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**TENSAS PARISH POLICE JURY
St. Joseph, Louisiana**

**Primary Government Financial Statements
And Independent Auditor's Reports
As of December 31, 2005
With Supplemental Information Schedules**

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 8-2-06

TENSAS PARISH POLICE JURY

Annual Financial Statements
As of and for the Year Ended December 31, 2005
With Supplemental Information Schedules

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TENSAS PARISH POLICE JURY

Annual Financial Statements
As of and for the Year Ended December 31, 2005
With Supplemental Information Schedules

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TENSAS PARISH POLICE JURY

Annual Financial Statements
As of and for the Year Ended December 31, 2005
With Supplemental Information Schedules

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INDEPENDENT AUDITORS' REPORT

Police Jurors
Tensas Parish Police Jury
St. Joseph, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Tensas Parish Police Jury (Police Jury) as of and for the year ended December 31, 2005, which collectively comprise the basic financial statements of the parish's primary government as listed in the table of contents. These financial statements are the responsibility of the Police Jury's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. 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 statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The financial statements referred to above include only the primary government of the Police Jury. The *primary government* consists of all funds, organizations, institutions, agencies, departments and offices that comprise the Parish's legal entity. The financial statements do not include financial data for certain legally separate component units which accounting principles generally accepted in the United States of America require to be reported with the financial data of the Parish's primary government. As a result, the primary government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of Tensas Parish Police Jury, as of December 31, 2005, and the respective changes in its financial position for the year then ended in conformity with generally accepted accounting principles generally accepted in the United States of America.

Members of the Police Jury

Page two

In our opinion, the primary government financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Tensas Parish Police Jury as of December 31, 2005, and the respective changes in financial position thereof 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 a report dated June 30, 2006, on our consideration of Tensas Parish Police Jury's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 4 through 8 and pages 35 through 41, are not a required part of the financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Ferriday, Louisiana
June 30, 2006

Switzer, Hopkins & Mang

REQUIRED SUPPLEMENTAL INFORMATION

**Management's Discussion and
Analysis (MD&A)**

TENSAS PARISH POLICE JURY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED DECEMBER 31, 2005

As management of the Tensas Parish Police Jury we offer readers of the Tensas Parish Police Jury's financial statements this narrative overview and analysis of the financial activities of the Police Jury for the fiscal year ended December 31, 2005. We encourage readers to consider the information presented here in conjunction with additional information found within the body of the audit.

This is the second year the Police Jury has presented its financial statements under the reporting model required by the Governmental Accounting Standards Board Statement No. 34. This reporting model changes the presentation of financial data, and also the manner in which the information is recorded. We encourage readers to consider the information presented here in conjunction with additional information presented throughout this report.

FINANCIAL HIGHLIGHTS

- Assets exceeded liabilities by \$5,924,441 in 2005 and \$5,009,429 in 2004
- Total revenues exceeded expenditures by \$814,427 in 2005 and \$388,048 in 2004
- The Police Jury had net capital assets of \$4,125,778 and has a \$132,714 debt associated with capital assets as of December 31, 2005

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Tensas Parish Police Jury's financial statements. The Police Jury's financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Police Jury's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the Police Jury's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the town is improving or deteriorating.

The statement of activities presents information showing how the Police Jury's net assets changed during the most recent fiscal year.

The government-wide financial statements outline functions of the Police Jury that are principally supported by property taxes and intergovernmental revenues (governmental activities). Fixed assets and related debt is also supported by taxes and intergovernmental revenues.

The government-wide financial statements can be found on pages 10-11 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

The governmental fund financial statements can be found on pages 13 - 17 of this report.

**TENSAS PARISH POLICE JURY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED DECEMBER 31, 2005**

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18 – 34 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the Police Jury assets exceeded liabilities by \$5,924,441 as of December 31, 2005 and \$5,009,429 as of December 31, 2004.

Net Assets for the period ending December 31, 2005 and 2004

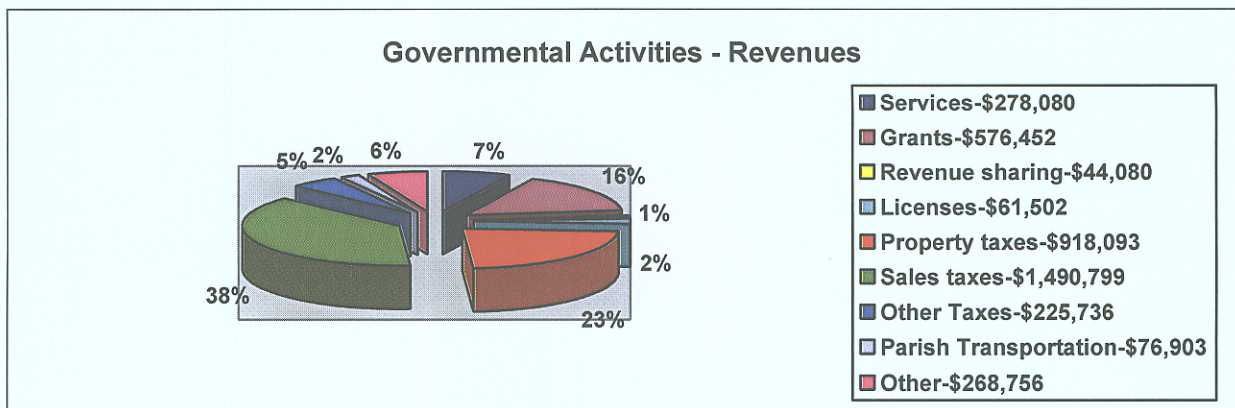
	December 31,	
	2005	2004
Current Assets	\$ 3,417,467	\$ 3,142,423
Restricted Assets	449,078	296,144
Capital Assets	<u>4,125,778</u>	<u>3,487,067</u>
Total Assets	<u>7,992,323</u>	<u>6,925,634</u>
Current Liabilities	385,756	239,883
Long-term Liabilities	<u>1,682,126</u>	<u>1,676,322</u>
Total Liabilities	<u>2,067,882</u>	<u>1,916,205</u>
Net Assets		
Investment in capital assets, net of related debt	3,993,064	3,119,675
Restricted	449,078	296,144
Unrestricted	<u>1,482,299</u>	<u>1,593,610</u>
Total Net Assets	<u>\$ 5,924,441</u>	<u>\$ 5,009,429</u>

TENSAS PARISH POLICE JURY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED DECEMBER 31, 2005

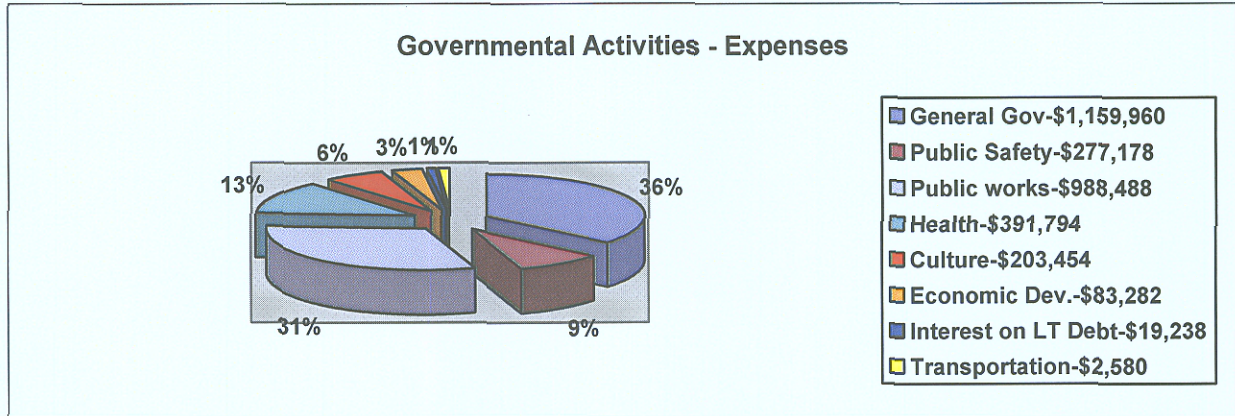
The following is a summary of the statement of activities:

	Year Ended December 31,	
	2005	2004
Revenues		
Program revenues	\$ 854,532	\$ 775,086
General revenues	<u>3,085,869</u>	<u>2,651,340</u>
Total Revenues	<u>\$ 3,940,401</u>	<u>\$ 3,426,426</u>
Expenses:		
General government	\$ 1,159,960	\$ 1,171,509
Public safety	277,178	340,143
Public works	988,488	866,490
Health and welfare	391,794	324,455
Culture and recreation	203,454	176,779
Economic development	83,282	133,066
Transportation	2,580	-
Interest on long-term debt	<u>19,238</u>	<u>25,936</u>
Total expenses	<u>3,125,974</u>	<u>3,038,378</u>
Increase in net assets	814,427	388,048
Net assets, beginning of year	<u>5,110,014</u>	<u>4,621,381</u>
Net assets, end of year	<u>\$ 5,924,441</u>	<u>\$ 5,009,429</u>

The following are a graphical representation of information presented in the Statement of Activities for Governmental Activities.



