



**Independent Auditor's Report
on the Internal Control Structure**

**BOARD OF COMMISSIONERS
MADISON PARISH PORT COMMISSION
Tallulah, Louisiana**

I have audited the general purpose financial statements of the Madison Parish Port Commission, a component unit of the Madison Parish Police Jury, as of December 31, 1996, and for each of the years in the two year period then ended, and have issued my report thereon dated June 25, 1997.

I conducted my audit in accordance with generally accepted auditing standards: *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. Those standards and the audit guide require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the Madison Parish Port Commission is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

MEMBER AMERICAN
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BOARD OF COMMISSIONERS
MADISON PARISH PORT COMMISSION
Tallulah, Louisiana
Independent Auditor's Report
on Internal Control Structure,
December 31, 1996

This report is intended for the information of the commissioners of the Madison Parish Port Commission, management of the port commission, and interested state and local agencies. This is not intended to limit the distribution of this report, which is a matter of public record.

A handwritten signature in black ink, appearing to be 'V. A. P.', written in a cursive style.

West Monroe, Louisiana
June 25, 1997



**Independent Auditor's Report on Compliance
With Laws, Regulations, and, Contracts**

**BOARD OF COMMISSIONERS
MADISON PARISH PORT COMMISSION
Tallulah, Louisiana**

I have audited the general purpose financial statements of the Madison Parish Port Commission, a component unit of the Madison Parish Police Jury, as of December 31, 1996, and for each of the years in the two year period then ended, and have issued my report thereon dated June 25, 1997.

I conducted my audit in accordance with generally accepted auditing standards: *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. Those standards and the audit guide require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, and contracts applicable to the Madison Parish Port Commission is the responsibility of the Madison Parish Port Commission's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, I performed tests of the Madison Parish Port Commission's compliance with certain provisions of laws, regulations, and contracts. However, my objective was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

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**Independent Auditor's Reports on Compliance
With Laws, Regulations, and Contracts
and Internal Control Structure**

The following independent auditor's reports on compliance with laws, regulations, contracts, and grants and internal control structure are presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

MADISON PARISH PORT COMMISSION
Tallulah, Louisiana
Notes to the Financial Statements (Continued)

7. LITIGATION AND CLAIMS

At December 31, 1996, the Madison Parish Port Commission is not involved in any litigation, nor is it aware of any unasserted claims.

MADISON PARISH PORT COMMISSION
 Tallulah, Louisiana
 Notes to the Financial Statements (Continued)

The system issues an annual publicly available report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to the Louisiana State Employee's Retirement System, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809, or by calling (504) 922-0600.

Plan members are required by state statute to contribute 7.50 per cent of their annual covered salary and the Madison Parish Port Commission is required to contribute at an actuarially determined rate. The current rate is 12.00 per cent of annual covered payroll. The contribution requirements of plan members and the Madison Parish Port Commission 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 for the prior fiscal year. The Madison Parish Port Commission's contributions to the system for the years ending December 31, 1996, 1995, and 1994, were \$6,903, \$6,715, and \$6,122, respectively, equal to the required contributions for each year.

6. CHANGES IN LONG-TERM DEBT

The following is a summary of long-term debt transactions funds for the two years ended December 31, 1996:

Long-term debt at January 1, 1995	\$115,000
Additions	NONE
Retirements:	
1995	(35,000)
1996	<u>(40,000)</u>
Long-term debt at December 31, 1996	<u>\$40,000</u>

At December 31, 1996, long-term debt of the port commission is comprised of \$40,000 - 1977 Public Improvement Bonds. The remaining principal is due in one annual installment of \$40,000 through April 1, 1997, with interest of 5.6 per cent. Debt retirement payments are made from the Number Three Debt Service Fund.

