

2524

RECEIVED
LEGISLATIVE AUDITOR
04 JUN 30 PM 12: 17

MADISON PARISH POLICE JURY
Tallulah, Louisiana

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

For the Year Ended December 31, 2003

with

Independent Auditor's Reports

state law, this report is a public
of the report has been submitted to
for other appropriate public officials. The
available for public inspection at the Baton
of the Legislative Auditor and, where
at the office of the parish clerk of court.

Release Date 7-14-04

MADISON PARISH POLICE JURY
Tallulah, Louisiana

**Primary Government Financial Statements, Supplemental Information,
and Internal Control and Compliance
For the Year Ended December 31, 2003**

CONTENTS

	<u>Statement</u>	<u>Page Number</u>
Independent Auditor's Report		1-2
<i>Primary Government Financial Statements:</i>		
Combined Balance Sheet - All Fund Types and Account Groups	A	3
<i>Governmental Funds:</i>		
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances	B	4-5
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual:		
General and Special Revenue Funds	C	6-7
Debt Service and Capital Projects Funds	D	8
Notes to Financial Statements		9-27
	<u>Schedule</u>	
<i>Supplemental Information Schedules:</i>		
<i>Special Revenue Funds:</i>		
Combining Balance Sheet	1	29
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	2	30-31

**MADISON PARISH POLICE JURY
Tallulah, Louisiana**

**Primary Government Financial Statements, Supplemental Information,
and Internal Control and Compliance
For the Year Ended December 31, 2003**

CONTENTS - CONTINUED

	<u>Schedule</u>	<u>Page Number</u>
Schedule of Compensation Paid Board Members	3	32
Schedule of Prior Audit Findings		33
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		34-35
Schedule of Findings and Questioned Costs		36-39



May & Company

A Limited Liability Partnership

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, 2003, 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.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

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, the primary government financial statements present fairly, in all material respects, the financial position of the primary government of Madison Parish Police Jury as of December 31, 2003, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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, 2003, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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: info@maycpa.com • website: www.maycpa.com

To the Madison Parish Policy Jury
Tallulah, Louisiana

Page Two

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 2004, 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming 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 stated, in all material respects, in relation to the primary government financial statements taken as a whole.

Maus & Company

Vicksburg, Mississippi
June 4, 2004

MADISON PARISH POLICE JURY
Tallulah, Louisiana
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

December 31, 2003

	Governmental Funds				Account Groups		Total (Memorandum Only)
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	General Fixed Assets	General Long-term Obligations	
ASSETS AND OTHER DEBITS							
ASSETS:							
Cash and cash equivalents	\$ 129,632	\$ 655,177	\$ -	\$ -	\$ -	\$ -	\$ 784,809
Investments	-	132,494	-	-	-	-	132,494
Receivables (net of allowances for uncollectibles of \$0)	270,107	1,645,038	-	-	-	-	1,915,145
Interfund receivables	37,699	24,353	-	3,953	-	-	66,005
Land, buildings, and equipment	-	-	-	-	5,781,813	-	5,781,813
OTHER DEBITS:							
Amount to be provided for retirement of general long-term obligations	-	-	-	-	-	632,648	632,648
TOTAL ASSETS AND OTHER DEBITS	\$ 437,438	\$2,457,062	\$ -	\$ 3,953	\$5,781,813	\$ 632,648	\$9,312,914
LIABILITIES, EQUITY AND OTHER CREDITS							
LIABILITIES:							
Accounts, salaries, and other payables	\$ 165,468	\$ 364,394	\$ -	\$ -	\$ -	\$ -	\$ 529,862
Interfund payables	24,353	41,652	-	-	-	-	66,005
Note payable	-	-	-	-	-	278,964	278,964
Claims and judgments payable	-	-	-	-	-	177,500	177,500
Capital lease payable	-	-	-	-	-	176,184	176,184
Total liabilities	189,821	406,046	-	-	-	632,648	1,228,515
EQUITY AND OTHER CREDITS:							
Investment in general fixed assets	-	-	-	-	5,781,813	-	5,781,813
Fund balances:							
Reserved	-	-	-	3,953	-	-	3,953
Unreserved:							
Undesignated	247,617	2,051,016	-	-	-	-	2,298,633
Total equity and other credits	247,617	2,051,016	-	3,953	5,781,813	-	8,084,399
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 437,438	\$2,457,062	\$ -	\$ 3,953	\$5,781,813	\$ 632,648	\$9,312,914

The accompanying notes are an integral part of this statement.

