

2544

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

**Primary Government Financial Statements
And Independent Auditor's Reports
As of December 31, 2002
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 8/6/03

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SECTION I – GENERAL PURPOSE FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

**Mr. Ples Bell, President
and Members of the
Tensas Parish Police Jury
St. Joseph, Louisiana**

We were engaged to audit the accompanying primary government financial statements of the Tensas Parish Police Jury, as of and for the year ended December 31, 2002, as listed in the table of contents. These primary government financial statements are the responsibility of the Tensas Parish Police Jury management. Our responsibility is to express an opinion on these primary government financial statements based on our audit.

We conducted our audit in accordance with standards generally accepted in the United States of America and *Governmental Audit Guide*, issued by the Louisiana Legislative Auditor and the Louisiana Society of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Detailed property records have not been maintained and certain prior year records and supporting data were not available for our audit. Therefore, we were not able to satisfy ourselves about the amounts at which the general fixed assets are recorded in the general fixed asset account group at December 31, 2002 (stated at \$5,950,604).

Because of the significance of the matters discussed in the preceding paragraph, the scope of our work was not sufficient to enable us to express, and we do not express an opinion on the financial statements referred to in the first paragraph.

**Mr. Ples Bell, President
and Members of the
Tensas Parish Police Jury
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In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2003 on our consideration of the Tensas Parish Police Jury's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming and opinion on the primary government financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the primary government financial statements. Such information has been subjected to the auditing procedures applied in the audit of the primary government financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the primary government financial statements as a whole.

**Ferriday, Louisiana
June 26, 2003**

Switzer, Hopkins & Mange

TENSAS PARISH POLICE JURY
ST. JOSEPH, LOUISIANA
ALL FUND TYPES AND ACCOUNT GROUPS

COMBINED BALANCE SHEET, DECEMBER 31, 2002

	Governmental Fund Type				Account Groups		Total (Memorandum Only)	
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	General Fixed Assets	General Long-Term Debt	2002	2001
ASSETS AND OTHER DEBITS								
Cash and cash equivalents	\$ 227,876	\$ 1,633,134	\$ 6	\$ 2,810	\$ -	\$ -	\$ 1,863,826	\$ 2,329,935
Cash with trustee	-	209,437	-	-	-	-	209,437	169,505
Receivables	495,604	400,478	-	-	-	-	896,082	881,280
Land, buildings and equipment	-	-	-	-	5,950,604	-	5,950,604	4,247,951
Other debits:	-	-	-	-	-	-	-	-
Amount available in trust	-	-	-	-	-	212,247	212,247	169,505
Amount to be provided for retirement of general long-term debt	-	-	-	-	-	-	-	-
TOTAL ASSETS AND OTHER DEBITS	<u>713,480</u>	<u>2,243,049</u>	<u>6</u>	<u>2,810</u>	<u>5,950,604</u>	<u>1,354,632</u>	<u>10,486,828</u>	<u>11,264,113</u>
LIABILITIES, OTHER CREDITS AND FUND EQUITY								
Liabilities:								
Accounts and withholdings payable	7,925	19,744	-	-	-	-	27,669	54,934
Accrued payroll	-	8,205	-	-	-	-	8,205	-
Intergovernmental payables	-	35,052	-	-	-	-	35,052	24,146
Certificates of indebtedness	-	-	-	-	-	-	-	-
Lease/purchases payable	-	-	-	-	-	245,000	245,000	-
Landfill closure and postclosure care costs	-	-	-	-	-	112,617	112,617	86,656
Total Liabilities	<u>7,925</u>	<u>63,001</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,209,262</u>	<u>1,209,262</u>	<u>1,209,262</u>
Fund Equity:								
Other credits-Investment in general fixed assets	-	-	-	-	-	-	-	-
Fund balances:								
Reserved for debt service	-	209,437	-	2,810	-	-	5,950,604	4,247,951
Unreserved/undesignated	715,555	1,970,611	6	-	-	-	212,247	169,505
Total Fund Equity	<u>715,555</u>	<u>2,180,048</u>	<u>6</u>	<u>2,810</u>	<u>5,950,604</u>	<u>-</u>	<u>2,686,172</u>	<u>3,132,135</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 723,480</u>	<u>\$ 2,243,049</u>	<u>\$ 6</u>	<u>\$ 2,810</u>	<u>\$ 5,950,604</u>	<u>\$ 1,566,879</u>	<u>\$ 10,486,828</u>	<u>\$ 11,264,589</u>

The accompanying notes are an integral part of this financial statement.

**TENSAS PARISH POLICE JURY
ST. JOSEPH, LOUISIANA
GOVERNMENTAL FUND TYPE - GENERAL AND SPECIAL REVENUE FUND**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2002**

	General Fund	Special Revenue Funds	Capital Projects Fund	Debt Service Fund	Total (Memorandum Only)	
					2002	2001
REVENUES						
Taxes:						
Ad valorem	\$ 570,746	\$ 374,258	\$ -	\$ -	\$ 945,004	\$ 867,029
Sales and use	-	805,308	-	-	805,308	910,933
Other taxes	30,945	-	-	-	30,945	1,982
Licenses and permits	39,093	-	-	-	39,093	26,422
Intergovernmental revenues:						
Federal funds	67,036	1,292,779	-	-	1,359,815	253,105
State funds	184,850	120,041	340,257	-	645,148	822,708
Fees, charges and commissions	-	185,808	-	-	185,808	207,939
Fines and forfeitures	-	52,847	-	-	52,847	174,534
Use of money and property	13,354	25,109	-	-	38,463	104,264
Miscellaneous	3,041	13,780	-	-	16,821	30,370
	<u>909,065</u>	<u>2,869,930</u>	<u>340,257</u>	<u>-</u>	<u>4,119,252</u>	<u>3,399,286</u>
EXPENDITURES						
Current:						
General government:						
Legislative	252,378	-	-	-	252,378	234,325
Judicial	64,136	143,075	-	-	207,211	183,744
Elections	24,354	-	-	-	24,354	25,669
Finance and administration	188,494	52,171	-	-	240,665	213,958
Other general government	188,941	-	-	-	188,941	129,761
Public safety	49,885	82,509	-	-	132,394	159,608
Public works	1,044	1,486,003	-	-	1,487,047	874,306
Health and welfare	8,815	193,387	-	-	202,202	224,268
Culture and recreation	11,813	146,014	-	-	157,827	152,000
Economic development	6,542	96,554	-	-	103,096	33,254
Transportation	2,934	-	-	-	2,934	1,099
Intergovernmental	-	112,119	-	-	112,119	117,892
Debt service	-	76,867	-	-	76,867	75,348
Capital outlay	115,604	542,601	689,879	231,354	1,579,438	929,511
	<u>914,940</u>	<u>2,931,300</u>	<u>689,879</u>	<u>231,354</u>	<u>4,767,473</u>	<u>3,354,743</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES						
	(5,875)	(61,370)	(349,622)	(231,354)	(648,221)	44,543

The accompanying notes are an integral part of this financial statement.

