

**TOWN OF JONESBORO**  
Jonesboro, Louisiana

**General Purpose Financial Statements**  
**As of and for the Year Ended June 30, 2003**  
**With Supplemental Information Schedules**

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 3.17.04

**TAMI D. LEDBETTER, CPA, LLC**

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**TOWN OF JONESBORO**  
**Jonesboro, Louisiana**

**General Purpose Financial Statements**  
**As of and for the Year Ended June 30, 2003**  
**With Supplemental Information Schedules**

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## TAMI D. LEDBETTER, CPA, LLC

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### INDEPENDENT AUDITOR'S REPORT

The Honorable Don L. Essmeier, Mayor  
and Members of the Board of Aldermen  
Town of Jonesboro, Louisiana

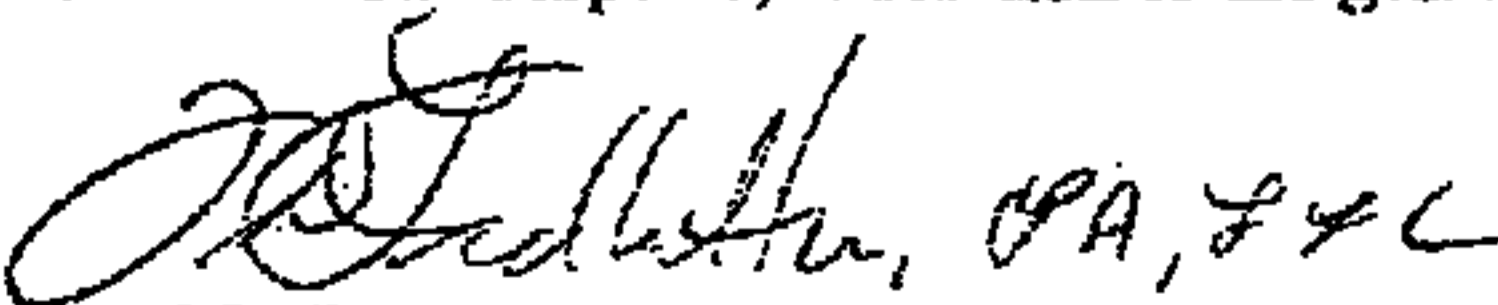
I have audited the accompanying general purpose financial statements of the Town of Jonesboro, Louisiana, as of and for the year ended June 30, 2003 as listed in the table of contents. These general purpose financial statements are the responsibility of management of the Town of Jonesboro, Louisiana. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Town of Jonesboro, Louisiana, as of June 30, 2003, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued my report dated December 18, 2003, on my consideration of the Town of Jonesboro's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The financial information listed as supporting schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Town of Jonesboro. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

  
Tami D. Ledbetter, CPA, LLC  
December 18, 2003

Town of Jonesboro  
Jonesboro, Louisiana  
ALL FUND TYPES AND ACCOUNT GROUP  
Combined Balance Sheet  
June 30, 2003

GOVERNMENTAL FUNDS		PROPRIETARY FUND	ACCOUNT GROUP	TOTAL (MEMORANDUM ONLY)
GENERAL FUND	SPECIAL REVENUE FUNDS	ENTERPRISE FUND	GENERAL FIXED ASSETS	

## ASSETS AND OTHER DEBITS

## Assets:

Cash and cash equivalents	\$ 405,919	\$ 609,797	\$ 187,959	\$	1,203,675
Receivables (net of allowances for doubtful accounts)	204,402	114,482	212,492		531,376
Inventory			54,583		54,583
Prepaid assets	11,881				11,881
Restricted assets:					
Cash and cash equivalents	1,060		90,368		91,428
Land, buildings and equipment (net, where applicable, of accumulated depreciation)			4,479,515	3,035,071	7,514,586
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 623,262</b>	<b>\$ 724,279</b>	<b>\$ 5,024,917</b>	<b>\$ 3,035,071</b>	<b>\$ 9,407,529</b>