The annual requirements to amortize the 1977 bonds at December 31, 1996, including interest payments of \$1,120, are as follows:

<u>Year</u>	
1997	<u>\$41,120</u>

MADISON PARISH PORT COMMISSION
Tallulah, Louisiana
Notes to the Financial Statements (Continued)

	<u>Balance at</u> <u>January 1,</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>December 31,</u>
1995:				
Land	\$449,460			\$449,460
Land improvements	1,458,989			1,458,989
Buildings	2,237,837	\$90,000		2,327,837
Office equipment	17,467	8,770	(\$1,903)	24,334
Vehicles	12,022			12,022
Heavy equipment	22,900			22,900
Total	<u>\$4,198,675</u>	<u>\$98,770</u>	<u>(\$1,903)</u>	<u>\$4,295,542</u>
1996:				
Land	\$449,460			\$449,460
Land improvements	1,458,989			1,458,989
Buildings	2,327,837			2,327,837
Office equipment	24,334	\$3,949	(\$773)	27,510
Vehicles	12,022	18,926		30,948
Heavy equipment	22,900			22,900
Total	<u>\$4,295,542</u>	<u>\$22,875</u>	<u>(\$773)</u>	<u>\$4,317,644</u>

5. PENSION PLAN

Substantially all employees of the port commission are members of the Louisiana State Employees Retirement System (LSERS), a multiple-employer, defined benefit pension plan. Generally, all full-time employees are eligible to participate in the system, with employee benefits vesting after 10 years of service.

All full-time employees who are under the age of 60 at the time of original employment and are not drawing retirement benefits from any other public retirement system in Louisiana are required to participate in the system. Employees who retire at or after age 55 with at least 25 years of credited service or 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-average salary for each year of credited service, not to exceed 100 per cent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The system also provides death and disability benefits. Benefits are established by state statute.

MADISON PARISH PORT COMMISSION
 Tallulah, Louisiana
 Notes to the Financial Statements (Continued)

The following are the principal taxpayers for the parish and their 1996 assessed valuation (amounts expressed in thousands):

	<u>1996 Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>
Orgulf Transport	\$4,111	9.07%
Entergy Louisiana	2,785	6.14%
South Central Bell	1,060	2.34%
American River Transportation	1,029	2.27%
Kansas City Southern	895	1.98%
American Tel. & Tel.	852	1.88%
Trans-American Development	842	1.86%
Hibernia National Bank	804	1.77%
Chicago Mill & Lumber	694	1.53%
Peoples Water Service	630	1.39%
Total	<u>\$13,702</u>	<u>30.23%</u>

3. RECEIVABLES

The following is a summary of receivables at December 31, 1996:

Taxes - ad valorem	\$92,544
State revenue sharing	12,138
Fees, charges, and commissions for services - railroad maintenance fees	127
Leases	<u>8,307</u>
Total	<u>\$113,116</u>

4. CHANGES IN GENERAL FIXED ASSETS

The following presents the changes in fixed assets for the year ended December 31, 1996:

MADISON PARISH PORT COMMISSION
Tallulah, Louisiana
Notes to the Financial Statements (Continued)

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the port commission, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106; however, Louisiana Revised Statute 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 port commission that the fiscal agent bank has failed to pay deposited funds upon demand. Further, LRS 39:1224 states that securities held by a third party shall be deemed to be held in the port commission's name.

G. VACATION AND SICK LEAVE

Employees of the port commission earn ten days of vacation and five days of sick leave per year. Vacation leave must be taken in the year earned and cannot be carried forward. Upon retirement, employees are paid for accumulated sick leave.

At December 31, 1996, the maximum amount of accumulated and vested employee leave benefits is not material and is not reflected in the financial statements. The cost of leave privileges is recognized as a current year expenditure when leave is actually taken or when employees are paid for accrued leave upon separation.

**II. 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. LEVIED TAXES

The port commission is authorized by voter approval to levy a three mill ad valorem tax in the parish for operation and maintenance of port facilities. The port commission levied 2.60 and 3.16 mills for 1996 and 1995, respectively. The difference between authorized and levied millages is the result of reassessments of taxable property in the parish as required by Article 7, Section 18 of the Louisiana Constitution of 1974.

MADISON PARISH PORT COMMISSION
 Tallulah, Louisiana
 Notes to the Financial Statements (Continued)

published in the official journal. The port commission exercises budgetary control at the object (personal services, operating services, etc.) level of expenditures. Within objects, the secretary/treasurer has the authority to make amendments as necessary. The port commission does not utilize encumbrance accounting in its budgetary system. Unexpended appropriations lapse at year end and must be re-appropriated in the next year's budget to be expended.

