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MADISON PARISH POLICE JURY
Tallulah, Louisiana

Primary Government Financial Statements,
Supplemental Information,
and Internal Control and Compliance

Year Ended December 31, 1998

with

Independent Auditor's Reports

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 APR 4 1999

STATE OF LOUISIANA

MADISON PARISH POLICE JURY
(Name of Parish Governing Authority)

REPORT OF

MARGARETT M. SMITH
TREASURER

TO

LEGISLATIVE AUDITOR

As of and for the Year Ended December 31, 1998

In accordance with Louisiana Revised Statute 24:514

AFFIDAVIT

Personally came and appeared before the undersigned authority, Margarett Smith Treasurer of Madison Parish, who, duly sworn, deposes and says that the primary government financial statements herewith given are a fair presentation of financial position of the Madison Parish Police Jury as of December 31, 1998, and the results of the operations for the year then ended in accordance with generally accepted accounting principles.

M. Smith
TREASURER

Sworn to and subscribed before me, this 30th day of June, 1999.

Cornelia C. Wilson
NOTARY PUBLIC

MADISON PARISH POLICE JURY
Tallulah, Louisiana

Primary Government Financial Statements
As of and for the Year Ended December 31, 1998

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MADISON PARISH POLICE JURY
Tallulah, Louisiana

Primary Government Financial Statements
As of and for the Year Ended December 31, 1998

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CERTIFICATE

OF

MADISON PARISH POLICE JURY
(Governing Authority)

TO THE

LEGISLATIVE AUDITOR

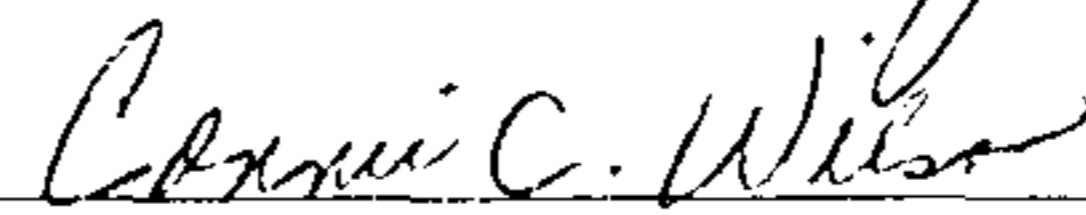
Required by Louisiana Revised Statute 48:758

I, Thomas J. Williams, President of Madison Parish Police Jury do hereby certify in behalf of the parish governing body that funds made available during the year January 1, 1998 to December 31, 1998 pursuant to Louisiana Revised Statutes 48:751-762, have been expended in accordance with provisions contained in those statutes and other standards established by law.



PRESIDENT

Sworn to and subscribed before me this 30th day of June, 1999.



NOTARY PUBLIC

My commission expires June 30, 2000.



WE BRING EXCELLENCE AND INNOVATION TO THE EQUATION

INDEPENDENT AUDITOR'S REPORT

To the Madison Parish Police Jury
Tallulah, Louisiana

We have audited the accompanying primary government financial statements of Madison Parish Police Jury, as of and for the year ended December 31, 1998, as listed in the table of contents. These financial statements are the responsibility of Madison Parish Police Jury's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We were unable to satisfy ourselves that the balance sheets as of December 31, 1997, presented fairly in all material respects, the financial position of the Madison Parish Policy Jury. Our successor auditor procedures were unable to obtain adequate documentation of the audit procedures performed on the December 31, 1997 balance sheets. In order for a current year statement of revenues and expenditures and changes in fund balances to be fairly stated in all material respects, the beginning balance sheet amounts must be fairly stated in all material respects.

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units. In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves that the beginning balance sheets were fairly stated in all material respects, or had we been able to satisfy ourselves as to those balances by other auditing procedures, the primary government financial statements referred to above present fairly, in all material respects, the financial position of the primary government of Madison Parish Police Jury as of December 31, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

110 MONUMENT PLACE • POST OFFICE BOX 821568 • VICKSBURG, MISSISSIPPI 39182-1568 • TELEPHONE (601) 636-4762 • FAX (601) 636-9476

email: infoline@maycpa.com • website: www.maycpa.com

To the Madison Parish Policy Jury
Tallulah, Louisiana

Page Two

However, the primary government financial statements, because they do not include the financial data of component units of Madison Parish Police Jury, do not purport to, and do not, present fairly the financial position of the Madison Parish Police Jury as of December 31, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 1999, on our consideration of Madison Parish Policy Jury's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the primary government financial statements of Madison Parish Police Jury, taken as a whole. The accompanying schedules listed in the table of contents are presented for purposes of additional analysis and are 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, except as described previously, is fairly presented, in all material respects, in relation to the primary government financial statements taken as a whole.

May + Company

Vicksburg, Mississippi
June 11, 1999

MADISON PARISH POLICE JURY
Tallulah, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, December 31, 1998

	GOVERNMENTAL FUNDS			
	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	CAPITAL PROJECTS FUND
ASSETS AND OTHER DEBITS				
ASSETS:				
Cash and cash equivalents	\$ 67,462	\$ 442,308	\$ -	\$ -
Investments	-	154,269	-	-
Receivables (net of allowances for uncollectibles of -0-)	167,059	1,148,242	-	-
Interfund receivable	23,360	-	-	3,953
Land, buildings, and equipment	-	-	-	-
OTHER DEBITS:				
Amount to be provided for retirement of general long-term obligations	-	-	-	-
TOTAL ASSETS AND OTHER DEBITS	<u>\$ 257,881</u>	<u>\$ 1,744,819</u>	<u>\$ -</u>	<u>\$ 3,953</u>
LIABILITIES, EQUITY, AND OTHER CREDITS				
LIABILITIES:				
Accounts, salaries, and other payables	\$ 61,030	\$ 204,767	\$ -	\$ -
Interfund payable	-	27,313	-	-
Claims and judgments	-	-	-	-
Capital leases payable	-	-	-	-
Total Liabilities	<u>61,030</u>	<u>232,080</u>	<u>-</u>	<u>-</u>
EQUITY AND OTHER CREDITS:				
Investment in general fixed assets	-	-	-	-
Fund balances:				
Reserved	-	-	-	3,953
Unreserved:				
Undesignated	<u>196,851</u>	<u>1,512,739</u>	<u>-</u>	<u>-</u>
Total equity and other credits	<u>196,851</u>	<u>1,512,739</u>	<u>-</u>	<u>3,953</u>
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	<u>\$ 257,881</u>	<u>\$ 1,744,819</u>	<u>\$ -</u>	<u>\$ 3,953</u>

The accompanying notes are an integral part of this statement.