**TENSAS PARISH POLICE JURY
ST. JOSEPH, LOUISIANA
GOVERNMENTAL FUND TYPE - GENERAL AND SPECIAL REVENUE FUND**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2002**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total (Memorandum Only)	
					2002	2001
OTHER FINANCING SOURCES						
(USES)						
Operating transfers in	109,942	390,970	349,628	-	850,540	430,931
Operating transfers out	(432,925)	(406,779)	-	(10,836)	(850,540)	(430,931)
Proceeds from borrowing	-	-	-	245,000	245,000	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total other financing sources (uses)	<u>(322,983)</u>	<u>(15,809)</u>	<u>349,628</u>	<u>234,164</u>	<u>245,000</u>	<u>-</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES						
	(328,858)	(77,179)	6	2,810	(403,221)	44,543
FUND BALANCE						
BEGINNING OF YEAR	<u>1,044,413</u>	<u>2,257,227</u>	<u>-</u>	<u>-</u>	<u>3,301,640</u>	<u>3,257,097</u>
FUND BALANCE						
END OF YEAR	<u>\$ 715,555</u>	<u>\$ 2,180,048</u>	<u>\$ 6</u>	<u>\$ 2,810</u>	<u>\$ 2,898,419</u>	<u>\$ 3,301,640</u>

The accompanying notes are an integral part of this financial statement.

TENSAS PARISH POLICE JURY
ST. JOSEPH, LOUISIANA
GOVERNMENTAL FUND TYPE - GENERAL AND SPECIAL REVENUE FUNDS

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (Non-GAAP) Basis and Actual
For the Year Ended December 31, 2002

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES						
Taxes:						
Ad valorem	\$ 504,000	\$ 570,746	\$ 66,746	\$ 327,107	\$ 374,258	\$ 47,151
Sales and use	-	-	-	1,057,000	805,308	(251,692)
Other taxes	16,000	30,945	14,945	-	-	-
Licenses and permits	45,500	39,093	(6,407)	-	-	-
Intergovernmental revenues:						
Federal funds	-	67,036	67,036	1,292,000	1,292,779	779
State funds	308,600	184,850	(123,750)	95,080	120,041	24,961
Fees, charges and commissions	-	-	-	188,000	185,808	(2,192)
Fines and forfeitures	-	-	-	57,000	52,847	(4,153)
Use of money and property	57,000	13,354	(43,646)	50,700	25,109	(25,591)
Miscellaneous	18,913	3,041	(15,872)	38,800	13,780	(25,020)
Total revenues	950,013	909,065	(40,948)	3,105,687	2,869,930	(235,757)
EXPENDITURES						
Current:						
General government:						
Legislative	204,600	252,378	(47,778)	-	-	-
Judicial	51,740	64,136	(12,396)	154,089	143,075	11,014
Elections	21,600	24,354	(2,754)	-	-	-
Finance and administration	111,065	188,494	(77,429)	16,410	52,171	(35,761)
Other general government	90,000	188,941	(98,941)	-	-	-
Public safety	80,530	49,885	30,645	77,193	82,509	(5,316)
Public works	1,100	1,044	56	1,532,328	1,486,003	46,325
Health and welfare	16,400	8,815	7,585	182,940	193,387	(10,447)

The accompanying notes are an integral part of this financial statement.

**TENSAS PARISH POLICE JURY
ST. JOSEPH, LOUISIANA
GOVERNMENTAL FUND TYPE - GENERAL AND SPECIAL REVENUE FUNDS**

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (Non-GAAP) Basis and Actual
For the Year Ended December 31, 2001**

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Culture and recreation	6,440	11,813	(5,373)	145,087	146,014	(927)
Economic development	7,585	6,542	1,043	56,890	96,554	(39,664)
Transportation	3,000	2,934	66	-	-	-
Intergovernmental	-	-	-	152,000	112,119	39,881
Debt service	-	-	-	54,406	76,867	(22,461)
Capital outlay	2,500	115,604	(113,104)	526,000	542,601	(16,601)
Total expenditures	<u>596,560</u>	<u>914,940</u>	<u>(318,380)</u>	<u>2,897,343</u>	<u>2,931,300</u>	<u>(33,957)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	353,453	(5,875)	(359,328)	208,344	(61,370)	(269,714)
OTHER FINANCING SOURCES						
Operating transfers in	45,000	109,942	64,942	336,000	390,970	54,970
Operating transfers (out)	(315,000)	(432,925)	(117,925)	(394,628)	(406,779)	(12,151)
Total other financing sources	<u>(270,000)</u>	<u>(322,983)</u>	<u>(52,983)</u>	<u>(58,628)</u>	<u>(15,809)</u>	<u>42,819</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	83,453	(328,858)	(412,311)	149,716	(77,179)	(226,895)
FUND BALANCE BEGINNING OF YEAR	<u>1,044,413</u>	<u>1,044,413</u>	-	<u>2,257,227</u>	<u>2,257,227</u>	-
FUND BALANCE END OF YEAR	<u>\$ 1,127,866</u>	<u>\$ 715,555</u>	<u>\$ (412,311)</u>	<u>\$ 2,406,943</u>	<u>\$ 2,180,048</u>	<u>\$ (226,895)</u>

The accompanying notes are an integral part of this financial statement.

**TENSAS PARISH POLICE JURY
ST. JOSEPH, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2002**

INTRODUCTION

The Tensas Parish Police Jury is the governing authority for Tensas Parish, Louisiana and is a political subdivision of the State of Louisiana. Seven jurors representing the various districts within the parish govern the police jury. The jurors serve four-year terms, which expire in January 2004.

Louisiana Revised Statute 33:1236 gives the police jury various powers in regulating and directing the affairs of the parish and its inhabitants. The more notable of those are the powers to make regulations for their own government, to regulate the construction and maintenance of roads and bridges, to regulate the construction and maintenance of drainage systems, to regulate the sale of alcoholic beverages and to provide for the health and welfare of the poor, disadvantaged, and unemployed in the parish. Ad valorem taxes, sales taxes, beer and alcoholic beverage permits, state revenue sharing and various other state and federal grants provide funding to accomplish these tasks.

In accomplishing its objectives, the police jury also has the authority to create special districts (component units) within the parish. The districts perform specialized functions, such as fire protection, water distribution, sewerage collection and disposal, drainage control, library facilities, and health care facilities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

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

Governmental Accounting Standards Board (GASB) Statement No. 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (police jury) financial statements are not a substitute for the reporting entity's financial statements.

**TENSAS PARISH POLICE JURY
ST. JOSEPH, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2002**

A. REPORTING ENTITY – continued

The police jury has chosen to issue financial statements of the primary government (police jury) and the following component units:

**Lake Bruin Commission
Gravity Drainage District No. 1
Gravity Drainage District No. 2
Gravity Drainage District No. 3**

The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. These financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government (police jury) and the component units above.

The following component units of the Tensas Parish Police Jury are not included in this report:

**Fire Protection District No. 1 of Tensas Parish
Tensas Economic and Industrial Development District
Tensas Port Commission
Tensas Parish Agricultural Arena Commission
Tensas Water District, Inc.
Lake Bruin Water Works #1
Tensas Parish Hospital Service District
Tensas Parish Library Board of Control**

B. FUND ACCOUNTING

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

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues and expenditures. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed assets and general long-term debt) that are not recorded in the funds because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

**TENSAS PARISH POLICE JURY
ST. JOSEPH, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2002**

B. FUND ACCOUNTING – continued

Government Fund Types:

Governmental fund types account for all the police jury's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental fund types include:

General Fund – the general operating fund of the police jury and accounts for all activities except those required to be accounted for in other funds.

Special Revenue Fund – account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. In addition, the General Fund of the Eleventh Judicial District Criminal Court Fund is reported as a special revenue fund.

Capital Projects Fund – account for financial resources to be used to acquire or construct major capital facilities.

Debt Service Fund – account for transactions relating to resources retained and used for the payment of principal and interest on those long term obligations recorded in the general long term obligations account group.