F. CASH AND CASH EQUIVALENTS

Under state law, the port commission may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The commission may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

At December 31, 1996, the port commission has cash and cash equivalents (book balances) totaling \$399,793 as follows:

Demand deposits	\$72,886
Petty cash	50
Time deposits	<u>326,857</u>
Total	<u>\$399,793</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. Cash and cash equivalents (bank balances) at December 31, 1996, are secured as follows:

Bank Balances	<u>\$400,315</u>
Federal deposit insurance	\$276,458
Pledged securities (uncollateralized)	<u>235,284</u>
Total	<u>\$511,742</u>

MADISON PARISH PORT COMMISSION
Tallulah, Louisiana
Notes to the Financial Statements (Continued)

Interest income on deposits is recognized when the interest has been earned and the amount is determinable.

Substantially all other revenues are recorded when received by the port commission.

Based on the above criteria, ad valorem taxes, state revenue sharing, state grants, and fees, charges, and commissions for services 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 is recognized when due.

Other Financing Sources (Uses)

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

E. BUDGET PRACTICES

Louisiana law exempts special districts created before December 31, 1974, from the requirements of the Local Government Budget Act. Madison Parish Port Commission was created in 1966, and accordingly, is exempt from the budgetary requirements. However, a preliminary budget for the General Fund is prepared by the secretary/treasurer during October. The preliminary budget is reviewed by the port director and presented to the board of commissioners. Changes are made to the proposed budget based on the desires of the port commission. The budget is then adopted by the port commission during its regular December meeting, and notice is published in the official journal.

The secretary/treasurer presents necessary budget amendments to the port commission when she determines that actual operations are differing materially from those anticipated in the original budget. The port commission, in its regular session, reviews the proposed amendments, makes changes as it deems appropriate, and formally adopts the amendments. The adoption of amendments is included in the port commission minutes

D. BASIS OF ACCOUNTING

The 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 present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) 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 port commission uses the following practices in recognizing and reporting revenues and expenditures:

Revenues

Ad valorem taxes are recognized 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 be filed 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.

State revenue sharing, which is based on population and homesteads in the parish, is generally recognized as revenue in the year received. Amounts due at December 31, which are not received until March or later of the following year, are reported as receivables and deferred revenues in the financial statements.

State grants are recognized when the commission is entitled to the funds.

Fees, charges, and commissions for services are recognized in the year in which they are earned.

MADISON PARISH PORT COMMISSION
Tallulah, Louisiana
Notes to the Financial Statements (Continued)

General Fund

The General Fund is the general operating fund of the port commission. It accounts for all financial resources, except those required to be accounted for in other funds.

No. 3 Debt Service Fund

The No. 3 Debt Service Fund is used to account for the accumulation of resources for and the payment of principal, interest, and related charges on general long-term debt.

Construction Capital Project Fund

The Construction Capital Project Fund is used to account for state grants received for various construction projects at the port.

**C. GENERAL 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 historical cost. No depreciation is recognized on general fixed assets. 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.

Long-term debt, such as bonded debt, is normally recognized as a liability of governmental funds (debt service) only when due. The remaining portion of such debt is reported in the general long-term debt account group.

MADISON PARISH PORT COMMISSION

Tallulah, Louisiana

Notes to the Financial Statements (Continued)

2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury appoints the port commission's governing body, the port commission was determined to be a component unit of the Madison Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds of the port commission and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. FUND ACCOUNTING

The port commission 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. An account group, on the other hand, 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.

Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The port commission's current operations require the use of only governmental fund types. The governmental fund types used by the port commission are described as follows:

MADISON PARISH PORT COMMISSION
Tallulah, Louisiana

Notes to the Financial Statements
As of and for the Two Years Ended December 31, 1996

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Madison Parish Port Commission was created by Act 369 of the 1966 Session of the Louisiana Legislature as the governing authority of the Madison Parish Port, Harbor, and Terminal District. The board of commissioners consist of seven members who serve four-year staggered terms; six appointed by the Madison Parish Police Jury, and one elected by the six appointed members. Commissioners serve without compensation.

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Madison Parish Police Jury is the financial reporting entity for Madison 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) other organizations for the which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's component unit financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria determining which component units should be considered part of the Madison Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body,
and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.

