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**MALDEN PARISH PORT COMMISSION
Tulaha, Louisiana**

**General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Two Years Ended
December 31, 1998**

Under provisions of State law, this report is a public document. A copy of the report has been submitted to the auditor, or receiver, entity and other appropriate public officials. This report is available for public inspection at the State Repository of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Balance Date 7-21-99

**VERNON R
COON**

VERNON R. COON, CPA, CMA, CFRE

MADISON PARISH PORT COMMISSION
Tulakoh, Louisiana

General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Two Years Ended
December 31, 1988

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MADISON PARISH PORT COMMISSION

Tulahoma, Louisiana

Contents, December 31, 1998

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Independent Auditor's Report

**BOARD OF COMMISSIONERS
MADISON PARISH PORT COMMISSION
Tulaha, 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, 1998, 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. These 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, 1998, and the results of operations for each of the years in the two year period then ended in conformity with generally accepted accounting principles.

**WYNNE ANDERSON
CHIEF OF STAFF
POLICE COMMISSIONER**

**DAVID W. LACROIX
CHIEF OF POLICE
MADISON PARISH**

**FRANCIS LAMARCA JR.
MANAGER
ACCOUNTING SERVICES
AND FINANCIAL SERVICES**

**THE PROFESSIONAL FIRM,
WYLLY BARNER,
MEMBERS OF THE
FIRM OF WYLLY BARNER
TULAH, LOUISIANA
MEMBER FIRM
FIRM NUMBER 0000**

BOARD OF COMMISSIONERS
MADISON PARISH PORT COMMISSION
Tulwila, Louisiana
Independent Auditor's Report
December 31, 1998

In accordance with Government Auditing Standards, I have also issued a report dated June 28, 1999 on the Madison Parish Port Commission's compliance with laws and regulations and my consideration of the commission's internal control over financial reporting.



West Monroe, Louisiana
June 28, 1999

**GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)**

MADISON FREEPORT COMMISSION
Tulahoma, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

Statement A

Balance Sheet, December 31, 1998

	GOVERNMENTAL FUND TYPE		ACCOUNT GROUPS		TOTAL GOVERNMENTAL FUND TYPE
	GENERAL FUND	CONSTRUCTION CAPITAL PROJECTS FUND	GENERAL FUND ASSETS	GENERAL LEASING FUND ASSET	
ASSETS AND OTHER DEBITS					
Cash and cash equivalents	\$98,087	\$11,000			\$109,087
Receivables	126,796	1,277,968			1,404,764
Due from Construction fund	47,311				47,311
Land, buildings, equipment, and improvements			\$6,283,319		6,283,319
Amount to be provided for retirement of general long term debt				\$600,000	600,000
TOTAL ASSETS AND OTHER DEBITS	\$272,194	\$1,288,968	\$6,283,319	\$600,000	\$8,144,481
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable	\$55,488	\$1,283,619			\$1,339,107
Due to General Fund		47,311			47,311
Payroll deductions and withholding payable	1,180				1,180
Deferred revenues	8,304				8,304
Bank loans payable				\$590,000	\$590,000
Total Liabilities	\$65,052	\$1,330,930	NONE	\$590,000	\$1,945,982
Fund Equity:					
Investment in general fund assets			\$6,283,319		6,283,319
Fund balance - unreserved - unassigned	\$17,142	11,062			28,204
Total Fund Equity	\$17,142	11,062	\$6,283,319	NONE	\$8,144,481
TOTAL LIABILITIES AND FUND EQUITY	\$82,194	\$1,341,992	\$6,283,319	\$590,000	\$8,713,405

The accompanying notes are an integral part of this statement.

MADISON PARISH PORT COMMISSION
Tulahoma, Louisiana
GOVERNMENTAL FUND TYPE

Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 1998

	GENERAL FUND	CONSTRUCTION CAPITAL PROJECT FUND	TOTAL (MEMORANDUM ONLY)
REVENUES			
Taxes - ad valorem	\$108,858		\$108,858
Inter-governmental revenues:			
Federal funds - in lieu of taxes	4,850		4,850
State funds:			
State revenue sharing	12,624		12,624
Other state grants		\$8,273,860	1,277,060
Use of money and property:			
Licenses	119,644		119,644
Interest on deposits	24,804	472	25,276
Other revenues:	264		264
Total revenues	<u>272,212</u>	<u>1,278,432</u>	<u>1,550,644</u>
EXPENDITURES			
Transportation - current:			
Personnel services and related benefits	74,138		74,138
Operating services	111,384		111,384
Materials and supplies	662		662
Travel and other charges	18,219		18,219
Debt service	6,223		6,223
Capital outlay	603,714	1,277,860	1,881,574
Inter-governmental	3,482		3,482
Total expenditures	<u>813,812</u>	<u>1,277,860</u>	<u>1,091,672</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>258,400</u>	472	<u>258,872</u>
OTHER FINANCING SOURCE			
Proceeds from bank loan	600,000		600,000
EXCESS OF REVENUES AND OTHER SOURCE OVER EXPENDITURES AND OTHER USE	<u>58,400</u>	472	<u>58,872</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>558,752</u>	<u>11,120</u>	<u>569,872</u>
FUND BALANCES AT END OF YEAR	<u>\$617,152</u>	<u>\$11,592</u>	<u>\$628,744</u>

