

**Madison Parish Police Jury
Tallulah, Louisiana**

**Basic Financial Statements
And Independent Auditors' Report
As of and for the Year Ended December 31, 2004**

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

Release Date 7-13-05

**Madison Parish Police Jury
Basic Financial Statements
And Independent Auditors' Report
As of and for the Year Ended December 31, 2004**

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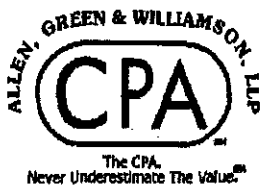
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(Concluded)



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Independent Auditors' Report

Police Jurors
Madison Parish Police Jury
Tallulah, Louisiana

Basic Financial Statements We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Police Jury as of and for the year ended December 31, 2004, which collectively comprise the Police Jury's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Police Jury's management. Our responsibility is to express opinions 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 of America. 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 opinions.

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 effect on the financial statements of the omission of a component unit as reflected in Note 1-A of the notes to the basic financial statements, the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Police Jury as of December 31, 2004, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated June 3, 2005, on our consideration of the Police Jury's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. 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.

As described in Note 18, the Police Jury has implemented a new financial reporting model as required by the provisions of GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis, for States and Local Governments as of December 31, 2004.

Required Supplemental Information The Management's Discussion and Analysis and budgetary comparison information as listed in the table of contents, is not a required part of the *basic financial statements* but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Supplemental Information Our audit was performed for the purpose of forming opinions on the *financial statements* that collectively comprise the Police Jury's basic financial statements. The accompanying information identified in the table of contents as supplemental information is presented for purposes of additional analysis and is not a required part of the *basic financial statements*. Such information has been subjected to the auditing procedures applied in the audit of the *basic financial statements* and, in our opinion, is fairly stated, in all material respects, in relation to the *basic financial statements* taken as a whole.

Other information Also, the accompanying other information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements of the Police Jury. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
June 3, 2005

**Madison Parish Police Jury
Tallulah, Louisiana**

REQUIRED SUPPLEMENTAL INFORMATION

**Management's Discussion
And Analysis (MD&A)**

Madison Parish Police Jury

Management's Discussion and Analysis (MD&A) December 31, 2004

Our discussion and analysis of Madison Parish Police Jury's financial performance provides an overview of the Police Jury's financial activities for the year ended December 31, 2004.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A. However, because this is the first year of implementing the new reporting model, certain necessary comparative information of the previous year was not prepared. Considering the financial resources necessary to prepare this information for the prior year, and that the GASB Statement No. 34 permits the omission of the comparative information in the first year of adoption of the new reporting model, the Police Jury has elected to exclude the information in this report. Subsequent reports will include the comparative information.

FINANCIAL HIGHLIGHTS Our financial statements provide these insights into the results of this year's operations:

Total governmental activities revenues received for December 31, 2004 was \$3,840,963, this is a decrease of \$36,920, or less than 1% change from the year ended December 31, 2003. Revenues in comparison to prior year remain steady.

Governmental expenses for 2004 was \$3,999,529, this is a decrease of (\$4,966), or less than 1% change from the year ended December 31, 2003. Expenses in comparison to prior year remain basically at the same level.

For the year ended December 31, 2004, General Fund reported \$882,547 in revenues, a decrease of \$199,506, or 18% from revenue received for the year ended December 31, 2003. This decrease is mainly due to a decrease in revenues from off track betting which closed during 2004.

Expenditures decreased \$76,995 from the year ended December 31, 2004 to December 31, 2003. In 2004, the Police Jury reported \$817,344 in expenditures for the General Fund and \$894,339 in expenditures for 2003. This change represents a 8% decrease from 2004 to 2003. This was mainly due to a decrease in expenditures for health and welfare activities.

USING THIS ANNUAL REPORT The Police Jury's annual report consist of a series of financial statements that show information for the Police Jury as a whole, and its funds. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Police Jury as a whole and present a longer-term view of the Police Jury's finances. Our fund financial statements are included later in this report. For our governmental activities, these statements tell how we financed our services in the short-term as well as what remains for future spending. Fund statements also may give you some insights into the Police Jury's overall financial health. Fund financial statements also report the Police Jury's operations in more detail than the government-wide financial statements by providing information about the Police Jury's most significant funds - the General Fund, Library, Garbage Maintenance, Health Unit, Public Works, and Courthouse and Jail.

Madison Parish Police Jury

**Management's Discussion and Analysis (MD&A)
December 31, 2004**

The following chart reflects the information included in this annual report.

Required Supplemental Information
Management's Discussion & Analysis (MD&A)

Basic Financial Statements

Government-wide Financial Statements ↔ **Fund Financial Statements**

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Other Information
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Corrective Action Plan for Current-Year Findings
Management Letter Items
Status of Prior Management Items

Madison Parish Police Jury

Management's Discussion and Analysis (MD&A) December 31, 2004

Our auditors has provided assurance in their independent auditors' report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements, after considering the fact that certain component units are not included, are fairly stated. Varying degrees of assurance is being provided by the auditor regarding the Required Supplemental Information (RSI) and the Supplemental Information. A user of this report should read the independent auditors' report carefully to ascertain the level of assurance being provided for each part of this report.

Reporting the Police Jury as a Whole

The Statement of Net Assets and the Statement of Activities Our analysis of the Police Jury as a whole begins on page 7. One of the most important questions asked about the Police Jury is, "Is the Police Jury as a whole better off or worse off financially as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities, which appear first in the Police Jury's financial statements, report information on the Police Jury as a whole and its activities in a way that helps you answer this question. We prepare these statements to include *all* assets and liabilities, using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Police Jury's *net assets* – the difference between assets and liabilities, as reported in the Statement of Net Assets – as one way to measure the Police Jury's financial health, or *financial position*. Over time, *increases or decreases* in the Police Jury's net assets – as reported in the Statement of Activities – are one indicator of whether its *financial health* is improving or deteriorating. The relationship between revenues and expenses is the Police Jury's *operating results*. However, the Police Jury's goal is to provide services to our citizens, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of health and welfare services provided to parish citizens and the condition of roads, bridges and drainage systems to assess the *overall health* of the Police Jury.

The Statement of Net Assets and Statement of Activities report the following activity for the Police Jury:

Governmental activities – All of the Police Jury's services are reported here, including public works and health and welfare services. Property taxes, severance taxes, and state and federal grants finance most of these activities.

Reporting the Police Jury's Most Significant Funds

Fund Financial Statements The Police Jury's fund financial statements, which begin on page 16, provide detailed information about the most significant funds – not the Police Jury as a whole. Some funds are required to be established by State law and by bond covenants. However, the Police Jury establishes many other funds to help it control and manage money for particular purposes (like the Criminal Court fund) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The Police Jury's governmental funds use the following accounting approach:

Governmental funds – All of the Police Jury's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund

Madison Parish Police Jury

**Management's Discussion and Analysis (MD&A)
December 31, 2004**

statements provide a detailed *short-term view* of the Police Jury's operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Police Jury's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* in reconciling statements D and F.

THE POLICE JURY AS A WHOLE The Police Jury's net assets were \$4,244,174 million at December 31, 2004. Of this amount, \$106,824 was unrestricted. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limit the Police Jury's ability to use those net assets for day-to-day operations. Our analysis below of the primary government focuses on the net assets (Table 1) and change in net assets (Table 2) of the Police Jury's governmental activities.

**Table 1
Net Assets
December 31, 2004**

	Governmental Activities 2004
Current and other assets	\$2,933,125
Capital assets	<u>2,615,178</u>
Total assets	<u>5,548,303</u>
Current and other liabilities	400,337
Long-term liabilities	<u>903,792</u>
Total liabilities	<u>1,304,129</u>
Net assets	
Invested in capital assets, net of debt	2,288,886
Restricted	1,848,464
Unrestricted	<u>106,824</u>
Total net assets	<u>\$4,244,174</u>

Net assets of the Police Jury's governmental activities for December 31, 2004 were \$4,244,174. Unrestricted assets that are part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements was \$106,824.

The results of this year's operations for the primary government as a whole are reported in the Statement of Activities. Table 2, on the next page, takes the information from that Statement and rearranges them slightly so you can see our total revenues for the year.

Madison Parish Police Jury

Management's Discussion and Analysis (MD&A)
December 31, 2004

Table 2
Changes in Net Assets
December 31, 2004

Revenues:	<u>2004</u>
Program revenues	
Charges for services	\$708,384
Federal grants	72,124
State grants & entitlements	847,628
General Revenues	
Ad valorem taxes	1,748,343
State revenue sharing	103,642
Other general revenues	<u>360,842</u>
Total revenues	<u>3,840,963</u>
Functions/Program Expenses:	
General government:	
Legislative	107,163
Judicial	576,285
Elections	33,499
Finance and administrative	196,146
Other general administrative	48,459
Public safety	656,732
Public works	1,987,440
Health and welfare	163,512
Culture and recreation	208,250
Economic development and assistance	34,778
Transportation	16,963
Miscellaneous	34,863
Interest on long-term debt	<u>28,899</u>
Total	<u>4,092,989</u>
Increase (decrease) in net assets	<u>(\$252,026)</u>

Governmental Activities As reported in the Statement of Activities, the cost of all of our *governmental* activities this year was \$4,092,989 million. However, the amount that our taxpayers ultimately financed for these activities through Police Jury taxes was only \$1,748,343 million because some of the cost was paid by those who benefited from the programs or by other governments and organizations who subsidized certain programs with grants and contributions. In the table below, we have presented the cost of each of the Police Jury's six largest functions - judicial, finance and administrative, public safety, public works, health and welfare, and culture and recreation, as well as each program's *net* cost (total cost less revenues generated by the activities). As discussed above, net cost shows the financial burden that was placed on the Police Jury's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

Madison Parish Police Jury

Management's Discussion and Analysis (MD&A)
December 31, 2004

**Year Ended December 31,
Governmental Activities (in thousands)**

	<u>Total Cost of Services</u> 2004	<u>Net Cost of Services</u> 2004
Judicial	\$ 576,285	(\$ 276,938)
Finance and administrative	196,146	307,979
Public Safety	656,732	(624,122)
Public works	1,987,440	(1,527,213)
Health & Welfare	163,512	(163,512)
Culture and Recreation	208,250	(175,169)
All others	<u>304,624</u>	<u>(5,878)</u>
Totals	<u>\$4,092,989</u>	<u>(\$2,464,853)</u>

THE POLICE JURY'S FUNDS As we noted earlier, the Police Jury uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the Police Jury is being accountable for the resources taxpayers and others provide to it but may also give you more insight into the Police Jury's overall financial health.

As the Police Jury completed this year, our governmental funds reported a combined fund balance of \$2,144,019 which is a decrease of \$158,566 from last year. The primary reasons for these decreases are:

Our general fund is our principal operating fund. The fund balance in the general fund decreased by \$111,244 to \$136,375 as the ending fund balance at December 31, 2004. The decrease is due mainly to a loss of Off Track Betting revenues.