C. FIXED ASSETS AND LONG-TERM DEBT

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures (capital outlay) in governmental funds and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost where historical records are available and at estimated cost where no historical records are available. The costs of normal maintenance and repairs that do not add to the value of fixed assets or materially extend their useful lives are not capitalized but are only recognized as a normal current expenditure of the governmental funds. Public domain or infrastructure general fixed assets consisting of roads bridges and drainage systems are not capitalized, as these assets are immovable and of value only to the police jury. No depreciation is recognized on general fixed assets.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements for these funds

**TENSAS PARISH POLICE JURY
ST. JOSEPH, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2002**

D. BASIS OF ACCOUNTING – continued

present increases and decreases in net current assets. The modified accrual basis of accounting is used for reporting all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The police jury uses the following practices in recognizing and reporting revenues and expenditures.

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll is filled on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

Sales and use taxes are recognized in the month received by the police jury's collection agents, the Concordia Parish School Board and the Louisiana Department of Public Safety and Corrections – Office of Motor Vehicles.

Federal and state grants are recorded when the police jury is entitled to the funds.

Fines and forfeitures are recognized in the period they are collected by the parish sheriff.

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

Substantially all other revenues are recorded when they become available to the police jury.

Based on the above criteria, ad valorem taxes, state revenue sharing, federal and state grants, fines and forfeitures, and sales taxes on motor vehicles are treated as susceptible to accrual.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized when due.

**TENSAS PARISH POLICE JURY
ST. JOSEPH, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2002**

D. BASIS OF ACCOUNTING – continued

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid and increase in long-term debt are accounted for as other financing sources (uses) and are recognized when the underlying events occur.

E. BUDGETS

Preliminary budgets for the ensuing year are prepared by the secretary/treasurer during October of each year. During November of each year, the finance committee reviews the proposed budgets and makes changes, as it deems appropriate. The availability of the proposed budgets for public inspection and the date of the public hearing on the budgets are then advertised in the official journal. Prior to its regular December meeting, the jury holds a public hearing on the proposed budgets in order to receive comments from citizens. 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 regular December meeting, and notice is published in the official journal.

During the year, the police jury should receive monthly budget comparison statements, which are used as a tool to control the operations of the parish. The secretary/treasurer presents necessary budget amendments to the jury when it is determined those actual operations are differing materially from those anticipated in the original budget. The jury in regular session reviews the proposed amendments, makes necessary changes, and formally adopts the amendments. The adoption of amendments is included in jury minutes published in the official journal.

The police jury should exercise budgetary control at the functional level. Within functional levels, the treasurer has the authority to make amendments as necessary. The police jury does not utilize encumbrance accounting in its budget practices. Unexpended appropriations lapse at year-end and must be reappropriated in the next year's budget to be expended. The budget comparison statements included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

F. ENCUMBRANCES

Encumbrances accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, are not employed for other commitments of the police jury. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded.

**TENSAS PARISH POLICE JURY
ST. JOSEPH, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2002**

G. CASH AND CASH EQUIVALENTS

Under state law, the police jury may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana.

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, 2001 there are no accumulated and vested benefits relating to annual and sick leave that require accrual or disclosure.

I. SALES TAXES

The police jury has been authorized to levy the following sales and use taxes:

- a. A one per cent sales and use tax approved by the voters on August 5, 1975, for an indefinite period. The net proceeds of the tax (after cost of collections) are used for (1) 66 2/3 percent for a sanitary landfill and garbage collection, (2) 33 1/3 percent for ambulance service.
- b. A three-fourths of one per cent sales tax approved by the voters on January 11, 1988, for an indefinite period. The net proceeds of the tax (after cost of collections) are dedicated to supplement revenues of the Road Special Revenue Fund.

**TENSAS PARISH POLICE JURY
ST. JOSEPH, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2002**

I. SALES TAXES – continued

- c. A one-quarter of one per cent sales tax approved by the voters on January 17, 1998, for a period of five years. The police jury may expend the net proceeds of the tax (after cost of collections) for any lawful purpose of industrial, manufacturing, commercial or professional businesses or concerns, or scientific or educational programs in the parish.
- d. A one-quarter of one per cent sales tax approved by the voters on July 27, 1999, for a period of ten years. The net proceeds of the tax (after cost of collections) to be dedicated for the purpose of establishing and maintaining a parish-wide fire protection district.

J. TOTAL COLUMNS ON COMBINED STATEMENTS

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

2. CASH AND CASH EQUIVALENTS

At December 31, 2002 the police jury has cash and equivalents (book balances) as follows:

Interest bearing demand deposits	\$ 520,060
Louisiana Asset Management Pool (LAMP)	<u>1,343,766</u>
Total	<u>\$ 1,863,826</u>

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. Cash and cash equivalents

**TENSAS PARISH POLICE JURY
ST. JOSEPH, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2002**

2. CASH AND CASH EQUIVALENTS – continued

(bank balances) totaling \$2,197,502 are adequately secured by \$330,052 of federal deposit insurance, and \$1,867,450 of securities held in the trust department of the fiscal agent bank, but not in the name of the police jury.

The Louisiana Asset Management Pool (LAMP) is a non-profit corporation created under Louisiana law. This corporation, created at the initiative of the Louisiana State Treasurer's Office and governed by a board of directors, allows units of local government to pool their cash balances as a means of increasing their rate of return on investments. LAMP invests only in securities and other obligations that are permissible under Louisiana law for municipalities and parishes; accordingly, these investments are restricted to securities issued, guaranteed or otherwise backed by the United States Government or one of its agencies, enterprises or instrumentalities. Since participation in LAMP constitutes a direct investment in the assets constituting the pool, there are no specific collateralization requirements; accordingly, these cash equivalents are considered uncollateralized under the provisions of GASB Codification I50.163 (b).

3. RECEIVABLES

The following is a summary of receivables at December 31, 2002:

Class of Receivable	General Fund	Special Revenue Funds	Total
Taxes:			
Ad valorem	\$ 467,868	\$ 315,303	\$ 783,171
Sales and use	-	63,131	63,131
Intergovernmental revenues:			
State funds	27,736	-	27,736
Other	-	22,044	22,044
Total	\$ 495,604	\$ 400,478	\$ 896,082

**TENSAS PARISH POLICE JURY
ST. JOSEPH, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2002**

4. CHANGES IN GENERAL FIXED ASSETS

The following provides detail on the changes in general fixed assets for the two years ended December 31, 2002:

	Land and Buildings	Construction in Progress	Furniture and Equipment	Library Books	Total
Balance, December 31, 2001	\$ 1,588,487	\$ 141,395	\$ 2,151,989	\$ 366,080	\$ 4,247,951
Additions	176,759	652,442	741,321	32,131	1,602,653
Deletions	-	-	-	-	-
Balance December 31, 2002	<u>\$ 1,765,246</u>	<u>\$ 793,837</u>	<u>\$ 2,893,310</u>	<u>\$ 398,211</u>	<u>\$ 5,850,604</u>

5. PENSION PLANS

Substantially all employees of the police jury, excluding employees of the Tensas Parish Fire Protection Districts, 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.

**TENSAS PARISH POLICE JURY
ST. JOSEPH, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2002**

5. PENSION PLANS – continued

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.

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 8.0 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, 2002 were \$30,530.