## LIABILITIES, EQUITY AND OTHER CREDITS

## Liabilities:

Accounts, salaries and other payables	\$ 28,744		\$ 29,186	\$	57,930
Payable from restricted assets:					
Customers' deposits	1,060		90,368		91,428
<b>Total Liabilities</b>	<b>29,804</b>	<b>NONE</b>	<b>119,554</b>		<b>149,358</b>

## Equity and Other Credits:

Contributed capital			3,249,014		3,249,014
Investment in general fixed assets				3,035,071	3,035,071
Retained earnings			1,656,349		1,656,349
Fund balance - unreserved, undesignated	593,458	724,279			1,317,737
<b>Total Equity and Other Credits</b>	<b>593,458</b>	<b>724,279</b>	<b>4,905,363</b>	<b>3,035,071</b>	<b>9,258,171</b>

## TOTAL LIABILITIES, EQUITY AND OTHER CREDITS

<b>\$ 623,262</b>	<b>\$ 724,279</b>	<b>\$ 5,024,917</b>	<b>\$ 3,035,071</b>	<b>\$</b>	<b>9,407,529</b>
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The accompanying notes are an integral part of this statement.

Town of Jonesboro  
Jonesboro, Louisiana  
**GOVERNMENTAL FUNDS - GENERAL  
AND SPECIAL REVENUE FUNDS**  
Combined Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Year Ended June 30, 2003

	GOVERNMENTAL FUNDS		
	GENERAL FUND	SPECIAL REVENUE FUNDS	TOTAL (MEMORANDUM ONLY)
<b>REVENUES</b>			
General sales and use tax	\$ 669,576	\$ 669,576	\$ 1,339,152
Intergovernmental	113,656		113,656
Franchise fees - utility	136,894		136,894
Garbage fees	158,720		158,720
Fines and forfeitures	110,297		110,297
Licenses and permits	93,506		93,506
Ad valorem tax	101,579	127,058	228,637
Other fees and charges	44,728		44,728
Public safety fee	37,731		37,731
Grants:			
State	32,269		32,269
Contributions	1,620		1,620
Use of money (interest)	5,928	11,876	17,804
<b>Total revenues</b>	<b>1,506,504</b>	<b>808,510</b>	<b>2,315,014</b>
<b>EXPENDITURES</b>			
Legislative	43,473		43,473
Judicial	7,060		7,060
Executive	42,761		42,761
General and administrative	241,853	5,711	247,564
Public safety	897,048		897,048
Sanitation	189,505		189,505
Streets	893,804		893,804
Airport	10,977		10,977
Recreation	7,812		7,812
Cemetery	5,697		5,697
Industrial development	2,814		2,814
<b>Total expenditures</b>	<b>2,342,804</b>	<b>5,711</b>	<b>2,348,515</b>
<b>EXCESS (Deficiency) OF REVENUES OVER (Under) EXPENDITURES</b>	<b>(836,300)</b>	<b>802,799</b>	<b>(33,501)</b>
<b>OTHER FINANCING SOURCES (Uses)</b>			
Transfers from other funds	843,939		843,939
Transfers to other funds		(818,939)	(818,939)
<b>Total other financing sources (uses)</b>	<b>843,939</b>	<b>(818,939)</b>	<b>25,000</b>
<b>EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER (Under) EXPENDITURES AND OTHER USES</b>	<b>7,639</b>	<b>(16,140)</b>	<b>(8,501)</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>585,819</b>	<b>740,419</b>	<b>1,326,238</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 593,458</b>	<b>\$ 724,279</b>	<b>\$ 1,317,737</b>

The accompanying notes are an integral part of this statement.

Jonesboro, Louisiana

**GOVERNMENTAL FUNDS - GENERAL AND  
SPECIAL REVENUE FUNDS**

**Combined Statement of Revenues, Expenditures,  
and Changes in Fund Balances - Budget (GAAP Basis) and Actual  
For the Year Ended June 30, 2003**