MADISON PARISH POLICE JURY
Tallulah, Louisiana
GOVERNMENTAL FUNDS

**Combined Statement of Revenues, Expenditures,
And Changes in Fund Balances
For the Year Ended December 31, 2003**

	Governmental Funds				Total (Memorandum Only)
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	
REVENUES:					
Taxes:					
Ad valorem	\$ 133,337	\$ 1,624,320	\$ -	\$ -	\$ 1,757,657
Other taxes, penalties, interest, etc.	641,054	86,906	-	-	727,960
Licenses and permits	71,045	-	-	-	71,045
Intergovernmental revenues:					
Federal grants	190,915	130,769	-	-	321,684
State funds:					
State revenue sharing (net)	11,169	95,863	-	-	107,032
Other	28,605	285,327	-	-	313,932
Fees, charges, and commissions for services	-	342,375	-	-	342,375
Fines and forfeitures	-	210,501	-	-	210,501
Use of money and property	1,946	10,741	-	-	12,687
Other revenues	3,982	9,028	-	-	13,010
Total revenues	<u>1,082,053</u>	<u>2,795,830</u>	<u>-</u>	<u>-</u>	<u>3,877,883</u>
EXPENDITURES:					
Current:					
General government:					
Judicial/legislative	406,805	242,420	-	-	649,225
Elections	36,733	-	-	-	36,733
Finance and administrative	130,099	-	-	-	130,099
Other	4,612	-	-	-	4,612
Public safety	62,245	487,505	-	-	549,750
Public works	-	1,835,551	-	-	1,835,551
Health and welfare	190,778	26,499	-	-	217,277
Culture and recreation	5,931	178,673	-	-	184,604
Economic development and assistance	27,627	-	-	-	27,627
Transportation	21,810	-	-	-	21,810
Debt service	-	91,582	57,346	-	148,928
Capital outlay	-	176,970	-	-	176,970
Other expenditures	7,699	13,610	-	-	21,309
Total expenditures	<u>894,339</u>	<u>3,052,810</u>	<u>57,346</u>	<u>-</u>	<u>4,004,495</u>

Continued

MADISON PARISH POLICE JURY
Tallulah, Louisiana
GOVERNMENTAL FUNDS

**Combined Statement of Revenues, Expenditures,
And Changes in Fund Balances - Continued
For the Year Ended December 31, 2003**

	Governmental Funds				Total (Memorandum Only)
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	187,714	(256,980)	(57,346)	-	(126,612)
OTHER FINANCING SOURCES (USES):					
Capital lease proceeds	-	52,850	-	-	52,850
Operating transfers in	25,543	1,066,455	57,346	-	1,149,344
Operating transfers out	(344,325)	(805,019)	-	-	(1,149,344)
Total other financing sources (uses)	(318,782)	314,286	57,346	-	52,850
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(131,068)	57,306	-	-	(73,762)
FUND BALANCES AT BEGINNING OF YEAR	378,685	1,993,710	-	3,953	2,376,348
FUND BALANCES AT END OF YEAR	\$ 247,617	\$ 2,051,016	\$ -	\$ 3,953	\$ 2,302,586

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, 2003**

	General Fund		Special Revenue Funds		Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
REVENUES:					
Taxes:					
Ad valorem	\$ 217,520	\$ 133,337	\$ (84,183)	\$ 1,624,320	\$ (17,802)
Other taxes, penalties, interest, etc.	-	641,054	641,054	86,906	86,906
Licenses and permits	678,400	71,045	(607,355)	-	-
Intergovernmental revenues:					
Federal grants	26,420	190,915	164,495	130,769	61,373
State funds:					
State revenue sharing (net)	221,022	11,169	(209,853)	95,863	(303,295)
Other	22,325	28,605	6,280	285,327	231,448
Fees, charges, and commissions for services	1,052	-	(1,052)	342,375	(51,439)
Fines and forfeitures	-	-	-	10,125	200,376
Use of money and property	1,600	1,946	346	10,741	2,723
Other revenues	36,847	3,982	(32,865)	9,028	6,729
Total revenues	1,205,186	1,082,053	(123,133)	2,578,811	217,019
EXPENDITURES:					
General government:					
Judicial/legislative	467,238	406,805	60,433	242,420	(242,420)
Elections	35,153	36,733	(1,580)	-	-
Finance and administrative	108,868	130,099	(21,231)	104,321	104,321
Other	36,478	4,612	31,866	97,688	97,688
Public safety	60,767	62,245	(1,478)	430,798	(56,707)
Public works	-	-	-	1,749,638	(85,913)
Health and welfare	170,372	190,778	(20,406)	22,709	(3,790)
Culture and recreation	4,031	5,931	(1,900)	162,408	(16,265)
Economic development and assistance	38,003	27,627	10,376	22,590	22,590
Transportation	22,000	21,810	190	-	-
Debt service	46,240	-	46,240	93,275	1,693
Capital outlay	-	-	-	176,970	(176,970)
Other expenditures	7,700	7,699	1	13,610	(13,610)
Total expenditures	996,850	894,339	102,511	2,683,427	(369,383)

Continued

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 - Continued
For the Year Ended December 31, 2003**