6. CHANGES IN GENERAL LONG-TERM DEBT

The following is a summary of general long-term debt transactions for the year ended December 31, 2002:

	<u>Certificates of Indebtedness</u>	<u>Lease/ Purchases Payable</u>	<u>Landfill Closure and Postclosure Care costs</u>	<u>Total</u>
Long-term debt at January 1, 2001	\$ -	\$ 86,656	\$ 1,209,262	\$ 1,295,918
Additions	245,000	80,346	-	325,346
Deductions	-	(54,385)	-	(54,385)
Long-term debt payable at December 31, 2002	<u>\$ 245,000</u>	<u>\$ 112,617</u>	<u>\$ 1,209,262</u>	<u>\$ 1,566,879</u>

The following is a schedule of future minimum payments of capital leases under the agreements together with the present value of the minimum payments as of December 31, 2002:

**TENSAS PARISH POLICE JURY
ST. JOSEPH, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2002**

6. CHANGES IN GENERAL LONG-TERM DEBT – continued

Year Ending December 31,	
2003	\$ 56,727
2004	31,788
2005	19,320
2006	19,320
2007	<u>2,013</u>
Totals	129,168
Less - amounts representing interest	<u>(16,551)</u>
Net present value of future payments	<u>\$ 112,617</u>

7. SANITARY LANDFILL

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, 2002, relating to the police jury's compliance with the LDEQ agreement:

Balance, December 31, 2001	\$ 169,505
Additions:	
Deposits	39,600
Interest earnings	<u>332</u>
Balance, December 31, 2002	<u>\$ 209,437</u>

**TENSAS PARISH POLICE JURY
ST. JOSEPH, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2002**

7. SANITARY LANDFILL – continued

These costs and any additional costs that might arise from changes in postclosure requirements (due to changes in technology or more rigorous environmental regulations, etc.) may need to be recovered by charges to future landfill users, taxpayers, or both.

On February 29, 1996, the Tensas Parish Police Jury entered into a Contract of Landfill management with Twin Bridges Company, Inc. which transfers operation and maintenance of the Tensas Parish Landfill from the Parish to the Contractor. The Contract frees the Parish from any and all future environmental liabilities and/or responsibility associated with ownership, operation of, and management of the Tensas Parish Landfill.

Although the financial obligation related to closure and postclosure care of the landfill has been legally transferred to the Contractor and the contract ultimately frees the police jury from the financial obligation related to closure and postclosure care of the landfill, it has been determined that the Contractor is not currently financially capable of meeting the financial obligations imposed by the closure and postclosure care responsibilities. Accordingly, the Parish is required to, and has, recognized the closure and postclosure costs relating to the operation of the Tensas Parish Landfill in the accompanying financial statements.

8. COMMITMENTS

The Tensas Parish Police Jury has a contract for the construction of a Health Unit building, for a cost of \$850,000. At December 31, 2002, \$793,837 had been spent and was included in construction in progress. The contract is expected to be completed in year 2003. Grants of \$600,000 and Police Jury funds of approximately \$250,000 will fund the project.

9. EXPENDITURES IN EXCESS OF THE BUDGET

The following fund had actual expenditures in excess of the budget by greater than 5% for the year 2002.

	<u>Budget</u>	<u>Actual</u>	<u>Excess</u>
General Fund	\$ 596,560	\$ 914,940	\$ 318,380

SECTION II – SUPPLEMENTAL INFORMATION SCHEDULES

**TENSAS PARISH POLICE JURY
ST. JOSEPH, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
As of December 31, 2002**

SPECIAL REVENUE FUNDS

PUBLIC WORKS FUNDS

Road Fund – accounts for the maintenance and operation of parish highways, streets and bridges. The State of Louisiana Parish Transportation Act funds and sales tax revenues provide financing.

Gravity Drainage District Funds – account 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 Fund – accounts for the operation of a solid waste collection and disposal system. Sales tax revenues provide financing.

Landfill Site Fund – accounts for the operation of the parish landfill. Financing is provided by sales tax revenues and tipping fees.

Rosenwald/Tensas Reunion Fund – accounts for the costs relating to the improvements made to the property owed by the aforementioned non-profit organization located in the parish. Financing is provided by a grant from the State of Louisiana.

HEALTH UNIT FUND – accounts for the maintenance and operation of the Tensas Parish Health Unit. Financing is provided by a specific parishwide ad valorem tax and the related state revenue sharing.

AMBULANCE FUND – accounts for the operation of the parishwide ambulance service. Financing is provided by sales tax revenue.

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

ECONOMIC DEVELOPMENT FUND – accounts for the activities relating to economic development in the parish. Sales tax revenues provide funding.

FIRE PROTECTION FUND – 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 FUND – accounts for State of Louisiana grant for the construction of two parking lots for the court house.

TENSAS PARISH POLICE JURY
ST. JOSEPH, LOUISIANA
GOVERNMENTAL FUND TYPE - SPECIAL REVENUE FUNDS

Combining Balance Sheet - December 31, 2002

	Public Works Funds	Health Unit	Ambulance	Criminal Court	Library	Emergency Preparedness	Economic Development Fund	Fire Protection Fund	Rural Development	Total
ASSETS										
Cash and cash equivalents	\$ 579,295	\$ 349,959	\$ 147,539	\$ 11,188	\$ 177,993	\$ 47,937	\$ 290,785	\$ 28,038	\$ 400	\$ 1,633,134
Cash with trustee	209,437	-	-	-	-	-	-	-	-	209,437
Receivables	147,630	91,842	9,356	4,095	133,527	-	7,014	7,014	-	400,478
	<u>936,362</u>	<u>441,801</u>	<u>156,895</u>	<u>15,283</u>	<u>311,520</u>	<u>47,937</u>	<u>297,799</u>	<u>35,052</u>	<u>400</u>	<u>2,243,049</u>
TOTAL ASSETS										
LIABILITIES AND FUND EQUITY										
Liabilities:										
Accounts and withholdings payable	8,567	3,287	1,843	3,917	60	17	2,053	-	-	19,744
Accrued payroll	8,205	-	-	-	-	-	-	-	-	8,205
Intergovernmental payable	-	-	-	-	-	-	-	35,052	-	35,052
Total Liabilities	<u>16,772</u>	<u>3,287</u>	<u>1,843</u>	<u>3,917</u>	<u>60</u>	<u>17</u>	<u>2,053</u>	<u>35,052</u>	<u>-</u>	<u>63,001</u>
Fund Equity-fund balance	209,437	-	-	-	-	-	-	-	-	209,437
Reserved for landfill closure	710,153	438,514	155,052	11,366	311,460	47,920	295,746	-	400	1,970,611
Unreserved-undesignated	919,590	438,514	155,052	11,366	311,460	47,920	295,746	-	400	2,180,048
Total Fund Equity	<u>919,590</u>	<u>438,514</u>	<u>155,052</u>	<u>11,366</u>	<u>311,460</u>	<u>47,920</u>	<u>295,746</u>	<u>-</u>	<u>400</u>	<u>2,180,048</u>
TOTAL LIABILITIES AND FUND EQUITY										
	<u>\$ 936,362</u>	<u>\$ 441,801</u>	<u>\$ 156,895</u>	<u>\$ 15,283</u>	<u>\$ 311,520</u>	<u>\$ 47,937</u>	<u>\$ 297,799</u>	<u>\$ 35,052</u>	<u>\$ 400</u>	<u>\$ 2,243,049</u>

The accompanying notes are an integral part of this financial statement.