TENSAS PARISH POLICE JURY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED DECEMBER 31, 2005



The notes to the financial statements have additional information presented that is essential to a full understanding of the data provided in the government-wide financial statements.

Comments on General Fund Comparisons

The Police Jury's budget was amended once during the last year. The final budgeted expenditures were \$2,774,739 and revenues were budgeted at \$2,923,125 in the major funds.

Actual revenues were under budgeted amounts by over \$178,274 and actual expenditures were over budgeted amounts by \$30,848. The budget was amended to primarily reflect additional grant revenues, expenditures and increases in taxes.

CAPITAL ASSETS

As of December 31, 2005, the Police Jury had \$4,125,778 invested in capital assets net of accumulated depreciation including land of \$386,698 that is not being depreciated. This year there were additions of \$928,475 in the general fund. Additions were as follows:

TENSAS PARISH POLICE JURY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED DECEMBER 31, 2005

General fund:

Tensas Market Building	\$ 38,930
Ag Arena (under construction)	4,620
Community Center (under construction)	333,219
Museum (under construction)	454,130
Land	40,000
Air conditioners	7,850
Pressure washer	3,115
Vaccuum cleaner	1,475
Software - library	3,611
Library Books	<u>41,525</u>
Total additions	<u>\$ 928,475</u>

Infrastructure assets (roads and bridges) are not included in capital assets.

MANAGEMENT COMMENTS AND PLANS

Several community facilities have been completed or are nearing completion or have been upgraded including a museum, courthouse roof, community center and youth agriculture facilities. Much of the funding comes from Community Development Block Grant funds, the Department of Transportation and Capital Outlay funds.

In 2006, Courthouse renovations are planned, several roads will be paved, and a Safety Building added, using funds from USDA grants and loans.

Improvements were made in the accounting system to facilitate easier preparation of the financial statements and better compliance with reporting requirements.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Police Jury's finances and to show the Police Jury's accountability for the money it receives. Any questions about this report or request for additional information may be directed to Cathy Darden, Secretary-Treasurer, 205 Hancock Street, St Joseph, LA 71366.

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

TENSAS PARISH POLICE JURY
 STATEMENT OF NET ASSETS
 For the Year Ended December 31, 2005

Statement A

ASSETS

Cash and cash equivalents	\$ 2,367,112
Receivables	1,050,355
Amounts held by trustee for landfill closure and postclosure care costs	446,210
Restricted assets	2,868
Capital assets, net	<u>4,125,778</u>
TOTAL ASSETS	<u>7,992,323</u>

LIABILITIES

Accounts, salaries and other payables	355,804
Intergovernmental payables	29,952
Long-term liabilities	
Due within one year	58,657
Due in more than one year	<u>1,623,469</u>
TOTAL LIABILITIES	<u>2,067,882</u>

NET ASSETS

Invested in capital assets, net of related debt	3,993,064
Restricted for:	
Debt service	2,868
Landfill closure	446,210
Unrestricted	<u>1,482,299</u>
TOTAL NET ASSETS	<u>\$ 5,924,441</u>

The following notes are an integral part of these financial statements.

TENSAS PARISH POLICE JURY

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2005

Statement B

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<i>Primary Government: Governmental Activities:</i>					
General government:					
Legislative	\$ 123,160	\$ -	\$ -	\$ -	\$ (123,160)
Judicial	273,057	82,119	-	-	(190,938)
Elections	29,396	-	-	-	(29,396)
Finance and administrative	340,008	-	-	-	(340,008)
Other general administrative	394,339	-	-	-	(394,339)
Public safety	277,178	84,844	40,648	-	(151,686)
Public works	988,488	111,117	-	37,317	(840,054)
Health and welfare	391,794	-	-	-	(391,794)
Culture and recreation	203,454	-	10,177	292,181	98,904
Economic development	83,282	-	-	196,129	112,847
Transportation	2,580	-	-	-	(2,580)
Interest on long-term debt	19,238	-	-	-	(19,238)
TOTAL GOVERNMENTAL ACTIVITIES	\$3,125,974	\$ 278,080	\$ 50,825	\$ 525,627	(2,271,442)

General revenues:

Taxes:

Ad valorem

918,093

Sales

1,490,799

Other taxes

225,736

Licenses and permits

61,502

State funds:

Parish transportation funds

76,903

State revenue sharing

44,080

Fire insurance rebates

17,993

Investment income

66,238

Other revenues

184,525

Total general revenue

3,085,869

Changes in net assets

814,427

Net assets, beginning of year (restated)

5,110,014

Net assets, end of year

\$ 5,924,441

The following notes are an integral part of these financial statements.

Fund Financial Statements (FFS)

TENSAS PARISH POLICE JURY

GOVERNMENTAL FUNDS

Balance Sheet

December 31, 2005

Statement C

	General Fund	Road Fund	Ambulance Fund	Health Unit Fund	Economic Development Fund	Landfill Site Fund	Other Governmental Funds	Total
ASSETS								
Cash and cash equivalents	\$ 143,831	\$ 1,216,757	\$ 382,457	\$ 97,866	\$ 52,561	\$ 65,334	\$ 408,306	\$2,367,112
Receivables	571,429	41,755	44,460	102,339	16,677	5,000	268,695	1,050,355
Amounts held by trustee for landfill closure and postclosure care costs	-	-	-	-	-	446,210	-	446,210
Restricted assets	-	-	-	-	-	-	2,868	2,868
Advances to other funds	-	27,171	199,584	357,949	316,072	105,139	505,239	1,511,154
TOTAL ASSETS	<u>715,260</u>	<u>1,285,683</u>	<u>626,501</u>	<u>558,154</u>	<u>385,310</u>	<u>621,683</u>	<u>1,185,108</u>	<u>5,377,699</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts, salaries and other payables	48,304	19,993	24,079	514	206,750	-	56,164	355,804
Advances from other funds	117,739	1,393,415	-	-	-	-	-	1,511,154
Intergovernmental payables	-	-	-	-	-	-	29,952	29,952
Total Liabilities	<u>166,043</u>	<u>1,413,408</u>	<u>24,079</u>	<u>514</u>	<u>206,750</u>	<u>-</u>	<u>86,116</u>	<u>1,896,910</u>
Fund Balances/Deficit:								
Reserved for:								
Debt service	-	-	-	-	-	-	2,868	2,868
Landfill closure	-	-	-	-	-	446,210	-	446,210
Advances	-	-	199,584	357,949	316,072	105,139	505,239	1,483,983
Unreserved, reported in:								
General	549,217	-	-	-	-	-	-	549,217
Special revenue (deficit)	-	(127,725)	402,838	199,691	(137,512)	70,334	590,885	998,511
Total Fund Balances (deficit)	<u>549,217</u>	<u>(127,725)</u>	<u>602,422</u>	<u>557,640</u>	<u>178,560</u>	<u>621,683</u>	<u>1,098,992</u>	<u>3,480,789</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 715,260</u>	<u>\$ 1,285,683</u>	<u>\$ 626,501</u>	<u>\$ 558,154</u>	<u>\$ 385,310</u>	<u>\$ 621,683</u>	<u>\$ 1,185,108</u>	<u>\$5,377,699</u>

TENSAS PARISH POLICE JURY

Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Financial Statements
of Net Assets
December 31, 2005

Statement D

Total fund balances-governmental funds (Statement C) \$ 3,480,789

Total Net Assets reported for governmental activities in
the statement of net assets is different because:

Capital assets used in governmental activities are not
financial resources and therefore are not reported in
the funds. Those assets consist of:

Land, buildings and equipment	\$ 5,494,142	
Less accumulated depreciation	<u>(1,368,364)</u>	4,125,778

Long-term liabilities are not due and payable in the
current period and therefore are not reported in
the fund liabilities. (1,682,126)

Net assets (Statement A) \$ 5,924,441

TENSAS PARISH POLICE JURY

Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended December 31, 2005

Statement E

	General Fund	Road Fund	Ambulance Fund	Health Unit Fund	Economic Development Fund	Landfill Site Fund	Other Governmental Funds	Total
REVENUES								
Taxes:								
Ad valorem	\$ 554,193	-	\$ -	\$ 110,469	\$ -	-	\$ 253,431	\$ 918,093
Sales taxes	-	344,076	611,377	-	229,434	-	305,912	1,490,799
Other taxes	225,736	-	-	-	-	-	-	225,736
Licenses and permits	61,502	-	-	-	-	-	-	61,502
Intergovernmental revenues:								
Federal funds-federal grants	-	-	-	-	172,389	-	-	172,389
State funds:								
Parish transportation funds	-	76,903	-	-	-	-	-	76,903
State revenue sharing	12,051	-	-	8,096	-	-	23,933	44,080
Fire insurance rebates	17,993	-	-	-	-	-	-	17,993
Other state grants	-	-	-	-	353,238	-	50,825	404,063
Fees, charges and commissions for services	-	-	-	-	-	111,117	84,844	195,961
Fines and forfeitures	-	-	-	-	-	-	82,119	82,119
Investment income	4,676	1,500	9,374	10,124	6,170	12,836	21,558	66,238
Other revenues	137,547	15,687	144	-	11,340	1,000	19,653	185,371
Total Revenues	1,013,698	438,166	620,895	128,689	772,571	124,953	842,275	3,941,247