	General Fund		Special Revenue Funds		Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	208,336	187,714	(104,616)	(256,980)	(152,364)
OTHER FINANCING SOURCES (USES):					
Bond and capital lease proceeds	41,700	-	280,880	52,850	(228,030)
Operating transfers in	46,240	25,543	688,802	1,066,455	377,653
Operating transfers out	(211,317)	(344,325)	(393,768)	(805,019)	(411,251)
Total other financing sources (uses)	(123,377)	(318,782)	575,914	314,286	(261,628)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	84,959	(131,068)	471,298	57,306	(413,992)
FUND BALANCES AT BEGINNING OF YEAR	378,685	378,685	1,993,710	1,993,710	-
FUND BALANCES AT END OF YEAR	\$ 463,644	\$ 247,617	\$ 2,465,008	\$ 2,051,016	\$ (413,992)

Statement D

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, 2003

	Debt Service Fund		Capital Projects Fund		Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
EXPENDITURES:					
Debt service	\$ -	\$ 57,346	\$ -	\$ -	\$ -
Total expenditures	-	57,346	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(57,346)	-	-	-
OTHER FINANCING SOURCES (USES):					
Operating transfers in (out)	-	57,346	-	-	-
Total other financing sources (uses)	-	57,346	-	-	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	-	-	-	-	-
FUND BALANCES AT BEGINNING OF YEAR	-	-	3,953	3,953	-
FUND BALANCES AT END OF YEAR	\$ -	\$ -	\$ 3,953	\$ 3,953	\$ -

The accompanying notes are an integral part of this statement.

MADISON PARISH POLICE JURY
Tallulah, Louisiana

Notes to Financial Statements
For the Year Ended December 31, 2003

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 in January, 2004.

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 primarily by ad valorem taxes, beer and alcoholic beverage permits, state revenue sharing, and various other state and federal grants.

1. 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
For the Year Ended December 31, 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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 Hospital Service District	December 31	1 and 3
Madison Parish Port Commission	December 31	1 and 3
Madison Parish Recreation District	December 31	1 and 3
Afton Fire Protection	December 31	1 and 3
Mound Fire Protection	December 31	1 and 3
Bear Lake Fire Protection District No.1	December 31	1 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
Madison Parish Tourism Commission	December 31	1 and 3

Continued

MADISON PARISH POLICE JURY
Tallulah, Louisiana

Notes to Financial Statements - Continued
For the Year Ended December 31, 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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. Information on obtaining separate financial statements for component units may be obtained from that component unit.

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 are as follows:

Continued

MADISON PARISH POLICE JURY
Tallulah, Louisiana

Notes to Financial Statements - Continued
For the Year Ended December 31, 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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.

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.

Continued

**MADISON PARISH POLICE JURY
Tallulah, Louisiana**

**Notes to Financial Statements - Continued
For the Year Ended December 31, 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

C. FUND ACCOUNTING - CONTINUED

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/paid.

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).

Continued

MADISON PARISH POLICE JURY
Tallulah, Louisiana

Notes to Financial Statements - Continued
For the Year Ended December 31, 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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. Encumbrance 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.

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. The Police Jury invests in authorized U.S. government securities. Investments are carried at fair market value based on quoted market prices. The Police Jury's intent is to hold all investments to maturity.

**MADISON PARISH POLICE JURY
Tallulah, Louisiana**

**Notes to Financial Statements - Continued
For the Year Ended December 31, 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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. 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:

Employees of the 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 the 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
For the Year Ended December 31, 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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. 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.

All other inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating transfers.

M. 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. Inter-fund eliminations have not been made in the aggregation of this data.

2. FUND DEFICITS

The Criminal Court Fund's deficit fund balance of \$12,157 is the result of revenues being inadequate to cover expenditures including repairs and maintenance expense and court attendance expense. In the future, revenues should be adequate to cover expenditures in the Criminal Court Fund.

Continued

MADISON PARISH POLICE JURY
Tallulah, Louisiana

Notes to Financial Statements - Continued
For the Year Ended December 31, 2003

3. EXPENDITURES/EXPENSES - ACTUAL AND BUDGET

The following individual funds have actual expenditures/expenses over budgeted expenditures/expenses for the year ended December 31, 2003:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Special revenue:			
Library	\$ 175,727	\$ 178,514	\$ (2,787)
Garbage	681,012	710,074	(29,062)
Health Unit	24,034	26,499	(2,465)
Public Works	1,205,900	1,213,581	(7,681)
Rural Development	22,590	76,209	(53,619)
USDA Note Fund	-	46,240	(46,240)
Courthouse and Jail	<u>361,316</u>	<u>388,562</u>	<u>(27,246)</u>
 Total	 <u>\$ 2,470,579</u>	 <u>\$ 2,639,679</u>	 <u>\$(169,110)</u>

The debt service fund's budgeted expenditures exceeded the total estimated funds available by \$57,346.

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.