TENSAS PARISH POLICE JURY
ST. JOSEPH, LOUISIANA
GOVERNMENTAL FUND TYPE - SPECIAL REVENUE FUNDS

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2002

	Public Works Funds	Health Unit	Ambulance	Criminal Court	Library	Emergency Preparedness	Economic Development Fund	Fire Protection Fund	Rural Development	Total
REVENUES										
Taxes:										
Ad valorem	\$ 102,899	\$ 110,677	\$ -	\$ -	\$ 160,682	\$ -	\$ -	\$ -	\$ -	\$ 374,258
Sales and use	505,928	-	119,108	-	-	-	89,125	91,147	-	805,308
Intergovernmental revenues:										
Federal funds	-	-	-	-	-	-	-	526,324	766,455	1,292,779
State funds	90,787	5,674	-	-	23,580	-	-	-	-	120,041
Fees, charges and commissions	105,045	-	-	-	-	80,763	-	-	-	185,808
Fines and forfeitures	-	-	-	52,847	-	-	-	-	-	52,847
Use of money and property	8,753	6,449	3,100	-	1,791	717	4,299	-	-	25,109
Miscellaneous	7,965	-	-	4,513	1,241	-	61	-	-	13,780
Total revenues	821,377	122,800	122,208	57,360	187,294	81,480	93,485	617,471	766,455	2,869,930
EXPENDITURES										
Current:										
General government	-	-	-	-	-	-	-	-	-	-
Judicial	-	-	-	143,075	-	-	-	-	-	143,075
Finance and administration	28,166	8,265	15,740	-	-	-	-	-	-	52,171
Public safety	-	-	-	-	-	82,509	-	-	-	82,509
Public works	704,517	-	-	-	-	-	-	-	781,486	1,486,003
Health and welfare	-	25,387	168,000	-	-	-	-	-	-	193,387
Culture and recreation	-	-	-	-	146,014	-	-	-	-	146,014
Economic development	-	-	-	-	-	-	96,554	-	-	96,554
Intergovernmental	-	-	-	-	-	-	-	112,119	-	112,119
Debt service	76,867	-	-	-	-	-	-	-	-	76,867
Capital outlay	-	-	-	-	-	4,100	12,177	526,324	-	542,601
Total expenditures	809,550	33,652	183,740	143,075	146,014	86,609	108,731	638,443	781,486	2,931,300
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	11,827	89,148	(61,532)	(85,715)	41,280	(5,129)	(15,246)	(20,972)	(15,031)	(61,370)

The accompanying notes are an integral part of this financial statement.

TENSAS PARISH POLICE JURY
ST. JOSEPH, LOUISIANA
GOVERNMENTAL FUND TYPE - SPECIAL REVENUE FUNDS

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2002

	Public Works Funds	Health Unit	Ambulance	Criminal Court	Library	Emergency Preparedness	Economic Development Fund	Fire Protection Fund	Rural Development	Total
OTHER FINANCING SOURCES										
Operating transfers in	140,567	120,000	15,000	80,000	-	-	-	20,972	14,431	390,970
Operating transfers (out)	(57,151)	(349,628)	-	-	-	-	-	-	-	(406,779)
Total other financing sources	83,416	(229,628)	15,000	80,000	-	-	-	20,972	14,431	(15,809)
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	95,243	(140,480)	(46,532)	(5,715)	41,280	(5,129)	(15,246)	-	(600)	(77,179)
FUND BALANCE, BEGINNING OF YEAR	824,347	578,994	291,584	17,081	270,180	53,049	310,992	-	1,000	2,257,227
FUND BALANCE, END OF YEAR	\$ 919,590	\$ 438,514	\$ 155,052	\$ 11,366	\$ 311,460	\$ 47,920	\$ 295,746	\$ -	\$ 400	\$ 2,180,048

TENSAS PARISH POLICE JURY
ST. JOSEPH, LOUISIANA
GOVERNMENTAL FUND TYPE - SPECIAL REVENUE FUNDS - PUBLIC WORKS FUNDS

Combining Balance Sheet, December 31, 2002

		Roadway/ Road Fund	No.1	Gravity Drainage District No.2	No.3	Waste Collection Fund	Landfill Site Fund	Rosenwald Tensas Reunion Fund	Total
ASSETS									
Cash and cash equivalents	\$	10	\$ 36,766	\$ 100,808	\$ 47,829	\$ 291,461	\$ 102,415	\$ 6	\$ 579,295
Cash with trustee			-	-	-	-	209,437	-	209,437
Receivables		33,991	25,789	38,130	26,015	18,705	5,000	-	147,630
TOTAL ASSETS		<u>34,001</u>	<u>62,555</u>	<u>138,938</u>	<u>73,844</u>	<u>310,166</u>	<u>316,852</u>	<u>6</u>	<u>936,362</u>
LIABILITIES AND FUND EQUITY									
Liabilities:									
Accounts and withholdings payable		5,803	-	-	-	2,764	-	-	8,567
Accrued payroll		8,205	-	-	-	-	-	-	8,205
Total liabilities		<u>14,008</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,764</u>	<u>-</u>	<u>-</u>	<u>16,772</u>
Fund Equity - fund balances:									
Reserved for landfill closure		-	-	-	-	-	209,437	-	209,437
Unreserved - undesignated		19,993	62,555	138,938	73,844	307,402	107,415	6	710,153
Total Fund Equity		<u>19,993</u>	<u>62,555</u>	<u>138,938</u>	<u>73,844</u>	<u>307,402</u>	<u>316,852</u>	<u>6</u>	<u>919,590</u>
TOTAL LIABILITIES AND FUND EQUITY		<u>\$ 34,001</u>	<u>\$ 62,555</u>	<u>\$ 138,938</u>	<u>\$ 73,844</u>	<u>\$ 310,166</u>	<u>\$ 316,852</u>	<u>\$ 6</u>	<u>\$ 936,362</u>

The accompanying notes are an integral part of this financial statement.

TENSAS PARISH POLICE JURY
ST. JOSEPH, LOUISIANA
GOVERNMENTAL FUND TYPE - SPECIAL REVENUE FUNDS - PUBLIC WORKS FUNDS

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2002

	Roadway/ Road Fund	No.1	Gravity Drainage District No.2	No.3	Waste Collection Fund	Landfill Site Fund	Rosenwald Tensas Reunion Fund	Total
REVENUES								
Taxes:								
Ad valorem	\$ -	\$ 30,827	\$ 44,434	\$ 27,638	\$ -	\$ -	\$ -	\$ 102,899
Sales and use	267,776	-	-	-	238,152	-	-	505,928
Intergovernmental revenues:								
State funds	87,394	1,116	1,665	612	-	-	-	90,787
Fees, charges and commissions	-	-	-	-	805	104,140	100	105,045
Use of money and property	-	488	1,201	615	4,299	2,150	-	8,753
Miscellaneous	7,965	-	-	-	-	-	-	7,965
Total revenues	<u>363,135</u>	<u>32,431</u>	<u>47,300</u>	<u>28,865</u>	<u>243,256</u>	<u>106,290</u>	<u>100</u>	<u>821,377</u>
EXPENDITURES								
Current:								
Finance and administration	3,478	1,851	8,216	1,789	12,443	295	94	28,166
Public works	468,858	-	6,530	-	209,699	19,430	-	704,517
Debt service	45,033	-	-	-	-	31,834	-	76,867
Total expenditures	<u>517,369</u>	<u>1,851</u>	<u>14,746</u>	<u>1,789</u>	<u>222,142</u>	<u>51,559</u>	<u>94</u>	<u>809,550</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(154,234)	30,580	32,554	27,076	21,114	54,731	6	11,827
OTHER FINANCING SOURCES								
Operating transfers in	140,567	-	-	-	-	-	-	140,567
Operating transfers (out)	-	(20,527)	(12,831)	(23,793)	-	-	-	(57,151)
Total other financing sources	<u>140,567</u>	<u>(20,527)</u>	<u>(12,831)</u>	<u>(23,793)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,416</u>

The accompanying notes are an integral part of this financial statement.