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>						
General sales and use tax	\$ 550,000	\$ 669,576	\$ 119,576	\$ 550,000	\$ 669,576	\$ 119,576
Intergovernmental	114,800	113,656	(1,144)			
Franchise fees - utility	150,000	136,894	6,894			
Garbage fees	133,600	158,720	25,120			
Fines and forfeitures	80,120	110,297	30,177			
Licenses and permits	68,000	93,506	25,506			
Ad valorem tax	95,250	101,579	6,329	120,000	127,058	7,058
Other fees and charges	23,000	44,728	21,728	3,000		(3,000)
Public safety fees	45,000	37,731	(7,269)			
Grants:						
State		32,269	32,269			
Contributions		1,620	1,620			
Use of money (interest)	8,000	5,928	(2,072)	9,100	11,876	2,776
Total revenues	<u>1,247,770</u>	<u>1,506,504</u>	<u>258,734</u>	<u>682,100</u>	<u>808,510</u>	<u>126,410</u>
<b>EXPENDITURES</b>						
Legislative	49,550	43,473	6,077			
Judicial	5,670	7,060	(1,390)			
Executive	46,875	42,761	4,114			
General and administrative	330,175	241,853	88,322	7,410	5,711	1,699
Public safety	948,775	897,048	51,727			
Sanitation	187,000	189,505	(2,505)			
Streets	1,116,300	893,804	222,496			
Airport	12,850	10,977	1,873			
Recreation	15,100	7,812	7,288			
Cemetery	7,000	5,697	1,303			
Industrial development	731,483	2,814	728,669			
Total expenditures	<u>3,450,778</u>	<u>2,342,804</u>	<u>1,107,974</u>	<u>7,410</u>	<u>5,711</u>	<u>1,699</u>
<b>EXCESS (Deficiency) OF REVENUES OVER (Under) EXPENDITURES</b>	<u>(2,203,008)</u>	<u>(836,300)</u>	<u>1,366,708</u>	<u>674,690</u>	<u>802,799</u>	<u>128,109</u>
<b>OTHER FINANCING SOURCES (Uses)</b>						
Transfers from other funds	1,318,774	843,939	(474,835)			
Transfers to other funds				(1,318,774)	(818,939)	499,835
Total other financing sources (uses)	<u>1,318,774</u>	<u>843,939</u>	<u>(474,835)</u>	<u>(1,318,774)</u>	<u>(818,939)</u>	<u>499,835</u>
<b>EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER (Under) EXPENDITURES AND OTHER USES</b>	<u>(884,234)</u>	<u>7,639</u>	<u>891,873</u>	<u>(644,084)</u>	<u>(16,140)</u>	<u>627,944</u>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>884,234</u>	<u>585,819</u>	<u>(298,415)</u>	<u>644,084</u>	<u>740,419</u>	<u>96,335</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>NONE \$</u>	<u>593,458 \$</u>	<u>593,458</u>	<u>NONE \$</u>	<u>724,279 \$</u>	<u>724,279</u>

The accompanying notes are an integral part of this statement.

Town of Jonesboro  
Jonesboro, Louisiana  
**PROPRIETARY FUND**  
Statement of Revenues, Expenses, and Changes  
in Retained Earnings  
For the Year Ended June 30, 2003

	<b>ENTERPRISE FUND</b>
<b>OPERATING REVENUES</b>	
Charges for services	\$ <u>793,198</u>
Total operating revenues	<u>793,198</u>
<b>OPERATING EXPENSES</b>	
Personnel services	276,626
Repairs and maintenance	214,235
Operating supplies	33,191
Office supplies	5,304
Insurance and bonding	16,349
Travel and workshops	1,394
Utility services	102,751
Rentals	1,667
Meter reading	18,489
Depreciation	133,258
Other charges	<u>18,434</u>
Total operating expenses	<u>821,698</u>
<b>OPERATING INCOME (Loss)</b>	<u>(28,500)</u>
<b>NON-OPERATING REVENUES (Expenses) AND TRANSFERS</b>	
Tap fees and permits	3,134
Interest income	8,438
Transfer from general fund (net)	<u>(25,000)</u>
Total non-operating revenues (expenses) and transfers	<u>(13,428)</u>
<b>NET INCOME (Loss)</b>	(41,928)
<b>RETAINED EARNINGS AT BEGINNING OF YEAR</b>	<u>1,698,277</u>
<b>RETAINED EARNINGS AT END OF YEAR</b>	<u><u>\$ 1,656,349</u></u>

The accompanying notes are an integral part of this statement.