Statement A

ACCOUNT GROUPS		
GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	TOTAL (MEMORANDUM ONLY)
\$ -	\$ -	\$ 509,770
-	-	154,269
-	-	1,315,301
-	-	27,313
4,866,449	-	4,866,449
-	-	-
-	288,693	288,693
<u>\$ 4,866,449</u>	<u>\$ 288,693</u>	<u>\$ 7,167,795</u>
\$ -	\$ -	\$ 265,797
-	-	27,313
-	177,500	177,500
-	111,193	111,193
-	288,693	581,803
4,866,449	-	4,866,449
-	-	3,953
-	-	1,709,590
<u>4,866,449</u>	<u>-</u>	<u>6,579,992</u>
<u>\$ 4,866,449</u>	<u>\$ 288,693</u>	<u>\$ 7,161,795</u>

MADISON PARISH POLICE JURY
Tallulah, Louisiana
GOVERNMENTAL FUNDS

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

	GOVERNMENTAL FUNDS				TOTAL (MEMORANDUM ONLY)
	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	
REVENUES:					
Taxes:					
Ad valorem	\$ 114,102	\$ 1,260,237	\$ -	\$ -	\$ 1,374,339
Sales and use	19,805	-	-	-	19,805
Other taxes, penalties, interest, etc.	385,075	47,098	-	-	432,173
Licenses and permits	55,537	-	-	-	55,537
Intergovernmental revenues:					
Federal grants	5,857	56,840	-	39,936	102,633
State funds:					
State revenue sharing (net)	11,459	99,144	-	-	110,603
Other	4,843	15,676	-	-	20,519
Fees, charges, and commissions					
for services	3,695	458,492	-	-	462,187
Fines and forfeitures	-	288,496	-	-	288,496
Use of money and property	1,923	22,058	-	-	23,981
Other revenues	187,911	96,400	-	-	284,311
	<u>790,207</u>	<u>2,344,441</u>	<u>-</u>	<u>39,936</u>	<u>3,174,584</u>
EXPENDITURES:					
Current:					
General government:					
Judicial / legislative	314,282	284,710	-	-	598,992
Elections	1,184	-	-	-	1,184
Finance and administrative	5,076	-	-	-	5,076
Other	14,825	-	-	-	14,825
Public safety	81,982	264,755	-	-	346,737
Public works	16,449	1,519,528	-	35,983	1,571,960
Health and welfare	62,252	34,039	-	-	96,291
Culture and recreation	1,471	150,566	-	-	152,037
Economic development and					
assistance	23,101	-	-	-	23,101
Transportation	108,313	-	-	-	108,313
Debt service	-	-	14,271	-	14,271
Capital outlay	16,234	265,937	-	-	282,171
Other expenditures	-	3,258	-	-	3,258
	<u>645,169</u>	<u>2,522,793</u>	<u>14,271</u>	<u>35,983</u>	<u>3,218,216</u>

Continued

MADISON PARISH POLICE JURY
Tallulah, Louisiana
GOVERNMENTAL FUNDS

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

	GOVERNMENTAL FUNDS			TOTAL (MEMORANDUM ONLY)	
	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND		CAPITAL PROJECTS FUND
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>145,038</u>	<u>(178,352)</u>	<u>(14,271)</u>	<u>3,953</u>	<u>(43,632)</u>
OTHER FINANCING SOURCES (USES):					
Capital lease proceeds	16,234	107,251	-	-	123,485
Operating transfers in	23,360	124,376	14,271	-	162,007
Operating transfers out	<u>(120,081)</u>	<u>(41,926)</u>	<u>-</u>	<u>-</u>	<u>(162,007)</u>
Total other financing sources (uses)	<u>(80,487)</u>	<u>189,701</u>	<u>14,271</u>	<u>-</u>	<u>123,485</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>64,551</u>	<u>11,349</u>	<u>-</u>	<u>3,953</u>	<u>79,853</u>
FUND BALANCES AT BEGINNING OF YEAR AS PREVIOUSLY REPORTED	113,751	1,521,790	-	-	1,635,541
PRIOR PERIOD ADJUSTMENTS:					
To record outstanding checks in previous year	<u>18,549</u>	<u>(20,400)</u>	<u>-</u>	<u>-</u>	<u>(1,851)</u>
FUND BALANCE AT BEGINNING OF YEAR - RESTATED	<u>132,300</u>	<u>1,501,390</u>	<u>-</u>	<u>-</u>	<u>1,633,690</u>
FUND BALANCES AT END OF YEAR	<u>\$ 196,851</u>	<u>\$ 1,512,739</u>	<u>\$ -</u>	<u>\$ 3,953</u>	<u>\$ 1,713,543</u>

The accompanying notes are an integral part of this statement.

MADISON PARISH POLICE JURY
Tallulah, Louisiana
GOVERNMENTAL FUNDS
GENERAL AND SPECIAL REVENUE FUNDS

**Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget
(GAAP Basis) and Actual
For the Year Ended December 31, 1998**

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Taxes:			
Ad valorem	\$ 130,251	\$ 114,102	\$ (16,149)
Sales and use	-	19,805	19,805
Other taxes, penalties, interest, etc.	-	385,075	385,075
Licenses and permits	48,040	55,537	7,497
Intergovernmental revenues:			
Federal grants	5,857	5,857	-
State funds:			
State revenue sharing (net)	147,383	11,459	(135,924)
Other	9,500	4,843	(4,657)
Fees, charges, and commissions for services	3,308	3,695	387
Use of money and property	978	1,923	945
Fines and forfeitures	-	-	-
Other revenues	225,306	187,911	(37,395)
Total revenues	570,623	790,207	219,584
EXPENDITURES:			
General government:			
Judicial / legislative	169,736	314,282	(144,546)
Elections	20,873	1,184	19,689
Finance and administrative	91,897	5,076	86,821
Other	-	14,825	(14,825)
Public safety	54,796	81,982	(27,186)
Public works	5,630	16,449	(10,819)
Health and welfare	50,658	62,252	(11,594)
Culture and recreation	1,657	1,471	186
Economic development and assistance	18,392	23,101	(4,709)
Transportation	85,158	108,313	(23,155)
Capital outlay	-	16,234	(16,234)
Other expenditures	-	-	-
Total expenditures	498,797	645,169	(146,372)

Continued

Statement C

SPECIAL REVENUE FUNDS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 1,251,321	\$ 1,260,237	\$ 8,916
-	-	-
-	47,098	47,098
-	-	-
-	-	-
92,189	56,840	(35,349)
-	-	-
131,923	99,144	(32,779)
214,476	15,676	(198,800)
175,001	458,492	283,491
10,887	22,058	11,171
-	288,496	288,496
31,983	96,400	64,417
1,907,780	2,344,441	436,661
-	284,710	(284,710)
-	-	-
51,976	-	51,976
48,606	-	48,606
-	264,755	(264,755)
1,689,617	1,519,528	170,089
35,231	34,039	1,192
147,515	150,566	(3,051)
8,679	-	8,679
-	265,937	(265,937)
-	-	-
-	3,258	(3,258)
1,981,624	2,522,793	(541,169)