	General Fund	Road Fund	Ambulance Fund	Health Unit Fund	Economic Development Fund	Landfill Site Fund	Other Governmental Funds	Total
EXPENDITURES								
General government								
Legislative	123,160	-	-	-	-	-	-	123,160
Judicial	89,221	-	-	-	-	-	183,836	273,057
Elections	29,396	-	-	-	-	-	-	29,396
Finance and administrative	215,550	10,868	42,248	2,724	15,967	4,594	48,057	340,008
Other general government	333,010	-	-	-	-	-	-	333,010
Public safety	94,348	-	-	-	-	-	130,198	224,546
Public works	-	661,814	-	-	-	-	231,260	893,074
Health and welfare	11,797	-	301,376	50,310	-	-	-	363,483
Culture and recreation	3,750	-	-	-	-	-	148,472	152,222
Economic development	-	-	-	-	83,282	-	-	83,282
Transportation	2,580	-	-	-	-	-	-	2,580

TENSAS PARISH POLICE JURY

Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended December 31, 2005

	Statement E							
	General Fund	Road Fund	Ambulance Fund	Health Unit Fund	Economic Development Fund	Landfill Site Fund	Other Governmental Funds	Total
Debt service:								
Principal retirement	-	-	-	-	-	-	50,678	50,678
Interest and bank charges	-	-	-	-	-	-	19,238	19,238
Capital outlay	7,850	3,115	-	1,475	870,899	-	45,136	928,475
Total expenditures	<u>910,662</u>	<u>675,797</u>	<u>343,624</u>	<u>54,509</u>	<u>970,148</u>	<u>4,594</u>	<u>856,875</u>	<u>3,816,209</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	103,036	(237,631)	277,271	74,180	(197,577)	120,359	(14,600)	125,038
OTHER FINANCING SOURCES (Uses)								
Transfers in	-	202,463	-	-	-	-	156,316	358,779
Transfers (out)	(212,912)	(19,066)	-	-	(34,750)	-	(92,051)	(358,779)
Total Other Financing Sources (Uses)	<u>(212,912)</u>	<u>183,397</u>	<u>-</u>	<u>-</u>	<u>(34,750)</u>	<u>-</u>	<u>64,265</u>	<u>-</u>
Net Change in Fund Balances	(109,876)	(54,234)	277,271	74,180	(232,327)	120,359	49,665	125,038
FUND BALANCES - BEGINNING	<u>659,093</u>	<u>(73,491)</u>	<u>325,151</u>	<u>483,460</u>	<u>410,887</u>	<u>501,324</u>	<u>1,049,327</u>	<u>3,355,751</u>
FUND BALANCES - ENDING (deficit)	<u>\$ 549,217</u>	<u>\$ (127,725)</u>	<u>\$ 602,422</u>	<u>\$ 557,640</u>	<u>\$ 178,560</u>	<u>\$ 621,683</u>	<u>\$ 1,098,992</u>	<u>\$ 3,480,789</u>

TENSAS PARISH POLICE JURY

Reconciliation of the Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balances/Deficits
 For the Year Ended December 31, 2005

Statement F

Total net change in fund balances-governmental funds (Statement E) \$ 125,038

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which capital outlays exceed depreciation expense in the period:

Capital outlay	\$ 928,475	
Depreciation expense	<u>(289,764)</u>	638,711

Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets:

50,678

Change in net assets of governmental activities (Statement B) \$ 814,427

TENSAS PARISH POLICE JURY

NOTES TO THE FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2005

INTRODUCTION

The Tensas Parish Police Jury is the governing authority for Tensas Parish and is a political subdivision of the State of Louisiana. The Police Jury is governed by seven jurors representing the various districts within the parish. The jurors serve four-year terms that expire January 2008. Tensas Parish is located in Northeast Louisiana and has a population of approximately 6,000. The Police Jury has 18 full time employees and maintains 155 miles of roads.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the jury is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the Police Jury may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges and issue bonded debt. The Police Jury has oversight of other component units that are blended into the Police Jury's basic financial statements.

Blended component units of the Police Jury are Gravity Drainage District's No. 1, No. 2 and No. 3 and the Tensas Parish Library. These component units, despite being legally separate from the Police Jury, are so intertwined with the primary government that they are, in substance, the same as the primary government. These component units are reported as part of the primary government in both the fund financial statements and the government-wide financial statements. The blended component unit's balances and transactions are reported in the same manner as the balances and transactions of the Police Jury itself. These entities are reported in the Nonmajor Special Revenue Funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. These component units are as follows:

TENSAS PARISH POLICE JURY

NOTES TO THE FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Component Unit

Fire Protection District No. 1 of Tensas Parish
Lake Bruin Commission
Lake Bruin Water Works No. 1
Tensas Economic and Industrial Development District
Tensas Parish Agricultural Arena Commission
Tensas Parish Clerk of Court
Tensas Parish Hospital Service District
Tensas Parish Sheriff
Tensas Parish Tax Assessor
Tensas Port Commission
Tensas Water District, Inc.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Major individual governmental funds are reported in separate columns in the fund financial statements.

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

TENSAS PARISH POLICE JURY

NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2005

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Police Jury reports the following major governmental funds:

General fund – The general fund is the general operating fund of the Police Jury. It accounts for all activities except those required to be accounted for in other funds.

Road fund – This fund accounts for funds used to maintain roads.

Ambulance fund – This fund accounts for funds used to operate the ambulance services.

Health unit fund – This fund accounts for funds used to operate the health unit.

Economic development fund – This fund accounts for funds used in economic development for the parish.

Landfill site fund – This fund accounts for the operation of the landfill.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

TENSAS PARISH POLICE JURY

NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the Police Jury's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Cash, Cash Equivalents and Investments

The Police Jury's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Police Jury's investment policy allow the Police Jury to invest in collateralized certificates of deposits, government back securities, commercial paper, the state sponsored investment pool and mutual funds consisting solely of government backed securities.

Investments for the Police Jury, as well as for its component units, are reported at fair value.

D. Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to/from other funds" (i.e., the non-current portion of interfund loans).

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectives. The balance of accounts receivable is expected to be a collected in full so no allowance for doubtful accounts has been established.

Property taxes are levied on a calendar year basis and become due on January 1 of each year. The following is a summary of authorized and levied ad valorem taxes:

TENSAS PARISH POLICE JURY

NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Taxes due for:			
General Fund	3.49	3.49	Indefinite
Court System building	11.07	11.07	2007
Drainage District No. 1	5.68	5.68	2006
Drainage District No. 2	3.02	3.02	2011
Drainage District No. 3	3.8	3.8	2013
Health Unit	2.95	2.95	2006
Library	4.28	4.28	2006

The following are the principal taxpayers and related property tax revenue for the parish:

	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>	<u>Ad Valorem Tax Revenue for Parish</u>
American Commercial Barge Line	Barge Line	\$ 2,933,040	7.7%	\$ 254,030
American River Transport Co.	Barge Line	2,837,150	7.5%	245,725
Ingram Barge Company	Barge Line	2,684,260	7.0%	232,483
Cross Keys Bank	Banking	2,123,838	5.6%	201,112

Sales taxes are authorized as follows:

	<u>Levied Per Cent</u>	<u>Expiration Date</u>
Landfill and garbage collection	1.00%	Indefinite
Roads	0.75%	Indefinite
Economic development	0.50%	4/1/2013
Fire protection	0.25%	10/1/2009
Ambulance	1.00%	10/1/2013

TENSAS PARISH POLICE JURY

NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

E. Restricted Assets and Reserved Equity

Restricted assets represent those assets that are legally separated for a specific purpose. Restricted assets at December 31, 2005 were as follows:

Restricted for landfill closure	\$ 335,981
Restricted for certificates of indebtedness	<u>2,868</u>
Total	<u>\$ 338,849</u>

F. Elimination and Reclassifications

In the process of compiling data for the statement of net assets and the statement and the statement of activities some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the “grossing up” effect on assets and liabilities within the governmental activities column.

G. Capital Assets

Capital assets, which include property, plant, equipment and land assets are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost (94% of capital assets are reported at actual cost) if historical cost is not available. The Police Jury maintains a threshold level of \$1,000 or more for capitalizing capital assets. Infrastructure assets (roads and bridges) are not included for those items acquired prior to January 1, 2004.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	10-40 years
Equipment and Furniture (including vehicles)	5-10 years
Books, periodicals and law books	7-10 years

TENSAS PARISH POLICE JURY

NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2005

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

H. Compensated Absences

Employees of the Police Jury earn 5 to 10 days of non-cumulative annual leave each year, depending on their length of service. Full-time employees are allowed, on an as-needed basis, sick leave up to 12 days each year. A maximum of 30 days of sick leave may be accumulated and carried forward. There is no provision for payment of accrued sick leave upon separation.

Full-time employees of the Tensas Parish Library, with at least 6 months of service, earn from 10 to 22 days of non-cumulative annual leave each year, depending on their position. Part-time employees earn annual leave on a pro rata basis. Full-time employees earn 14 days of sick leave each year, with part-time employees earning sick leave on a pro rata basis. Sick leave of up to 42 days may be accumulated. There is no provision for payment of accumulated sick leave upon separation.