Town of Jonesboro  
 Jonesboro, Louisiana  
**PROPRIETARY FUND**  
 Statement of Cash (and Cash Equivalents) Flows  
 For the Year Ended June 30, 2003

Statement E

<b>ENTERPRISE FUND</b>
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Cash flows from operating activities:

Net income (loss)		\$ (41,928)
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Depreciation	133,246	
(Increase) decrease in:		
Accounts receivable	(64,016)	
Inventory	(5,106)	
Restricted assets	(4,312)	
Prepaid assets	2,636	
Increase (decrease) in:		
Accounts payable	(66,414)	
Customer deposits	<u>4,312</u>	
		<u>346</u>
Net cash provided (used) by operating activities		(41,582)
Net cash increase for the year		
Cash at beginning of year (unrestricted)		<u>229,541</u>
Cash at end of year (unrestricted)		<u>\$ 187,959</u>

Supplemental disclosures of cash flow information:

Cash paid during the period for interest expense		<u>NONE</u>
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The accompanying notes are an integral part of this statement.



Town of Jonesboro  
Jonesboro, Louisiana  
Notes to the Financial Statements  
As of and for the Year Ended June 30, 2003

## INTRODUCTION

The Town of Jonesboro is located in the southwest corner of Jackson Parish. Jonesboro was incorporated as a village on September 4, 1901, and as a town on May 14, 1903, under provisions of the Lawrason Act. The Town operates under a Mayor-Board of Aldermen form of government. The Board of Aldermen of the Town of Jonesboro is composed of five aldermen, elected for four year terms, who are compensated according to the schedule in this report. The Town serves 4,305 citizens by providing police protection, fire protection, water/sewer services, sanitation services, street maintenance, and various administrative functions such as legislation of town ordinances and the enforcement of same. The Town employs approximately fifty persons to serve the needs of the citizens of the Town of Jonesboro.

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. BASIS OF PRESENTATION

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

#### B. REPORTING ENTITY

As the municipal governing authority, for reporting purposes, the Town of Jonesboro is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (municipality), (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 established criteria for determining which component units should be considered part of the Town of Jonesboro 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. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the municipality 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 municipality.
2. Organizations for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization were not included because of the nature or significance of the relationship.

As required by generally accepted accounting principles, these financial statements present the Town of Jonesboro (the primary government). The Town of Jonesboro has no component units.

Town of Jonesboro  
Jonesboro, Louisiana  
Notes to the Financial Statements (Continued)

**B. REPORTING ENTITY (Continued)**

Considered in the determination of component units of the reporting entity were the Jackson Parish Police Jury, Sheriff, Clerk of Court, Assessor, and School Board as well as the District Attorney and Judges for the Second Judicial District. It was determined that these governmental entities are not component units of the Town of Jonesboro reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of the Town of Jonesboro.

**C. FUND ACCOUNTING**

The Town of Jonesboro uses funds and an account group to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

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

Funds of the Town of Jonesboro are classified into two categories: governmental and proprietary. Each category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

**Governmental Funds**

Governmental funds account for all or most of the Town of Jonesboro's general activities, including the collection and disbursement of specific or legally restricted monies, and the acquisition or construction of general fixed assets. Governmental funds of the Town of Jonesboro include:

1. General fund--to account for all financial resources, except those required to be accounted for in other funds.
2. Special revenue funds--to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**Proprietary Funds**

Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. The proprietary fund of the Town of Jonesboro is an:

1. Enterprise fund--fund used to account for operations that are financed and operated in a manner similar to a private business enterprise where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user fees.

**D. BASIS OF ACCOUNTING**

The accounting and financial treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

Town of Jonesboro  
Jonesboro, Louisiana  
Notes to the Financial Statements (Continued)

D. BASIS OF ACCOUNTING (continued)

Revenues

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means that the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Ad valorem taxes (which are based on assessments of business property and homesteads in the parish) are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, and February of the fiscal year. Based on prior experience, the uncollectible ad valorem taxes net of proceeds from the tax sale of property is immaterial, thus no provision has been made for such a loss.