MADISON PARISH POLICE JURY
Tallulah, Louisiana
GOVERNMENTAL FUNDS
GENERAL AND SPECIAL REVENUE FUNDS

**Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget
(GAAP Basis) and Actual
For the Year Ended December 31, 1998**

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>71,826</u>	<u>178,352</u>	<u>73,212</u>
OTHER FINANCING SOURCES (USES)			
Capital lease proceeds	-	16,234	16,234
Operating transfers in	119,062	23,360	(95,702)
Operating transfers out	-	(120,081)	(120,081)
Total other financing sources (uses)	<u>119,062</u>	<u>(80,487)</u>	<u>(199,549)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCIN	<u>190,888</u>	<u>64,551</u>	<u>(126,337)</u>
FUND BALANCES AT BEGINNING OF YEAR AS PREVIOUSLY REPORTED	113,751	113,751	-
PRIOR PERIOD ADJUSTMENTS:			
To record outstanding checks in previous period	<u>18,549</u>	<u>18,549</u>	-
FUND BALANCES AT BEGINNING OF YEAR- RESTATED	<u>132,300</u>	<u>132,300</u>	-
FUND BALANCES AT END OF YEAR	<u>\$ 323,188</u>	<u>\$ 196,851</u>	<u>\$ (126,337)</u>

The accompanying notes are an integral part of this statement.

Statement C - continued

SPECIAL REVENUE FUNDS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<u>(73,844)</u>	<u>(178,352)</u>	<u>(104,508)</u>
-	107,251	107,251
-	124,376	124,376
<u>(93,269)</u>	<u>(41,926)</u>	<u>51,343</u>
<u>(93,269)</u>	<u>189,701</u>	<u>282,970</u>
<u>(167,113)</u>	<u>11,349</u>	<u>178,462</u>
1,521,790	1,521,790	-
<u>(20,400)</u>	<u>(20,400)</u>	<u>-</u>
<u>1,501,390</u>	<u>1,501,390</u>	<u>-</u>
<u>\$ 1,334,277</u>	<u>\$ 1,512,739</u>	<u>\$ 178,462</u>

MADISON PARISH POLICE JURY
Tallulah, Louisiana
GOVERNMENTAL FUNDS
DEBT SERVICE AND CAPITAL PROJECTS FUNDS

**Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget
(GAAP Basis) and Actual
For the Year Ended December 31, 1998**

	DEBT SERVICE FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
<i>Intergovernmental revenues:</i>			
Federal grants	\$ -	\$ -	\$ -
Total revenues	-	-	-
EXPENDITURES:			
Public works	-	-	-
Debt service	-	14,271	(14,271)
Total expenditures	-	14,271	(14,271)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(14,271)	(14,271)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	14,271	14,271
Total other financing sources (uses)	-	14,271	14,271
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	-	-	-
FUND BALANCES AT BEGINNING OF YEAR	-	-	-
FUND BALANCES AT END OF YEAR	\$ -	\$ -	\$ -

The accompanying notes are an integral part of this statement.

Statement D

CAPITAL PROJECTS FUND		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ -	\$ 39,936	\$ 39,936
-	39,936	39,936
-	35,983	(35,983)
-	-	-
-	35,983	(35,983)
-	3,953	3,953
-	-	-
-	-	-
-	3,953	3,953
-	-	-
\$ -	\$ 3,953	\$ 3,953

MADISON PARISH POLICE JURY

Tallulah, Louisiana

Notes to Financial Statements

As of and for the Year Ended December 31, 1998

INTRODUCTION

The Madison Parish Police Jury is the governing authority for Madison Parish and is a political subdivision of the State of Louisiana. The police jury is governed by five jurors representing the various districts within the parish. The jurors serve four-year terms that expire on December 31, 1999.

Louisiana Revised Statute (R.S.) 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 power to make regulations for its own government; to regulate the construction and maintenance of roads, bridges, and 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. Funding to accomplish these tasks is provided by ad valorem taxes, beer and alcoholic beverage permits, state revenue sharing, and various other state and federal grants.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Madison Parish Police Jury have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

B. 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 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.

Continued

MADISON PARISH POLICE JURY

Tallulah, Louisiana

Notes to Financial Statements - Continued
 As of and for the Year Ended December 31, 1998

B. REPORTING ENTITY - CONTINUED

GASB Statement No. 14 established criteria for 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 accountability. 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.
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.

Based on the previous criteria, the police jury has determined that the following component units are part of the reporting entity:

<u>Component Unit</u>	<u>Fiscal Year End</u>	<u>Criteria Used</u>
Madison Parish Library	December 31	1, 2, and 3
Madison Parish Hospital		
Service District	December 31	1 and 3
Madison Parish Port Commission	December 31	1 and 3
Madison Parish Recreation District	December 31	1, 2, and 3
Bear Lake Fire Protection District No.1	December 31	1, 2, and 3
Madison Parish Tax Assessor	December 31	2 and 3
Madison Parish Clerk of Court	June 30	2 and 3
Madison Parish Sheriff	June 30	2 and 3

Continued

MADISON PARISH POLICE JURY

Tallulah, Louisiana

Notes to Financial Statements - Continued
As of and for the Year Ended December 31, 1998

B. REPORTING ENTITY - CONTINUED

The police jury has chosen to issue financial statements of the primary government (police jury) only; therefore, none of the previously listed component units are included in the accompanying financial statements.

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. 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).

Considered in the determination of component units of the reporting entity were the Madison Parish School Board and the various municipalities in the parish. It was determined that these governmental entities are not component units of the Madison Parish Police Jury reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of the Madison Parish Police Jury.

C. 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 relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the police jury are classified into three categories: governmental, proprietary, and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

MADISON PARISH POLICE JURY

Tallulah, Louisiana

Notes to Financial Statements - Continued
As of and for the Year Ended December 31, 1998

C. FUND ACCOUNTING - CONTINUED

Governmental Fund Types

Governmental funds are used to account for all or most of 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 funds include:

1. General Fund--the general operating fund of the police jury and accounts for all financial resources, except those required to be accounted for in other funds.
2. Special revenue funds--account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
3. Debt service funds--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.
4. Capital projects funds--account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

Account Groups

Account groups are used to establish accounting control and accountability for the Police Jury's general fixed assets and general long-term debt obligations. The two account groups are not "funds." They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

MADISON PARISH POLICE JURY
Tallulah, Louisiana

Notes to Financial Statements - Continued
As of and for the Year Ended December 31, 1998

C. FUND ACCOUNTING - CONTINUED

General Fixed Assets Account Group:

This account group is established to account for all fixed assets of the Police Jury. Capital outlays are recorded as expenditures of those funds at the time of purchase and are subsequently recorded for control purposes in the General Fixed Assets Account Group.