The accompanying notes are an integral part of this statement.

MADISON PARKIN PORT COMMISSION
Tulaha, Louisiana
GOVERNMENTAL FUND TYPE

**Condensed Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 1997**

	GENERAL FUND	NO. 1 DEBT SERVICE FUND	CONSTRUCTION CAPITAL PROJECT FUND	TOTAL MEMORANDUM (ONLY)
REVENUES				
Taxes - ad valorem	\$481,249			\$481,249
Intergovernmental revenues:				
Federal funds - in lieu of taxes	10,188			10,188
State funds - state revenue sharing	12,329			12,329
Use of money and property:				
Licenses	111,881			111,881
Interest on deposits	21,663	\$180	\$470	22,313
Other revenues	60			60
Total revenues	<u>627,260</u>	<u>180</u>	<u>470</u>	<u>627,910</u>
EXPENDITURES				
Transportation - current:				
Personal services and related benefits	77,512			77,512
Operating services	25,492			25,492
Materials and supplies	377			377
Travel and other charges	7,688			7,688
Debt service		41,128		41,128
Interest	3,246			3,246
Total expenditures	<u>114,215</u>	<u>41,128</u>	<u>None</u>	<u>155,343</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>513,045</u>	<u>138,852</u>	<u>470</u>	<u>652,367</u>
OTHER FINANCING SOURCE (Use)				
Operating transfers in		41,128		41,128
Operating transfers out	<u>(41,128)</u>			<u>(41,128)</u>
Total other financing source (use)		<u>41,128</u>	<u>None</u>	
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCE OVER EXPENDITURES AND OTHER USE:	<u>471,917</u>	<u>180</u>	<u>470</u>	<u>472,967</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>483,297</u>	<u>182</u>	<u>10,668</u>	<u>494,147</u>
Federal equity transfer from (to)	<u>(28)</u>	<u>(178)</u>		
FUND BALANCES AT END OF YEAR	<u>\$453,789</u>	<u>\$102</u>	<u>\$11,138</u>	<u>\$464,929</u>

The accompanying notes are an integral part of this statement.

MADISON PARISH POLY COMMISSION
Tulahoma, 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

	BUDGET	ACTUAL	VARIANCE (FAVORABLE DISADVANTAGEOUS)
REVENUES			
Taxes - all salaries	508,000	510,809	2,809
Intergovernmental revenues:			
Federal funds - in lieu of taxes	5,267	4,820	(447)
State funds - state revenue sharing	12,110	12,624	514
Use of money and property:			
Leases	808,500	118,644	(689,856)
Interest on deposits	5,848	24,994	19,146
Other revenues	200	264	64
Total revenues	<u>1,339,925</u>	<u>1,722,229</u>	<u>382,304</u>
EXPENDITURES			
Transportation - current:			
Personal services and related benefits	87,170	74,108	13,062
Operating services	27,018	111,584	(84,566)
Materials and supplies	2,500	682	1,818
Travel and other charges	7,300	18,209	(10,909)
Waste Service		6,200	6,200
Capital outlay		603,704	603,704
Intergovernmental		3,683	(3,683)
Total expenditures	<u>124,088</u>	<u>829,823</u>	<u>705,735</u>
EXCESS OF REVENUES OVER EXPENDITURES	105,837	892,406	786,569
OTHER FINANCING SOURCE (Use)			
Proceeds from bond issue		508,000	508,000
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER USE	105,837	1,400,406	1,294,569
FUND BALANCE AT BEGINNING OF YEAR	<u>75,800</u>	<u>258,783</u>	<u>182,983</u>
FUND BALANCE AT END OF YEAR	<u>181,644</u>	<u>659,192</u>	<u>477,548</u>

The accompanying notes are an integral part of this statement.