MADISON PARISH PORT COMMISSION
Tallulah, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget
(GAAP) Basis and Actual
For the Year Ended December 31, 1995

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes - ad valorem	\$75,000	\$83,320	\$8,320
Intergovernmental revenue:			
Federal in lieu of taxes	5,970	7,175	1,205
State revenue sharing	11,847	11,816	(31)
Fees, charges, and commissions for services - railroad maintenance fees	1,000	1,252	252
Use of money and property:			
Leases	92,778	99,666	6,888
Interest on deposits	1,000	17,929	16,929
Utility reimbursements	4,700	1,779	(2,921)
Other revenues	500	1,257	757
Total revenues	<u>192,795</u>	<u>224,194</u>	<u>31,399</u>
EXPENDITURES			
Transportation - current:			
Personal services and related benefits	76,658	77,652	(994)
Operating services	30,750	39,874	(9,124)
Materials and supplies	2,500	1,231	1,269
Travel and other charges	500	11,854	(11,354)
Capital outlay		98,770	(98,770)
Intergovernmental		2,703	(2,703)
Total expenditures	<u>110,408</u>	<u>232,084</u>	<u>(121,676)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	82,387	(7,890)	(90,277)
OTHER FINANCING SOURCE (Use)			
Operating transfers out	<u>(55,000)</u>	<u>(40,500)</u>	<u>14,500</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES AND OTHER USE	27,387	(48,390)	(75,777)
FUND BALANCE AT BEGINNING OF YEAR	<u>78,000</u>	<u>460,517</u>	<u>382,517</u>
FUND BALANCE AT END OF YEAR	<u>\$105,387</u>	<u>\$412,127</u>	<u>\$306,740</u>

(Concluded)

The accompanying notes are an integral part of this statement.

MADISON PARISH PORT COMMISSION
Tallulah, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget
(GAAP) Basis and Actual
For the Year Ended December 31, 1996

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes - ad valorem	\$84,680	\$101,564	\$16,884
Intergovernmental revenues:			
Federal funds - in lieu of taxes		4,881	4,881
State funds - state revenue sharing	11,853	11,947	94
Fees, charges, and commissions for services - railroad maintenance fees	1,500	570	(930)
Use of money and property:			
Leases	95,378	98,172	2,794
Interest on deposits	4,000	20,062	16,062
Other revenues	1,000	16	(984)
Total revenues	<u>198,411</u>	<u>237,212</u>	<u>38,801</u>
EXPENDITURES			
Transportation - current:			
Personal services and related benefits	81,117	76,100	5,017
Operating services	46,390	48,150	(1,760)
Materials and supplies		1,751	(1,751)
Travel and other charges	1,800	14,890	(13,090)
Capital outlay	20,426	22,875	(2,449)
Intergovernmental		3,022	(3,022)
Total expenditures	<u>149,733</u>	<u>166,788</u>	<u>(17,055)</u>
EXCESS OF REVENUES OVER EXPENDITURES	48,678	70,424	21,746
OTHER FINANCING SOURCE (Use)			
Operating transfers out	<u>(43,500)</u>	<u>(43,500)</u>	
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER USE	5,178	26,924	21,746
FUND BALANCE AT BEGINNING OF YEAR	<u>71,358</u>	<u>412,127</u>	<u>340,769</u>
FUND BALANCE AT END OF YEAR	<u>\$76,536</u>	<u>\$439,051</u>	<u>\$362,515</u>

The accompanying notes are an integral part of this statement.