**MADISON PARISH POLICE JURY
Tallulah, Louisiana**

**Notes to Financial Statements - Continued
For the Year Ended December 31, 2003**

4. LEVIED TAXES - CONTINUED

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

	Millage	Expiration Date
Parish wide taxes:		
General Fund/In	1.73	Indefinite
General Fund/Out	3.46	Indefinite
Health Unit	1.18	2012
Library	3.56	2012
Garbage Collection	9.02	2008
Drainage and Roads	17.08	2008
Courthouse and Jail	2.71	2012
Library 2002	1.94	2011
Health Unit 2002	1.50	2011

5. CASH AND CASH EQUIVALENTS

At December 31, 2003, the Police Jury has cash and cash equivalents (book balances) totaling \$784,809 as follows:

Interest-bearing demand deposits	\$ 784,789
Other	20
Total cash and cash equivalents	\$ 784,809

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, 2003, the Police Jury has \$797,175 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance and \$1,144,907 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Continued

**MADISON PARISH POLICE JURY
Tallulah, Louisiana**

**Notes to Financial Statements - Continued
For the Year Ended December 31, 2003**

5. CASH AND CASH EQUIVALENTS - CONTINUED

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:				
Library	1	\$ 77,462	\$ 77,024	\$ 77,462
E-911	1	55,032	54,368	55,032
Total		<u>\$ 132,494</u>	<u>\$ 131,392</u>	<u>\$ 132,494</u>

Total interest earned on investments at December 31, 2003 was \$5,935. Net appreciation in fair value of investments was \$1,102 at December 31, 2003.

MADISON PARISH POLICE JURY
Tallulah, Louisiana

Notes to Financial Statements - Continued
For the Year Ended December 31, 2003

7. RECEIVABLES

The following is a summary of receivables at December 31, 2003:

	<u>General Fund</u>	<u>Special Revenue Funds</u>
Taxes:		
Ad valorem	\$ 119,267	\$ 1,459,494
Other	111,105	-
Other	<u>39,735</u>	<u>185,544</u>
Total	<u>\$ 270,107</u>	<u>\$ 1,645,038</u>

8. CHANGES IN GENERAL FIXED ASSETS

The changes in general fixed assets are as follows:

	<u>Balance January 1 2003</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31 2003</u>
Land	\$ 430,545	\$ -	\$ -	\$ 430,545
Buildings	3,689,938	66,626	-	3,756,564
Equipment and furniture	1,259,952	73,000	-	1,332,952
Other asset classes	<u>261,752</u>	<u>-</u>	<u>-</u>	<u>261,752</u>
Total	<u>\$ 5,642,187</u>	<u>\$ 139,626</u>	<u>\$ -</u>	<u>\$ 5,781,813</u>

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.

Continued

MADISON PARISH POLICE JURY
Tallulah, Louisiana

Notes to Financial Statements - Continued
For the Year Ended December 31, 2003

9. PENSION PLAN - CONTINUED

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.

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 7.75% 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, 2003, 2002 and 2001 were \$67,342, \$62,664 and \$79,160, respectively, equal to the required contributions for each year.

**MADISON PARISH POLICE JURY
Tallulah, Louisiana**

**Notes to Financial Statements - Continued
For the Year Ended December 31, 2003**

10. ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$529,862 at December 31, 2003 are as follows:

<u>Class of payable</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>
Accounts	<u>\$ 165,468</u>	<u>\$ 364,394</u>

11. COMPENSATED ABSENCES

At December 31, 2003, no accrual has been made for accumulated and vested employee leave benefits as this amount is deemed immaterial.

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, 2003:

<u>Type</u>	<u>Cost</u>
Equipment	<u>\$ 267,126</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, 2003:

<u>Fiscal year</u>	<u>Equipment</u>
2004	\$ 62,589
2005	52,300
2006	38,514
2007	31,562
2008 and thereafter	<u>-</u>
Total minimum lease payments	184,965
Less amounts representing interest	<u>8,781</u>
Present value of net minimum lease payments	<u>\$ 176,184</u>

Continued

MADISON PARISH POLICE JURY
Tallulah, Louisiana

Notes to Financial Statements - Continued
For the Year Ended December 31, 2003

12. LEASES - CONTINUED

The Police Jury has operating leases for various office space and office equipment. Total rent expense for 2003 was \$63,455.

The minimum annual commitments under non-cancelable operating leases are as follows:

<u>Fiscal year</u>	<u>Buildings and Office Facilities</u>
2004	\$ 28,136
2005	22,536
2006	22,536
2007	22,536
2008 and thereafter	<u>9,390</u>
Total	<u>\$ 105,134</u>

13. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended December 31, 2003:

	<u>Capital Leases</u>	<u>Notes Payable</u>	<u>Total</u>
Long-term obligations payable at January 1, 2003	\$ 173,576	\$ 348,240	\$ 521,816
Additions	52,850	-	52,850
Deductions	<u>(50,242)</u>	<u>(69,276)</u>	<u>(119,518)</u>
Long-term obligations payable at December 31, 2003	<u>\$ 176,184</u>	<u>\$ 278,964</u>	<u>\$ 455,148</u>

Continued

**MADISON PARISH POLICE JURY
Tallulah, Louisiana**

**Notes to Financial Statements - Continued
For the Year Ended December 31, 2003**

13. CHANGES IN GENERAL LONG-TERM OBLIGATIONS - CONTINUED

Long-term obligations consisted of the following notes payable:

Unsecured note payable to company dated November 30, 1999, payable in monthly installments of \$3,779, including interest at the rate of 10% per annum through November 2004.	\$ 38,953
Bond payable to USDA for \$270,000, dated January 1, 2001, payable in annual installments of \$46,240, including interest at the rate of 4.75% per annum beginning March 2003 and ending March 2009.	<u>240,011</u>
	<u>\$ 278,964</u>

Total interest expense incurred on notes payable during the year ended December 31, 2003 was \$22,307.