The Library fund accounts for the public library. This fund showed an increase of \$55,492 to \$472,412. The increase was due to the additional tax levied for acquiring, constructing, improving, maintaining and operating and supporting the library.

The Garbage Maintenance accounts for the parish garbage collection services. This fund showed an increase of \$6,535 to \$325,589. The increase is due mainly to the increase in the collection fee. The garbage fee increase from \$7.00 to \$11.00 per household.

The Health Unit fund accounts for the parish health center. This fund showed an increase of \$88,268 to \$416,062. The increase was to the additional tax levied for acquiring, constructing, improving, maintaining and operating and supporting the health unit.

The Public Works fund accounts for funds used to maintain the parish roads and streets. This fund showed a decrease of \$136,912 to \$585,527. The decrease was due mainly to a decrease in revenues received and less funds available for transfer in from the Road Improvement Fund.

Madison Parish Police Jury

Management's Discussion and Analysis (MD&A)
December 31, 2004

The Courthouse and Jail fund accounts for funds used to maintain the courthouse, courthouse annex, jail and the feeding, maintenance and transporting of parish inmates. This fund showed a decrease of \$70,373 to (\$23,572). The decrease was due mainly to less funds being available at the beginning of the year, a decline in revenues received and an increase in expenditures.

The Other Governmental funds are comprised of the debt service fund and special revenue funds (Rural Development, Criminal Court, E-911, Memorial, Tri-Delta Share Grant, Construction, LTD Tax Certificate of Indebtedness, Road Improvement Escrow, USDA Note, and Mosquito Control). The combined funds showed an increase of \$9,668 to \$231,626. The primary reason for the increase is additional grant revenues received for several small projects, i.e. mosquito control, courthouse repairs, etc.

General Fund Budgetary Highlights Over the course of the year, the Police Jury revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. (A schedule showing the Police Jury's original and final budget amounts compared with amounts actually paid and received is provided later in this report).

There were significant revisions made to the 2004 general fund original budget. The primary change was to increase the beginning budgetary fund balance to \$247,617. Budgeted revenues were increased approximately \$169,796 due to over budgeting for anticipated grants, transfers and other revenues after a loss of off track betting revenues. Budgeted expenditures increased approximately \$260,586 mainly due to anticipated increases in health and welfare costs, transfers out and miscellaneous expenses. The General Fund had a budgeted deficit of \$68,970 at December 31, 2004, which was due to over budgeted expenditures.

CAPITAL ASSETS

Capital Assets at Year Ended December 31, 2004

Governmental Activities

Land	\$ 430,545
Buildings and Improvements	4,975,398
Equipment and furniture (including vehicles)	1,656,725
Books and periodicals	<u>257,352</u>
Total capital assets	<u>7,320,020</u>
Accumulated depreciation	<u>4,704,842</u>
Net capital assets	<u>\$2,615,178</u>

Debt At December 31, 2004, the Police Jury had Notes Payable of \$205,010 to the USDA in which required payments are made with ad valorem taxes from the USDA Note Fund. Also, the Police Jury had debt for capital leases in the amount of \$121,282 in which required payments are made from the Garbage Maintenance Fund and also the Debt Service Fund. There was a prior year liability of \$177,500 for claims and judgments.

In September, 2004, the Police Jury issued Certificates of Indebtedness in the amount of \$400,000 for the purpose of paying current operating costs in anticipation of revenues for 2004. The Certificates of Indebtedness Series 2004 are payable March 1, 2005, both principal and interest. See Note 13 for further details of debt.

Madison Parish Police Jury

Management's Discussion and Analysis (MD&A)

December 31, 2004

CONTACTING THE POLICE JURY'S FINANCIAL MANAGEMENT Our financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the Police Jury's finances and to show the Police Jury's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Ms. Margaret Smith, Secretary/Treasurer, Courthouse Building, Madison Parish Police Jury, 100 North Cedar Street, Tallulah, LA 71281, telephone number (318) 574-3451.

**Madison Parish Police Jury
Tallulah, Louisiana**

BASIC FINANCIAL STATEMENTS

**Government-wide
Financial Statements (GWFS)**

MADISON PARISH POLICE JURY

STATEMENT OF NET ASSETS
December 31, 2004

Statement A

	<u>PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and cash equivalents	\$ 677,921
Investments	218,342
Receivables (net)	2,036,862
Capital assets, net	<u>2,615,178</u>
TOTAL ASSETS	<u>5,548,303</u>
LIABILITIES	
Accounts, salaries and other payables	389,106
Interest payable	11,231
Long-term liabilities	
Due within one year	486,692
Due in more than one year	<u>417,100</u>
TOTAL LIABILITIES	<u>1,304,129</u>
NET ASSETS	
Invested in capital assets, net of related debt	2,288,886
Restricted for:	
Library	472,412
Garbage collection	325,589
Health unit	416,062
Drainage and roads	585,527
Dedicated taxes-USDA Loan	44,921
Capital projects	3,953
Unrestricted	<u>106,824</u>
TOTAL NET ASSETS	<u>\$ 4,244,174</u>

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

MADISON PARISH POLICE JURY
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2004

Statement B

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
	EXPENSES	OPERATING		CAPITAL	
		CHARGES FOR	GRANTS AND	GRANTS AND	
		SERVICES	CONTRIBUTIONS	CONTRIBUTIONS	
<i>Primary Government: Governmental Activities:</i>					
General government:					
Legislative	\$ 107,163	\$ 0	\$ 0	\$ 0	(107,163)
Judicial	576,285	299,347	0		(276,938)
Elections	33,499				(33,499)
Finance and administrative	196,146	0	504,125		307,979
Other general administrative	48,459	0	0		(48,459)
Public safety	656,732	0	32,610		(624,122)
Public works	1,987,440	409,037	51,190	0	(1,527,213)
Health and welfare	163,512	0			(163,512)
Culture and recreation	208,250	0	33,081		(175,169)
Economic development and assistance	34,778	0	137,810		103,032
Transportation	16,963	0	160,936	0	143,973
Miscellaneous	34,863	0	0	0	(34,863)
Interest on long-term debt	28,899	0	0	0	(28,899)
Total Governmental Activities	4,092,989	708,384	919,752	0	(2,464,853)
General revenues:					
Taxes:					
Property taxes, levied for general purposes				\$ 1,748,343	
Other taxes and penalties				81,087	
State revenue sharing				103,642	
Severance tax				6,846	
Licenses and permits				164,770	
Interest and investment earnings				14,704	
Miscellaneous				93,435	
Total general revenues				2,212,827	
Changes in net assets					(252,026)
Net assets - beginning					4,496,200
Net assets - ending					\$ 4,244,174

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**Madison Parish Police Jury
Tallulah, Louisiana**

BASIC FINANCIAL STATEMENTS

Fund Financial Statements (FFS)

MADISON PARISH POLICE JURY

GOVERNMENTAL FUNDS

Balance Sheet

December 31, 2004

	<u>GENERAL</u>	<u>LIBRARY</u>	<u>GARBAGE MAINTENANCE</u>	<u>HEALTH UNIT</u>
ASSETS				
Cash and cash equivalents	\$ 48,243	\$ 94,846	\$ 40,261	\$ 308,177
Investments	0	162,346	0	0
Receivables	273,282	238,185	427,852	116,220
Interfund receivables	<u>60,453</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL ASSETS	<u>381,978</u>	<u>495,377</u>	<u>468,113</u>	<u>424,397</u>
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts, salaries and other payables	133,493	16,182	68,082	6,321
Interfund payables	0	6,783	0	2,014
Liability for Certificate of Indebtedness	<u>112,110</u>	<u>0</u>	<u>74,442</u>	<u>0</u>
Total Liabilities	<u>245,603</u>	<u>22,965</u>	<u>142,524</u>	<u>8,335</u>
Fund Balances/Deficit:				
Reserved for:				
Dedicated taxes	0	0	0	0
Unreserved, reported in:				
General	136,375	0	0	0
Special Revenue	0	472,412	325,589	416,062
Capital Projects	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balances/Deficit	<u>136,375</u>	<u>472,412</u>	<u>325,589</u>	<u>416,062</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 381,978</u>	<u>\$ 495,377</u>	<u>\$ 468,113</u>	<u>\$ 424,397</u>

Statement C

<u>PUBLIC WORKS</u>	<u>COURTHOUSE AND JAIL</u>	<u>OTHER GOVERNMENTAL</u>	<u>TOTAL</u>
\$ 3,526	\$ 315	\$ 182,553	\$ 677,921
0	0	55,996	218,342
809,133	118,989	53,201	2,036,862
0	167	3,953	64,573
<u>812,659</u>	<u>119,471</u>	<u>295,703</u>	<u>2,997,698</u>
92,165	59,347	13,516	389,106
5,215	0	50,561	64,573
<u>129,752</u>	<u>83,696</u>	<u>0</u>	<u>400,000</u>
<u>227,132</u>	<u>143,043</u>	<u>64,077</u>	<u>853,679</u>
0	0	44,292	44,292
0	0	0	136,375
585,527	(23,572)	183,381	1,959,399
0	0	3,953	3,953
<u>585,527</u>	<u>(23,572)</u>	<u>231,626</u>	<u>2,144,019</u>
<u>\$ 812,659</u>	<u>\$ 119,471</u>	<u>\$ 295,703</u>	<u>\$ 2,997,698</u>

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Madison Parish Police Jury



MADISON PARISH POLICE JURY
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
December 31, 2004

Statement D

Total fund balances - governmental funds \$ 2,144,019

The cost of capital assets (land, buildings, furniture and equipment and infrastructure) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Assets includes those capital assets among the assets of the Police Jury as a whole. The cost of those capital assets is allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Costs of capital assets	7,320,020	
Depreciation expense to date	<u>(4,704,842)</u>	2,615,178

Long-term liabilities applicable to the Police Jury's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long term - are reported in the Statement of Net Assets.

