING THE YEAR WAS 12.



**D'ARBONNE SOIL AND WATER CONSERVATION DISTRICT**  
604 East Water Street – Farmerville, Louisiana 71241

June 17, 2004

JUN 28 2004

Union Parish  
98  
Farmerville, LA 71234  
318-982-5344

**WILLIE T. SENSLEY, JR.**  
Vice-Chairman – Union Parish  
P. O. Box 59  
Farmerville, LA 71241  
318-368-3376

**JAMES MARSALIS**  
Secretary-Treasurer – Claiborne Parish  
6165 St. John Street  
Athens, LA 71003

**SAMMY GORDY**  
Member – Ouachita Parish  
P.O. Box 7363  
Monroe, LA 71211  
318-396-4072

**ROBERT REAGAN**  
Member – Lincoln Parish  
P.O. Box 1566  
Ruston, LA 71273  
318-255-2697

LDAF/Office of Soil and Water Conservation  
Mr. Bradley E. Spicer, Assistant Commission  
P.O. Box 3554  
Baton Rouge, LA 70821-3554

Dear Mr. Spicer:

The D'Arbonne SWCD board at their regular board meeting on June 8, 2004 reviewed the finding of the audit conducted for FY ending June 30, 2002. The board took the following actions to resolve the findings.

Concerning Ms. Shipp's motion to cut the per diem board members receives due to state budget cuts, there was no action taken and the per diem remained at the same level.

Concerning the absence of financial statements at the time of the audit. There was not a district secretary during the time period these statements were to be prepared.

Action taken concerning the incorrect travel vouchers. Travel Vouchers are currently being faxed to the state office for approval before they are submitted.

Concerning late fees for payment of invoices. New board members have been appointed who are very cooperative and checks are being signed and submitted in a timely manner.

To the knowledge of the Board of Supervisors for the D'Arbonne Soil and Water Conservation District, each citation has been corrected. All of the above information has been previously submitted.

Sincerely,

Reggie G. Skains  
Chairman, D'Arbonne SWCD