Sales tax and intergovernmental taxes are collected by the Jackson Parish Sales Tax Collection Agency and the State of Louisiana, respectively, and remitted to the Town. Therefore, amounts collected by the governmental agencies that are remitted within 60 days to the Town, are recognized as revenue.

Utility franchise fees on gross receipts are remitted to the Town quarterly. Revenue is recognized in the fiscal period that the utility companies collect gross receipts, if the utility franchise fees are received by the Town within 60 days.

Revenues from fines, forfeitures, licenses and permits are not susceptible to accrual because they are not generally measurable until received in cash.

Expenditures

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

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sales of fixed assets, debt extinguishments, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

The proprietary fund is accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. The proprietary fund uses the accrual basis of accounting; revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred. The Town applies all applicable Governmental Accounting Standards Board (GASB) pronouncements in its proprietary fund, as well as all other authoritative pronouncements issued prior to November 30, 1989, unless those pronouncements conflict or contradict GASB.

E. BUDGETS

The Town uses the following budget practices:

The proposed budgets for the fiscal year ended June 30, 2003, were made available for public inspection on June 13, 2002. The proposed budgets, prepared on the GAAP basis of accounting, were published in the official journal 12 days prior to the public hearing, which was held at the Town Hall on June 25, 2003, for comments from taxpayers. The budgets are legally adopted and amended, as necessary, by the Board of Aldermen. All appropriations lapse at year end. Budgeted amounts included in the accompanying financial statements are as originally adopted.

Town of Jonesboro  
Jonesboro, Louisiana  
Notes to the Financial Statements (Continued)

**F. ENCUMBRANCES**

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Town of Jonesboro.

**G. CASH, CASH EQUIVALENTS AND INVESTMENTS**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in short-term time deposits. Under state law, the Town of Jonesboro may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the Town of Jonesboro may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. At June 30, 2003, the Town of Jonesboro had no investments.

**H. FIXED ASSETS**

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

Fixed assets used in the proprietary fund operations are included on the balance sheet of the funds, net of accumulated depreciation. Depreciation of all exhaustible fixed assets used by proprietary fund operations is charged as an expense against operations. Depreciation is computed using the straight-line method.

**L. COMPENSATED ABSENCES**

Employees earn from one week to three weeks of vacation leave annually, depending upon length of service; vacation leave does not accumulate. Employees earn from one week to three weeks of sick leave annually, depending upon length of service; employees are allowed to accumulate 30 days of sick leave. The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the governmental funds when leave is actually taken. The amount of accrued sick leave is immaterial to the financial statements and is not accrued.

**J. FUND EQUITY**

Contributed Capital

Contributed capital is recorded in the Enterprise Fund for capital grants restricted for the acquisition or construction of capital assets. Contributed capital is not amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such resources.

**K. INTERFUND TRANSACTIONS**

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

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

Town of Jonesboro  
Jonesboro, Louisiana  
Notes to the Financial Statements (Continued)

L. SALES TAXES

The taxpayers of the Town of Jonesboro levied a 1% sales and use tax on April 1, 1980, to provide funds for any lawful activity of the Town. In January 1988, the taxpayers of the Town levied an additional 1% sales and use tax for a period of ten (10) years commencing August 1, 1989. In July, 1998, the taxpayers of the Town renewed the 1% sales and use tax for an additional ten (10) years commencing August 1, 1999. The purpose of this tax is for the construction, maintenance, repair and improvements of the Town's streets.

M. TOTAL COLUMNS OF COMBINED STATEMENTS

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. LEVIED TAXES

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

	Authorized Millage	Levied Millage	Expiration Date
Constitutional	7.95	7.77	n/a
Operation and maintenance - fire protection	5.00	4.88	12/31/07
Operation and maintenance - streets	5.00	4.88	12/31/07

3. CASH AND CASH EQUIVALENTS

At June 30, 2003, the Town of Jonesboro has cash and cash equivalents (book balances) totaling \$1,203,675 unrestricted and \$91,428 restricted as follows:

Demand deposits	\$ 583,099
Petty cash	3,100
Time deposits	<u>708,904</u>
Total	<u>\$ 1,295,103</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2003, the Town of Jonesboro has \$1,408,601 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance and \$1,735,747 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 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 Town of Jonesboro that the fiscal agent has failed to pay deposited funds upon demand.