Balances at December 31, 2004 are:

Long-term liabilities		
Interest payable	(11,231)	
Leases payable	(121,282)	
Judgement payable	(177,500)	
Loan payable	<u>(205,010)</u>	
		<u>(515,023)</u>

Net Assets \$ 4,244,174

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

MADISON PARISH POLICE JURY

**GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances/Deficit
For the Year Ended December 31, 2004**

	<u>GENERAL</u>	<u>LIBRARY</u>	<u>GARBAGE MAINTENANCE</u>	<u>HEALTH UNIT</u>
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 132,360	\$ 240,015	\$ 394,088	\$ 117,113
Other taxes and penalties	0	0	0	0
Licenses and permits	164,770	0	0	0
Intergovernmental revenues:				
Federal funds - federal grants	6,169	9,807	16,083	4,778
State funds:				
Parish transportation funds	0	0	0	0
State revenue sharing (net)	10,758	8,650	8,650	4,887
Severance taxes	6,846	0	0	0
Other state grants	497,956	23,274	0	0
Fees, charges, and commissions for services	46	0	370,696	0
Fines and forfeitures	0	236	0	0
Use of money and property	2,454	4,241	482	2,291
Other revenues	61,188	754	18,408	0
	<u>882,547</u>	<u>286,977</u>	<u>808,407</u>	<u>129,069</u>
Total Revenues				
EXPENDITURES				
Current:				
General government:				
Legislative	107,163	0	0	0
Judicial	253,360	0	0	0
Elections	27,267	0	0	0
Finance and administrative	134,182	7,021	4,168	1,004
Other general government	17,222	0	0	0
Public safety	78,861	0	0	0
Public works	0	0	658,939	0
Health and welfare	113,640	0	0	39,797
Culture and recreation	6,592	201,100	0	0
Economic development and assistance	34,778	0	0	0
Transportation	16,963	0	0	0
Miscellaneous	27,316	0	1,699	0
Debt service:				
Principal retirement	0	0	38,953	0
Interest and bank charges	0	0	0	0
Capital outlay	0	24,887	0	0
	<u>817,344</u>	<u>233,008</u>	<u>703,759</u>	<u>40,801</u>
Total Expenditures				
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 65,203	\$ 53,969	\$ 104,648	\$ 88,268

Statement E

PUBLIC WORKS	COURTHOUSE AND JAIL	OTHER GOVERNMENTAL	TOTAL
\$ 746,318	\$ 118,449	\$ 0	\$ 1,748,343
0	0	81,087	81,087
0	0	0	164,770
30,455	4,832	0	72,124
160,936	0	0	160,936
70,697	0	0	103,642
0	0	0	6,846
4,852	10,000	150,810	686,692
13,925	0	24,370	409,037
0	0	299,111	299,347
1,684	456	3,096	14,704
1,754	10,458	873	93,435
<u>1,030,421</u>	<u>144,195</u>	<u>559,347</u>	<u>3,840,963</u>
0	0	0	107,163
0	0	322,925	576,285
0	0	0	27,267
35,958	13,813	0	196,146
27,252	3,985	0	48,459
0	368,752	92,158	539,771
1,132,080	0	79,729	1,870,748
0	0	0	153,437
0	0	558	208,250
0	0	0	34,778
0	0	0	16,963
5,847	0	0	34,862
0	0	89,904	128,857
0	0	17,668	17,668
0	8,996	4,992	38,875
<u>1,201,137</u>	<u>395,546</u>	<u>607,934</u>	<u>3,999,529</u>
\$ (170,716)	\$ (251,351)	\$ (48,587)	\$ (158,566)

(continued)

MADISON PARISH POLICE JURY

**GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances/Deficit
For the Year Ended December 31, 2004**

	<u>GENERAL</u>	<u>LIBRARY</u>	<u>GARBAGE MAINTENANCE</u>	<u>HEALTH UNIT</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 115,777	\$ 1,523	\$ 73,179	\$ 0
Transfers out	(292,224)	0	(171,292)	0
Proceeds from certificate of indebtedness	0	0	0	0
Total Other Financing Sources (Uses)	<u>(176,447)</u>	<u>1,523</u>	<u>(98,113)</u>	<u>0</u>
Net Change in Fund Balances	<u>(111,244)</u>	<u>55,492</u>	<u>6,535</u>	<u>88,268</u>
FUND BALANCES - BEGINNING	<u>247,619</u>	<u>416,920</u>	<u>319,054</u>	<u>327,794</u>
FUND BALANCES - ENDING	<u>\$ 136,375</u>	<u>\$ 472,412</u>	<u>\$ 325,589</u>	<u>\$ 416,062</u>

				Statement E
PUBLIC WORKS	COURTHOUSE AND JAIL	OTHER GOVERNMENTAL	Total	
\$ 79,870	\$ 226,094	\$ 130,125	\$	626,568
(46,066)	(45,116)	(71,870)	\$	(626,568)
<u>0</u>	<u>0</u>	<u>0</u>		<u>0</u>
<u>33,804</u>	<u>180,978</u>	<u>58,255</u>		<u>0</u>
(136,912)	(70,373)	9,668		(158,566)
<u>722,439</u>	<u>46,801</u>	<u>221,958</u>		<u>2,302,585</u>
<u>\$ 585,527</u>	<u>\$ (23,572)</u>	<u>\$ 231,626</u>	<u>\$</u>	<u>2,144,019</u>
				(concluded)

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

MADISON PARISH POLICE JURY

**Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances/Deficits
to the Statement of Activities
For the Year Ended December 31, 2004**

Statement F

Total net change in fund balances - governmental funds \$ (158,566)

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation expense in the period:

Capital outlay	\$ 38,875	
Depreciation expense	(249,960)	(211,085)

Repayment of bond principal and capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets:

Principal	\$ 128,857	
Interest	(11,232)	<u>117,625</u>

Change in net assets of governmental activities. \$ (252,026)

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Madison Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2004

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Madison Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The Madison Parish Police Jury (the 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 seven jurors representing the various districts within the parish. The jurors serve four-year terms which expire in January 2008.

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

In accomplishing its objectives, the Police Jury also has the authority to create special districts (component units) within the parish. The districts perform specialized functions, such as fire protection, library facilities, and health care facilities.

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

Governmental Accounting Standards Board (GASB) Statement No. 14 establishes criteria for determining the governmental reporting entity and component units that 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 Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2004

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

The Police Jury has chosen to include the library in the basic financial statements. The other component units are not included.

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.

B. FUNDS The accounts of the Police Jury are organized and operated on the basis of funds. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

The governmental funds are divided into separate "fund types." Governmental funds are used to account for government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on the recovering the cost of providing services to the public or other agencies through service charges or user fees. The Police Jury's current operations require the use of governmental funds. The fund types used by the Police Jury are described as follows:

Governmental funds

General fund – The general fund is the general operating fund of the Police Jury. It accounts for all activities except those required to be accounted for in other funds.

Library fund – This fund accounts for the activities performed for the public library.

Garbage Maintenance – This fund accounts for the parish garbage collection services.

Health Unit – This fund accounts for funds the parish health center.

Public Works – This fund accounts for funds used to maintain the parish roads and streets.

Courthouse and Jail – This fund accounts for operation and maintenance of the courthouse and jail.

Other Governmental – This fund is comprised of all non-major funds which includes Rural Development, Criminal Court, E-911, Memorial, Tri-Delta Share Grant, Construction, LTD Tax Certificate of Indebtedness, Road Improvement Escrow, USDA Note, Mosquito Control, Debt Service, and Capital Projects.

Madison Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2004

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS) The Statement of Net Assets and the Statement of Activities displays information about the reporting government as a whole. The Statement of Net Assets and the Statement of Activities was prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions." Fiduciary funds are not included in the government-wide financial statements.

Program revenues Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the Police Jury's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Police Jury's general revenues.

Allocation of indirect expenses The Police Jury reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Fund Financial Statements (FFS)

Governmental Funds The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "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 pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

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 governmental funds use the following practices in recording revenues and expenditures:

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

Sales taxes are susceptible to accrual.

Federal and state grants are recognized when the Police Jury is entitled to the funds.

Madison Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2004

Fines, forfeitures, and court costs are recognized in the year they are received by the parish tax collector.

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

Substantially all other revenues are recognized when they become available to the Police Jury.

Based on the above criteria, ad valorem taxes, federal and state grants, and fines, forfeitures, and court costs have been treated as susceptible to accrual.

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

Other Financing Sources (Uses) Sale of fixed assets, increases in capital lease purchases, and transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) and are recognized when the underlying events occur.

D. BUDGETS Preliminary budgets for the ensuing year are prepared by the secretary-treasurer prior to December 31 of each year. The availability of the proposed budgets for public inspection and the date of the public hearing on the proposed budgets are then advertised in the official journal. During its regular December meeting, the Police Jury holds a public hearing on the proposed budgets in order to receive comments from residents of the parish. Changes are made to the proposed budgets based on the public hearing and the desires of the Police Jury as a whole. The budgets are then adopted during the Police Jury's regular December meeting, and a notice of the adoption is then published in the official journal.

The secretary-treasurer presents necessary budget amendments to the Police Jury during the year when, in her judgment, actual operations are differing materially from those anticipated in the original budget. During a regular meeting, the Police Jury reviews the proposed amendments, makes changes as it deems necessary, and formally adopts the amendments. The adoption of the amendments is included in Police Jury minutes published in the official journal.

The Police Jury exercises budgetary control at the functional level. Within functions the secretary-treasurer has the discretion to make changes as she deems necessary for proper control. Unexpended appropriations lapse at year end and must be re-appropriated in the next year's budget to be expended.

E. ENCUMBRANCES Outstanding encumbrances' lapse at year-end. Authorization for the eventual expenditure will be included in the following year's budget appropriations. Encumbrance accounting is employed in governmental funds.

Encumbrance accounting (e.g., purchase orders, contracts) is recognized within the accounting records for budgetary control purposes.

F. CASH AND CASH EQUIVALENTS Cash includes amounts in demand deposits and interest-bearing demand deposits, and time deposit accounts. 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 and national banks having their principal offices in Louisiana.

Madison Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2004

G. INVESTMENTS Investments are limited to 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.

H. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as interfund receivables/payables on the balance sheet. Short-term interfund loans are also classified as interfund receivables/payables.

I. ELIMINATION AND RECLASSIFICATIONS In the process of aggregating data for the statement of net assets and the statement of activities some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

J. CAPITAL ASSETS Capital assets are recorded at either historical cost or estimated historical cost and depreciated over their estimated useful lives (excluding salvage value). The Police Jury has a capitalization threshold of \$1,000. Donated capital assets are recorded at their estimated fair value at the date of donation. General assets are capitalized and valued at historical cost or estimated historical cost. Interest during construction was not capitalized on capital assets prior to January 1, 1999. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Vehicles and trailers are assigned a salvage value of ten percent of historical costs. Straight line depreciation is used based on the following estimated useful lives:

Buildings and Improvements	20 - 40 years
Equipment and Furniture (including vehicles)	5 - 15 years
Books, periodicals and law books	10 years

K. COMPENSATED ABSENCES Employees of the Police 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.

L. RESERVED FUND BALANCES OF FUND FINANCIAL STATEMENTS Reserves represent those portions of fund balance that are not appropriable for expenditures or that are legally segregated for a specific purpose. Designated fund balances represent tentative management plans for future use of financial resources and are subject to change.

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
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2004

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. USE OF ESTIMATES The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Deficit Fund Balances The following funds have a deficit in the fund balance at December 31, 2004:

<u>Fund</u>	<u>Amount of Deficit</u>
Courthouse and Jail	\$23,572
Criminal Court	\$11,348

B. Unfavorable Budget Variances

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variances</u>
Library	\$ 206,697	\$ 219,290	\$ 12,593
Health Unit	\$ 29,643	\$ 36,111	\$ 6,468
Public Works	\$1,237,302	\$1,436,613	\$199,311
Courthouse & Jail	\$ 406,381	\$ 552,877	\$146,496

NOTE 3 - LEVIED TAXES The Police Jury levies taxes on real and business personal property located within Madison Parish's boundaries. Property taxes are levied by the Police Jury on property values assessed by the Madison Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

The Madison Parish sheriff's office bills and collects property taxes for the Police Jury. Collections are remitted to the Police Jury monthly.