Annual maturities of long-term debt for the next five years are as follows:

2004	\$ 73,954
2005	36,664
2006	38,406
2007	40,230
2008	42,141
Thereafter	<u>47,569</u>
	<u>\$ 278,964</u>

Continued

MADISON PARISH POLICE JURY
Tallulah, Louisiana

Notes to Financial Statements - Continued
For the Year Ended December 31, 2003

14. 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, 2003.

Balance due January 1, 2003	\$ 23,360
Amount due for 2003	-
Total	23,360
Remitted during 2003	-
Balance due December 31, 2003	\$ 23,360

15. INTERFUND ASSETS/LIABILITIES

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Criminal Court	\$ 37,312
Criminal Court	General	36
Health Unit	General	958
E-911	General	434
General	Courthouse and Jail	387
Library	General	995
Public Works	General	21,930
Capital Projects	Public Works	3,953
Total		\$ 66,005

16. RESERVES OF FUND BALANCES

The Police Jury utilizes reserves to denote that portion of fund balances, which is not applicable for expenditures or is legally segregated for specific use. Reserves are indicated on the balance sheet. At December 31, 2003, reserved fund balance included \$3,953 reserved for capital projects.

Continued

MADISON PARISH POLICE JURY
Tallulah, Louisiana

Notes to Financial Statements - Continued
For the Year Ended December 31, 2003

17. CONTINGENT LIABILITES

Litigation

At December 31, 2003, the Police Jury is involved in litigation or is aware of claims totaling \$177,500 that is 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. The Police Jury is a defendant in a lawsuit filed by a police juror.

Grants

The Police Jury receives federal and state grants for specific purposes that are subject to review and audit by federal and state agencies. Such audits could result in a request for reimbursement by federal or state agencies for expenditures disallowed under the terms and conditions of the grants. In the opinion of the Police Jury, such disallowances, if any, will be immaterial.

18. 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. Amount paid to the airport are expenditures of the general fund. Madison Parish Police Jury paid \$21,810 to Vicksburg Tallulah Regional Airport in current year. Separate financial statements of the Vicksburg-Tallulah Regional Airport are available.

Continued

MADISON PARISH POLICE JURY
Tallulah, Louisiana

Notes to Financial Statements - Continued
For the Year Ended December 31, 2003

19. BAD DEBTS

Uncollectible amounts due for ad valorem taxes are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate that the particular receivable is uncollectible. No bad debts existed at December 31, 2003.

20. RISK MANAGEMENT

The Police Jury is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Police Jury carries commercial insurance.

21. NEW PRONOUNCEMENTS

GASB Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments makes dramatic changes to the way state and local governments report their finances to the public. Under the new reporting model, the financial statements and required supplementary information will include the following:

- Management’s discussion and analysis
- Government wide financial statements
- Fund financial statements
- Notes to the financial statements
- Required supplementary information including budgetary comparison schedules, infrastructure condition data, and other data required by previous pronouncements, if applicable.

GASB No. 34 becomes effective in phases based on an organization’s total revenues for years ended after June 15, 1999. The Madison Parish Police Jury plans to implement GASB No. 34 in the fiscal year ending December 31, 2004. Component units of the Madison Parish Police Jury will be required to implement the new reporting requirements in the same year as the primary government regardless of revenues.

22. E-911

The E-911 system for Madison Parish was implemented in the prior year. Madison Parish Police Jury collected \$86,906 in emergency telephone charges during 2003.