Employees of the Sixth Judicial District Criminal Court Fund earn from 5 to 10 days of vacation leave each year, depending on their length of service. Annual leave must be taken in the year earned and cannot be carried forward. Sick leave is granted, on an as-needed basis, at the discretion of the district attorney and judges of the district. At December 31, 2005 there are no accumulated and vested benefits relating to annual and sick leave that require accrual or disclosure.

I. Long-Term Obligations

In the government-wide financial statements, long-term debt is reported as liabilities in the applicable governmental activities statement of net assets.

J. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

K. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

TENSAS PARISH POLICE JURY

NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2005

2. **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Budget Information – The Police Jury uses the following budget practices:

Budgets – Preliminary budgets for the ensuing year are prepared by the secretary-treasurer prior to December 31 of each year. The availability of the proposed budgets for public inspection and the date of the public hearing on the proposed budgets are then advertised in the official journal. During its regular December meeting, the Police Jury holds a public hearing on the proposed budgets in order to receive comments from residents of the parish. Changes are made to the proposed budgets based on the public hearing and the desires of the Police Jury as a whole. The budgets are then adopted during the Police Jury's regular December meeting, and a notice of the adoption is then published in the official journal.

The secretary-treasurer presents necessary budget amendments to the Police Jury during the year when, in her judgment, actual operations are differing materially from those anticipated in the original budget. During a regular meeting, the Police Jury reviews the proposed amendments, makes changes as it deems necessary and formally adopts the amendments. The adoption of the amendments is included in Police Jury minutes published in the official journal.

The Police Jury exercises budgetary control at the functional level. Within functions the secretary-treasurer has the discretion to make changes as she deems necessary for proper control. Unexpended appropriations lapse at year end and must be re-appropriated in the next year's budget to be expended.

Deficit Fund Balances – The following fund has a deficit in the unreserved fund balance at December 31, 2005:

	<u>Amount of Deficit</u>
Road Fund	<u>\$ 127,725</u>

3. **FUND RECLASSIFICATION**

The Landfill Site Fund beginning balance of \$501,324 was reclassified from other governmental funds to a beginning fund balance in the Landfill Site Fund effective January 1, 2005, because the fund became a major fund.

TENSAS PARISH POLICE JURY

NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2005

4. **PRIOR YEAR CORRECTION**

The beginning net assets and fund balances were corrected to include the fair market value of investments at January 1, 2005. The investments that were corrected were included in the Landfill Site Fund.

	Government Wide <u>Net Assets</u>	Governmental Fund <u>Fund Balances</u>
Balance as previously reported	\$ 5,009,429	\$ 3,255,166
Correction to report investments at fair value	<u>100,585</u>	<u>100,585</u>
Balance at January 1, 2005 restated	<u>\$ 5,110,014</u>	<u>\$ 3,355,751</u>

5. **CASH AND CASH EQUIVALENTS**

At December 31, 2005, the Police Jury has cash and cash equivalents (book balances) totaling \$2,369,980 as follows:

Demand deposits	\$ 1,069,725
Time deposits	<u>1,300,255</u>
Total	<u>\$ 2,369,980</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2005, the Police Jury has \$2,446,967 in deposits (collected bank balances). These deposits are secured from risk by \$700,400 of federal deposit insurance and \$1,746,567 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Police Jury that the fiscal agent has failed to pay deposited funds upon demand.

TENSAS PARISH POLICE JURY

NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2005

6. RECEIVABLES

The receivables of \$1,050,355 at December 31, 2005 are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Road Fund</u>	<u>Ambulance Fund</u>	<u>Health Unit Fund</u>	<u>Economic Development Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Taxes:							
Ad valorem	\$ 515,511	\$ -	\$ -	\$ 102,339	\$ -	\$ 237,342	\$ 855,192
Sales and use	-	25,015	44,460	-	16,677	22,248	108,400
Other taxes	55,918	6,478	-	-	-	-	62,396
Fines	-	-	-	-	-	9,105	9,105
Other	-	10,262	-	-	-	5,000	15,262
Total	<u>\$ 571,429</u>	<u>\$ 41,755</u>	<u>\$ 44,460</u>	<u>\$ 102,339</u>	<u>\$ 16,677</u>	<u>\$ 273,695</u>	<u>\$ 1,050,355</u>

Historically, virtually all ad valorem taxes receivable were collected since they are secured by property; therefore, no allowance for doubtful accounts has been established for ad valorem taxes. The balance of accounts receivable is expected to be collected in full so no allowance for doubtful accounts have been established.

7. INVESTMENTS

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the Police Jury or its agent in the Police Jury's name.
2. Uninsured and unregistered, with securities held by the counter party's trust department or agent in the Police Jury's name.
3. Uninsured and unregistered, with securities held by the counter party, or its trust department or agent but not in the Police Jury's name.

At the end of the year, the Police Jury's investment balances were as follows:

<u>Type of Investment</u>	<u>Category</u>			<u>Carrying Amount</u>	
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Fair Value</u>	<u>Amount</u>
Federal agencies	<u>\$ 446,210</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 446,210</u>	<u>\$ 335,981</u>

TENSAS PARISH POLICE JURY

NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2005

8. INTERFUND RECEIVABLES/PAYABLES (FSS LEVEL ONLY)

<u>Advances to Other Funds</u>	<u>Advances from Other Funds</u>	
Road Fund	General Fund	\$ 27,171
Ambulance Fund	General Fund	48,291
Economic Development Fund	General Fund	18,114
Nonmajor Fund	General Fund	24,164
Ambulance Fund	Road Fund	151,293
Economic Development Fund	Road Fund	297,958
Health Unit Fund	Road Fund	357,949
Landfill Site Fund	Road Fund	105,139
Nonmajor Fund	Road Fund	481,075
		<u>\$ 1,511,154</u>

The purpose of the advances to/advances from balances was to provide funds for operating purposes.

9. CAPITAL ASSETS

A summary of the Police Jury's capital assets follows:

<u>Primary Government</u>	<u>Beginning, Balance</u>	<u>Increase</u>	<u>Deletions</u>	<u>Balance, Ending</u>
Capital assets not being depreciated				
Land	<u>\$ 346,698</u>	<u>\$ 40,000</u>	<u>\$ -</u>	<u>\$ 386,698</u>
Capital assets being depreciated				
Buildings	2,012,654	838,750	-	2,851,404
Furniture, fixtures and equipment	<u>2,206,315</u>	<u>49,725</u>	<u>-</u>	<u>2,256,040</u>
Total	<u>4,218,969</u>	<u>888,475</u>	<u>-</u>	<u>5,107,444</u>
Less accumulated depreciation				
Buildings	(190,649)	(51,612)	-	(242,261)
Furniture, fixtures and equipment	<u>(887,951)</u>	<u>(238,152)</u>	<u>-</u>	<u>(1,126,103)</u>
Total accumulated depreciation	<u>(1,078,600)</u>	<u>(289,764)</u>	<u>-</u>	<u>(1,368,364)</u>
Total depreciable capital assets, net	<u>3,140,369</u>	<u>598,711</u>	<u>-</u>	<u>3,739,080</u>
Governmental activities capital assets, net	<u>\$ 3,487,067</u>	<u>\$ 638,711</u>	<u>\$ -</u>	<u>\$ 4,125,778</u>

Depreciation expense of \$289,764 for the year ended December 31, 2005 was charged to the following governmental functions:

TENSAS PARISH POLICE JURY

NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2005

9. CAPITAL ASSETS - continued

General Government	\$ 61,329
Public Safety	52,632
Public Works	95,414
Health and Welfare	28,311
Culture and Recreation	52,078
Total	<u>\$ 289,764</u>

10. INTERFUND TRANSFERS

Operating transfers for the year ended December 31, 2005 were as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	
Road Fund	General Fund	\$ 126,512
Road Fund	Nonmajor Fund	75,952
Nonmajor Fund	Economic Development	34,750
Nonmajor Fund	Road Fund	19,066
Nonmajor Fund	General Fund	86,400
Nonmajor Fund	Nonmajor Fund	16,099
		<u>\$ 358,779</u>

Transfers are primarily used to cover operating expenses.