<u>Property Tax Calendar</u>	
Millage rates adopted	October 18, 2004
Levy date	No later than November 15th
Tax bills mailed	October - November
Due date	December 31st
Lien date	Date of filing in Clerk of Court's office
Tax sale - 2004 delinquent property	April 27, 2005

Assessed values are established by the Madison Parish Tax Assessor each year on a uniform basis at the following ratios of assessed value to fair market value.

Madison Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2004

10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% public service properties, excluding land

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2004. Total assessed value was \$55,072,747 in calendar year 2004. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$10,267,943 of the assessed value in calendar year 2004.

State law requires the sheriff to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the sheriff is required by the *Constitution of the State of Louisiana* to sell the least quantity of property necessary to settle the taxes and interest owed.

All property taxes are recorded in the general fund, library, garbage maintenance, health unit, public works, and courthouse and jail funds. Revenues in such funds are recognized in the accounting period in which they become measurable and available. Property taxes are considered measurable in the calendar year of the tax levy. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. Available means due, or past due, and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. The remaining property taxes receivable are considered available because they are substantially collected within 60 days subsequent to year-end.

The tax roll is prepared by the parish tax assessor in November of each year; therefore, the amount of 2004 property taxes to be collected occurs in December and January and February of the next year. Historically, virtually all ad valorem taxes receivable were collected since they are secured by property; therefore, there is no allowance for uncollectible taxes.

The following is a summary of authorized and levied ad valorem taxes for the year ended December 31, 2004:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish-wide taxes:			
General Fund/In	1.73	1.69	Indefinite
General Fund/Out	3.46	3.39	Indefinite
Health Unit	1.18	1.16	2012
Library	3.56	3.49	2012
Garbage Collection	9.02	8.85	2008
Drainage and Roads	17.08	16.76	2008
Courthouse and Jail	2.71	2.66	2012
Library 2002	1.94	1.90	2011
Health Unit 2002	1.50	1.47	2011

The difference between authorized and levied millages is the result of reassessments of taxable property in the parish as required by Article 7, Section 18 of the Louisiana Constitution of 1974.

Madison Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2004

NOTE 4 - CASH AND CASH EQUIVALENTS At December 31, 2004, the Police Jury had cash and cash equivalents (book balances) as follows:

Demand deposits	\$677,901
Petty cash	<u>20</u>
Total carrying amount of deposit	<u>\$677,921</u>

At year-end, the Police Jury's carrying amount of deposits was \$677,921 and the bank balance was \$699,548. Of the bank balance, \$340,289 was covered by federal depository insurance or by collateral held by the Police Jury's agent in the Police Jury's name (GASB Category 1). The remaining balance, \$359,259 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the Police Jury's name (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Police Jury that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 5 - 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 counter party's trust department or agent in the Police Jury's name.
3. Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent but not in the Police Jury's name.

At year end, the Police Jury investment balances were as follows:

<u>Type of investment</u>	<u>Category</u>	<u>Carrying Amount Fair Value</u>
Government securities	1	<u>\$218,342</u>

NOTE 6 - RECEIVABLES The following is a summary of receivables at December 31, 2004:

	<u>General</u>	<u>Library</u>	<u>Garbage Maintenance</u>	<u>Health Unit</u>	<u>Public Works</u>	<u>Courthouse and Jail</u>	<u>Other Governmental</u>	<u>Total</u>
Taxes:								
Ad valorem	\$131,341	\$238,185	\$391,084	\$116,220	\$740,629	\$117,546	\$ 0	\$1,735,005
Other taxes	9,444	0	0	0	0	0	18,375	27,819
State:								
Grants	5,693	0	0	0	0	0	20,737	26,430
Taxes	1,620	0	0	0	0	0	0	1,620
Loan Proceeds	16,843	0	0	0	19,277	1,443	0	37,563
Other	<u>108,341</u>	<u>0</u>	<u>36,768</u>	<u>0</u>	<u>49,227</u>	<u>0</u>	<u>14,089</u>	<u>208,425</u>
Total	<u>\$273,282</u>	<u>\$238,185</u>	<u>\$427,852</u>	<u>\$116,220</u>	<u>\$809,133</u>	<u>\$118,989</u>	<u>\$ 53,201</u>	<u>\$2,036,862</u>

Madison Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2004

Historically, virtually all ad valorem taxes receivable were collected since they are secured by property; therefore, no allowance for doubtful accounts has been established for ad valorem taxes. The balance of accounts receivable is expected to be collected in full so no allowance for doubtful accounts has been established.

NOTE 7 - INTERFUND ASSETS/LIABILITIES (FFS LEVEL ONLY)

Due from/to other funds:

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	\$60,453	Library	\$ 6,783
		Public Works	1,262
		Health Unit	2,014
		Other Governmental	50,394
Courthouse and Jail	167	Other Governmental	167
Other Governmental	<u>3,953</u>	Public Works	<u>3,953</u>
Total	<u>\$64,573</u>	Total	<u>\$64,573</u>

NOTE 8 - CAPITAL ASSETS The following schedule presents changes in capital assets for the Police Jury:

	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, Ending</u>
Governmental activities				
Not subject to depreciation:				
Land	\$ 430,545	\$ 0	\$ 0	\$ 430,545
Subject to depreciation:				
Buildings and Improvements	4,970,406	4,992	0	4,975,398
Furniture and Equipment	1,657,716	9,071	10,062	1,656,725
Books and Periodicals	249,490	24,812	16,950	257,352
Total	<u>7,308,157</u>	<u>38,875</u>	<u>27,012</u>	<u>7,320,020</u>
Less accumulated depreciation				
Buildings and Improvements	3,359,389	115,393	0	3,474,782
Furniture and Equipment	985,285	108,832	10,062	1,084,055
Books and Periodicals	137,220	25,735	16,950	146,005
Total	<u>4,481,894</u>	<u>249,960</u>	<u>27,012</u>	<u>4,704,842</u>
Governmental Activities capital assets, net	<u>\$2,826,263</u>	<u>(\$211,085)</u>	<u>\$ 0</u>	<u>\$2,615,178</u>

The beginning balance for buildings and improvements was restated from prior year balance by the amount of \$1,213,842 due to the Library building and Afton fire station being omitted from prior year's capital asset listing. Also, furniture and equipment was restated by the amount of \$312,502 due to assets being omitted from the list or listed when the asset had been scraped or sold.

Madison Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2004

Current year depreciation expense was charged to governmental activities for the Police Jury as follows:

Judicial	\$ 2,169
Elections	579
Other general government	5,653
Public safety	114,792
Public works	62,947
Health and welfare	10,075
Culture and recreation	<u>53,745</u>
Total	<u>\$249,960</u>

NOTE 9 - RETIREMENT SYSTEMS Substantially all employees of the 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 district plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Police Jury of Madison Parish (component unit) are members of Plan A.

All permanent employees working at least twenty-eight 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 ten 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 three percent 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 one percent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980, plus three percent of final-average salary for each 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 benefits accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

Under Plan A, members are required by state statute to contribute 9.50 percent of their annual covered salary and the Police Jury is required to contribute at an actuarially determined rate. The current rate is 11.75 percent of annual covered payroll. Contributions to the system also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of 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 Police Jury are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Police Jury's contributions to the System under Plan A for the years ending December 31, 2004, 2003, and 2002, were \$135,174, \$67,342 and \$62,664, respectively, equal to the required contribution for each year.

The System issues an annual publicly available report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System of Louisiana, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

Madison Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2004

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS The Police Jury provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the Police Jury’s employees become eligible for these benefits if they reach normal retirement age while working for the Police Jury. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and by the Police Jury. The Police Jury recognizes the cost of providing these benefits to retirees as expenditure when paid during the year. The Police Jury had expenditures of \$32,795 for 12 retirees for the year ended December 31, 2004.

NOTE 11 - ACCOUNTS, SALARIES AND OTHER PAYABLES

	<u>General Fund</u>	<u>Library Fund</u>	<u>Garbage Maintenance</u>	<u>Health Unit</u>	<u>Public Works</u>	<u>Courthouse and Jail</u>	<u>Other Governmental</u>	<u>Total</u>
Vendors	<u>\$133,493</u>	<u>\$16,182</u>	<u>\$68,082</u>	<u>\$6,321</u>	<u>\$92,165</u>	<u>\$59,347</u>	<u>\$13,516</u>	<u>\$389,106</u>
Total	<u>\$133,493</u>	<u>\$16,182</u>	<u>\$68,082</u>	<u>\$6,321</u>	<u>\$92,165</u>	<u>\$59,347</u>	<u>\$13,516</u>	<u>\$389,106</u>

NOTE 12 - COMPENSATED ABSENCES At December 31, 2004, no accrual has been made for accumulated and vested employee leave benefits as this amount is deemed immaterial.

NOTE 13 - LONG-TERM LIABILITIES The following is a summary of the long-term liabilities transactions and balances for the year ended December 31, 2004:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Certificate of indebtedness	\$ 0	\$400,000	(\$ 0)	\$400,000	\$400,000
Notes payable	278,965	0	(73,955)	\$205,010	\$36,664
Capital leases	176,184	0	(54,902)	\$121,282	\$50,028
Claims and judgments payable	<u>177,500</u>	<u>0</u>	<u>(0)</u>	<u>\$177,500</u>	<u>\$ 0</u>
Governmental Activities					
Long-term liabilities	<u>\$632,649</u>	<u>\$400,000</u>	<u>(\$128,857)</u>	<u>\$903,792</u>	<u>\$486,692</u>

The Police Jury issued Certificates of Indebtedness during 2004 in the amount of \$400,000 for the purpose of paying the cost of current operations of the Parish in anticipation of revenues for 2004. The Certificates of Indebtedness Series 2004 are payable March 1, 2005, both principal and interest at a rate not exceeding six per cent per annum. The debt has been recorded as a liability in both the government-wide financial statements (GWFS) and also, in the fund financial statements (FFS).

Madison Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2004

Notes payable is to the USDA, 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. Requirements for future principal payments and interest payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 36,664	\$ 9,576	\$46,240
2006	38,406	7,834	46,240
2007	40,230	6,010	46,240
2008	42,141	4,099	46,240
2009	<u>47,569</u>	<u>(1,329)</u>	<u>46,240</u>
	<u>\$205,010</u>	<u>\$26,190</u>	<u>\$231,200</u>

The Police Jury records items under capital leases as an asset and an obligation in the accompanying financial statements. At December 31, 2004, the Police Jury had four capital leases in effect for equipment. Obligations are retired from the Garbage Maintenance Fund and the Debt Service Fund. Present values of the net minimum lease payments, as of December 31, 2004 are as follows:

Fiscal year:	
2005	\$53,908
2006	38,514
2007	<u>35,310</u>
Total minimum lease payments	127,732
Less amounts representing interest	<u>6,450</u>
Present value of net minimum lease payments	<u>\$121,282</u>

NOTE 14 - INTERFUND TRANSFERS Operating transfers for the year ended December 31, 2004, were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$115,777	\$292,224
Library	1,523	0
Garbage Maintenance	73,179	171,292
Public Works	79,870	46,066
Courthouse and Jail	226,094	45,116
Other Governmental	<u>130,125</u>	<u>71,870</u>
Totals	<u>\$626,568</u>	<u>\$626,568</u>

The purpose of the interfund transfers was to assist in covering operating expenses.