SUPPLEMENTAL INFORMATION SCHEDULES

MADISON PARISH POLICE JURY
Tallulah, Louisiana
SPECIAL REVENUE FUNDS

Combining Balance Sheet
December 31, 2003

	Public Works Fund	Health Unit Fund	Garbage Fund	Rural Development Fund	Criminal Court Fund	Library Fund	Courtthouse and Jail Maintenance Fund		E911 Fund	Memorial Fund	Tri-Delta Grant Fund	LCDBG Grant Fund	Construction Fund	LTD Tax Cert of Indebtedness Fund	Road Improvement Escrow Fund	USDA Note Fund	Total
ASSETS																	
Cash and cash equivalents	\$ 42,573	\$ 225,981	\$ 24,686	\$ -	\$ 17,434	\$ 134,312	\$ 12,372	\$ 94,823	\$ 5,254	\$ 9,056	\$ -	\$ 4,992	\$ 5,076	\$ 34,326	\$ 44,292	\$ 655,177	
Investments	-	-	-	-	-	77,462	-	55,032	-	-	-	-	-	-	-	132,494	
Receivables (net of allowances for uncollectibles of -0-)	716,149	107,270	385,633	73,769	17,599	217,010	106,927	20,681	-	-	-	-	-	-	-	1,645,038	
Interfund receivable	21,930	958	-	-	36	995	-	434	-	-	-	-	-	-	-	24,353	
TOTAL ASSETS	\$ 780,652	\$ 334,209	\$ 410,319	\$ 73,769	\$ 35,069	\$ 429,779	\$ 119,299	\$ 170,970	\$ 5,254	\$ 9,056	\$ -	\$ 4,992	\$ 5,076	\$ 34,326	\$ 44,292	\$ 2,457,062	
LIABILITIES AND FUND EQUITY																	
Liabilities:																	
Accounts, salaries, and other payables	\$ 54,258	\$ 6,415	\$ 91,265	\$ 73,769	\$ 9,914	\$ 12,859	\$ 72,111	\$ 43,803	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 364,394	
Interfund payable	3,953	-	-	-	37,312	-	387	-	-	-	-	-	-	-	-	41,652	
Total liabilities	58,211	6,415	91,265	73,769	47,226	12,859	72,498	43,803	-	-	-	-	-	-	-	406,046	
Fund equity - fund balances:																	
Unreserved - undesignated	722,441	327,794	319,054	-	(12,157)	416,920	46,801	127,167	5,254	9,056	-	4,992	5,076	34,326	44,292	2,051,016	
Total fund equity	722,441	327,794	319,054	-	(12,157)	416,920	46,801	127,167	5,254	9,056	-	4,992	5,076	34,326	44,292	2,051,016	
TOTAL LIABILITIES AND FUND EQUITY	\$ 780,652	\$ 334,209	\$ 410,319	\$ 73,769	\$ 35,069	\$ 429,779	\$ 119,299	\$ 170,970	\$ 5,254	\$ 9,056	\$ -	\$ 4,992	\$ 5,076	\$ 34,326	\$ 44,292	\$ 2,457,062	

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, 2003

	Public Works Fund	Health Unit Fund	Garbage Fund	Rural Development Fund	Criminal Court Fund	Library Fund	Courthouse and Jail Maintenance Fund	E911 Fund	Memorial Fund	Tri-Delta Grant Fund	LCDBG Grant Fund	Construction Fund	LTD Tax Cert of Indebtedness Fund	Road Improvement Escrow Fund	USDA Note Fund	Total
REVENUES:																
Taxes:																
Ad valorem	\$ 750,024	\$ 117,685	\$ 396,090	\$ -	\$ -	\$ 241,518	\$ 119,003	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,624,320
Other taxes, penalties, interest, etc.	-	-	-	-	-	-	-	86,906	-	-	-	-	-	-	-	86,906
Intergovernmental revenues:																
Federal grants	80,422	2,282	17,446	-	-	6,886	5,241	-	-	-	18,492	-	-	-	-	130,769
State funds:																
State revenue sharing (net)	72,966	5,041	8,928	-	-	8,928	-	-	-	-	-	-	-	-	-	95,863
Other	167,968	-	-	96,359	-	-	21,000	-	-	-	-	-	-	-	-	285,327
Fees, charges, and commissions for services	9,142	-	321,208	-	12,025	-	-	-	-	-	-	-	-	-	-	342,375
Fines and forfeitures	10,000	-	-	-	200,380	121	-	-	-	-	-	-	-	-	-	210,501
Use of money and property	1,896	1,441	508	-	108	2,087	877	2,394	51	-	-	-	39	836	504	10,741
Other revenues	6,776	-	1,180	-	-	667	-	110	295	-	-	-	-	-	-	9,028
Total revenues	1,099,194	126,449	745,360	96,359	212,513	260,207	146,121	89,410	346	-	18,492	-	39	836	504	2,795,830
EXPENDITURES:																
General government:																
Judicial	-	-	-	-	242,420	-	-	-	-	-	-	-	-	-	-	242,420
Public safety	-	-	-	-	-	-	382,687	104,818	-	-	-	-	-	-	-	487,505
Public works	1,160,731	-	664,732	5,140	-	-	-	-	-	-	4,882	-	-	66	-	1,835,551
Health and welfare	-	26,499	-	-	-	-	-	-	-	-	-	-	-	-	-	26,499
Culture and recreation	-	-	-	-	-	178,514	-	-	159	-	-	-	-	-	-	178,673
Debt service	-	-	45,342	-	-	-	-	-	-	-	-	-	-	-	46,240	91,582
Capital outlay	52,850	-	-	71,069	-	-	5,875	20,150	-	-	-	27,026	-	-	-	176,970
Other expenditures	-	-	-	-	-	-	-	-	-	-	13,610	-	-	-	-	13,610
Total expenditures	1,213,581	26,499	710,074	76,209	242,420	178,514	388,562	124,968	159	-	18,492	27,026	39	66	46,240	3,052,810
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(114,387)	99,950	35,286	20,150	(29,907)	81,693	(242,441)	(35,558)	187	-	-	(27,026)	39	770	(45,736)	(256,980)