General Long-Term Debt Account Group:

This account group is established to account for all of the Police Jury's long-term debt that will be financed from general governmental resources.

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 are generally included on the balance sheet. Operating statements of these funds present *increases and decreases in net current assets*. The *modified accrual basis of accounting* is used by all governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

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. Those revenues susceptible to accrual are property taxes, state shared revenue, federal grants, charges for utility services, sales tax and interest. Fines, licenses, and permits are not susceptible to accrual because generally they are not measurable until received in cash.

MADISON PARISH POLICE JURY

Tallulah, Louisiana

Notes to Financial Statements - Continued
As of and for the Year Ended December 31, 1998

D. BASIS OF ACCOUNTING - CONTINUED

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is 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 (and any other financing source/use) are accounted for as other financing sources (uses).

E. BUDGETS

The police jury uses the following budget practices:

Annually, the Police Jury adopts budgets on all governmental funds. The budgetary practices include public notice of the proposed budgets, public inspections of the proposed budgets, and public hearings on the budgets. The budget is employed as a management control device during the year. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements include original adopted budget amounts and all subsequent amendments (as adopted by the Police Jury). Appropriations lapse at the end of each fiscal year. Encumbrances accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed as an extension of formal budgetary integration.

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the police jury may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Continued

MADISON PARISH POLICE JURY

Tallulah, Louisiana

Notes to Financial Statements - Continued
As of and for the Year Ended December 31, 1998

G. INVESTMENTS

Investments are limited by R.S. 33:2955 and the police jury's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

H. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

I. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available. Interest has not been capitalized on fixed assets in the Governmental Fund Type operations.

J. COMPENSATED ABSENCES

The police jury has the following policy relating to vacation and sick leave:

Police Jury

Employees of Policy Jury receive 10 to 20 days of annual leave each year, depending on the length of service. A maximum of 5 days annual leave may be carried forward to next year. Upon voluntary resignation or retirement, employees are compensated for annual leave accumulated to the date of separation. Sick leave is credited to a permanent full-time employee at the rate of 1 day for each month of continuous employment. Sick leave may accumulate to a maximum of 90 days. Upon retirement, all unused accumulated sick leave is used in retirement benefit computations as earned service.

MADISON PARISH POLICE JURY

Tallulah, Louisiana

Notes to Financial Statements - Continued
As of and for the Year Ended December 31, 1998

J. COMPENSATED ABSENCES - CONTINUED

Library

Substantially all employees of the library are granted 10 to 20 days of vacation leave each year, depending upon professional status and length of service with the library. Vacation leave is not cumulative. After 6 months of employment, library employees earn 12 days sick leave each year.

Sick leave may be accumulated by employees in an amount not to exceed 60 days for each employee. Upon resignation, an employee's accumulated sick leave is canceled.

K. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

L. FUND EQUITY

Designated Fund Balances

Designated fund balances represent tentative plans for future use of financial resources.

M. INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/ expenses in the fund that is reimbursed.

MADISON PARISH POLICE JURY
Tallulah, Louisiana

Notes to Financial Statements - Continued
As of and for the Year Ended December 31, 1998

M. INTERFUND TRANSACTIONS – CONTINUED

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

N. TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position 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. FUND DEFICITS

There are no individual funds that have deficits in unreserved fund balance at December 31, 1998.

3. EXPENDITURES/EXPENSES - ACTUAL AND BUDGET

The following individual funds have actual expenditures/expenses over budgeted expenditures/expenses for the year ended December 31, 1998:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General	\$ 564,921	\$ 628,935	\$ (64,014)
Special revenue:			
Public works	987,919	1,059,338	(71,419)
Garbage	471,395	604,749	(133,354)
Rural development	117,549	121,378	(3,829)
Library	149,331	150,566	(1,235)
Courthouse and jail	206,814	256,040	(49,226)
Debt Service	-	14,271	(14,271)
Capital Project	-	35,983	(35,983)
Total	<u>\$2,497,929</u>	<u>\$2,871,260</u>	<u>\$(373,331)</u>

Continued

MADISON PARISH POLICE JURY
Tallulah, Louisiana

Notes to Financial Statements - Continued
As of and for the Year Ended December 31, 1998

4. LEVIED TAXES

Ad valorem taxes which attach as an enforceable lien on property as of January 1 are levied in September or October, become due on November 15 of each year, and become delinquent on January 1 of the following year. The taxes are generally collected in December of the current year and January and February of the following year.

The following is a summary of authorized and levied ad valorem taxes for the year:

	Millage	Expiration Date
Parishwide taxes:		
General Fund/In	1.73	Indefinite
General Fund/Out	3.46	Indefinite
Health Unit	1.18	2002
Library	3.56	2002
Garbage Collection	9.03	2002
Drainage and Roads	17.10	2002
Courthouse and Jail	2.71	2002

5. CASH AND CASH EQUIVALENTS

At December 31, 1998, the police jury has cash and cash equivalents (book balances) totaling \$509,770 as follows:

Demand deposits	\$ 503,039
Interest-bearing demand deposits	6,711
Other	20
Total	\$ 509,770

Continued

MADISON PARISH POLICE JURY
Tallulah, Louisiana

Notes to Financial Statements - Continued
As of and for the Year Ended December 31, 1998

5. CASH AND CASH EQUIVALENTS - CONTINUED

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

At December 31, 1998, the police jury has \$619,792 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance and \$1,139,976 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the police jury that the fiscal agent has failed to pay deposited funds upon demand.

6. INVESTMENTS

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the police jury or its agent in the police jury's name
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the police jury's name
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the police jury's name

At fiscal year-end, the police jury's investment balances were as follows:

<u>Type of Investment</u>	<u>Category</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Carrying Amount</u>
U.S. Government Agencies:				
E911	1	\$ 51,423	\$ 52,000	\$ 51,423
Garbage	1	102,846	99,103	102,846
Total		<u>\$ 154,269</u>	<u>\$ 151,103</u>	<u>\$ 154,269</u>

Continued

MADISON PARISH POLICE JURY
Tallulah, Louisiana

Notes to Financial Statements - Continued
As of and for the Year Ended December 31, 1998

7. RECEIVABLES

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

	General Fund	Special Revenue Funds
Taxes:		
Ad valorem	\$ 98,399	\$ 1,107,124
Other	51,879	22,535
Other	16,781	18,583
Total	\$ 167,059	\$ 1,148,242

8. FIXED ASSETS

The changes in general fixed assets follow:

	Balance January 1, 1998	Additions	Deductions	Balance December 31, 1998
Land	\$ 372,750	\$ -	\$ -	\$ 372,750
Buildings	2,865,620	-	-	2,865,620
Equipment and furniture	1,312,785	160,793	107,251	1,366,327
Other asset classes	261,752	-	-	261,752
Total	\$ 4,812,907	\$ 160,793	\$ 107,251	\$ 4,866,449

Continued

MADISON PARISH POLICE JURY

Tallulah, Louisiana

Notes to Financial Statements - Continued
As of and for the Year Ended December 31, 1998

9. PENSION PLAN

Plan Description. Substantially all employees of the Madison Parish Police Jury are members of the Parochial Employees' Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan 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. All employees of the police jury are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish 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 creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to 1% of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980, plus 3% of final-average salary for each year of service credited after the revision date.