NOTE 15 - CRIMINAL COURT FUND Louisiana Revised Statute 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. However, for the year ended December 31, 2004, the Criminal Fund does not have a year-end fund balance for transfer to the parish General Fund. A balance of \$23,360 exists from prior years which have not been transferred to the General Fund as of December 31, 2004.

Madison Parish Police Jury
Notes to the Basic Financial Statements
As of and for the Year Ended December 31, 2004

NOTE 16 - LITIGATION AND CLAIMS At December 31, 2004, 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 in the government-wide financial statements (GWFS).

The Police Jury is also involved in certain litigation in which the outcome or monetary amount of any potential claim against the Police Jury can not be determined at the present time.

Grant Disallowances The Police Jury participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under the terms of the grant.

NOTE 17 - RISK MANAGEMENT The Police Jury is at risk for property damage, liability and theft which are covered by insurance policies.

NOTE 18 - NEW FINANCIAL REPORTING MODEL The Governmental Accounting Standards Board (GASB) issued Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments in June 1999. The Statement, commonly referred to as the new reporting model, retained much of the reporting under the present reporting model, with modifications, and added new information. The two most significant additions are the Management's Discussion and Analysis and the Government-Wide Financial Statements (GWFS). The most apparent modification to the format of the old reporting model that is being carried forward will be the display of major funds in the Fund Financial Statements (FFS), rather than the traditional fund-type display.

Madison Parish Police Jury

REQUIRED SUPPLEMENTAL INFORMATION

Madison Parish Police Jury

Budgetary Comparison Schedules

General Fund And Major Special Revenue Funds With Legally Adopted Annual Budgets

GENERAL FUND The general fund accounts for all activities of the Police Jury except those that are accounted for in other funds.

LIBRARY The library fund accounts for the operations of the parish library. Financing is provided by a specific parish-wide ad valorem tax.

GARBAGE MAINTENANCE The garbage maintenance fund accounts for the operations of the parish-wide garbage collection process. Financing is provided by a specific parish-wide ad valorem tax.

HEALTH UNIT The health unit fund accounts for the maintenance and operation of the parish health unit. Financing is provided by a specific parish-wide ad valorem tax.

PUBLIC WORKS The public works fund accounts for the maintenance of the parish highways, streets, and bridges. Financing is provided by a specific parish-wide ad valorem tax.

COURTHOUSE AND JAIL The courthouse and jail fund accounts for the maintenance and operation of the courthouse and jail. Financing is provided by a specific parish-wide ad valorem tax.

MADISON PARISH POLICE JURY
GENERAL FUND
Budgetary Comparison Schedule
For the Year Ended December 31, 2004

Exhibit 1-1

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET</u>
			(BUDGETARY BASIS)	POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 20,000	\$ 247,617	\$ 247,619	\$ 2
<i>Resources (inflows)</i>				
<i>Local sources:</i>				
<i>Taxes:</i>				
Ad valorem	145,052	133,268	132,360	(908)
Licenses and permits	684,200	79,154	164,770	85,616
<i>Intergovernmental revenues:</i>				
Federal funds	26,607	10,947	6,169	(4,778)
<i>State funds:</i>				
State revenue sharing (net)	0	26,257	10,758	(15,499)
Severance taxes	222,627	7,912	6,846	(1,066)
Other	0	563,977	497,956	(66,021)
Fees, charges, and commissions for services	0	38	46	8
Use of money and property	1,646	1,316	1,799	483
Intergovernmental	0	0	0	0
Other revenues	100,671	184,985	125,931	(59,054)
Transfers from other funds	0	115,128	115,777	649
	<u>1,200,803</u>	<u>1,370,599</u>	<u>1,310,031</u>	<u>(60,568)</u>
<i>Amounts available for appropriations</i>				
<i>Charges to appropriations (outflows)</i>				
<i>General government:</i>				
Legislative	124,550	93,340	107,163	(13,823)
Judicial	357,583	345,145	318,104	27,041
Elections	27,801	28,594	27,267	1,327
Finance and administrative	124,833	108,699	131,589	(22,890)
Other general government	11,103	13,466	17,222	(3,756)
Public safety	82,477	84,250	78,861	5,389
Health and welfare	160,650	387,394	113,640	273,754
Culture and recreation	4,000	4,000	6,592	(2,592)
Economic development and assistance	51,255	43,460	34,778	8,682
Transportation	14,731	27,150	16,963	10,187
Miscellaneous	0	34,243	28,336	5,907
Depreciation expense	0	0	0	0
Capital outlay	0	0	0	0
Transfers to other funds	220,000	269,828	442,133	(172,305)
	<u>1,178,983</u>	<u>1,439,569</u>	<u>1,322,648</u>	<u>116,921</u>
<i>Total charges to appropriations</i>				
BUDGETARY FUND BALANCES, ENDING	<u>\$ 21,820</u>	<u>\$ (68,970)</u>	<u>\$ (12,617)</u>	<u>\$ 56,353</u>

MADISON PARISH POLICE JURY
LIBRARY
Budgetary Comparison Schedule
For the Year Ended December 31, 2004

Exhibit 1-2

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET
	ORIGINAL	FINAL	(BUDGETARY BASIS)	POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 236,589	\$ 416,920	\$ 416,920	0
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	249,400	241,498	240,015	(1,483)
Intergovernmental revenues:				
Federal funds	8,224	9,807	9,807	0
State funds:				
State revenue sharing (net)	9,004	0	8,650	8,650
Other	0	28,998	23,274	(5,724)
Fees, charges, and commissions for services	825	0	0	0
Fines and forfeitures	600	222	236	14
Use of money and property	2,500	358	4,241	3,883
Other revenues	0	593	754	161
Transfers from other funds	0	1,532	1,523	(9)
	507,142	699,928	705,420	5,492
Amounts available for appropriations				
Charges to appropriations (outflows)				
General government:				
Finance and administrative	13,054	20,015	7,021	12,994
Culture and recreation	152,744	186,682	212,269	(25,587)
Capital outlay	0	0	0	0
Transfers to other funds	0	0	0	0
	165,798	206,697	219,290	(12,593)
Total charges to appropriations				
BUDGETARY FUND BALANCES, ENDING	\$ 341,344	\$ 493,231	\$ 486,130	(7,101)

MADISON PARISH POLICE JURY
GARBAGE MAINTENANCE
Budgetary Comparison Schedule
For the Year Ended December 31, 2004

Exhibit 1-3

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET</u>
			<u>(BUDGETARY BASIS)</u>	<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
BUDGETARY FUND BALANCES, BEGINNING	\$ 135,311	\$ 319,054	\$ 319,054	0
Resources (inflows)				
Local sources:				
Taxes:				
<i>Ad valorem</i>	403,000	396,522	394,088	(2,434)
Intergovernmental revenues:				
Federal funds	21,500	16,083	16,083	0
State funds:				
State revenue sharing (net)	9,000	5,724	8,650	2,926
Other	0	0	0	0
Fees, charges and commissions	316,889	317,379	370,696	53,317
Use of money and property	461	417	482	65
Other revenues	951	74,413	74,413	0
Transfers from other funds	164,000	91,673	132,778	41,105
Amounts available for appropriations	<u>1,051,112</u>	<u>1,221,265</u>	<u>1,316,244</u>	<u>94,979</u>
Charges to appropriations (outflows)				
General government:				
Finance and administrative	4,136	3,774	4,168	(394)
Public works	703,721	630,462	658,939	(28,477)
Miscellaneous	0	51,223	1,670	49,553
Debt service	46,584	0	0	0
Transfers to other funds	200,000	171,292	171,292	0
Total charges to appropriations	<u>954,441</u>	<u>856,751</u>	<u>836,069</u>	<u>20,682</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ 96,671</u>	<u>\$ 364,514</u>	<u>\$ 480,175</u>	<u>115,661</u>

MADISON PARISH POLICE JURY
HEALTH UNIT
Budgetary Comparison Schedule
For the Year Ended December 31, 2004

Exhibit 1-4

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET</u>
			<u>(BUDGETARY BASIS)</u>	<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
BUDGETARY FUND BALANCES, BEGINNING	\$ 216,503	\$ 319,054	\$ 327,794	8,740
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	119,741	117,837	117,113	(724)
Intergovernmental revenues:				
Federal funds	2,726	0	4,778	4,778
State funds:				
State revenue sharing (net)	3,389	3,625	4,887	1,262
Other	0	0	0	0
Fines and forfeitures	0	0	0	0
Use of money and property	1,319	2,271	2,291	20
Other revenues	0	0	0	0
Transfers from other funds	0	0	4,690	4,690
	<u>343,678</u>	<u>442,787</u>	<u>461,553</u>	<u>18,766</u>
Amounts available for appropriations				
Charges to appropriations (outflows)				
General government:				
Finance and administrative	1,325	1,209	1,004	205
Health and welfare	20,286	28,434	35,107	(6,673)
Capital outlay	0	0	0	0
Transfers to other funds	0	0	0	0
	<u>21,611</u>	<u>29,643</u>	<u>36,111</u>	<u>(6,468)</u>
Total charges to appropriations				
BUDGETARY FUND BALANCES, ENDING	\$ <u>322,067</u>	\$ <u>413,144</u>	\$ <u>425,442</u>	<u>12,298</u>

MADISON PARISH POLICE JURY
PUBLIC WORKS
Budgetary Comparison Schedule
For the Year Ended December 31, 2004

Exhibit 1-5

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET</u>
			<u>(BUDGETARY BASIS)</u>	<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
BUDGETARY FUND BALANCES, BEGINNING	\$ 20,000	\$ 722,441	\$ 722,439	(2)
<i>Resources (inflows)</i>				
Local sources:				
Taxes:				
Ad valorem	737,000	750,929	746,318	(4,611)
Licenses and permits	100	0	0	0
Intergovernmental revenues:				
Federal funds	33,035	30,455	30,455	0
State funds:				
State revenue sharing (net)	0	0	70,697	70,697
Other	263,505	237,834	165,588	(72,246)
Fees, charges and commissions	11,970	13,019	13,925	906
Fines and forfeitures	10,000	0	0	0
Use of money and property	20,054	1,650	1,684	34
Other revenues	2,584	107,716	1,754	(105,962)
Transfers from other funds	26,000	22,162	79,870	57,708
	<u>1,124,248</u>	<u>1,886,206</u>	<u>1,832,730</u>	<u>(53,476)</u>
<i>Amounts available for appropriations</i>				
Charges to appropriations (outflows)				
General government:				
Finance and administrative	72,883	68,571	35,958	32,613
Other general finance	0	0	27,252	(27,252)
Public works	979,764	1,085,061	1,132,080	(47,019)
Miscellaneous	0	83,670	5,847	77,823
Debt service	46,691	0	0	0
Transfers to other funds	0	0	235,476	(235,476)
	<u>1,099,338</u>	<u>1,237,302</u>	<u>1,436,613</u>	<u>(199,311)</u>
<i>Total charges to appropriations</i>				
BUDGETARY FUND BALANCES, ENDING	\$ 24,910	\$ 648,904	\$ 396,117	(252,787)