MASSACHUSETTS PARISH PORT COMMISSION
 Tallahassee, 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, 1997

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Trans - all sources	188,260	195,149	118,089
Intra-governmental revenue			
Federal in lieu of taxes	4,881	10,498	5,617
State revenue sharing	7,880	12,428	4,548
Use of money and property			
Leases	81,850	111,380	19,530
Interest on deposits	2,980	21,469	18,489
Other revenues	180	603	423
Total revenues	<u>188,260</u>	<u>368,527</u>	<u>188,036</u>
EXPENDITURES			
Transportation - current			
Personnel services and related benefits	87,710	77,523	10,188
Operating services	49,778	25,491	24,287
Materials and supplies	6,833	377	6,456
Travel and other charges	6,300	7,489	(1,189)
Intra-governmental			
Total expenditures	<u>150,621</u>	<u>111,480</u>	<u>39,141</u>
EXCESS OF REVENUES OVER EXPENDITURES	41,188	118,120	108,098
OTHER FINANCING SOURCE (Use)			
Operating transfers out	<u>(41,188)</u>	<u>(41,120)</u>	
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER USE	3,666	189,039	181,968
FUND BALANCE AT BEGINNING OF YEAR	88,659	453,277	368,188
Residual equity transfer from (to)		478	478
FUND BALANCE AT END OF YEAR	<u>91,155</u>	<u>642,794</u>	<u>368,707</u>

(Continued)

The accompanying notes are an integral part of this statement.

MADISON PARISH PORT COMMISSION
Tulahoma, Louisiana

Notes to the Financial Statements
As of and for the Two Years Ended December 31, 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Madison Parish Port Commission was created by Act 369 of the 1996 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 which the 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

Tulahoma, 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 fund 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:

MAISON PARISH PORT COMMISSION
Tulahoma, 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 bank loans, 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.

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

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

these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) is not 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 47:1903 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 households 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.

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, and state grants, are treated as susceptible to accrual.

MADISON PARISH PORT COMMISSION

Tulatch, Louisiana

Notes to the Financial Statements (Continued)

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 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.

MADISON PARISH PORT COMMISSION

Tulahoma, Louisiana

Notes to the Financial Statements (Continued)**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, 1998, the port commission has cash and cash equivalents (bank balances) totaling \$519,689 as follows:

Demand deposits	\$157,500
Petty cash	90
Time deposits	<u>362,132</u>
Total	<u>\$519,689</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, 1998, are secured as follows:

Bank balances	<u>\$520,000</u>
Federal deposit insurance	\$100,000
Pledged securities (uncollateralized)	<u>390,074</u>
Total	<u>\$1,010,074</u>

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 C20.108; however, Louisiana Revised Statute 30:1239 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 90 days of being notified by the port commission that the fiscal agent bank has failed to pay deposited funds upon demand. Further, LRS 39:1214 states that securities held by a third party shall be deemed to be held in the port commission's name.

MAJESTON PARISH PORT COMMISSION
Tulahoma, Louisiana
Notes to the Financial Statements (Continued)

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, 1998, 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.

H. RISK MANAGEMENT

The port commission is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, and injuries to employees and others. To handle such risk of loss, the port commission maintains insurance policies covering commercial property, professional liability, and workers compensation. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 1998.

**I. 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 2.86 for both 1998 and 1997. 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.

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

The following are the principal taxpayers for the parish and their 1998 assessed valuation (amounts expressed in thousands):

	1998 Assessed Valuation	Percent of Total Assessed Valuation
Orgul Transport	3,089	6.57%
Energy Louisiana	2,784	5.92%
American River Transportation	1,702	3.62%
Trans-American Development	1,189	2.53%
Hibernia National Bank	1,004	2.18%
Kansas City Southern	1,004	2.13%
BellSouth Telecommunications	982	2.09%
American Commercial Barge Line	816	1.73%
American Tel. & Tel. Company	793	1.69%
Orgul Transport	747	1.59%
Total	14,897	29.97%

3. RECEIVABLES

The following is a summary of receivables at December 31, 1998:

	GENERAL FUND	CONSTRUCTION CAPITAL PROJECTS FUND	TOTAL
Taxes - ad valorem	\$97,287		\$97,287
Federal grant - in lieu of taxes	4,850		4,850
State revenue sharing	8,304		8,304
Other state grants		\$1,277,960	1,277,960
Leases	15,745		15,745
Total	\$126,796	\$1,277,960	\$1,404,756

MADISON PARISH PORT COMMISSION

Tulahoma, Louisiana

Notes to the Financial Statements (Continued)

4. CHANGES IN GENERAL FIXED ASSETS

The following presents the changes in fixed assets for the year ended December 31, 1998:

	Balance at January 1,	Additions	Deletions	Balance at December 31,
1997:				
Land	\$449,460			\$449,460
Land improvements	1,458,989			1,458,989
Buildings	2,327,837			2,327,837
Office equipment	27,510			27,510
Vehicles	30,948			30,948
Heavy equipment	22,900			22,900
Total	\$4,317,644	NONE	NONE	\$4,317,644
1998:				
Land	\$449,460	\$125,000		\$574,460
Land improvements	1,458,989			1,458,989
Buildings	2,327,837	475,000		2,802,837
Office equipment	27,510	7,714		35,224
Vehicles	30,948			30,948
Heavy equipment	22,900			22,900
Construction in progress		1,277,860		1,277,860
Total	\$4,317,644	\$1,885,674	NONE	\$6,203,318

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 80 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 5 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

MADISON PARISH PORT COMMISSION

Thibodaux, Louisiana

Notes to the Financial Statements (Continued)

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.

The system issues an annual publicly available report that includes financial statements and required supplementary information for the system. This report may be obtained by writing to the Louisiana State Employer'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 12.40 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, 1997, and 1998, were \$7,385, \$7,160, and \$6,900, respectively, equal to the required contribution for each year.

6. CHANGES IN LONG-TERM DEBT

The following is a summary of long-term debt transactions for the two years ended December 31, 1998:

Long-term debt at January 1, 1997	\$40,000
Additions:	
1997	None
1998	600,000
Retirements:	
1997	(40,000)
1998	<u>None</u>
Long-term debt at December 31, 1998	<u>\$600,000</u>

At December 31, 1998, long-term debt of the port commission is comprised of a \$600,000 bank loan. The remaining principal is due in ten annual payments of \$88,990, with interest of 8.15 per cent. Debt retirement payments are made from the General Fund.

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

7. CAPITAL GRANT FUNDS

During the year ended December 31, 1998, the commission received \$1,277,960 in grant funds for the construction of and improvements to port facility fixed assets and infrastructure. The grant funds are included in fixed assets and contributed capital on Statement A and consist of the following:

Grantor Agency	Grant/Contract Number	Grant Amount
Louisiana Department of Economic Development:		
	05-251-888-7	\$1,101,040
	232-99016	<u>176,920</u>
Total grant funds		<u>\$1,277,960</u>

8. RESTATEMENT OF FUND BALANCES

The December 31, 1996 fund balance of the General Fund has been restated for repayment of a bank loan that was paid in the prior year. The following reconciles fund balances as previously reported to beginning fund balances as presented on Statements B and C:

Fund Balances as previously reported	\$439,051
Repayment of bank loan, paid in prior year	<u>14,186</u>
Fund balances at January 1, 1997, restated	<u>\$453,237</u>

9. LITIGATION AND CLAIMS

At December 31, 1998, the Madison Parish Port Commission is not involved in any litigation, nor is it aware of any unasserted claims.

**Independent Auditor's Reports Required
by Government Auditing Standards**

The following independent auditor's report on compliance with laws, regulations, contracts, and grants, and internal control is 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.



Independent Auditor's Report on Compliance and Internal Control Over Financial Reporting

MADISON PARISH PORT COMMISSION Tulaha, Louisiana

I have audited the general purpose financial statements of the Madison Parish Port Commission as of and for the two years ended December 31, 1998 and have issued my report thereon dated June 28, 1999. I conducted my audit in accordance with generally accepted auditing standards 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 Madison Parish Port Commission's financial statements are free of material misstatements, I 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 amounts. However, providing an opinion on compliance with these provisions was not an objective of my audit and, 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*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Madison Parish Port Commission's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My 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. 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 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 over financial reporting and its operation that I consider to be material weaknesses.

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OF THE AMERICAN
INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
FOR THE STATE OF ALABAMA
IS HEREBY REPRODUCED
BY PERMISSION

MAADISON PARISH PORT COMMISSION
Tallulah, Louisiana
Independent Auditor's Report on Compliance
And Internal Control Over Financial Reporting, etc.
December 31, 1998

This report is intended for the information of the Madison Parish Port Commission. This is not intended to limit the distribution of this report, which is a matter of public record.



West Monroe, Louisiana
June 28, 1999

MAHON PARISH PORT COMMISSION
Tulakoh, Louisiana

Schedule of Findings and Questioned Costs
For the Two Years Ended December 31, 1988

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of Mahon Parish Port Commission.
2. No instances of noncompliance material to the financial statements of Mahon Parish Port Commission were disclosed during the audit.
3. No reportable conditions relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

MAJORS PARISH PORT COMMISSION
Tahibah, Louisiana

Summary Schedule of Prior Audit Findings
For the Two Years Ended December 31, 1988

There were no audit findings reported in the audit for the year ended December 31, 1988.