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 the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

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

MADISON PARISH POLICE JURY

Tallulah, Louisiana

Notes to Financial Statements - Continued
As of and for the Year Ended December 31, 1998

9. PENSION PLAN – CONTINUED

Funding Policy. Under Plan A, members are required by state statute to contribute 9.5% of their annual covered salary and the Madison Parish Police Jury is required to contribute at an actuarially determined rate. The current rate is 7.5% of annual covered payroll. Contributions to the System also include one-fourth of 1% of the taxes shown to be collectible by the tax rolls of each 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 Madison Parish Police Jury are established and may be amended by state statute. As provided by R.S. 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 Police Jury's contributions to the System under Plan A for the years ending December 31, 1998, 1997, and 1996, were \$64,202, \$62,368, and \$50,383, respectively, equal to the required contributions for each year.

10. ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$265,797 at December 31, 1998, are as follows:

<u>Class of Payable</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>
Accounts	\$ 61,030	\$ 204,767
Total	<u>\$ 61,030</u>	<u>\$ 204,767</u>

11. COMPENSATED ABSENCES

At December 31, 1998, no accrual has been made for accumulated and vested employee leave benefits as this amount is deemed immaterial.

Continued

MADISON PARISH POLICE JURY
Tallulah, Louisiana

Notes to Financial Statements - Continued
As of and for the Year Ended December 31, 1998

12. LEASES

The police jury records items under capital leases as assets and obligations in the accompanying financial statements. The following is an analysis of capital leases at December 31, 1998:

<u>Type</u>	<u>Cost</u>
Equipment	\$ <u>123,485</u>

The following is a schedule of future minimum lease payments under capital leases and the present value of the net minimum lease payments as of December 31, 1998:

	<u>Equipment</u>
Fiscal year:	
1999	\$ 28,681
2000	28,681
2001	28,681
2002	27,354
2003 and thereafter	<u>14,410</u>
Total minimum lease payments	127,807
Less - amounts representing interest	<u>16,614</u>
Present value of net minimum lease payments	<u>\$ 111,193</u>

The police jury has operating leases for various office space and office equipment. Total rent expense for 1998 was \$32,000.

Continued

MADISON PARISH POLICE JURY
Tallulah, Louisiana

Notes to Financial Statements - Continued
As of and for the Year Ended December 31, 1998

13. LEASES – CONTINUED

The minimum annual commitments under noncancelable operating leases are as follows:

<u>Fiscal Year</u>	<u>Buildings and Office Facilities</u>	<u>Equipment</u>	<u>Total</u>
1999	\$ 20,000	\$ 5,794	\$ 25,794
2000	10,800	-	10,800
2001	-	-	-
2002	-	-	-
2003	-	-	-
Thereafter	-	-	-
Total	<u>\$ 30,800</u>	<u>\$ 5,794</u>	<u>\$ 36,594</u>

14. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended December 31, 1998:

	<u>Capital Leases</u>	<u>Total</u>
Long-term obligations payable at January 1, 1998	\$ 98,697	\$ 98,697
Additions	123,485	123,485
Deductions	<u>110,989</u>	<u>110,989</u>
Long-term obligations payable at December 31, 1998	<u>\$ 111,193</u>	<u>\$ 111,193</u>

Continued

MADISON PARISH POLICE JURY
Tallulah, Louisiana

Notes to Financial Statements - Continued
As of and for the Year Ended December 31, 1998

15. CRIMINAL COURT FUND

R.S. 15:571.11 requires that one-half of any balance remaining in the criminal court fund at year end be transferred to the parish General Fund. The following details the amount due at December 31, 1998.

Balance due at January 1, 1998	\$	8,274
Amount due for 1998		23,360
Total		31,634
Remitted during 1998		8,274
Balance due at December 31, 1998	\$	23,360

16. INTERFUND ASSETS/LIABILITIES

Due from/to other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	Amount
Quebec Road	Public Works	\$ 3,953
General fund	Criminal Court	23,360
Total		\$ 27,313

18. LITIGATION AND CLAIMS

At December 31, 1998, the police jury is involved in litigation or is aware of claims totaling \$177,500 that are not covered by insurance. Of this amount, \$177,500 has been recorded as a liability of the general long-term obligations account group, as required by GASB Codification Section C50. The Madison Parish Police Jury is also involved in certain litigation being handled by insurance carriers. Any resultant liabilities are deemed to be within insurance limits and will not have a material impact on the financial statements.

Continued

MADISON PARISH POLICE JURY

Tallulah, Louisiana

Notes to Financial Statements - Continued
As of and for the Year Ended December 31, 1998

19. FOOD STAMP PROGRAM

The Food Stamp Program (terminated in January 1998) was operated by the police jury under an agreement with the Louisiana Department of Social Services. Under this program, the police jury was responsible for the issuance of food stamps to eligible participants in the parish. The value of food stamps on hand, received, and issued was not recorded in the accompanying statements. Activity for the year follows:

Balance at January 1, 1998	\$ 100,394
Received	-
Issued	-
Destroyed/returned	<u>100,394</u>
Balance at December 31, 1998	<u><u>\$ -</u></u>

20. JOINT VENTURE

The Madison Parish Police Jury has joint ventured with the City of Tallulah, Louisiana, the City of Vicksburg, Mississippi, and Warren County, Mississippi to build and operate a regional airport (Vicksburg-Tallulah Regional Airport) located in Madison Parish. Under the agreement, each entity is responsible for one-fourth of the operating deficit of the airport and one-fourth of any required local matching funds. Amounts paid to the airport are expenditures of the general fund. Separate financial statements of the airport are available.

21. YEAR 2000

The Madison Parish Police Jury's accounting software and related hardware is not deemed to be compliant with the year 2000 and beyond. The Police Jury is in the process of evaluating alternative systems and anticipates having the new system operational before the last quarter of 1999.