MADISON PARISH POLICE JURY
COURTHOUSE AND JAIL
Budgetary Comparison Schedule
For the Year Ended December 31, 2004

Exhibit 1-6

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET</u>
			<u>(BUDGETARY BASIS)</u>	<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
BUDGETARY FUND BALANCES, BEGINNING	\$ 149,999	\$ 46,801	\$ 46,801	0
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	121,082	119,180	118,449	(731)
Intergovernmental revenues:				
Federal funds	6,400	6,400	4,832	(1,568)
State funds:				
Other	21,000	10,000	10,000	0
Use of money and property	868	455	456	1
Other revenues	64	92,712	10,458	(82,254)
Transfers from other funds	284,500	223,657	226,094	2,437
	<u>583,913</u>	<u>499,205</u>	<u>417,090</u>	<u>(82,115)</u>
Amounts available for appropriations				
Charges to appropriations (outflows)				
General government:				
Finance and administrative	17,282	15,657	13,813	1,844
Other general government	84,770	96,989	3,985	93,004
Public safety	230,931	225,942	377,748	(151,806)
Debt service	0	35,459	0	35,459
Capital outlay	0	0	0	0
Transfers to other funds	46,400	32,334	157,331	(124,997)
	<u>379,383</u>	<u>406,381</u>	<u>552,877</u>	<u>(146,496)</u>
Total charges to appropriations				
BUDGETARY FUND BALANCES, ENDING	\$ 204,530	\$ 92,824	\$ (135,787)	\$ (228,611)

Madison Parish Police Jury

Notes to Budgetary Comparison Schedules For the Year Ended December 31, 2004

A. BUDGETS

General Budget Policies Preliminary budgets for the ensuing year are prepared by the secretary-treasurer prior to December 31 of each year. The availability of the proposed budgets for public inspection and the date of the public hearing on the proposed budgets are then advertised in the official journal. During its regular December meeting, the Police Jury holds a public hearing on the proposed budgets in order to receive comments from residents of the parish. Changes are made to the proposed budgets based on the public hearing and the desires of the Police Jury as a whole. The budgets are then adopted during the Police Jury's regular December meeting, and a notice of the adoption is then published in the official journal.

The secretary-treasurer presents necessary budget amendments to the Police Jury during the year when, in her judgment, actual operations are differing materially from those anticipated in the original budget. During a regular meeting, the Police Jury reviews the proposed amendments, makes changes as it deems necessary, and formally adopts the amendments. The adoption of the amendments is included in Police Jury minutes published in the official journal.

The Police Jury exercises budgetary control at the functional level. Within functions the secretary-treasurer has the discretion to make changes as she deems necessary for proper control. Unexpended appropriations lapse at year end and must be reappropriated in the next year's budget to be expended. Formal budgetary integration is employed as a management control device.

For the year ended December 31, 2004, cash basis budgets were adopted for the general fund and all special revenue funds, except the criminal court special revenue fund, which is exempt from the requirements Louisiana Revised Statutes 30:1301-1314 (Local Government Budget Act).

Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budgets must be approved by the Board and the grantor agencies.

Formal budgetary integration is employed as a management control device during the year.

Encumbrances Encumbrance accounting is not recognized within the accounting records for budgetary control purposes. Authorization for the eventual expenditure will be included in the following year's budget appropriations.

Budget Basis of Accounting All governmental funds' budgets are prepared on the cash basis of accounting. Budgeted amounts are as originally adopted or as amended by the Board. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Board to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more.

Madison Parish Police Jury

Notes to the Budgetary Comparison Schedules
For the Year Ended December 31, 2004

B. BUDGET TO GAAP RECONCILIATION - EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND OUTFLOWS AND GAAP REVENUES AND EXPENDITURES

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule

	<u>General</u>	<u>Library</u>	<u>Garbage Maintenance</u>	<u>Health Unit</u>	<u>Public Works</u>	<u>Courthouse and Jail</u>
	\$1,310,031	\$705,420	\$1,316,244	\$461,553	\$1,832,730	\$417,090
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes	(247,619)	(416,920)	(319,054)	(327,794)	(722,439)	(46,801)
Transfers from other funds to offset expenditures classified as receipts for budgetary purposes and as a reduction of expenditure for financial reporting	<u>(179,865)</u>	<u>(1,523)</u>	<u>(188,783)</u>	<u>(4,690)</u>	<u>(79,870)</u>	<u>(226,094)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$882,547</u>	<u>\$286,977</u>	<u>\$808,407</u>	<u>\$129,069</u>	<u>\$1,030,421</u>	<u>\$144,195</u>

Madison Parish Police Jury

Notes to the Budgetary Comparison Schedules
For the Year Ended December 31, 2004

B. BUDGET TO GAAP RECONCILIATION - EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND OUTFLOWS AND GAAP REVENUES AND EXPENDITURES

	<u>General</u>	<u>Library</u>	<u>Garbage Maintenance</u>	<u>Health Unit</u>	<u>Public Works</u>	<u>Courthouse and Jail</u>
<u>Uses/Outflows of resources:</u>						
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$1,322,648	\$219,290	\$836,069	\$36,111	\$1,436,613	\$552,877
Transfers from other funds to offset expenditures classified as receipts for budgetary purposes and as a reduction of expenditures for financial reporting	0	0	0	4,690	0	0
Accrual of accounts payable for financial reporting	0	13,718	29	0	0	0
Reimbursements from other agencies classified as a for budgetary purposes and as a reduction of expense for financial reporting	(63,171)	0	0	0	0	0
Transfers to other funds classified as expenditures for budgetary purposes and as an operating transfer for financial reporting	(442,133)	0	(171,292)	0	(235,476)	(157,331)
Debt service not recorded for budget purposes	<u>0</u>	<u>0</u>	<u>38,953</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$817,344</u>	<u>\$233,008</u>	<u>\$703,759</u>	<u>\$40,801</u>	<u>\$1,201,137</u>	<u>\$395,546</u>

Madison Parish Police Jury

**Notes to Budgetary Comparison Schedules
For the Year Ended December 31, 2004**

**C. EXCESS OF ACTUAL EXPENDITURES OVER BUDGETED EXPENDITURES IN
INDIVIDUAL FUNDS** The following funds had actual expenditures greater than budgeted
expenditures for the year ended December 31, 2004:

<u>Major Funds</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Library	\$206,697	\$219,290	\$12,593
Health Unit	\$29,643	\$36,111	\$6,468
Public Works	\$1,237,302	\$1,436,613	\$199,311
Courthouse and Jail	\$406,381	\$552,877	\$146,496

Madison Parish Police Jury

SUPPLEMENTAL INFORMATION

Madison Parish Police Jury

**COMBINING
NONMAJOR GOVERNMENTAL FUNDS -
BY FUND TYPE**

MADISON PARISH POLICE JURY
NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet - By Fund Type
December 31, 2004

Exhibit 2

	<u>SPECIAL</u> <u>REVENUE</u>	<u>DEBT</u> <u>SERVICE</u>	<u>CAPITAL</u> <u>PROJECTS</u>	<u>TOTAL</u>
ASSETS				
Cash and cash equivalents	\$ 182,553	\$ 0	\$ 0	\$ 182,553
Investments	55,996	0	0	55,996
Receivables	53,201	0	0	53,201
Interfund receivables	0	0	3,953	3,953
Prepaid items	0	0	0	0
TOTAL ASSETS	<u>291,750</u>	<u>0</u>	<u>3,953</u>	<u>295,703</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	13,516	0	0	13,516
Interfund payables	50,561	0	0	50,561
Total Liabilities	<u>64,077</u>	<u>0</u>	<u>0</u>	<u>64,077</u>
Fund Balances:				
Reserved for capital projects	0	0	3,953	3,953
Reserved for dedicated taxes	44,292	0	0	44,292
Unreserved, reported in Special Revenue	183,381	0	0	183,381
Total Fund Balances	<u>227,673</u>	<u>0</u>	<u>3,953</u>	<u>231,626</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 291,750</u>	<u>\$ 0</u>	<u>\$ 3,953</u>	<u>\$ 295,703</u>

MADISON PARISH POLICE JURY
NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances - By Fund Type
For the Year Ended December 31, 2004

Exhibit 3

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL
REVENUES				
Local sources:				
Other taxes and penalties	\$ 81,087	\$ 0	\$ 0	\$ 81,087
Intergovernmental revenues:				
State funds:				
Other	150,810	0	0	150,810
Fees, charges, and commissions for services	24,370	0	0	24,370
Fines and forfeitures	299,111	0	0	299,111
Use of money and property	3,096	0	0	3,096
Other revenues	873	0	0	873
Total Revenues	559,347	0	0	559,347
EXPENDITURES				
Current:				
General government:				
Judicial	322,925	0	0	322,925
Public safety	92,158	0	0	92,158
Public works	79,729	0	0	79,729
Culture and recreation	558	0	0	558
Debt service:				
Principal retirement	35,002	54,902	0	89,904
Interest and bank charges	11,239	6,429	0	17,668
Capital outlay	4,992	0	0	4,992
Total Expenditures	546,603	61,331	0	607,934
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	12,744	(61,331)	0	(48,587)
OTHER FINANCING SOURCES (USES)				
Transfers in	68,794	61,331	0	130,125
Transfers out	(71,870)	0	0	(71,870)
Total Other Financing Sources (Uses)	(3,076)	61,331	0	58,255
Net Change in Fund Balance	9,668	0	0	9,668
FUND BALANCES - BEGINNING	218,005	0	3,953	221,958
FUND BALANCES - ENDING	\$ 227,673	\$ 0	\$ 3,953	\$ 231,626

Madison Parish Police Jury

NONMAJOR SPECIAL REVENUE FUNDS

Rural Development - The Rural Development Fund accounts for revenue designated mainly for economic development purposes provided by the Governor's Office of Rural Development..

Criminal Court - The Criminal Court Fund accounts for revenue from fines and forfeitures imposed by the District Attorney and the District Court.

E-911 - The E-911 Fund accounts for the emergency communications of the Parish which are funded by service charges imposed.

Memorial - The Memorial Fund accounts for donations by private sources to the parish library.

Tri-Delta Share Grant - The Tri-Delta Share Grant Fund accounts for revenue from the Louisiana Housing Finance Agency Pilot Program using HOME grants and TANF grants for rehabilitating eligible owner-occupied dwellings.

Construction - The Construction Fund accounts for revenue used in the renovation of the Courthouse from USDA loan and other grant sources.