MADISON PARISH POLICE JURY
Tahulah, Louisiana
SPECIAL REVENUE FUNDS

Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances - Continued
For the Year Ended December 31, 2003

	Public Works Fund	Health Unit Fund	Garbage Fund	Rural Development Fund	Criminal Court Fund	Library Fund	Courthouse and Jail Fund	E911 Fund	Memorial Fund	Tri-Delta Grant Fund	LCDBG Grant Fund	Construction Fund	LTD Tax Cert of Indebtedness Fund	Road Improvement Escrow Fund	USDA Note Fund	Total
OTHER FINANCING SOURCES (USES):																
Capital lease proceeds	52,850	-	-	-	-	-	-	-	-	-	-	-	-	-	-	52,850
Operating transfers in	184,114	-	336,286	-	74,676	-	239,918	43,190	-	-	-	12,407	4,624	125,000	46,240	1,066,455
Operating transfers out	(168,545)	(2,253)	(191,804)	(20,150)	-	(7,531)	(226,009)	-	-	-	-	-	-	(184,103)	(4,624)	(805,019)
Total other financing sources (uses)	68,419	(2,253)	144,482	(20,150)	74,676	(7,531)	13,909	43,190	-	-	-	12,407	4,624	(59,103)	41,616	314,286
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(45,968)	97,697	179,768	-	44,769	74,162	(228,532)	7,632	187	-	-	(14,619)	4,663	(58,333)	(4,120)	57,306
FUND BALANCES AT BEGINNING OF YEAR	768,409	230,097	139,286	-	(56,926)	342,758	275,333	119,535	5,067	9,056	-	19,611	413	92,659	48,412	1,993,710
FUND BALANCES AT END OF YEAR	\$ 722,441	\$ 327,794	\$ 319,054	\$ -	\$ (12,157)	\$ 416,920	\$ 46,801	\$ 127,167	\$ 5,254	\$ 9,056	\$ -	\$ 4,992	\$ 5,076	\$ 34,326	\$ 44,292	\$ 2,051,016

MADISON PARISH POLICE JURY
Tallulah, Louisiana

Schedule of Compensation Paid Board Members
For the Year Ended December 31, 2003

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 \$1,100 per month and the other jurors receive \$1,000 per month. There were no changes of jurors during the year.

<u>POLICE JUROR</u>	<u>Amount</u>
Richard Thames	\$ 12,000
Fred Morgan	12,000
Paxton Branch, Sr.	13,200
Shullundia Bell	12,000
Danny Guice	<u>12,000</u>
Total	<u>\$ 61,200</u>

**MADISON PARISH POLICE JURY
Tallulah, Louisiana**

**Schedule of Prior Audit Findings
For the Year Ended December 31, 2003**

FINDINGS – FINANCIAL STATEMENT AUDIT

<u>Finding Number</u>	<u>Description</u>	<u>Status</u>
02-01	General Fixed Asset Schedule	Not cleared (See current year finding 03-01).
02-02	Budget Variances Exceed 5%	Not cleared (See current year finding 03-02).
02-03	Garbage Fee Collections	Not cleared (See current year finding 03-03)
02-04	Reimbursement for Travel Expenses	Not cleared (See current year finding 03-04).
02-05	Adopted Deficit Budget	Not cleared (See current year finding 03-05)



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, 2003, and have issued our report thereon dated June 4, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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 03-01, 03-02 and 03-05. However, we noted certain immaterial instances of noncompliance, which we have reported to management of the Madison Parish Police Jury in a separate letter dated June 4, 2004.

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 item 03-03, 03-04, 03-06 and 03-07.

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: info@maycpa.com • website: www.maycpa.com

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. We also noted other matters involving internal control over financial reporting, which we have reported to management of Madison Parish Police Jury in a separate letter dated June 4, 2004.

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 and is not intended to be and should not be used by anyone other than these specified parties.



Vicksburg, Mississippi
June 4, 2004

MADISON PARISH POLICE JURY
Tallulah, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2003

We have audited the financial statements of Madison Parish Police Jury as of and for the year ended December 31, 2003, and have issued our report thereon dated June 4, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2003 resulted in an unqualified opinion.

Section I Summary of Auditor's Results

- a. The auditor's report expresses an unqualified opinion on the primary government financial statements of the Madison Parish Police Jury.
- b. The report on Compliance and on Internal Control Over Financial Reporting based on an audit of Financial Statements performed in accordance with *Governmental Auditing Standards* 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.

Section II Financial Statement Audit Findings

<u>Finding Number</u>	<u>Description</u>
03-01	<p>General Fixed Asset Schedule</p> <p>Criteria Louisiana statutes require governmental entities to maintain appropriate and updated records of general fixed assets.</p> <p>Condition The general fixed asset records maintained by the Police Jury do not agree to the recorded amounts in the general ledger.</p> <p>Cause Apparent differences from past years continue to cause differences.</p> <p>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.</p> <p>Recommendation Management should determine the appropriate balances that should be tracked and make adjustments where needed.</p>

Continued

MADISON PARISH POLICE JURY
Tallulah, Louisiana

Schedule of Findings and Questioned Costs - Continued
For the Year Ended December 31, 2003

03-02	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.
03-03	Garbage Fee Collections from Agencies	
	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 water distribution organizations are not remitting the fees collected in a timely manner.
	Cause	There is no apparent penalty on the water organizations when the remittance of garbage fees is not made in a timely fashion.
	Effect	The Police Jury is not receiving garbage fee revenue on a timely basis.
	Recommendation	The Police Jury should contact the water organizations when the garbage fees are remitted late.