Town of Jonesboro  
Jonesboro, Louisiana  
Notes to the Financial Statements (Continued)

4. RECEIVABLES

The receivables of \$531,376 at June 30, 2003, are as follows:

	General Fund	Special Revenue Funds	Proprietary Fund	Total
Taxes:				
Sales and use	\$ 114,482	\$ 114,482		\$ 228,964
Accounts	30,937		212,492	243,429
Fees	14,173			14,173
Intergovernmental	44,810			44,810
Total	\$ 204,402	\$ 114,482	\$ 212,492	\$ 531,376

5. INVENTORIES

Inventories are valued at cost primarily by using first in, first out (FIFO) method. Inventories of the Enterprise Fund consists of repair materials, spare parts, consumable supplies and fuel. These inventories are accounted for using the consumption method.

6. FIXED ASSETS

The changes in general fixed assets follow:

	Balance July 1, 2002	Additions	Deletions	Balance June 30, 2003
General fixed assets at 6/30/72	\$ 400,603			\$ 400,603
Land	147,487			147,487
Buildings	356,342			356,342
Improvements other than buildings	522,549			522,549
Machinery and equipment	\$1,532,704	75,386		1,608,090
Total	\$ 2,959,685	\$ 75,386		\$ 3,035,071

A summary of fixed assets used in the proprietary funds follows:

Plant and equipment	\$ 5,802,923
Less accumulated depreciation	(1,323,408)
Total	\$ 4,479,515

Town of Jonesboro  
Jonesboro, Louisiana  
Notes to the Financial Statements (Continued)

7. PENSION PLANS

Substantially all employees of the Town of Jonesboro are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana, Municipal Police Employees Retirement System of Louisiana, or Firefighters Retirement System of Louisiana. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

A. Municipal Employees Retirement System of Louisiana (System)

*Plan Description.* The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan A.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225)925-4810.

*Funding Policy.* Under Plan A, members are required by state statute to contribute 9.25 percent of their annual covered salary and the Town of Jonesboro is required to contribute at an actuarially determined rate. The current rate is 8.0 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 Town of Jonesboro 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 Town of Jonesboro's contributions to the System under Plan A for the years ending June 30, 2003, 2002 and 2001, were \$43,891, 43,455 , and \$37,981 respectively, equal to the required contributions for each year.

B. Municipal Police Employees Retirement System of Louisiana (System)

*Plan Description.* All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 percent of their final-average salary for each year of creditable service. 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 previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

Town of Jonesboro  
Jonesboro, Louisiana  
Notes to the Financial Statements (Continued)

7. PENSION PLANS (Continued)

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8550 United Plaza Boulevard, Suite 501, Baton Rouge, Louisiana 70809-0200, or by calling (225)929-7411.

*Funding Policy.* Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the Town of Jonesboro is required to contribute at an actuarially determined rate. The current rate is 15.25 percent of annual covered payroll. The contribution requirements of plan members and the Town of Jonesboro 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 Town of Jonesboro's contributions to the System for the years ending June 30, 2003, 2002, and 2001 were \$24,491, \$19,350, and \$20,090 respectively, equal to the required contributions for each year.

C. Firefighters Retirement System of Louisiana

*Plan Description.* Membership in the Louisiana Firefighters Retirement System is mandatory for all full-time firefighters employed by a municipality, parish or fire protection district that did not enact an ordinance before January 1, 1980, exempting itself from participation in the System. Employees are eligible to retire at or after age 55 with at least 12 years of creditable service or at or after age 50 with at least 20 years of creditable service. Upon retirement, members are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 percent of their final-average salary for each year of creditable service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 (or at or after age 50 with at least 20 years of creditable service at termination) and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Firefighters' Retirement System, P. O. Box 94095, Baton Rouge, Louisiana 70804, or by calling (225)925-4060.