The Police Jury is also in the process of evaluating other electronic devices it maintains for year 2000 compliance as well as evaluating those organizations which are not in the police jury's control, but are an integral part of the daily operations of the Police Jury.

MADISON PARISH POLICE JURY
Tallulah, Louisiana

Notes to Financial Statements - Continued
As of and for the Year Ended December 31, 1998

22. BAD DEBTS

Uncollectible amounts due for ad valorem taxes are recognized as bad debts through the establishment of any allowance account at the time information becomes available which would indicate the uncollectability of the particular receivable.

MADISON PARISH POLICE JURY
Tallulah, Louisiana
SPECIAL REVENUE FUNDS

Combining Balance Sheet
December 31, 1998

	<u>Public Works Fund</u>	<u>Health Unit Fund</u>	<u>Garbage Fund</u>	<u>Rural Development Fund</u>
ASSETS				
Cash and cash equivalents	\$ 116,807	\$ 22,180	\$ 34,995	\$ -
Investments	-	-	102,846	-
Receivables (net of allowances for uncollectibles of -0-)	<u>582,235</u>	<u>38,905</u>	<u>297,717</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ 699,042</u></u>	<u><u>\$ 61,085</u></u>	<u><u>\$ 435,558</u></u>	<u><u>\$ -</u></u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts, salaries, and other payables	\$ 17,039	\$ -	\$ 114,962	\$ -
Interfund payable	<u>3,953</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>20,992</u>	<u>-</u>	<u>114,962</u>	<u>-</u>
Fund Equity - fund balances:				
Unreserved - undesignated	<u>678,050</u>	<u>61,085</u>	<u>320,596</u>	<u>-</u>
Total Fund Equity	<u>678,050</u>	<u>61,085</u>	<u>320,596</u>	<u>-</u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$ 699,042</u></u>	<u><u>\$ 61,085</u></u>	<u><u>\$ 435,558</u></u>	<u><u>\$ -</u></u>

Schedule 1

Criminal Court Fund	Library Fund	Courthouse and Jail Maintenance Fund	E911 Fund	Memorial Fund	TOTAL
\$ 62,343	\$ 98,332	\$ 5,513	\$ 99,596	\$ 2,542	\$ 442,308
-	-	-	51,423	-	154,269
<u>18,583</u>	<u>117,372</u>	<u>89,348</u>	<u>4,082</u>	<u>-</u>	<u>1,148,242</u>
<u>\$ 80,926</u>	<u>\$ 215,704</u>	<u>\$ 94,861</u>	<u>\$ 155,101</u>	<u>\$ 2,542</u>	<u>\$ 1,744,819</u>
\$ 34,206	\$ -	\$ 38,560	\$ -	\$ -	\$ 204,767
<u>23,360</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,313</u>
<u>57,566</u>	<u>-</u>	<u>38,560</u>	<u>-</u>	<u>-</u>	<u>232,080</u>
<u>23,360</u>	<u>215,704</u>	<u>56,301</u>	<u>155,101</u>	<u>2,542</u>	<u>1,512,739</u>
<u>23,360</u>	<u>215,704</u>	<u>56,301</u>	<u>155,101</u>	<u>2,542</u>	<u>1,512,739</u>
<u>\$ 80,926</u>	<u>\$ 215,704</u>	<u>\$ 94,861</u>	<u>\$ 155,101</u>	<u>\$ 2,542</u>	<u>\$ 1,744,819</u>

MADISON PARISH POLICE JURY
Tallulah, Louisiana
SPECIAL REVENUE FUNDS

**Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 1998**

	<u>Public Works Fund</u>	<u>Health Unit Fund</u>	<u>Garbage Fund</u>	<u>Rural Development Fund</u>
REVENUES:				
Taxes:				
Ad valorem	\$ 633,321	\$ 43,699	\$ 345,065	\$ -
Other taxes, penalties, interest, etc.	-	-	-	-
Intergovernmental revenues:				
Federal grants	28,945	1,997	15,285	-
State funds:				
State revenue sharing (net)	75,483	5,209	9,226	-
Fees, charges, and commissions for services	254,543	-	179,517	-
Other	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	6,879	676	3,789	893
Other revenues	24,143	-	-	40,002
	<u>1,023,314</u>	<u>51,581</u>	<u>552,882</u>	<u>40,895</u>
Total revenues				
EXPENDITURES				
General government:				
Judicial	-	-	-	-
Public safety	-	-	-	-
Public works	914,779	-	604,749	-
Health and welfare	-	34,039	-	-
Culture and recreation	-	-	-	-
Capital outlay	144,559	-	-	121,378
Other expenditures	-	-	-	-
	<u>1,059,338</u>	<u>34,039</u>	<u>604,749</u>	<u>121,378</u>
Total expenditures				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(36,024)</u>	<u>17,542</u>	<u>(51,867)</u>	<u>(80,483)</u>
OTHER FINANCING SOURCES (USES)				
Capital lease proceeds	107,251	-	-	-
Operating transfers in	-	-	-	-
Operating transfers out	(10,292)	-	-	-
	<u>96,959</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)				

Criminal Court Fund	Library Fund	Courthouse and Jail Fund	E911 Fund	Memorial Fund	TOTAL
\$ -	\$ 137,764	\$ 100,388	\$ -	\$ -	\$ 1,260,237
-	-	-	47,098	-	47,098
-	6,026	4,587	-	-	56,840
-	9,226	-	-	-	99,144
24,432	-	-	-	-	458,492
-	15,676	-	-	-	15,676
287,895	601	-	-	-	288,496
1,539	2,221	322	5,739	-	22,058
9,291	18,256	472	-	4,236	96,400
<u>323,157</u>	<u>189,770</u>	<u>105,769</u>	<u>52,837</u>	<u>4,236</u>	<u>2,344,441</u>
284,710	-	-	-	-	284,710
-	-	256,040	8,715	-	264,755
-	-	-	-	-	1,519,528
-	-	-	-	-	34,039
-	150,566	-	-	-	150,566
-	-	-	-	-	265,937
-	-	-	-	3,258	3,258
<u>284,710</u>	<u>150,566</u>	<u>256,040</u>	<u>8,715</u>	<u>3,258</u>	<u>2,522,793</u>
<u>38,447</u>	<u>39,204</u>	<u>(150,271)</u>	<u>44,122</u>	<u>978</u>	<u>(178,352)</u>
-	-	-	-	-	107,251
-	-	124,376	-	-	124,376
<u>(31,634)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(41,926)</u>
<u>(31,634)</u>	<u>-</u>	<u>124,376</u>	<u>-</u>	<u>-</u>	<u>189,701</u>