Continued

MADISON PARISH POLICE JURY
Tallulah, Louisiana

Schedule of Findings and Questioned Costs - Continued
For the Year Ended December 31, 2003

03-06

Sewage Fees Not Billed

Criteria The Police Jury should bill sewage customers monthly.

Condition Select sewage customers were not billed for January through March 2003.

Cause Proper procedures are not being followed to ensure all customers are billed monthly.

Effect The Police Jury is not properly recognizing revenues and receivables from sewage customers.

Recommendation The Police Jury should implement monthly procedures to ensure that all customers are billed for utility usage.

03-07

Garbage and Sewer Collections from Customers

Criteria The Police Jury should monitor collections from customers.

Condition Garbage and sewer customers are delinquent on payments and the Police Jury is not attempting to collect on past due balances.

Cause Proper procedures are not being followed to review aged trial balance printouts monthly.

Effect Customers are accumulating large balances due to no payment.

Recommendation The Police Jury should review aged trial balance printouts monthly to ensure customers are making timely payments.

RECEIVED
LEGISLATIVE AUDITOR

04 JUN 30 PM 12: 18

MADISON PARISH POLICE JURY

Letter To Management

December 31, 2003



May & Company

A Limited Liability Partnership

WE BRING EXCELLENCE AND INNOVATION TO THE EQUATION

LETTER TO MANAGEMENT

Madison Parish Police Jury
Tallulah, Louisiana

In planning and performing our audit of the primary government financial statements of Madison Parish Police Jury for the year ended December 31, 2003, we considered the Police Jury's internal controls in order to determine our auditing procedures for the purpose of expressing an opinion on the general purpose financial statements and not to provide assurance on internal control.

However, during our audit we became aware of a matter that is an opportunity for strengthening internal controls and operating efficiency. The following paragraphs summarize our comments and suggestions regarding this matter. A separate report dated June 4, 2004, contains our report on reportable conditions in the Police Jury's internal control. This letter does not affect our report dated June 4, 2004 on the financial statements of Madison Parish Police Jury.

Payroll Entries

Journal entries are made on a regular basis to record payroll expenses. Journal entries made to record health insurance expense do not appear to be accurately recording expense as numerous immaterial differences exist.

Journal entries need to be reviewed to ensure all payroll-related expenses are being properly allocated to the correct fund.

May & Company

Vicksburg, Mississippi
June 4, 2004

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

110 MONUMENT PLACE • POST OFFICE BOX 821588 • VICKSBURG, MISSISSIPPI 39182-1588 • TELEPHONE (601) 636-4762 • FAX (601) 636-9478

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

RECEIVED
 LEGISLATIVE AUDITOR
 04 JUN 30 PM 12: 17

**CORRECTIVE ACTION PLAN
 FOR THE YEAR ENDED DECEMBER 31, 2003**

<u>Ref No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Contact Person</u>	<u>Completion Date</u>
<u>Section I – Internal Control and Compliance Material to the Financial Statements.</u>				
03-01	General Fixed Asset Schedule	Fixed assets will be corrected and updated to comply with GASB 34.	Margarett Smith	Immediately
03-02	Budget Variances exceed 5%	Budgets will be monitored and amended as appropriate.	Margarett Smith	Immediately
03-03	Garbage Fee Collections from Agencies	Agencies will be contacted when remittances are not made on time.	Margarett Smith	Immediately
03-04	Reimbursement for Travel Expenses	All travel polices will be enforced. Supporting documentation will be required for travel expenses.	Margarett Smith	Immediately
03-05	Adopted deficit budget	Other financing sources will be budgeted in order to adopt a balance budget.	Margarett Smith	December 31, 2004
03-06	Sewage fees not billed	Monthly procedures will be implemented to ensure all customers are billed.	Margarett Smith	Immediately
03-07	Garbage and sewage collections from customers	Monthly aged trial balance printouts will be reviewed to ensure collections are being made from customers.	Margarett Smith	Immediately

Section II – Internal Control and Compliance Material to Federal Awards

None

Section III – Management Letter

Payroll Entries	Payroll entries will be corrected to record all health insurance expense	Margarett Smith	Immediately
-----------------	--	-----------------	-------------

GASB 34

Component units will
be notified that GASB 34
becomes effective for financial
statements for year ended
December 31, 2004.

Margarett Smith Immediately

MADISON PARISH POLICE JURY



Margarett Smith

6/23/04

Date



Paxton Branch, Sr.

6/23/04

Date