11. ACCOUNTS, SALARIES AND OTHER PAYABLES

The payables of \$355,804 at December 31, 2005 are as follows:

	General Fund	Road Fund	Ambulance Fund	Health Unit Fund	Economic Development Fund	Other Governmental Funds	Total
Salaries	\$ -	\$ 2,222	\$ -	\$ -	\$ -	\$ -	\$ 2,222
Withholdings	10,220	11,501	-	-	28	12,881	34,630
Accounts	38,084	6,270	24,079	514	206,722	43,283	318,952
Total	<u>\$ 48,304</u>	<u>\$ 19,993</u>	<u>\$ 24,079</u>	<u>\$ 514</u>	<u>\$ 206,750</u>	<u>\$ 56,164</u>	<u>\$ 355,804</u>

TENSAS PARISH POLICE JURY

NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2005

12. LONG-TERM LIABILITIES AND CAPITAL LEASES

The following is a summary of general long-term debt transactions for the year ended December 31, 2005:

	Note Payable	Certificates of Indebtedness	Lease/ Purchases Payable	Landfill Closure and Postclosure Care Costs	Total
Long-term debt at January 1, 2005	\$ 156,150	\$ 206,000	\$ 161,392	\$ 1,209,262	\$ 1,732,804
Additions	-	-	-	-	-
Deductions	-	(22,000)	(28,678)	-	(50,678)
Long-term debt payable at December 31, 2005	<u>\$ 156,150</u>	<u>\$ 184,000</u>	<u>\$ 132,714</u>	<u>\$ 1,209,262</u>	<u>\$ 1,682,126</u>

The Police Jury records items under capital leases as an asset and an obligation in the accompanying financial statements. The net book value of equipment under capital leases at December 31 was \$154,157.

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of December 31, 2005:

	Note Payable	Certificates of Indebtedness	Lease/ Purchases Payable	Landfill Closure and Postclosure Care Costs	Total
Current portion	\$ -	\$ 22,000	\$ 36,657	\$ -	\$ 58,657
Long-term portion	<u>156,150</u>	<u>162,000</u>	<u>96,057</u>	<u>1,209,262</u>	<u>1,623,469</u>
Total	<u>\$ 156,150</u>	<u>\$ 184,000</u>	<u>\$ 132,714</u>	<u>\$ 1,209,262</u>	<u>\$ 1,682,126</u>

Long-term debt is comprised of the following issues:

Note payable:

\$262,500 economic development loan due in monthly interest and principal payments of \$2,785 beginning January 2007 with an interest rate of 5%. Balloon due after 119 payments made. Credit of \$12,500 to be given for each job created in first year and \$5,000 for each job after one year for seven years. Secured by immovable property.

\$ 156,150

TENSAS PARISH POLICE JURY

NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2005

12. LONG-TERM LIABILITIES AND CAPITAL LEASES - continued

Certificates of indebtedness:

\$245,999 certificates of indebtedness due in semi-annual interest and principal payments totaling \$22,000 to \$34,750 thru 2012 with interest at 7.5%. Secured by pledge of annual revenues. \$ 184,000

Capital leases:

\$80,346 capital lease due in monthly payments of \$1,609 thru January 2007 with interest at 7.5%. Secured by motor grader. 21,864

\$163,000 capital lease due in monthly payments of \$1,907 thru August 2007 with interest at 4.55%. Secured by motor grader. 110,850

Landfill closure costs:

Landfill closure costs estimated to occur in 2028 1,209,262

Total long-term debt \$ 1,682,126

The following is a schedule of future interest and principal payments of notes payable and certificates of indebtedness.

Year	Note Payable		Certificate of Indebtedness	
	Principal	Interest	Principal	Interest
2006	\$ -	\$ -	\$ 22,000	\$ 12,000
2007	17,806	15,614	22,000	11,250
2008	26,503	6,917	24,000	10,500
2009	27,828	5,592	26,000	8,700
2010	29,219	4,201	28,000	6,750
Thereafter	<u>54,794</u>	<u>3,945</u>	<u>62,000</u>	<u>7,050</u>
Total	<u>\$ 156,150</u>	<u>\$ 36,269</u>	<u>\$ 184,000</u>	<u>\$ 56,250</u>

TENSAS PARISH POLICE JURY

NOTES TO THE FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2005

12. LONG-TERM LIABILITIES AND CAPITAL LEASES – continued

The Police Jury records items under capital leases as an asset and an obligation in the accompanying financial statements. At December 31, 2005, the Police Jury had two capital leases in effect for equipment. Obligations are retired from Debt Service Fund. Future minimum payments, as of December 31, 2005 are as follows:

<u>Fiscal year:</u>	<u>Note Payable</u>
2006	\$ 42,199
2007	<u>98,163</u>
Total minimum lease payments	140,362
Less-amounts representing interest	<u>(7,648)</u>
Future minimum payments	<u>\$ 132,714</u>

13. SOLID WASTE LANDFILL COSTS

State and federal laws and regulations require that the police jury place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on future closure and postclosure care costs that will be incurred near or after the date the landfill no longer accepts waste. The estimated liability for landfill closure and postclosure care is \$1,209,262.

However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

During the year ended December 31, 1998, the Police Jury established a trust fund, in accordance with an agreement between the Police Jury and the Louisiana Department of Environmental Quality (LDEQ), to provide funding to cover the closure and postclosure care costs estimated to be approximately \$1,209,262. The agreement provides that the police jury shall make annual contributions of approximately \$40,309 for thirty years.

The following is a summary of the trust fund activity for the year ended December 31, 2005, relating to the police jury's compliance with the LDEQ agreement:

TENSAS PARISH POLICE JURY

NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2005

13. SOLID WASTE LANDFILL COSTS - continued

Balance, December 31, 2004	\$ 293,334
Additions:	
Deposits	40,309
Interest earnings	<u>2,338</u>
Balance, December 31, 2005	<u>\$ 335,981</u>

14. RETIREMENT

Substantially all employees of the police jury are members of the parochial Employees Retirement System of Louisiana ("system"), a multiple-employer public employee 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 separate assets and benefit provisions. Employees of the police jury are members of Plan A.

All permanent employees working at least 28 hours per week whom are paid wholly or in part from funds and all elected parish officials are eligible to participate in the system. Under Plan A, employees who retire at or after age 60 with at least 10 years of credited service, at or after age 55 with 25 years of credited service, or at any age with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of their final compensation multiplied by the employee's years of credited service. However, for those employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to 1 per cent of final compensation, plus \$24 for each year of supplemental plan only service earned prior to January 1, 1980.

Final compensation is the employee's monthly earnings during the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of credited service stated previously and who do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. The system also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, LA 70898-4619, or by calling (504) 928-1361.

TENSAS PARISH POLICE JURY

NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2005

14. RETIREMENT - continued

Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and the employer is required to contribute at an actuarially determined rate. The current rate is 11.75 percent of annual covered payroll. Contributions to the System include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of the parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the employers are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation of the prior fiscal year. The employer contributions to the System under Plan A for the year ending December 31, 2005 were \$63,166.

15. RISK MANAGEMENT

The Police Jury is at risk for property damage, liability and theft which are covered by insurance policies.

REQUIRED SUPPLEMENTAL INFORMATION

TENSAS PARISH POLICE JURY

Budgetary Comparison Schedules

General Fund and Major Special Revenue Funds With Legally Adopted Annual Budgets

General Fund – The general fund accounts for all activities of the Police Jury except those that are accounted for in other funds.

Road fund – This fund accounts for funds used to maintain roads.

Ambulance fund – This fund accounts for funds used to operate the ambulance services.

Health unit fund – This fund accounts for funds used to operate the health unit.

Economic development – This fund accounts for funds used in economic development for the parish.

Landfill site – This fund accounts for the operation of the Parish Landfill. Revenues are provided by fees from customers dumping in the landfill.

TENSAS PARISH POLICE JURY

General Fund
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2005

Exhibit 1-1

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Budgetary Basis)	Favorable (Unfavorable)
REVENUES				
Taxes:				
Ad valorem	\$ 548,705	\$ 529,932	\$ 537,144	\$ 7,212
Other taxes	138,593	225,178	221,946	(3,232)
Licenses and permits	48,643	71,010	61,502	(9,508)
Intergovernmental revenues:				
State funds:				
State revenue sharing	15,350	19,264	12,051	(7,213)
Fire insurance rebates	15,950	17,993	17,993	-
Interest income	1,209	5,033	4,676	(357)
Other revenues	124,068	144,906	137,547	(7,359)
Total Revenues	<u>892,518</u>	<u>1,013,316</u>	<u>992,859</u>	<u>(20,457)</u>
EXPENDITURES				
General government:				
Legislative	107,265	113,514	121,097	(7,583)
Judicial	50,875	55,499	86,890	(31,391)
Elections	15,278	20,325	23,834	(3,509)
Finance and administration	240,636	171,108	221,775	(50,667)
Other general government	597,762	439,941	317,390	122,551
Public safety	37,923	63,413	100,937	(37,524)
Health and welfare	16,945	5,423	11,321	(5,898)
Culture and recreation	3,750	3,750	3,108	642
Transportation	14,359	5,735	2,580	3,155
Capital outlay	29,129	18,888	7,850	11,038
Total Expenditures	<u>1,113,922</u>	<u>897,596</u>	<u>896,782</u>	<u>814</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(221,404)	115,720	96,077	(19,643)
OTHER FINANCING (Uses)				
Transfers (out)	<u>(138,915)</u>	<u>(138,915)</u>	<u>(212,912)</u>	<u>(73,997)</u>
Net change in fund balances	(360,319)	(23,195)	(116,835)	(93,640)
Fund balance, beginning	<u>659,093</u>	<u>659,093</u>	<u>659,093</u>	<u>-</u>
Fund balance, ending	<u>\$ 298,774</u>	<u>\$ 635,898</u>	<u>\$ 542,258</u>	<u>\$ (93,640)</u>