MADISON PARISH POLICE JURY
Tallulah, Louisiana
SPECIAL REVENUE FUNDS

**Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 1998**

	<u>Public Works Fund</u>	<u>Health Unit Fund</u>	<u>Garbage Fund</u>	<u>Rural Development Fund</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>60,935</u>	<u>17,542</u>	<u>(51,867)</u>	<u>(80,483)</u>
FUND BALANCES AT BEGINNING OF YEAR AS PREVIOUSLY STATED	617,115	43,543	372,463	100,483
PRIOR PERIOD ADJUSTMENTS:				
To record outstanding checks in previous period	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20,000)</u>
FUND BALANCES AT BEGINNING OF YEAR - RESTATED	<u>617,115</u>	<u>43,543</u>	<u>372,463</u>	<u>80,483</u>
FUND BALANCES AT END OF YEAR	<u><u>\$ 678,050</u></u>	<u><u>\$ 61,085</u></u>	<u><u>\$ 320,596</u></u>	<u><u>\$ -</u></u>

Schedule 2 - Continued

<u>Criminal Court Fund</u>	<u>Library Fund</u>	<u>Courthouse and Jail Fund</u>	<u>E911 Fund</u>	<u>Memorial Fund</u>	<u>TOTAL</u>
<u>6,813</u>	<u>39,204</u>	<u>(25,895)</u>	<u>44,122</u>	<u>978</u>	<u>11,349</u>
16,547	176,500	82,596	110,979	1,564	1,521,790
<u>-</u>	<u>-</u>	<u>(400)</u>	<u>-</u>	<u>-</u>	<u>(20,400)</u>
<u>16,547</u>	<u>176,500</u>	<u>82,196</u>	<u>110,979</u>	<u>1,564</u>	<u>1,501,390</u>
<u>\$ 23,360</u>	<u>\$ 215,704</u>	<u>\$ 56,301</u>	<u>\$ 155,101</u>	<u>\$ 2,542</u>	<u>\$ 1,512,739</u>

MADISON PARISH POLICE JURY
Tallulah, Louisiana
DEBT SERVICE FUNDS

**Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 1998**

	<u>Debt Service Fund</u>
EXPENDITURES	
Debt service:	
Principal retirement	\$ 11,340
Interest and bank charges	<u>2,931</u>
Total expenditures	<u>14,271</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(14,271)</u>
OTHER FINANCING SOURCES (USES)	
Operating transfers in	<u>14,271</u>
Total other financing sources (uses)	<u>14,271</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	-
FUND BALANCES AT BEGINNING OF YEAR	<u>-</u>
FUND BALANCES AT END OF YEAR	<u><u>\$ -</u></u>

MADISON PARISH POLICE JURY
 Tallulah, Louisiana
 CAPITAL PROJECTS FUNDS

Combining Balance Sheet
 December 31, 1998

Quebec
 Road

ASSETS

Interfund receivable		\$ 3,953
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TOTAL ASSETS		\$ 3,953
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LIABILITIES AND FUND EQUITY

Fund Equity - fund balances:		
Reserved		3,953

Total Fund Equity		3,953
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TOTAL LIABILITIES AND FUND EQUITY		\$ 3,953
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MADISON PARISH POLICE JURY
Tallulah, Louisiana
CAPITAL PROJECTS FUNDS

**Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 1998**

	<u>Quebec Road Project</u>
REVENUES:	
Federal grants	<u>\$ 39,936</u>
Total revenues	<u>39,936</u>
EXPENDITURES:	
Public works	<u>35,983</u>
Total expenditures	<u>35,983</u>
EXCESS OF REVENUES OVER EXPENDITURES	3,953
FUND BALANCES AT BEGINNING OF YEAR	<u>-</u>
FUND BALANCES AT END OF YEAR	<u><u>\$ 3,953</u></u>

MADISON PARISH POLICE JURY
Tallulah, Louisiana

Schedule of Compensation Paid Board Members
For the Year Ended December 31, 1998

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. 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, the president receives \$900 per month, and the other jurors receive \$800 per month. There were no changes of jurors during the year.

<u>POLICE JUROR</u>	<u>Amount</u>
Sidney Williams	\$ 9,600
Fred Morgan	9,600
Thomas Williams	10,800
Moses Williams, Sr.	9,600
Danny Guice	9,600
Total	\$ 49,200



May & Company

A Limited Liability Partnership

WE BRING EXCELLENCE AND INNOVATION TO THE EQUATION

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

To the Madison Parish Police Jury
Tallulah, Louisiana

We have audited the primary government financial statements of Madison Parish Police Jury as of and for the year ended December 31, 1998, and have issued our report thereon dated June 11, 1999, which expressed a qualified opinion. We conducted our 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 Madison Parish Police Jury's primary government 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 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 item 98-4 and 98-6.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Madison 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 primary government financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Madison Parish Police Jury's ability to record, process, summarize and report financial data consistent with the assertions of management in the primary government financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 98-1, 98-2, 98-3, and 98-5.

To the Madison Parish Police Jury
Tallulah, Louisiana

Page Two

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 primary government financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider all to be material weaknesses.

This report is intended solely for the information and use of Madison Parish Police Jury's management, others within the organization, and federal and state awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

No management letter was issued as a result of our audit.

May + Company

Vicksburg, Mississippi
June 11, 1999

MADISON PARISH POLICE JURY
Tallulah, Louisiana

Schedule of Findings and Questioned Costs
December 31, 1998

We have audited the financial statements of Madison Parish Police Jury as of and for the year ended December 31, 1998, and have issued our report thereon dated June 11, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 1999 resulted in a qualified opinion.

Section I Summary of Auditor's Reports

- a. The report on internal control and compliance contained internal control findings that were considered reportable conditions that are material weaknesses. The report also contained compliance findings that are material to the financial statements.
- b. The Madison Parish Police Jury had no federal awards that were major programs.

Section II Financial Statement Findings

<u>Finding Number</u>	<u>Description</u>
98-1	Accounting for Manual Checks
Criteria	Accounting procedures should be in place that allow management to record, process and summarize financial information in a manner consistent with management's intentions.
Condition	Manual checks are occasionally not entered into the accounting records in a timely manner.
Cause	A control procedure is not in place that gives management reasonable assurance that all transactions have been entered into the accounting records.
Effect	Account balances may not be properly stated.
Recommendation	Management should implement a control procedure that involves accounting for all numeric sequences of checks for each accounting period as part of its period and closing procedures and ensure all are recorded as appropriate.