TENSAS PARISH POLICE JURY
ST. JOSEPH, LOUISIANA
GOVERNMENTAL FUND TYPE - SPECIAL REVENUE FUNDS - PUBLIC WORKS FUNDS

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2001

		Roadway/ Road Fund	Gravity Drainage District No.1	No.2	No.3	Waste Collection Fund	Landfill Site Fund	Rosenwald Tensas Reunion Fund	Total
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(13,667)	10,053	-	19,723	3,283	21,114	54,731	6	95,243
FUND BALANCE - BEGINNING OF YEAR	<u>33,660</u>	<u>52,502</u>	<u>119,215</u>	<u>70,561</u>	<u>286,288</u>	<u>262,121</u>	<u>-</u>	<u>-</u>	<u>824,347</u>
FUND BALANCE - END OF YEAR	<u>\$ 19,993</u>	<u>\$ 62,555</u>	<u>\$ 138,938</u>	<u>\$ 73,844</u>	<u>\$ 307,402</u>	<u>\$ 316,852</u>	<u>\$ 6</u>	<u>\$ 919,590</u>	

The accompanying notes are an integral part of this financial statement.

**TENSAS PARISH POLICE JURY
ST. JOSEPH, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
As of December 31, 2002**

CAPITAL PROJECTS FUND

TENSAS PARISH HEALTH FACILITY – Accounts for State of Louisiana grants for the Office of Facility Planning. These grant funds are used to construct the Tensas Parish Health Facility.

TENSAS PARISH POLICE JURY
ST. JOSEPH, LOUISIANA

GOVERNMENTAL FUND TYPE - CAPITAL PROJECTS FUNDS

Combining Balance Sheet - December 31, 2002

	HEALTH UNIT FUND
ASSETS	
Cash and cash equivalents	\$ <u>6</u>
LIABILITIES AND FUND EQUITY	
Liabilities - none	<u>-</u>
Fund Equity - fund balances	
Unreserved - undesignated	<u>6</u>
TOTAL LIABILITIES AND FUND EQUITY	\$ <u>6</u>

The accompanying notes are an integral part of this financial statement.

TENSAS PARISH POLICE JURY
ST. JOSEPH, LOUISIANA

GOVERNMENTAL FUND TYPE - CAPITAL PROJECTS FUNDS

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2002

	HEALTH UNIT FUND
REVENUES	
Intergovernmental revenues:	
State funds	\$ 340,257
EXPENDITURES	
Capital outlay	<u>689,879</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(349,622)
OTHER FINANCING SOURCES	
Operating transfers in	<u>349,628</u>
FUND BALANCE, BEGINNING OF YEAR	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 6</u>

The accompanying notes are an integral part of this financial statement.

**TENSAS PARISH POLICE JURY
ST. JOSEPH, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
As of December 31, 2002**

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
ST. JOSEPH, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULE**

**Schedule of Compensation Paid Police Jurors and Others
For the Year Ended December 31, 2002**

<u>Police Jurors</u>	<u>2002</u>
Ples Bell	\$ 14,400
Sam Dillard	14,400
Thomas Hale	14,400
Rufus Merritt	14,400
James Nicholson	14,400
Woodrow W. Wiley, Jr.	14,400
William Trevillion	14,400
Totals	<u><u>100,800</u></u>
<u>Gravity Drainage District No. 1</u>	
Woodrow Wiley, Sr.	\$ 50
Woodrow Wiley, Jr.	50
Totals	<u><u>100</u></u>
<u>Gravity Drainage District No. 2</u>	
James Jackson	\$ 100
Curt Leake	100
LaVance Herring	50
Totals	<u><u>250</u></u>
<u>Gravity Drainage District No. 3</u>	
Rusty Ratcliff	\$ 50
Sidney Lee	50
Clarence Evans	100
James Gray	50
Totals	<u><u>250</u></u>

SECTION III – COMPLIANCE/INTERNAL CONTROL

SWITZER, HOPKINS & MANGE

Certified Public Accountants

DENNIS R. SWITZER, CPA
H. MYLES HOPKINS, CPA
SUSAN L. MANGE, CPA

JOHN M. JONES, CPA 1921 - 1983

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

**Mr. Ples Bell, President
and Members of the
Tensas Parish Police Jury
St. Joseph, Louisiana**

We have audited the primary government financial statements of the Tensas Parish Police Jury as of and for the year ended December 31, 2002, and have issued our report thereon dated June 26, 2003. We have conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller general of the United States.

Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed the following instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned costs as items 2002-1, 2002-2, 2002-3 and 2002-4.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Tensas Parish 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 assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

**Tensas Parish Police Jury
Page Two**

However, we noted one certain matter involving the internal control over financial reporting and its operation that we consider being a reportable condition. 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 judgement, could adversely affect the Tensas Parish Police Jury's ability to record, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 2002-5.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider being material weaknesses.

This report is intended for the information and use of management of the district and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

**Ferriday, Louisiana
June 26, 2003**

Switzer, Hopkins & Margo

**SECTION IV – SCHEDULE OF FINDINGS AND
QUESTIONED COSTS**

TENSAS PARISH POLICE JURY

Schedule of Findings and Questioned Costs Year Ended December 31, 2002

Summary of Audit Results

- 1. The auditor's report includes a disclaimer of opinion of the primary government financial statements.**
- 2. One reportable condition was disclosed during the audit of the financial statements reported in the report on Internal Control over Financial Reporting.**
- 3. Four instances of noncompliance with laws and regulations were disclosed.**

Findings – Financial Statement Audit

2002-1 – Spending in Excess of Budget

Finding: The general fund budgeted \$596,560 in expenditures and actually spent \$909,065 during the year. The amount of expenditures was 52% greater than the amount budgeted. Louisiana law requires expenditures to be no more than 5% greater than the amount budgeted.

We recommend that the Tensas Parish Police Jury monitor its expenses on a monthly basis and make amendments to its budget if necessary.

Response: The Tensas Parish Police Jury agrees with this recommendation.

2002-2 – Late Filing of Payroll Tax Returns

Finding: We discovered that there were at least nine (9) instances of payroll tax returns or payroll tax deposits being filed after their due date. Penalties of at least \$7,259 were paid for late payroll deposits and payroll tax return filings. Federal and State regulations are clear as to the due dates of payroll tax deposits and payroll tax returns. The Tensas Parish Police Jury does not have a regular schedule for payroll tax deposits and preparing and filing payroll tax returns.

We recommend that payroll tax deposits and payroll tax returns be scheduled to be filed by their due dates.

Response: The Tensas Parish Police Jury agrees with this recommendation.

2002-3 – General Fixed Asset Listing

Finding: The Tensas Parish Police Jury did take a physical inventory for the year. This had been a finding in the 2001 audit. The inventory listing prepared does not

Schedule of Findings and Questioned Costs
Page Two

We recommend that the Tensas Parish Police Jury reconcile the fixed asset listing to the financial statements. We also recommend that the Jury begin work to compile and value its infrastructure so that it may report year 2003 according to GASB 34. GASB 34 is a new reporting model that the Jury is scheduled to comply with for 2003.

Response: The Tensas Parish Police Jury agrees with this recommendation.

2002-4 – Over-time Pay Connected to Tri-Delta Standard Housing Grant

Finding: The Tensas Parish Police Jury violated its agreement with the Louisiana Housing Finance Authority (FHFA) by claiming overtime and charging the payments to the Tri-Delta Standard Housing Assistance for Rural Economics (SHARE) Grant Program when the overtime did not relate to the grant. This finding was investigated by the Louisiana Legislative Auditor and is included in his report dated May 14, 2003.