MADISON PARISH PORT COMMISSION
Tallulah, Louisiana
GOVERNMENTAL FUND TYPE

Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 1995

	GENERAL FUND	NO. 3 DEBT SERVICE FUND	CONSTRUCTION CAPITAL PROJECT FUND	TOTAL (MEMORANDUM ONLY)
REVENUES				
Taxes - ad valorem	\$83,320			\$83,320
Intergovernmental revenues:				
Federal funds - in lieu of taxes	7,175			7,175
State funds - state revenue sharing	11,816			11,816
Fees, charges, and commissions for services - railroad maintenance fee	1,252			1,252
Use of money and property:				
Leases	99,666			99,666
Interest on deposits	17,929	\$53	\$472	18,454
Utility reimbursements	1,779			1,779
Other revenues	1,257			1,257
Total revenues	<u>224,194</u>	<u>53</u>	<u>472</u>	<u>224,719</u>
EXPENDITURES				
Transportation - current:				
Personal services and related benefits	77,652			77,652
Operating services	39,874			39,874
Materials and supplies	1,231			1,231
Travel and other charges	11,854			11,854
Debt service		40,520		40,520
Capital outlay	98,770			98,770
Intergovernmental	2,703			2,703
Total expenditures	<u>232,084</u>	<u>40,520</u>	<u>NONE</u>	<u>272,604</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(7,890)</u>	<u>(40,467)</u>	<u>472</u>	<u>(47,885)</u>
OTHER FINANCING SOURCE (Use)				
Operating transfers in		40,500		40,500
Operating transfers out	(40,500)			(40,500)
Total other financing source (use)	<u>(40,500)</u>	<u>40,500</u>	<u>NONE</u>	
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCE OVER EXPENDITURES AND OTHER USE	<u>(48,390)</u>	<u>33</u>	<u>472</u>	<u>(47,885)</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>460,517</u>	<u>89</u>	<u>9,736</u>	<u>470,342</u>
FUND BALANCES AT END OF YEAR	<u>\$412,127</u>	<u>\$122</u>	<u>\$10,208</u>	<u>\$422,457</u>

The accompanying notes are an integral part of this statement.

MADISON PARISH PORT COMMISSION
Tallulah, Louisiana
GOVERNMENTAL FUND TYPE

Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 1996

	GENERAL FUND	NO. 3 DEBT SERVICE FUND	CONSTRUCTION CAPITAL PROJECT FUND	TOTAL (MEMORANDUM ONLY)
REVENUES				
Taxes - ad valorem	\$101,564			\$101,564
Intergovernmental revenues:				
Federal funds - in lieu of taxes	4,881			4,881
State funds - state revenue sharing	11,947			11,947
Fees, charges, and commissions for services - railroad maintenance fee	570			570
Use of money and property:				
Leases	98,172			98,172
Interest on deposits	20,062	\$175	\$452	20,689
Other revenues	16			16
Total revenues	<u>237,212</u>	<u>175</u>	<u>452</u>	<u>237,839</u>
EXPENDITURES				
Transportation - current:				
Personal services and related benefits	76,100			76,100
Operating services	48,150			48,150
Materials and supplies	1,751			1,751
Travel and other charges	14,890			14,890
Debt service		43,535		43,535
Capital outlay	22,875			22,875
Intergovernmental	3,022			3,022
Total expenditures	<u>166,788</u>	<u>43,535</u>	<u>NONE</u>	<u>210,323</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>70,424</u>	<u>(43,360)</u>	<u>452</u>	<u>27,516</u>
OTHER FINANCING SOURCE (Use)				
Operating transfers in		43,500		43,500
Operating transfers out	(43,500)			(43,500)
Total other financing source (use)	<u>(43,500)</u>	<u>43,500</u>	<u>NONE</u>	<u>NONE</u>
EXCESS OF REVENUES AND OTHER SOURCE OVER EXPENDITURES AND OTHER USE	26,924	140	452	27,516
FUND BALANCES AT BEGINNING OF YEAR	<u>412,127</u>	<u>122</u>	<u>10,208</u>	<u>422,457</u>
FUND BALANCES AT END OF YEAR	<u>\$439,051</u>	<u>\$262</u>	<u>\$10,660</u>	<u>\$449,973</u>

The accompanying notes are an integral part of this statement.

Fund Equity:					
Investment in general fixed assets					4,317,644
Fund balances:					
Reserved for debt service	262				262
Unreserved - undesignated	439,051	10,660			449,711
Total Fund Equity	<u>439,051</u>	<u>10,660</u>	<u>4,317,644</u>	<u>NONE</u>	<u>4,767,617</u>
TOTAL LIABILITIES					
AND FUND EQUITY	<u>\$501,987</u>	<u>\$10,660</u>	<u>\$4,317,644</u>	<u>\$40,000</u>	<u>\$4,870,553</u>

The accompanying notes are an integral part of this statement.