LTD Tax Certificate of Indebtedness - The LTD Tax Certificate of Indebtedness Fund accounts for annual reserve fund payments in an amount equal to ten percent of the annual debt service payment made on the prior March 1 until \$27,000 is on deposit. Funds are paid from ad valorem taxes received at the beginning of the year.

Road Improvement Escrow - The Road Improvement Fund accounts for revenue from ad valorem taxes designated for future road projects.

USDA Note - The USDA Note fund accounts for revenue from ad valorem taxes designated for repayment of loan.

Mosquito Control - The Mosquito Control Fund accounts for revenue from the Arboviral Grant provided by the Department of Public Health to educate citizens on ways to reduce mosquito habitat and to facilitate surveillance and control measures.

MADISON PARISH POLICE JURY
NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
December 31, 2004

	RURAL DEVELOPMENT	CRIMINAL COURT	E-911	MEMORIAL
ASSETS				
Cash and cash equivalents	\$ 0	\$ 25,919	\$ 74,114	\$ 5,534
Investments	0	0	55,996	0
Receivables	20,737	20,618	11,846	0
Interfund receivables	0	0	0	0
Prepaid items	0	0	0	0
TOTAL ASSETS	20,737	46,537	141,956	5,534
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts, salaries and other payables	0	10,079	3,437	0
Interfund payables	0	47,806	2,755	0
Total Liabilities	0	57,885	6,192	0
Fund Balances:				
Reserved for dedicated taxes	0	0	0	0
Unreserved and undesignated	20,737	(11,348)	135,764	5,534
Total Fund Balance	20,737	(11,348)	135,764	5,534
TOTAL LIABILITIES AND FUND BALANCES	\$ 20,737	\$ 46,537	\$ 141,956	\$ 5,534

Exhibit 4

TRI-DELTA SHARE GRANT	CONSTRUCTION	LTD TAX CERTIFICATE OF INDEBTEDNESS	ROAD IMPROVEMENT ESCROW	USDA NOTE	MOSQUITO CONTROL	TOTAL
\$ 9,056	\$ 0	\$ 9,826	\$ 0	\$ 44,921	\$ 13,183	182,553
0	0	0	0	0	0	55,996
0	0	0	0	0	0	53,201
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>9,056</u>	<u>0</u>	<u>9,826</u>	<u>0</u>	<u>44,921</u>	<u>13,183</u>	<u>291,750</u>
0	0	0	0	0	0	13,516
0	0	0	0	0	0	50,561
0	0	0	0	0	0	64,077
0	0	0	0	44,292	0	44,292
9,056	0	9,826	0	629	13,183	183,381
9,056	0	9,826	0	44,921	13,183	227,673
<u>\$ 9,056</u>	<u>\$ 0</u>	<u>\$ 9,826</u>	<u>\$ 0</u>	<u>\$ 44,921</u>	<u>\$ 13,183</u>	<u>291,750</u>

MADISON PARISH POLICE JURY

NONMAJOR SPECIAL REVENUE FUNDS
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended December 31, 2004

	RURAL DEVELOPMENT	CRIMINAL COURT	E-911	MEMORIAL
REVENUES				
Local sources:				
Other taxes and penalties	\$ 0	\$ 0	\$ 81,087	\$ 0
Intergovernmental revenues:				
State funds:				
Other	137,810	0	0	0
Fees, charges, and commissions for services	0	24,370	0	0
Fines and forfeitures	0	299,111	0	0
Use of money and property	0	254	1,698	73
Other revenues	0	0	40	765
Total Revenues	137,810	323,735	82,825	838
EXPENDITURES				
Current:				
General government:				
Judicial	0	322,925	0	0
Public safety	0	0	92,158	0
Public works	79,729	0	0	0
Culture and recreation	0	0	0	558
Debt service:				
Principal retirement	0	0	0	0
Interest and bank charges	0	0	0	0
Capital outlay	0	0	0	0
Total Expenditures	79,729	322,925	92,158	558
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	58,081	810	(9,333)	280
OTHER FINANCING SOURCES (USES)				
Transfers in	0	0	17,930	0
Transfers out	(37,344)	0	0	0
Total Other Financing Sources (Uses)	(37,344)	0	17,930	0
Net Change in Fund Balances	20,737	810	8,597	280
FUND BALANCES - BEGINNING	0	(12,158)	127,167	5,254
FUND BALANCES - ENDING	\$ 20,737	\$ (11,348)	\$ 135,764	\$ 5,534

Exhibit 5

TRI-DELTA SHARE GRANT	CONSTRUCTION	LTD TAX CERTIFICATE OF INDEBTEDNESS	ROAD IMPROVEMENT ESCROW	USDA NOTE	MOSQUITO CONTROL	TOTAL
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	81,087
0	0	0	0	0	13,000	150,810
0	0	0	0	0	0	24,370
0	0	0	0	0	0	299,111
0	0	126	200	630	115	3,096
0	0	0	0	0	68	873
0	0	126	200	630	13,183	559,347
0	0	0	0	0	0	322,925
0	0	0	0	0	0	92,158
0	0	0	0	0	0	79,729
0	0	0	0	0	0	558
0	0	0	0	35,002	0	35,002
0	0	0	0	11,239	0	11,239
0	4,992	0	0	0	0	4,992
0	4,992	0	0	46,241	0	546,603
0	(4,992)	126	200	(45,611)	13,183	12,744
0	0	4,624	0	46,240	0	68,794
0	0	0	(34,526)	0	0	(71,870)
0	0	4,624	(34,526)	46,240	0	(3,076)
0	(4,992)	4,750	(34,326)	629	13,183	9,668
9,056	4,992	5,076	34,326	44,292	0	218,005
\$ 9,056	\$ 0	\$ 9,826	\$ 0	\$ 44,921	\$ 13,183	\$ 227,673

Madison Parish Police Jury

GENERAL

COMPENSATION PAID POLICE JURORS The schedule of compensation paid to police jurors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the Madison Parish Police Jury members is included in the general administrative expenditures of the general fund. Members of the governing board receive compensation pursuant to Louisiana Revised Statute 33:1233.

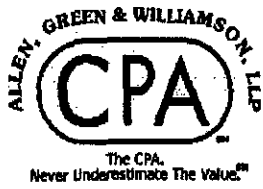
**Schedule of Compensation Paid Police Jurors
For the Year Ended December 31, 2004**

Paxton J. Branch, Sr., President	\$13,200
Robert D. Fortenberry	12,000
George R. Skipper	12,000
Thomas J. Williams	12,000
Danny S. Guice	<u>12,000</u>
Total	<u>\$61,200</u>

Madison Parish Police Jury

**OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

The report following this page is a report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards, issued by the Comptroller General of the United States of America. The section of the report on compliance is based solely on the audit of the basic financial statements and presents, where applicable, compliance matters that would be material to the basic financial statements. The section of the report on internal control over financial reporting is, likewise, based solely on the audit of the basic financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses.



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1963 - 2000

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Police Jurors
Madison Parish Police Jury
Tallulah, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Madison Parish Police Jury (the Police Jury), as of and for the year ended December 31, 2004, which collectively comprise the Police Jury's basic financial statements and have issued our report thereon dated June 3, 2005. Our report was qualified because some component units are not included. 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 of America.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Police Jury's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted several matters involving 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 internal control over financial reporting that, in our judgment, could adversely effect the Police Jury's ability to record, process, summarize and report financial data consistent with the assertions of management in the basic financial statements. The reportable conditions are described in the accompanying Schedule of Current Year Findings and Questioned Costs as items 04-F1, 04-F5 and 04-F6.

A material weakness is a reportable 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 caused by error or fraud in amounts that would be material in relation to the basic 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 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 reportable conditions. However, we believe that none of the reportable conditions noted above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Police Jury's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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* and which are

Police Jurors
Madison Parish Police Jury
Tallulah, Louisiana

described in the accompanying Schedule of Current Year Findings and Questioned Costs as items 04-F2, 04-F3, 04-F4, and 04-F5 .

This report is intended solely for the information and use of the Police Jurors, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

allen, Green + Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
June 3, 2005

**Madison Parish Police Jury
Schedule of Current Year Findings and Questioned Costs
For the Year Ended December 31, 2004**

Reference # and title: 04-F1 Personnel Files Incomplete

Entity-wide or program/department specific: This finding is specific to payroll.

Criteria or specific requirement: Personnel files should contain some form of proof of existence such as I-9, copy of driver's license, social security or birth certificate.

Condition found: In examining thirty personnel files, none were found to have proof of existence of employee.

Possible asserted effect (cause and effect):

Cause: The Police Jury was unaware of the need to maintain forms of identification in personnel files.

Effect: There is no proof of existence maintained in personnel files.

Recommendations to prevent future occurrences: The Police Jury should have completed forms for proof of existence (I-9s) in personnel file for each employee.

Reference # and title: 04-F2 Donation of Public Funds

Entity-wide or program/department specific: This finding is entity-wide.

Criteria or specific requirement: Article 7, Section 14 of the Louisiana Constitution prohibits donation of public funds.

Condition found: In reading the board minutes for February 9, 2004, it was noted that the board granted private use of the gazebo on the courthouse grounds without any compensation.

Possible asserted effect (cause and effect):

Cause: The board members granted permission to a private individual to use the Police Jury property without any compensation.

Effect: The Police Jury is in violation of Article 7, Section 14 which prohibits donation of public funds.

Recommendations to prevent future occurrences: The Police Jury should ensure that all Louisiana Revised Statutes are followed in the future in regards to use of property.

Reference # and title: 04-F3 Local Government Budget Act

Entity-wide or program/department specific: This finding is related to the entity as a whole.

Criteria or specific requirement: The "Louisiana Local Government Act" requires budgets be amended if expected actual revenues are five percent less than budgeted revenues or expected actual expenditures are 5% greater than budgeted expenditures. Louisiana Revised Statute LSA-R.S. 39:1310 states in part that "in no event shall a budget

**Madison Parish Police Jury
Schedule of Current Year Findings and Questioned Costs
For the Year Ended December 31, 2004**

amendment be adopted proposing expenditures with exceed the total of estimated funds available for the fiscal year".

Condition found: The Police Jury had budgeted revenues which exceeded that of actual revenues and/or actual expenditures which exceeded budgeted expenditures greater than 5% in the following funds: Library Fund, Public Works Fund, Courthouse & Jail Fund, and Health Unit Fund. The Police Jury adopted an amended budget for the general fund which had expenditures exceeding the total of revenues available for fiscal year 2004 creating a deficit of \$68,970.

Possible asserted effect (cause and effect):

Cause: The Police Jury did not monitor and make amendments as appropriate to budgets. An amended budget was adopted for the general fund with a deficit.

Effect: The agency is in violation of Louisiana Revised Statue LSA-R.S. 39:1309-1310.

Recommendations to prevent future occurrences: The Police Jury should monitor the budget closely and amend the budget as is necessary in order to comply with the Local Government Act.

Reference # and title: 04-F4 Violation of Parish Transportation Act

Entity-wide or program/department specific: This finding is related to the Public Works Fund.