TENSAS PARISH POLICE JURY

Road Fund
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2005

Exhibit 1-2

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Budgetary Basis)	Favorable (Unfavorable)
REVENUES				
Taxes:				
Sales taxes	\$ 265,844	\$ 297,470	\$ 347,293	\$ 49,823
Intergovernmental revenues:				
State funds:				
Parish transportation funds	70,728	94,409	66,280	(28,129)
Other state grants	9,499	-	-	-
Interest income	1,023	30,543	1,500	(29,043)
Other revenues	515	22,225	15,687	(6,538)
Total Revenues	<u>347,609</u>	<u>444,647</u>	<u>430,760</u>	<u>(13,887)</u>
EXPENDITURES				
General government:				
Finance and administrative	48,661	6,249	10,324	(4,075)
Public works	576,403	663,114	705,791	(42,677)
Capital outlay	30,889	26,520	3,115	23,405
Total Expenditures	<u>655,953</u>	<u>695,883</u>	<u>719,230</u>	<u>(23,347)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(308,344)	(251,236)	(288,470)	(37,234)
OTHER FINANCING SOURCES (Uses)				
Transfers in	138,915	138,915	202,463	63,548
Transfers (out)	-	-	(19,066)	(19,066)
	<u>138,915</u>	<u>138,915</u>	<u>183,397</u>	<u>44,482</u>
Net change in fund balances	(169,429)	(112,321)	(105,073)	7,248
Fund balance, beginning	<u>(73,491)</u>	<u>(73,491)</u>	<u>(73,491)</u>	-
Fund balance, ending	<u>\$ (242,920)</u>	<u>\$ (185,812)</u>	<u>\$ (178,564)</u>	<u>\$ 7,248</u>

TENSAS PARISH POLICE JURY

Ambulance Fund
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2005

Exhibit 1-3

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>(Budgetary Basis)</u>	<u>Favorable</u> <u>(Unfavorable)</u>
<u>REVENUES</u>				
Taxes:				
Sales taxes	\$ 472,359	\$ 533,214	\$ 609,940	\$ 76,726
Interest income	1,507	5,602	9,374	3,772
Other revenues	-	144	144	-
Total Revenues	<u>473,866</u>	<u>538,960</u>	<u>619,458</u>	<u>80,498</u>
<u>EXPENDITURES</u>				
General government:				
Finance and administrative	7,521	41,428	44,379	(2,951)
Health and welfare	<u>327,020</u>	<u>286,394</u>	<u>299,763</u>	<u>(13,369)</u>
Total Expenditures	<u>334,541</u>	<u>327,822</u>	<u>344,142</u>	<u>(16,320)</u>
Net change in fund balances	139,325	211,138	275,316	64,178
Fund balance, beginning	<u>325,151</u>	<u>325,151</u>	<u>325,151</u>	<u>-</u>
Fund balance, ending	<u>\$ 464,476</u>	<u>\$ 536,289</u>	<u>\$ 600,467</u>	<u>\$ 64,178</u>

TENSAS PARISH POLICE JURY

Health Unit Fund
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2005

Exhibit I-4

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Budgetary Basis)	Favorable (Unfavorable)
REVENUES				
Taxes:				
Ad valorem	\$ 109,045	\$ 105,187	\$ 107,069	\$ 1,882
Intergovernmental revenues:				
State funds:				
State revenue sharing	6,827	9,979	8,096	(1,883)
Other state grants	26,550	-	-	-
Interest income	3,745	2,927	10,124	7,197
Total Revenues	<u>146,167</u>	<u>118,093</u>	<u>125,289</u>	<u>7,196</u>
EXPENDITURES				
General government:				
Finance and administrative	-	2,723	2,724	(1)
Health and welfare	24,518	52,019	50,423	1,596
Capital outlay	217	1,474	1,475	(1)
Total Expenditures	<u>24,735</u>	<u>56,216</u>	<u>54,622</u>	<u>1,594</u>
Net change in fund balances	121,432	61,877	70,667	8,790
Fund balance, beginning	<u>483,460</u>	<u>483,460</u>	<u>483,460</u>	<u>-</u>
Fund balance, ending	<u>\$ 604,892</u>	<u>\$ 545,337</u>	<u>\$ 554,127</u>	<u>\$ 8,790</u>

TENSAS PARISH POLICE JURY

Economic Development Unit Fund
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2005

Exhibit 1-5

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Budgetary Basis)	Favorable (Unfavorable)
REVENUES				
Taxes:				
Sales taxes	\$ 177,267	\$ 203,679	\$ 264,943	\$ 61,264
Intergovernmental revenues:				
Federal funds - federal grants	-	172,389	172,389	-
State funds:				
Other state grants	75,408	353,587	353,238	(349)
Interest income	2,872	2,790	6,170	3,380
Other revenues	-	7,585	11,340	3,755
Total Revenues	<u>255,547</u>	<u>740,030</u>	<u>808,080</u>	<u>68,050</u>
EXPENDITURES				
General government:				
Finance and administrative	4,319	13,702	15,967	(2,265)
Economic development and assistance	254,518	143,822	79,844	63,978
Capital outlay	159,494	635,104	690,406	(55,302)
Total Expenditures	<u>418,331</u>	<u>792,628</u>	<u>786,217</u>	<u>6,411</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(162,784)	(52,598)	21,863	74,461
OTHER FINANCING SOURCES				
Transfers (out)	-	-	(34,750)	(34,750)
Net change in fund balances	(162,784)	(52,598)	(12,887)	39,711
Fund balance, beginning	<u>410,887</u>	<u>410,887</u>	<u>410,887</u>	<u>-</u>
Fund balance, ending	<u>\$ 248,103</u>	<u>\$ 358,289</u>	<u>\$ 398,000</u>	<u>\$ 39,711</u>

TENSAS PARISH POLICE JURY

Landfill Site Fund
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2005

Exhibit 1-6

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Budgetary Basis)	Favorable (Unfavorable)
<u>REVENUES</u>				
Fees, charges and commissions	\$ 96,836	\$ 67,790	\$ 111,117	\$ 43,327
Investment income	1,060	289	12,836	12,547
Other revenues	-	-	1,000	1,000
Total Revenues	<u>97,896</u>	<u>68,079</u>	<u>124,953</u>	<u>56,874</u>
<u>EXPENDITURES</u>				
General government:				
Finance and administrative	<u>21,528</u>	<u>4,594</u>	<u>4,594</u>	<u>-</u>
Net change in fund balances	76,368	63,485	120,359	56,874
Fund balance, beginning	<u>501,324</u>	<u>501,324</u>	<u>501,324</u>	<u>-</u>
Fund balance, ending	<u>\$ 577,692</u>	<u>\$ 564,809</u>	<u>\$ 621,683</u>	<u>\$ 56,874</u>

TENSAS PARISH POLICE JURY

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule

1. Basis of Presentation

The Budgetary Comparison Schedule presents the original legally adopted budget, the final legally adopted budget, the actual data on the cash basis and variances between the final budget and the actual data.

2. Budget Adoption and Amendments

Preliminary budgets for the ensuing year are prepared by the secretary-treasurer prior to December 31 of each year. The availability of the proposed budgets for public inspection and the date of the public hearing on the proposed budgets are advertised in the official journal. During its December meeting, the Police Jury holds a public hearing on the proposed budgets in order to receive comments from residents of the Parish. Changes are made to the proposed budgets based on the public hearing and the desires of the Police Jury. The budgets are then adopted during the Police Jury's regular December meeting.

The secretary-treasurer presents necessary budget amendments to the Police Jury during the year when, in her judgment, actual operations are differing materially from those anticipated in the original budget. During a regular meeting, the Police Jury reviews the proposed amendments, makes changes as it deems necessary and formally adopts the amendments. The adoption of the amendments is included in Police Jury minutes published in the official journal.

The Police Jury exercises budgetary control at the functional level. Within functions the secretary-treasurer has the discretion to make changes as she deems necessary for proper control. Unexpended appropriations lapse at year end and must be re-appropriated in the next year's budget to be expended.

Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budgets must be approved by the Board and the grantor agencies.

3. Budget/GAAP Reconciliation

The major differences between the budgetary basis and the GAAP basis are:

TENSAS PARISH POLICE JURY

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – continued

- a. Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).
- b. Expenditures are recorded when paid in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

The following schedule reconciles net change in fund balances on the budgetary basis schedules to the GAAP basis financial statements for the General Fund and each major special revenue fund:

	General Fund	Road Fund	Ambulance Fund	Health Unit Fund	Economic Development Fund
Net change budget basis	\$ (116,835)	\$ (105,073)	\$ 275,316	\$ 70,667	\$ (12,887)
Increase (decrease)					
Net adjustments for revenue accruals	20,839	7,406	1,437	3,400	(35,509)
Net adjustments for expenditure accruals	<u>(13,880)</u>	<u>43,433</u>	<u>518</u>	<u>113</u>	<u>(183,931)</u>
Net change GAAP Basis	<u>\$ (109,876)</u>	<u>\$ (54,234)</u>	<u>\$ 277,271</u>	<u>\$ 74,180</u>	<u>\$ (232,327)</u>

SUPPLEMENTAL INFORMATION

**COMBINING
NONMAJOR GOVERNMENTAL FUNDS –
BY FUND TYPE**

TENSAS PARISH POLICE JURY

NONMAJOR SPECIAL REVENUE FUNDS

Drainage Districts No. 1, No. 2 and No. 3 – accounts for drainage projects within the boundaries of each respective district. A specific ad valorem tax and the related state revenue sharing in each district provide financing.