MADISON PARISH PORT COMMISSION
Tallulah, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

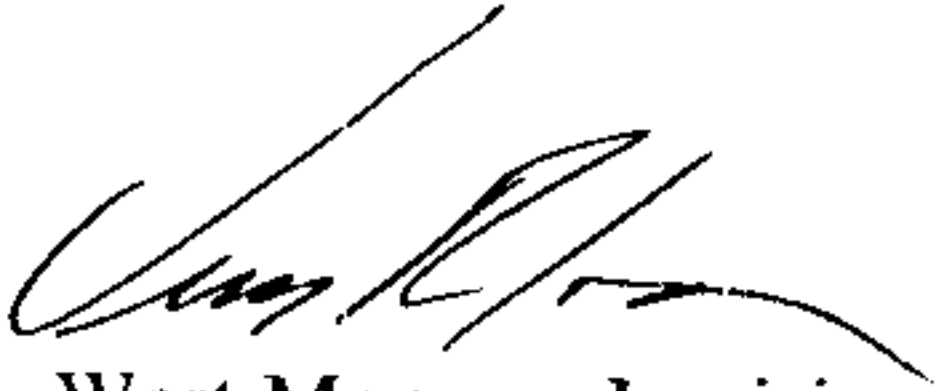
Balance Sheet, December 31, 1996

	...GOVERNMENTAL FUND TYPE...				...ACCOUNT GROUPS...		TOTAL (MEMORANDUM ONLY)
	GENERAL FUND	NO. 3 DEBT SERVICE FUND	CONSTRUCTION CAPITAL PROJECTS FUND	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT		
ASSETS AND OTHER DEBITS							
Cash and cash equivalents	\$388,871	\$262	\$10,660			\$399,793	
Receivables	113,116					113,116	
Land, buildings, equipment, and improvements				\$4,317,644		4,317,644	
Amount available in debt service fund					\$262	262	
Amount to be provided for retirement of general long-term debt					39,738	39,738	
TOTAL ASSETS AND OTHER DEBITS	<u>\$501,987</u>	<u>\$262</u>	<u>\$10,660</u>	<u>\$4,317,644</u>	<u>\$40,000</u>	<u>\$4,870,553</u>	
LIABILITIES AND FUND EQUITY							
Liabilities:							
Accounts payable	\$3,750					\$3,750	
Payroll deductions and withholding payable	1,094					1,094	
Deferred revenues	8,092					8,092	
Bank loan payable	50,000					50,000	
Bonds payable					\$40,000	40,000	
Total Liabilities	<u>62,936</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>40,000</u>	<u>102,936</u>	

**GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)**

BOARD OF COMMISSIONERS
MADISON PARISH PORT COMMISSION
Tallulah, Louisiana
Independent Auditor's Report
December 31, 1996

In accordance with *Government Auditing Standards*, I have also issued a report dated June 25, 1997 on my consideration of the Madison Parish Port Commission's internal control structure and a report dated June 25, 1997 on the port commission's compliance with laws and regulations.



West Monroe, Louisiana
June 25, 1997



Independent Auditor's Report

BOARD OF COMMISSIONERS
MADISON PARISH PORT COMMISSION
Tallulah, Louisiana

I have audited the general purpose financial statements of the Madison Parish Port Commission, a component unit of the Madison Parish Police Jury, as of December 31, 1996, and for each of the years in the two year period then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Madison Parish Port Commission's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I 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 financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Madison Parish Port Commission as of December 31, 1996, and the results of operations for the year then ended in conformity with generally accepted accounting principles.

MEMBER AMERICAN
INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC
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MADISON PARISH PORT COMMISSION
Tallulah, Louisiana
Contents, December 31, 1996

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MADISON PARISH PORT COMMISSION
Tallulah, Louisiana

General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Two Years Ended
December 31, 1996

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BOARD OF COMMISSIONERS
MADISON PARISH PORT COMMISSION
Tallulah, Louisiana
Independent Auditor's Report
on Internal Control Structure,
December 31, 1996

In planning and performing my audit of the general purpose financial statements of the Madison Parish Port Commission for the two years ended December 31, 1996, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities 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. I noted no matters involving the internal control structure and its operations that I consider to be material weaknesses as defined above.

This report is intended for the information of the commissioners of the Madison Parish Port Commission, management of the port commission, and interested state and local agencies. This is not intended to limit the distribution of this report, which is a matter of public record.



West Monroe, Louisiana
June 25, 1997