This finding includes payments to the Secretary-Treasurer of \$5,448 for overtime of which one half was unrelated to the grant. Of the \$5,448, a check for \$481 was voided and \$438 was reimbursed.

We recommend that the Tensas Parish Police Jury reimburse the Louisiana Housing Finance Authority any costs not associated with the administration of the grant.

Response: The Tensas Parish Police Jury does not agree with this finding and their response is attached.

2002 – 5 – Sales Tax Paid on Purchases by Police Jury

Finding: We discovered in a test of cash disbursements three (3) purchases from vendors in which the Tensas Parish Police Jury paid a total of \$182.37 in sales tax. The Jury is exempt from these sales taxes and they should not have been paid.

We recommend that the Tensas Parish Police Jury not pay any sales tax to vendors. Vendors should be given exemption certificates that indicate that sales taxes should not be charges.

Response: The Tensas Parish Police Jury agrees with this finding.

TENSAS PARISH POLICE JURY

**Summary of Prior Audit Findings
December 31, 2001**

2001-1 Dual Signature Required on Checks

We noted that the Lake Bruin Recreation and Water Conservation bank account only requires one signature. The requirement of two signatures would improve internal control over this bank account.

This finding has been corrected.

2001-2 – Payroll Tax Return Filings

We noted that payroll tax returns are being filed late and penalties and interest are being paid.

This finding continues in the current audit as finding 2002-2.

2001-3 – Preparation of 1099's and W-2's

We noted that two employees received pay totaling \$2,776.56 and were not issued a W-2 or 1099. This is a Federal and State law violation.

This finding has been corrected.

2001-4 – General Fixed Asset Listing

LSA-RS 24:515 requires that records be maintained on general fixed assets. The Police Jury did not maintain these records as required by law. The law also requires that a physical inventory be taken at least every two years. The Police Jury did not take a physical inventory during the year.

This finding continues in the current audit as finding 2002-3.

SECTION V – RESPONSE



TENSAS PARISH POLICE JURY

P.O. BOX 6168
ST. JOSEPH, LOUISIANA 71366
TELEPHONE (318) 766-8542
FAX (318) 766-4580
email: tensaspj@mipav.com

July 21, 2003

MEMBERS

District 1
RUFUS MERRIETT
Rt. 2, Box 65
Newellton, LA 71357

District 2
SAM DILLARD
P. O. Box 131
Newellton, LA 71357

District 3
JAMES NICHOLSON
P. O. Box 196
St. Joseph, LA 71366

District 4
WILLIAM TREVILLION
HC 61, Box 276
Waterproof, LA 71375

District 5
PLES BELL
P. O. Box 584
St. Joseph, LA 71366

District 6
THOMAS HALE
H/C 61, Box 182
Waterproof, LA 71375

District 7
WOODROW W. WILEY, JR.
P. O. Box 55
Waterproof, LA 71375

Switzer Hopkins & Mange
Certified Public Accountants
Post Office Box 478
Ferriday, Louisiana 71334

RE: TENSAS PARISH POLICE JURY
2002 AUDITOR'S REPORT

Dear Myles:

In response to the Audit Report for the year 2002, I submit answers as follows:

- 2002-1 The Jury is in the process of going to a system where these expenditures can be monitored monthly and amendments can be made to the Budget, if necessary, so this will not happen again.
- 2002-2 The filing of late filing of payroll tax returns and/or payroll tax deposits will not happen again.
- 2002-3 The Jury is in the process of reconciling the fixed asset listing to the financial statements and is beginning work to compile and value its infrastructure so that the year 2003 will be reported according to GASB 34.
- 2002-4 The Jury has reimbursed the Louisiana Housing Finance Authority any costs which were not associated with the administration of the grant.
- 2002-5 Vendors will be given exemption certificates that indicate that sales taxes should not be charged to the Jury.

PRESIDENT
JAMES NICHOLSON

VICE PRESIDENT
WOODROW W. WILEY, JR.

SECRETARY/TREASURER
LINDA SIKES

Regular Meetings on Second Tuesday at 7:00 p.m. and Fourth Tuesday at 7:00 p.m. of Each Month

Mr. Myles Hopkins
Switzer, Hopkins & Mange
Page Two (2)

DECLINE IN SALES TAX REVENUES

The decline in sales tax revenues are being studied by the Jury to determine whether it is a long-term decline and, if so, they are looking into either reducing expenditures and/or increasing revenues in other areas.

BOOKS AND RECORDS COMPILATION

The Jury is presently taking steps to improve the books and records Compilation and this situation will improve.

FILING OF INVOICES AND OTHER DOCUMENTS

The Jury is presently looking into improving their filing system in order to prevent this problem happening in the future.

Sincerely,



Debbie DeLaune
Secretary/Treasurer

COTTON, BOLTON, HOYCHICK & DOUGHTY, L.L.P.

LAW OFFICES

607 MADELINE STREET

P. O. BOX 857

RAYVILLE, LOUISIANA 71269

318-728-2051

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W. D. COTTON (1904-1989)
GEORGE W. BOLTON, JR. (Ret.)
JOHN HOYCHICK, JR.
TERRY A. DOUGHTY
DAVID P. DOUGHTY
BARRY W. DOWD
THOMAS E. ALLEN
JOHN B. HOYCHICK

MONROE OFFICE:

1220 NORTH 18TH STREET
SUITE 301
MONROE, LOUISIANA 71201
318-322-9499
FAX 318-322-8141

May 5, 2003

Attn.: Grove C. Austin, CPA
First Assistant Legislative Auditor
Office of Legislative Auditor
1600 North Third Street
P O Box 94397
Baton Rouge, LA 70804-9397

Re: Tensas Parish Police Jury

Dear Mr. Austin:

Enclosed please find the Management Response of Tensas Parish Police Jury to Legislative Audit Report Regarding Tri-State Delta Grant. This management response was adopted by the Tensas Parish Police Jury at a special meeting on May 2, 2003.

If you have any questions, please don't hesitate to call.

Sincerely,

COTTON, BOLTON, HOYCHICK,
& DOUGHTY, L.L.P.


DAVID P. DOUGHTY

Enclosure

cc: Tensas Parish Police Jury

**MANAGEMENT RESPONSE OF TENSAS PARISH POLICE JURY TO
LEGISLATIVE AUDIT REPORT REGARDING TRI-STATE DELTA GRANT**

The Tensas Parish Police Jury does not agree with the auditor's conclusion that it violated the grant agreement with LHFA. By letter dated April 16, 2002, Ronald Johnson, Compliance Manager with LHFA, requested that Virginia Hubbard, a police jury employee at the time, be paid for services concerning administration of the grant. "These services include but are not limited to working after hours and on weekends." See letter of Ronald Johnson attached with this response. Virginia Hubbard and other employees of the Tensas Parish Police Jury, including Linda Sikes, Sandra Smith, and Edith Jones, continued to work in administering this grant. The increased work load resulted in these employees working overtime hours and on weekends. Detailed time records showing what work occurred during each day were not kept as to the grant work. To correct this problem in the future, the Tensas Parish Police Jury will implement a policy of keeping detailed time sheets for all work on any grant program, separate from their regular police jury work.

Since detailed time records do not exist, the police jury has agreed to refund the sum of \$4,215.00 to LHFA, and seek restitution from the individual employees. The jury is also issuing a letter of reprimand to Linda Sikes in regards to the situation.