Waste Collection – accounts for the operation of a solid waste collection and disposal system. Sales tax revenues provide financing.

Criminal Court – created by Section 571.11 of Title 15 of the Louisiana Revised Statute of 1950, which provided that fines and forfeitures imposed by the district courts and district attorney conviction fees in criminal cases be transferred to parish treasurer and deposited into a special Criminal Court Fund to be used to pay expenses of the criminal court system of the parish. Expenditures are made from the fund on motion of the district attorney and approved by the district judges. The statute requires that one-half of the fund balance remaining at December 31, of each year be transferred to the parish General Fund.

Library – accounts for the operation of the Tensas Parish Library financed by a specific parishwide ad valorem tax and the related state revenue sharing, and state grants.

Emergency Preparedness – accounts for the operation of the parishwide civil defense program. Financing is provided by a grant from the Federal Emergency Management Agency.

Fire Protection – accounts for the activities relating to the collection and remittance of the one-quarter of one per cent sales tax approved by the voters for a period of ten years. The net proceeds of the tax (after cost of collections) are dedicated for the purpose of establishing and maintaining a parish-wide fire protection district. The net proceeds are remitted to the Fire Protection District No. 1 of Tensas Parish for subsequent disbursement, by the board of commissioners, for fire protection in the parish.

Rural Development – accounts for State of Louisiana grant for the construction of two parking lots for the court house.

Bookmobile – accounts for State of Louisiana grant for purchase of a bookmobile.

TENSAS PARISH POLICE JURY

NONMAJOR GOVERNMENTAL FUNDS
 Combining Balance Sheet – By Fund Type
 December 31, 2005

Exhibit 2

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 408,306	\$ -	\$ 408,306
Receivables	268,695	-	268,695
Restricted assets	-	2,868	2,868
Advances to other funds	<u>505,239</u>	-	<u>505,239</u>
TOTAL ASSETS	<u><u>1,182,240</u></u>	<u><u>2,868</u></u>	<u><u>1,185,108</u></u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts, salaries and other payables	56,164	-	56,164
Intergovernmental payables	<u>29,952</u>	-	<u>29,952</u>
Total Liabilities	<u><u>86,116</u></u>	-	<u><u>86,116</u></u>
 Fund Balances:			
Reserved for:			
Debt service	-	2,868	2,868
Advances	505,239	-	505,239
Unreserved, reported in			
Special Revenue	<u>590,885</u>	-	<u>590,885</u>
Total Fund Balances	<u><u>1,096,124</u></u>	<u><u>2,868</u></u>	<u><u>1,098,992</u></u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u><u>\$ 1,182,240</u></u>	 <u><u>\$ 2,868</u></u>	 <u><u>\$ 1,185,108</u></u>

TENSAS PARISH POLICE JURY

NONMAJOR GOVERNMENTAL FUNDS
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances – By Fund Type
 For the Year Ended December 31, 2005

Exhibit 3

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Total</u>
REVENUES			
Taxes:			
Ad valorem	\$ 253,431	\$ -	253,431
Sales taxes	305,912	-	305,912
Intergovernmental revenues:			
State funds:			
State revenue sharing	23,933	-	23,933
Other state grants	50,825	-	50,825
Fees, charges and commissions	84,844	-	84,844
Fines and forfeitures	82,119	-	82,119
Investment income	21,500	58	21,558
Other Revenues	19,653	-	19,653
TOTAL REVENUES	<u>842,217</u>	<u>58</u>	<u>842,275</u>
EXPENDITURES			
General government			
Judicial	183,836	-	183,836
Finance and administrative	48,057	-	48,057
Public safety	130,198	-	130,198
Public works	231,260	-	231,260
Culture and recreation	148,472	-	148,472
Debt service:			
Principal retirement	-	50,678	50,678
Interest and bank charges	-	19,238	19,238
Capital outlay	45,136	-	45,136
TOTAL EXPENDITURES	<u>786,959</u>	<u>69,916</u>	<u>856,875</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES			
	55,258	(69,858)	(14,600)

TENSAS PARISH POLICE JURY

NONMAJOR GOVERNMENTAL FUNDS
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances – By Fund Type
 For the Year Ended December 31, 2005

Exhibit 3

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Total</u>
OTHER FINANCING SOURCES (Uses)			
Transfers in	\$ 86,400	\$ 69,916	\$ 156,316
Transfers (out)	<u>(92,051)</u>	<u>-</u>	<u>(92,051)</u>
Total Other Financing Sources	<u>(5,651)</u>	<u>69,916</u>	<u>64,265</u>
Net change in fund balances	49,607	58	49,665
Fund balance, beginning	<u>1,046,517</u>	<u>2,810</u>	<u>1,049,327</u>
Fund balance, ending	<u>\$ 1,096,124</u>	<u>\$ 2,868</u>	<u>\$ 1,098,992</u>

TENSAS PARISH POLICE JURY

NONMAJOR SPECIAL REVENUE FUNDS

Combining Balance Sheet

December 31, 2005

Exhibit 4

	Drainage District <u>No.1</u>	Drainage District <u>No. 2</u>	Drainage District <u>No. 3</u>	Waste <u>Collection</u>
ASSETS				
Cash and cash equivalents	\$ 26,394	\$ 131,062	\$ 51,809	\$ 93,587
Receivables	24,504	39,444	24,915	22,248
Advances to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>257,160</u>
TOTAL ASSETS	<u>50,898</u>	<u>170,506</u>	<u>76,724</u>	<u>372,995</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	-	1,206	1,153	25,974
Intergovernmental payables	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>1,206</u>	<u>1,153</u>	<u>25,974</u>
Fund Balances:				
Reserved for:				
Advances	-	-	-	257,160
Unreserved	<u>50,898</u>	<u>169,300</u>	<u>75,571</u>	<u>89,861</u>
Total Fund Balances	<u>50,898</u>	<u>169,300</u>	<u>75,571</u>	<u>347,021</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 50,898</u>	<u>\$ 170,506</u>	<u>\$ 76,724</u>	<u>\$ 372,995</u>

TENSAS PARISH POLICE JURY

NONMAJOR SPECIAL REVENUE FUNDS

Combining Balance Sheet

December 31, 2005

Exhibit 4

<u>Criminal Court</u>	<u>Library</u>	<u>Emergency Preparedness</u>	<u>Fire Protection</u>	<u>Rural Development</u>	<u>Bookmobile</u>	<u>Total</u>
\$ 1,888	\$ 25,753	\$ 51,883	\$ 21,643	\$ 400	\$ 3,887	\$ 408,306
9,105	148,479	-	-	-	-	268,695
-	182,424	49,844	15,811	-	-	505,239
<u>10,993</u>	<u>356,656</u>	<u>101,727</u>	<u>37,454</u>	<u>400</u>	<u>3,887</u>	<u>1,182,240</u>
10,697	13,546	3,407	181	-	-	56,164
-	-	-	29,952	-	-	29,952
<u>10,697</u>	<u>13,546</u>	<u>3,407</u>	<u>30,133</u>	<u>-</u>	<u>-</u>	<u>86,116</u>
-	182,424	49,844	15,811	-	-	505,239
296	160,686	48,476	(8,490)	400	3,887	590,885
<u>296</u>	<u>343,110</u>	<u>98,320</u>	<u>7,321</u>	<u>400</u>	<u>3,887</u>	<u>1,096,124</u>
<u>\$ 10,993</u>	<u>\$ 356,656</u>	<u>\$ 101,727</u>	<u>\$ 37,454</u>	<u>\$ 400</u>	<u>\$ 3,887</u>	<u>\$ 1,182,240</u>

TENSAS PARISH POLICE JURY

NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
For the year ended December 31, 2005

Exhibit 5

	Drainage District <u>No.1</u>	Drainage District <u>No. 2</u>	Drainage District <u>No. 3</u>	Waste <u>Collection</u>
REVENUES				
Taxes:				
Ad valorem	\$ 26,399	\$ 42,327	\$ 27,162	\$ -
Sales taxes	-	-	-	305,912
Intergovernmental revenues:				
State funds:				
State revenue sharing	3,378	4,496	1,591	-
Other state grants	-	-	-	-
Fees, charges and commissions	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	943	1,828	1,261	7,410
Other Revenues	-	-	-	450
TOTAL REVENUES	30,720	48,651	30,014	313,772
EXPENDITURES				
General government				
Judicial	-	-	-	-
Finance and administrative	2,118	2,037	2,190	30,690
Public safety	-	-	-	-
Public works	13,678	5,335	240	212,007
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	15,796	7,372	2,430	242,697
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	14,924	41,279	27,584	71,075
OTHER FINANCING SOURCES (Uses)				
Transfers in	-	-	-	-
Transfers (out)	(22,278)	(22,706)	(23,225)	(23,842)
Total Other Financing Sources (Uses)	(22,278)	(22,706)	(23,225)	(23,842)
Net change in fund balances	(7,354)	18,573	4,359	47,233
Fund balance, beginning	58,252	150,727	71,212	299,788
Fund balance, ending	\$ 50,898	\$ 169,300	\$ 75,571	\$ 347,021