*Funding Policy.* Plan members are required by state statute to contribute 8.0 percent of their annual covered salary and the Town of Jonesboro is required to contribute at an actuarially determined rate. The current rate is 18.25 percent of annual covered payroll. The contribution requirements of plan members and the Town of Jonesboro 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 Town of Jonesboro's contributions to the System for the years ending June 30, 2003, 2002, and 2001 were \$15,386, \$10,716, and \$10,872 respectively, equal to the required contributions for each year.

8. ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$57,930 at June 30, 2003, are as follows:

	General Fund	Proprietary Fund	Total
Accounts	\$ 28,744	\$ 29,186	\$ 57,930
Total	<u>\$ 28,744</u>	<u>\$ 29,186</u>	<u>\$ 57,930</u>



Town of Jonesboro  
Jonesboro, Louisiana  
Notes to the Financial Statements (Concluded)

9. INTERGOVERNMENTAL RECEIVABLE

The following is a summary of the intergovernmental receivable from other governments at June 30, 2003:

Receivable from	General Fund
Jackson Parish Police Jury	\$ 18,833
State of Louisiana	9,074
Jonesboro Fire District No. 1	16,903
Total	<u>\$ 44,810</u>

10. LITIGATION AND CLAIMS

The Town has been named as defendant in pending lawsuits. In the opinion of management and counsel for the Town, potential liability of the Town of Jonesboro, in excess of applicable insurance coverages, is not probable nor can it be estimated at this time. Additionally, the Town is a plaintiff in a suit, the outcome of which is also not presently determinable.

**TOWN OF JONESBORO**  
Jonesboro, Louisiana

**SUPPLEMENTAL INFORMATION SCHEDULES**  
As of and for the Year Ended June 30, 2003

**General Fund - Detailed schedule of revenues and expenditures, budget (GAAP basis) and actual, by function.**

TOWN OF JONESBORO  
Jonesboro, Louisiana  
General Fund

Schedule 1

SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET (GAAP BASIS) AND ACTUAL  
For the Year Ended June 30, 2003

	Budget	Actual	Variance- Favorable (Unfavorable)
<b>REVENUES</b>			
General sales and use taxes	\$ 550,000	\$ 669,576	\$ 119,576
Intergovernmental	114,800	113,656	(1,144)
Franchise fees - utility	130,000	136,894	6,894
Garbage fees	133,600	158,720	25,120
Fines and forfeitures	80,120	110,297	30,177
Licenses and permits	68,000	93,506	25,506
Ad valorem tax	95,250	101,579	6,329
Other fees and charges	23,000	44,728	21,728
Public safety fee	45,000	37,731	(7,269)
Grants:			
State		32,269	32,269
Contributions		1,620	1,620
Use of money (interest)	8,000	5,928	(2,072)
<b>TOTAL REVENUES</b>	<u>1,247,770</u>	<u>1,506,504</u>	<u>258,734</u>
<b>EXPENDITURES</b>			
<b>Legislative:</b>			
Aldermen fees and related expenditures	30,000	30,000	
Employee benefits	12,900	10,410	2,490
Workers' compensation	150	128	22
Travel and workshops	6,500	2,935	3,565
<b>Total legislative</b>	<u>49,550</u>	<u>43,473</u>	<u>6,077</u>
<b>Judicial:</b>			
Court magistrate fees	5,400	5,400	
Court costs & other fees	200	1,641	(1,441)
Court magistrate travel and workshops	50		50
Workers' compensation	20	19	1
<b>Total judicial</b>	<u>5,670</u>	<u>7,060</u>	<u>(1,390)</u>

TOWN OF JONESBORO  
Jonesboro, Louisiana  
General Fund

Schedule 1 (Continued)

SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET (GAAP BASIS) AND ACTUAL  
For the Year Ended June 30, 2003