The auditor also implies that the police jury finance committee did not actually approve the payments to the employees in administering the grant. However, the report failed to point out that each payment was verbally approved by the Finance Committee prior to payment. The signatures

Management Response
of Tensas Parish Police Jury
May 5, 2003
page 2

on the approval stamp on the check stubs vouchers were added later on some of these checks, but this in no way falsified the actual approval of the payment. In order to correct any misinterpretation, the Tensas Parish Police Jury will implement a policy of each juror dating his signature in signing a check stub/voucher.

SECTION VI – SINGLE AUDIT ACT REPORTS

SWITZER, HOPKINS & MANGE

Certified Public Accountants

DENNIS R. SWITZER, CPA
H. MYLES HOPKINS, CPA
SUSAN L. MANGE, CPA

JOHN M. JONES, CPA 1921 - 1983

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

**Mr. Ples Bell, President
and members of the
Tensas Parish Police Jury
St. Joseph, Louisiana**

Compliance

We have audited the compliance of the Tensas Parish Police Jury, St. Joseph, Louisiana with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2002. The Tensas Parish Police Jury's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Tensas Parish Police Jury's management. Our responsibility is to express an opinion on the Tensas Parish Police Jury's compliance based on our audit.

We conducted our audit of compliance in accordance with standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the comptroller General of the United States and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform that audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Tensas Parish Police Jury's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Tensas Parish Police Jury's compliance with those requirements.

**Mr. Ples Bell, President
and Members of the
Tensas Parish Police Jury
Page Two**

In our opinion, the Tensas Parish Police Jury complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2002.

Internal Control Over Compliance

The management of the Tensas Parish Police Jury is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Tensas Parish Police Jury's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider being material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the general purpose financial statements of the Tensas Parish Police Jury as of and for the year ended June 30, 2002, and have issued our report thereon dated June 26, 2003. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

This report is intended for the information of management, federal awarding agencies and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

**Ferriday, Louisiana
June 26, 2003**

Switzer, Hopkins & Mang

**TENSAS PARISH POLICE JURY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2002**

<u>Federal Grantor Pass-through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
HUD		
Home Investment Partnership Program	14.239	\$ 766,055
HUD		
Block Grant - Fire Protection	14.218	526,324
HUD		
Block Grant	14.218	<u>67,035</u>
Total expenditures of Federal Awards		<u>\$ 1,359,414</u>

TENSAS PARISH POLICE JURY
Schedule of Findings and Question Costs – Single Audit
FOR THE YEAR ENDED DECEMBER 31, 2002

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: **Unqualified**

Internal control over financial reporting:

- **Material weakness identified?** Yes X No
- **Reportable condition identified that is not considered to be material weaknesses?** Yes X No

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

- **Material weakness identified?** Yes X No
- **Reportable conditions identified that is not considered to be material weaknesses?** Yes X No

Type of auditor’s report issued on compliance for major programs: **Unqualified**

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? Yes X No

Identification of major programs:

	<i>CFDA Numbers</i>	<i>Name of Federal Program or Cluster</i>
1	14.239	HUD-Home Investment Partnership Program
2	14.218	HUD-Block Grant - Fire Protection

Dollar threshold used to distinguish between type A and type B programs: **\$ 300,000**

Auditee qualified as low-risk auditee? X Yes No

TENSAS PARISH POLICE JURY
Schedule of Findings and Question Costs – Single Audit
FOR THE YEAR ENDED DECEMBER 31, 2002

SECTION II –Federal Award Findings and Questioned Costs

Major Program No. 1

- **Information on the federal program** **HUD-Home Investment Partnership Program
CFDA No. 14.239**
- **Criteria or specific requirement** **Circular A-133**
- **Condition** **As discussed in finding 2002-4, overtime pay was
charged to this program. The overtime did not
relate to this program.**
- **Questioned costs** **\$4,529**
- **Context** **Overtime pay was paid that did not apply to this
program.**
- **Effect** **The \$4,529 may have to be reimbursed to the
grantor by the Tensas Parish Police Jury.**
- **Cause** **Improper documentation of overtime hours.**
- **Recommendation** **We recommend that the Tensas Parish Police Jury
reimburse the Louisiana Housing Finance
Authority any costs not associated with the
administration of the grant.**
- **Management's response** **Management does not agree with the finding and
their response is attached.**

Major Program No. 2

- **Information on the federal program** **HUD-Block Grant – Fire Protection
CFDA No. 14.218**
- **Criteria or specific requirement** **Circular A-133**
- **Condition** **N/A**

TENSAS PARISH POLICE JURY
Schedule of Findings and Question Costs – Single Audit
FOR THE YEAR ENDED DECEMBER 31, 2002

SECTION II –Federal Award Findings and Questioned Costs

▪ Questioned costs	N/A
▪ Context	N/A
▪ Effect	N/A
▪ Cause	N/A
▪ Recommendation	N/A
▪ Management's response	N/A

SECTION VII – MANAGEMENT LETTER

SWITZER, HOPKINS & MANGE

Certified Public Accountants

DENNIS R. SWITZER, CPA
H. MYLES HOPKINS, CPA
SUSAN L. MANGE, CPA

JOHN M. JONES, CPA 1921 - 1983

**Mr. Ples, Bell President
and Members of the
Tensas Parish Police Jury
St. Joseph, Louisiana**

In planning and performing our audit of the primary government financial statements of the Tensas Parish Police Jury as of and for the year ended December 31, 2002, we considered Tensas Parish Police Jury's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the primary government financial statements, and not to provide assurance on the internal control structure.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. The following paragraphs summarize our comments and suggestions regarding those matters. This letter does not affect our report dated June 26, 2003 on primary government financial statements of Tensas Parish Police Jury.

DECLINE IN SALES TAX REVENUES

The sales tax revenues and severance tax revenues of the Tensas Parish Police Jury are declining at a rapid rate. The sales taxes and severance taxes collected over the past three years are as follows:

	<u>Sales Tax</u>	<u>Severance Tax</u>
2000	\$ 1,072,850	\$ 237,072
2001	910,934	59,878
2002	805,309	127,736

We believe the Tensas Parish Police Jury should study this decline to determine if it is expected to continue. If the decline does continue, the Jury will be forced to either reduce expenditures or increase revenues in some other area.

BOOKS AND RECORDS COMPILATION

The Tensas Parish Police Jury has not maintained an accurate and reasonably correct and reconciled general ledger in the past 3 ½ years. The Jury also has not had available reasonable financial statements during the same time period that could be reviewed on a timely basis. The Jury has had to rely on our firm to compile the general ledgers during the periods 2000 – 2002 in order to have the necessary books and records that could be audited.

**Mr. Ples Bell, President
and Member of the
Tensas Parish Police Jury**

Page Two

We recommend that the Jury make immediate plans to have their general ledgers and other records posted up to date. Because of new regulations issued by the Comptroller General, an auditor can no longer write up books that he will later audit and also is prevented from performing other consulting services that were allowed in the past. For that reason the Jury needs to make other plans to have their books brought up to date in an auditable condition.

FILING OF INVOICES AND OTHER DOCUMENTS

We noted that retrieving invoices, information concerning deposits and other documents is difficult for the Jury. We noticed that a request to retrieve information about a bank deposit of a year ago from (example) the State of Louisiana Division of Administration would result in finding two or three files for this vendor. These files may contain information concerning deposits for several years, but not necessarily all of the deposits for the current year. We noted the same filings situation concerning paid invoices.

We recommend that the Jury review its filing procedures and have one folder for each vendor for each year. Those documents on hand for transactions several years old should be put in inactive files and in many cases may be destroyed. We recommend you review the record retention requirements before you destroy any documents.

We would be pleased to discuss the above matters or respond to any questions at your convenience.

Sincerely,

Switzer, Hopkins + Mange