TENSAS PARISH POLICE JURY

NONMAJOR SPECIAL REVENUE FUNDS
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances
 For the year ended December 31, 2005

Exhibit 5

<u>Criminal Court</u>	<u>Library</u>	<u>Emergency Preparedness</u>	<u>Fire Protection</u>	<u>Rural Development</u>	<u>Bookmobile</u>	<u>Total</u>
\$ -	\$ 157,543	\$ -	\$ -	\$ -	\$ -	\$ 253,431
-	-	-	-	-	-	305,912
-	14,468	-	-	-	-	23,933
-	10,177	40,648	-	-	-	50,825
-	-	84,844	-	-	-	84,844
82,119	-	-	-	-	-	82,119
163	6,145	2,938	812	-	-	21,500
-	9,409	2,850	6,944	-	-	19,653
<u>82,282</u>	<u>197,742</u>	<u>131,280</u>	<u>7,756</u>	<u>-</u>	<u>-</u>	<u>842,217</u>
183,836	-	-	-	-	-	183,836
-	4,931	5,231	860	-	-	48,057
-	-	130,198	-	-	-	130,198
-	-	-	-	-	-	231,260
-	148,472	-	-	-	-	148,472
-	45,136	-	-	-	-	45,136
<u>183,836</u>	<u>198,539</u>	<u>135,429</u>	<u>860</u>	<u>-</u>	<u>-</u>	<u>786,959</u>
(101,554)	(797)	(4,149)	6,896	-	-	55,258
86,400	-	-	-	-	-	86,400
-	-	-	-	-	-	(92,051)
<u>86,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,651)</u>
(15,154)	(797)	(4,149)	6,896	-	-	49,607
<u>15,450</u>	<u>343,907</u>	<u>102,469</u>	<u>425</u>	<u>400</u>	<u>3,887</u>	<u>1,046,517</u>
<u>\$ 296</u>	<u>\$ 343,110</u>	<u>\$ 98,320</u>	<u>\$ 7,321</u>	<u>\$ 400</u>	<u>\$ 3,887</u>	<u>\$ 1,096,124</u>

TENSAS PARISH POLICE JURY

SUPPLEMENTAL INFORMATION SCHEDULES

As of December 31, 2005

COMPENSATION PAID

The schedule of compensation paid to Police Jurors and other board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

POLICE JURORS

Compensation of the police jurors is included in the legislative expenditures of the General Fund. In accordance with Louisiana Revised Statute 33:1233, the police jury has elected the monthly payment method of compensation. Under this method jurors receive monthly compensation at varying rates, but not exceeding the maximum provided by State law.

COMMISSIONERS – GRAVITY DRAINAGE DISTRICTS

In accordance with Louisiana Revised Statute (LSR-R.S.) 38:1794, each board member may receive per diem of up to \$60 for each day in the conduct of official business of the district, not to exceed 36 days each year.

The board of commissioners of Gravity District No. 1 has elected to receive \$50 per diem per meeting.

The board of commissioners of Gravity District No. 2 has elected to receive \$50 per diem per meeting.

The board of commissioners of Gravity District No. 3 has elected to receive \$50 per diem per meeting.

COMMISSIONERS – LIBRARY BOARD OF CONTROL

The commissioners of the library board of control receive no compensation from the library.

TENSAS PARISH POLICE JURY

SUPPLEMENTAL INFORMATION SCHEDULES
 Schedule of Compensation Paid Police Jurors and Others
 For the Year Ended December 31, 2005

Police Jurors

Woodrow W. Wiley, Jr.	\$ 14,400
William Trevillion	14,400
Roderick Webb	14,400
Emmett L. Adams, Jr.	14,400
Danny C. Clark	14,400
Jane M. Netterville	14,400
Roy K. Smith	14,400
Totals	<u>100,800</u>

Gravity Drainage District No. 1

Woodrow Wiley, Sr.	\$ 200
Calvin Rabb	200
Woodrow Wiley, Jr.	200
Walter Butler	150
Roy Smith, Sr.	100
Totals	<u>850</u>

Gravity Drainage District No. 2

Bill Crigler	\$ 50
Curt Leake	100
LaVance Herring	100
Robert Scott	100
Totals	<u>350</u>

Gravity Drainage District No. 3

Sidney Lee	\$ 100
Clarence Evans	100
David Miller	100
Bobby Conner	100
Terry Mize, Jr.	50
Totals	<u>450</u>

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Police Jurors
Tensas Parish Police Jury
St. Joseph, Louisiana

We have audited the primary government financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Tensas Parish Police Jury (the Police Jury) as of and for the year ended December 31, 2005, and have issued our report thereon dated June 30, 2006. Our report was modified because the primary government financial statements do not include the financial data of the parish's component units. We conducted our audit in accordance with 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 of America and the *Louisiana Audit Guide*, issued by the Louisiana Society of Certified Public Accountants and the Louisiana Legislative Auditor.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Police Jury's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted no matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Police Jury's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

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 caused by error or fraud in amounts that would be material in relation to the 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.

Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider no items to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Police Jury's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an object of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed an instance of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Current Year Findings and Questioned Costs as items 2005-1.

This report is intended for the information and use of the Police Jurors, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Ferriday, Louisiana
June 30, 2006

Switzer, Hopkins & Menge

TENSAS PARISH POLICE JURY

Schedule of Findings and Questioned Costs
Year Ended December 31, 2005

Section 1: Summary of Audit Results

Financial Statements:

- | | |
|--|-------------|
| 1. Type of auditors' report issued on the primary government financial statements: | Unqualified |
| 2. Internal control over financial reporting: | |
| a. Material weakness(es) identified? | No |
| b. Reportable condition(s) identified that are not considered to be material weaknesses? | No |
| 3. Noncompliance relating to the primary government financial statements? | Yes |

2005-1 Failure to Report on a Timely Basis

Finding:

Louisiana Revised Statute 24:513 required all audit engagements to be completed and transmitted to the Louisiana Legislative Auditor within six months of the close of the Police Jury's year end. Accordingly, the Police Jury audit report for the year ended December 31, 2005 was due to the Legislative Auditor by June 30, 2006.

Recommendation:

We recommend that the Police Jury comply with Revised Statute 24:513.

Management Response:

Next year the audit will be completed by June 30, 2007.

TENSAS PARISH POLICE JURY

Schedule of Prior Year Findings and Questioned Costs Year Ended December 31, 2005 (Findings Occurred December 31, 2004)

2004-1 Condition of Accounting Records

Finding:

During the auditing of the Police Jury, we determined that the Police Jury could not produce financial statements, the general ledger and other needed documents and reports in a timely and accurate manner. These items need to be produced for financial reporting and internal decision making.

Some of the problems that we noted were as follows:

1. Accounts payable were recorded on the general ledger, but were not being reconciled at the end of each month. One fund had a debit balance of \$122,323 in accounts payable and none of the eleven funds with accounts payable balances were correct.
2. Accounts payable were being recorded in the correct fund, but were routinely paid out of cash accounts in another fund. This actually resulted in one fund paying the liability of another fund each time this happened. This was an unauthorized transfer of funds.
3. Transfers between funds were not being reconciled on a monthly basis. Adjustments were made to 19 different transfer accounts for amounts up to \$74,329.
4. Financial statements are not available for the Police Jury to review and make management decisions timely.

Status: These problems have been substantially corrected.

2004-2 Expense Account Classifications

Finding:

We noted that the expenditures in the general fund are not coded by function. At a minimum, the expenditures should be coded to the following functions:

General government
 Legislative
 Judicial
 Elections
 Finance and administrative
 Other general government

TENSAS PARISH POLICE JURY

Schedule of Prior Year Findings and Questioned Costs
Year Ended December 31, 2005
(Findings Occurred December 31, 2004)

2004-2 Expense Account Classifications – continued

Public Safety

Public Works

Health and Welfare

Culture and Recreation

Economic Development

Debt Service

Capital Outlay

Status: This problem has been corrected.

2004-3 Failure to Report on a Timely Basis

Finding:

Louisiana Revised Statute 24:513 required all audit engagements to be completed and transmitted to the Louisiana Legislative Auditor within six months of the close of the Police Jury's year end. Accordingly, the Police Jury audit report for the year ended December 2004 was due to the Legislative Auditor by June 30, 2005.

The Police Jury's accounting records were not accurate enough for an audit to be performed within the required time.

Status: This finding still exists and is reported this year as item 2005-1.

2005-4 Late Filing of Payroll Tax Returns

Finding:

We noted that two payroll tax returns were filed late during the year. Apparently the taxes related to these payroll tax returns were paid on time, but the returns themselves were not filed until they were required by the government. There were no penalties assessed related to these two payroll tax returns.

This problem has already been addressed and corrected.

Status: This finding has been corrected.