Continued

MADISON PARISH POLICE JURY
Tallulah, Louisiana

Schedule of Findings and Questioned Costs - Continued
December 31, 1998

<u>Finding Number</u>	<u>Description</u>
98-2	Purchase Orders System
Criteria	A functioning purchase orders system is a necessary component of the Police Jury's accounting system.
Condition	Certain aspects of the purchase orders system are not being performed as designed. Various approvals are not being obtained and there is no reconciliation of the approved purchase order amounts and the invoiced amounts.
Cause	Management has been lax on enforcement of the policy.
Effect	Certain purchases have no evidence that they were acquired in accordance with management's intent.
Recommendation	Management should enforce the requisition/purchase order policies and procedures.
98-3	Garbage Fee Collections
Criteria	Certain water distribution organizations are contracted to collect garbage fees and remit these fees to the Police Jury.
Condition	It was represented to us that certain customers have not paid garbage fees for a significant period of time.
Cause	There is no apparent motivation for water organizations to pursue delinquent accounts.
Effect	The Police Jury is losing garbage fee revenues.
Recommendation	The Police Jury should frequently obtain an accounting of the delinquent fees and proceed with collection efforts.

Continued

MADISON PARISH POLICE JURY

Tallulah, Louisiana

Schedule of Findings and Questioned Costs - Continued

December 31, 1998

<u>Finding Number</u>	<u>Description</u>
98-4	General Fixed Asset Schedule
Criteria	Louisiana statutes require governmental entities to maintain appropriate and updated records of general fixed assets.
Condition	The general fixed asset records maintained by the Police Jury do not agree to the recorded amounts in the general ledger.
Cause	Apparent differences from past years continue to cause differences.
Effect	Management is not able to have reasonable assurance that the general fixed assets being recorded in the general ledger are being appropriately tracked in the fixed assets listing.
Recommendation	Management should determine the appropriate balances that should be tracked and make adjustments where needed.
98-5	General Ledger Account Reconciliations
Criteria	Accounting records should be maintained in a manner that facilitates accurate and timely financial reporting as well as provide reasonable assurance that fraud, errors or misappropriation of assets is prevented or detected in a timely manner.
Condition	Various accounts and records are not being reconciled and reconciling items are not being disposed of in a timely manner. This includes cash, due to/from accounts, transfers in/out, general fixed assets, payroll and benefits liability accounts and fund balances.
Cause	Appropriate period-end procedures have not been designed and implemented.

Continued

MADISON PARISH POLICE JURY
Tallulah, Louisiana

Schedule of Findings and Questioned Costs - Continued
December 31, 1998

<u>Finding Number</u>	<u>Description</u>
98-5	General Ledger Account Reconciliations - Continued
Effect	Substantial misstatements of account balances were noted in the ending account balances prior to audit adjustments.
Recommendation	Appropriate period-end procedures should be designed, documented and implemented.
98-6	Budget Variances Exceed 5%
Criteria	The Police Jury should adopt budgets, then monitor and amend budgets as appropriate.
Condition	The actual expenditures of several funds exceeded budgeted amounts (as amended) by over 5%.
Cause	Significant audit adjustments caused actual amounts to change significantly.
Effect	Significant budget to actual variances.
Recommendation	Implementation of policies and procedures as noted in other findings should help alleviate this problem. However, the Police Jury should monitor and amend budgets as appropriate.

MADISON PARISH POLICE JURY
Tallulah, Louisiana

Prior Year Findings

<u>Finding Number</u>	<u>Description</u>	<u>Status</u>
97-01	Inadequate accounting system	Not cleared (See current year findings 98-1, 98-2, 98-4 and 98-5)
97-02	Not listed in prior report	n/a
97-03	Not listed in prior report	n/a
97-04	Cost allocation plan	Cleared

(318) 574-3451
FAX (318) 574-3122

MADISON PARISH POLICE JURY

COURTHOUSE BUILDING
TALLULAH, LOUISIANA 71282



June 30, 1999

SIDNEY WILLIAMS
DISTRICT 1
FRED MORGAN
DISTRICT 2
THOMAS J. WILLIAMS
PRESIDENT
DISTRICT 3
MOSES WILLIAMS, SR.
DISTRICT 4
DANNY SOL GUICE
DISTRICT 5

Legislative Audit Advisory Council
State of Louisiana
P. O. Box 94397
Baton Rouge, LA 70804-9397

Attn.: D. G. Kyle

Dear Mr. Kyle:

In accordance with LSA-R.S. 24:519, the Madison Parish Police Jury (MPPJ) is responding to Schedule of Findings and Questioned Costs included in the 1998 audit report of May & Company. Our response is as follows:

Finding Number 98-1

- Management should implement a control procedure that involves accounting for all numeric sequences of checks for each accounting period as part of its period and closing procedures.

All checks will be verified during the reconciliation process. Management will work closely with the accounting firm of May & Company to develop a procedure to ensure that all checks are accounted for and in the appropriate accounting period.

Finding Number 98-2

- Management should enforce the requisition/purchase order policies and procedures.

Management will reiterate to all personnel the requirement that the initiation of purchases of goods and services is done by properly authorized requisitions bearing the approval of individuals designated to authorize requisitions. In addition, all other controls of approval and verification will be reinforced.

Finding Number 98-3

- The Police Jury should obtain an accounting of the delinquent fees and proceed with collection efforts.

Management has begun work with the various agencies to identify delinquent accounts.

Management will work toward the development of :

- procedures providing reasonable assurance that interest and penalties are properly charged.
- procedures providing for timely filing of liens on property for non-payment.
- procedures providing for the execution of all legal remedies to collect charged-off or uncollectible accounts.

Management will review delinquent accounts and consider for charge-offs on a timely basis.

Finding Number 98-4

- Management should determine the appropriate balances that should be tracked and make adjustments where needed.

Management will review the list closely and purge items that should be removed.

Finding Number 98-5

- Detailed period-end procedures should be designed, documented and implemented.

Management has begun clearing all reconciling items and reconciling accounts appropriately. Office personnel will work with the accounting firm of May and Company to develop procedures to assure a clearer understanding of requirements.

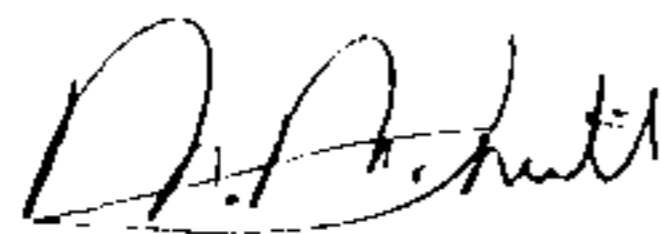
Finding Number 98-6

- Management should monitor budget to actual on an ongoing basis and submit the proposed budget amendments for approval.

In accordance with LRS 39:1301-1310, MPPJ will comply with the adoption and amendment of annual budgets for its existing general and special revenue funds and any newly established funds.

We hope this is a satisfactory corrective action plan to the concerns addressed in the 1998 audit report.

Sincerely,



Margarett Smith
Secretary/Treasurer