Criteria or specific requirement: Louisiana Revised Statue LSA-R.S. 48:755 states in part that "each parish shall develop a parish wide program of construction inclusive of parish roads within municipalities to be commenced the ensuing fiscal year.....the program shall also list projects which may reasonably be anticipated to be constructed in the following two years".

Condition found: The Police Jury has not adopted a three-year capital improvements plan.

Possible asserted effect (cause and effect):

Cause: The Police Jury has not a adopted a three-year capital improvement plan.

Effect: The Police Jury is not in compliance with some provisions of the Parish Transportation Act.

Recommendations to prevent future occurrences: The Police Jury should comply with Louisiana Revised Statue LSA-R.S. 48:755 and adopted a three-year capital improvement plan which follows all requirements as set forth in the law.

**Madison Parish Police Jury
Schedule of Current Year Findings and Questioned Costs
For the Year Ended December 31, 2004**

Reference # and title: **04-F5** **Capital Asset Schedule**

Entity-wide or program/department specific: This finding is related to the entity as a whole.

Criteria or specific requirement: Louisiana Revised Statute LSA-R.S. 24:515 requires governmental entities to maintain appropriate and updated records of capital assets.

Condition found: The capital asset records maintained by the Police Jury do not agree to the recorded amounts in the general ledger.

Possible asserted effect (cause and effect):

Cause: The Police Jury's capital asset listing does not have all additions and deletions reflected.

Effect: The Police Jury's capital asset records may not be complete.

Recommendations to prevent future occurrences: The Police Jury should ensure that the current listing for capital assets is correct. All additions and deletions purchased in the future should be recorded in a timely manner. All deletions should be confirmed in writing as to the disposition (sold, scrapped, donated, etc.) of each. Also, all capital assets should have a unique tag number and the number be listed on the capital asset schedule.

Reference # and title: **04-F6** **Garbage Fee Collections from Agencies**

Entity-wide or program/department specific: This finding is related to the Garbage Maintenance Fund.

Criteria or specific requirement: Certain water distribution organizations are contracted to collect garbage fees and remit fees to the Police Jury.

Condition found: One of the four collection agencies was examined as to the process in effect for collecting garbage fees owed to the Madison Parish Police Jury. The Water District mails out bills in which the garbage fees are listed along with water usage fees. The customer pays the total bill to the water district and then the garbage fee is remitted to the Police Jury on a monthly basis. There were problems when a customer became in arrears as to the water fees owed the water district. If a customer was in arrears, monies paid went to the water usage charges first which had the effect of the garbage fee going uncollected until the customer became current again in regards to water usage. There was no comprehensive listing in which the total of uncollected fees could be determined. Also, in one occurrence, the water district used monies from fees collected for the Police Jury to make needed repairs to the water system. In November, 2004, the water district paid the fees owed for previous months. Also, there appears to be no correlation between the actual garbage pickups and those who are actually paying for the service. It appears the company who contracts to make garbage pickups has a specified route and removes all garbage along the route with no determination as to whether the person actually is a paying customer.

**Madison Parish Police Jury
Schedule of Current Year Findings and Questioned Costs
For the Year Ended December 31, 2004**

Possible asserted effect (cause and effect):

Cause: There is no monitoring of the process of garbage collection fees by agencies by the Police Jury.

Effect: The Police Jury may not be receiving all monies owed for garbage collection.

Recommendations to prevent future occurrences: The Police Jury should monitor the collection of garbage fees by the agencies contracted to provide this service. There should be a process in effect in which delinquent garbage fees can be tracked and recovered by the Police Jury. Also, there should be communication between the Police Jury and the company who actual makes the garbage collection to ensure only those who pay the fee receive the service.

Madison Parish Police Jury

Other Information

The information in the following section concerns management's actions or intentions concerning prior- and current-year audit findings. This information has been prepared by the management of the Madison Parish Police Jury. Management accepts full responsibility for the accuracy of the information. This information has not been audited by the auditors and accordingly, no opinion is expressed.

**Madison Parish Police Jury
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2004**

Reference # and title: **03-F1** **General Fixed Asset Schedule**

Initially occurred: June 30, 2003

Condition found: The general fixed asset records maintained by the Police Jury do not agree to the recorded amounts in the general ledger.

Corrective action planned: See current-year finding 04-F5.

Reference # and title: **03-F2** **Budget Variances Exceed Five Percent**

Initially occurred: June 30, 2003

Condition found: The actual expenditures of several funds exceeded budgeted amounts (as amended) by over five percent.

Corrective action planned: See current-year finding 04-F3.

Reference # and title: **03-F3** **Garbage Fee Collections from Agencies**

Initially occurred: June 30, 2003

Condition found: It was represented to us that certain water distribution organizations are not remitting the fees collected in a timely manner.

Corrective action planned: See current-year finding 04-F6.

Reference # and title: **03-F4** **Reimbursement for Travel Expenses**

Initially occurred: June 30, 2003

Condition found: Employees are not adhering to travel policies. Expenditures for items such as tips and mileage seem excessive and unreasonable in many instances.

Corrective action taken: The Police Jury has ensured that employees adhere to the travel policy as required.

Reference # and title: **03-F5** **Adopted Deficit Budget**

Initially occurred: June 30, 2003

Condition found: The budgeted expenditures of certain funds were greater than the revenues budgeted for those funds resulting in a budgeted deficit for those funds.

**Madison Parish Police Jury
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2004**

Corrective action planned: See current-year finding 04-F3.

Reference # and title: **03-F6** **Sewage Fees not Billed**

Initially occurred: June 30, 2003

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

Corrective action taken: Monthly procedures were implemented to ensure all customers are billed and continue to be monitored.

Reference # and title: **03-F7** **Garbage and Sewer Collections from Customers**

Initially occurred: June 30, 2003

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

Corrective action taken: Monthly aged trial balance printouts are reviewed to ensure collections are being made from customers and continue to be monitored.

**Madison Parish Police Jury
Corrective Action Plan for Current Year Findings and Questioned Costs
December 31, 2004**

Reference # and title: 04-F1 Personnel Files Incomplete

Condition found: In examining thirty personnel files, none were found to have proof of existence of employee.

Corrective action planned: Current employees were issued I-9s to complete and update their personnel file. In the future all new employees will be given a Form I-9 to complete upon hiring.

Person responsible for corrective action:

Margaret Smith, Secretary-Treasurer
Madison Parish Police Jury
100 North Cedar Street
Tallulah, LA 71282

Phone: (318) 574-3451
Fax: (318) 574-3122

Anticipated completion date: Immediately

Reference # and title: 04-F2 Donation of Public Funds

Condition found: In reading the board minutes for February 9, 2004, it was noted that the board granted private use of the gazebo on the courthouse grounds without any compensation.

Corrective action planned: Management will advise the Police Jury of Article 7, Section 14 of the Louisiana Constitution, which prohibits donation, loan, or pledge of public funds, credit, property, or things of value of the parish. The Police Jury will then review and revise the policy on use of courtyard property.

Person responsible for corrective action:

Margaret Smith, Secretary-Treasurer
Madison Parish Police Jury
100 North Cedar Street
Tallulah, LA 71282

Phone: (318) 574-3451
Fax: (318) 574-3122

Anticipated completion date: July 31, 2005

Reference # and title: 04-F3 Local Government Budget Act

Condition found: The Police Jury had budgeted revenues which exceeded that of actual revenues and/or actual expenditures which exceeded budgeted expenditures greater than 5% in the following funds: General Fund, Library Fund, Public Works Fund, Courthouse & Jail Fund, and Health Unit Fund. The Police Jury adopted an amended budget for the general fund which had expenditures exceeding the total of revenues available for fiscal year 2004 creating a deficit of \$68,970

Corrective action planned: Management will monitor budget to actual variances more frequently and closely so that required amendments are made timely. Other financing sources will be budgeted in order to adopt a balanced budget.

**Madison Parish Police Jury
Corrective Action Plan for Current Year Findings and Questioned Costs
December 31, 2004**

Person responsible for corrective action:

Margaret Smith, Secretary-Treasurer
Madison Parish Police Jury
100 North Cedar Street
Tallulah, LA 71282

Phone: (318) 574-3451
Fax: (318) 574-3122

Anticipated completion date: December 31, 2005

Reference # and title: **04-F4** **Violation of Parish Transportation Act**

Condition found: The Police Jury has not adopted a three-year capital improvements plan.

Corrective action planned: In an effort to comply with the Parish Transportation Act a three-year road plan will be adopted.

Person responsible for corrective action:

Margaret Smith, Secretary-Treasurer
Madison Parish Police Jury
100 North Cedar Street
Tallulah, LA 71282

Phone: (318) 574-3451
Fax: (318) 574-3122

Anticipated completion date: Immediately

Reference # and title: **04-F5** **Capital Asset Schedule**

Condition found: The capital asset records maintained by the Police Jury do not agree to the recorded amounts in the general ledger.

Corrective action planned: Management will review the list and make the necessary adjustments for additions or deletions of items to the general fixed asset records. In the future, adjustments will be made as they occur.

Person responsible for corrective action:

Margaret Smith, Secretary-Treasurer
Madison Parish Police Jury
100 North Cedar Street
Tallulah, LA 71282

Phone: (318) 574-3451
Fax: (318) 574-3122

Anticipated completion date: Immediately

**Madison Parish Police Jury
Corrective Action Plan for Current Year Findings and Questioned Costs
December 31, 2004**

Reference # and title: **04-F6** **Garbage Fee Collections from Agencies**

Condition found: One of the four collection agencies was examined as to the process in effect for collecting garbage fees owed to the Madison Parish Police Jury. The Water District mails out bills in which the garbage fees are listed along with water usage fees. The customer pays the total bill to the water district and then the garbage fee is remitted to the Police Jury on a monthly basis. There were problems when a customer became in arrears as to the water fees owed the water district. If a customer was in arrears, monies paid went to the water usage charges first which had the effect of the garbage fee going uncollected until the customer became current again in regards to water usage. There was no comprehensive listing in which the total of uncollected fees could be determined. Also, in one occurrence, the water district used monies from fees collected for the Police Jury to make needed repairs to the water system. In November, 2004, the water district paid the fees owed for previous months. Also, there appears to be no correlation between the actual garbage pickups and those who are actually paying for the service. It appears the company who contracts to make garbage pickups has a specified route and removes all garbage along the route with no determination as to whether the person actually is a paying customer.

Corrective action planned: Management will present the finding to the police jury and parish attorney for review of current policy and proposed revisions to the process.

Person responsible for corrective action:

Margaret Smith, Secretary-Treasurer
Madison Parish Police Jury
100 North Cedar Street
Tallulah, LA 71282

Phone: (318) 574-3451
Fax: (318) 574-3122

Anticipated completion date: Immediately

**Madison Parish Police Jury
Status of Prior Management Letter Items
December 31, 2004**

03-M1 Payroll Entries

Comment: 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.

Corrective action taken: The Police Jury, along with the fee accountant, reviews the records to ensure all payroll-related expenses are being properly allocated to the correct fund.