	Budget	Actual	Variance- Favorable (Unfavorable)
<b>Executive:</b>			
Equipment operating costs	500	211	289
Equipment repair and maintenance	1,000	252	748
Insurance and bonding	750	874	(124)
Salaries and related expenditures	35,000	35,000	
Employee benefits	6,500	4,703	1,797
Travel and workshops	3,000	1,581	1,419
Workers' compensation	125	140	(15)
	<hr/>	<hr/>	<hr/>
Total executive	46,875	42,761	4,114
<b>General and administrative:</b>			
Advertising and publications	1,000	112	888
Association dues and fees	1,500	1,709	(209)
Building repair and maintenance	15,000	2,286	12,714
Data processing costs	1,500	3,455	(1,955)
Downtown beautification	30,000	18,733	11,267
Election	5,000	3,473	1,527
Equipment repair and maintenance	10,000	7,038	2,962
Insurance and bonding	20,000	22,152	(2,152)
Legal and audit	20,000	18,636	1,364
Miscellaneous	21,700	11,719	9,981
National guard	600	600	
Office supplies and expenditures	25,000	17,420	7,580
Rental - equipment	600	463	137
Safety - Operating supplies and expenditures	500	100	400
Salaries and related expenditures	87,750	86,764	986
Employee benefits	17,825	19,951	(2,126)
Telephone and utilities	17,500	22,298	(4,798)
Tourism	1,500	1,150	350
Travel and workshops	2,000	2,048	(48)
Veterans service officer	500	504	(4)
Workers' compensation	200	333	(133)
Zoning	500	5	495
Capital outlay	50,000	904	49,096
	<hr/>	<hr/>	<hr/>
Total general and administrative	330,175	241,853	88,322

TOWN OF JONESBORO  
Jonesboro, Louisiana  
General Fund

Schedule 1 (Continued)

SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET (GAAP BASIS) AND ACTUAL  
For the Year Ended June 30, 2003

	Budget	Actual	Variance- Favorable (Unfavorable)
<b>Public safety:</b>			
<b>Fire:</b>			
Advertising and publications	750	983	(233)
Association dues and fees	300	73	227
Building repair and maintenance	2,000	4,045	(2,045)
Data processing costs	250	225	25
Equipment operating costs	3,000	1,235	1,765
Equipment repair and maintenance	7,000	3,343	3,657
Insurance and bonding	6,000	9,121	(3,121)
Miscellaneous	1,000	130	870
Operating supplies and expenditures	12,000	4,242	7,758
Rental	175	162	13
Salaries and related expenditures	122,450	121,193	1,257
Employee benefits	36,000	29,172	6,828
Salaries - supplemental pay	14,400	12,600	1,800
Telephone and utilities	12,250	13,116	(866)
Travel and workshops	2,250	90	2,160
Volunteer fees	7,000	5,340	1,660
Workers' compensation	5,000	7,706	(2,706)
Capital outlay	23,500	13,555	9,945
<b>Total fire</b>	<b>255,325</b>	<b>226,331</b>	<b>28,994</b>
<b>Police:</b>			
Advertising and publications	100	451	(351)
Association dues and fees	200	110	90
Autopsy and coroner	3,000	1,654	1,346
Building repair and maintenance	15,000	3,107	11,893
Criminal investigation	2,500	655	1,845
Data processing costs	400	1,586	(1,186)
Drug seizure expenditures	500	4,553	(4,053)
Equipment operating costs	18,000	20,416	(2,416)
Equipment repair and maintenance	20,000	20,656	(656)
Feeding prisoners		147	(147)
Insurance and bonding	20,000	24,852	(4,852)
Indigent defender board	25,000	21,601	3,399
Miscellaneous	3,600	2,345	1,255
Operating supplies and expenditures	20,000	12,231	7,769
Rental - equipment	1,000	900	100
Salaries and related expenditures	341,000	336,292	4,708
Employee benefits	70,000	72,228	(2,228)
Salaries - supplemental pay	27,000	27,750	(750)
Telephone and utilities	19,500	18,828	672

TOWN OF JONESBORO  
Jonesboro, Louisiana  
General Fund

Schedule 1 (Continued)

SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET (GAAP BASIS) AND ACTUAL  
For the Year Ended June 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Police: (Continued)</b>			
Travel and workshops	3,700	2,542	1,158
Workers' compensation	8,500	12,804	(4,304)
Capital outlay	50,000	45,316	4,684
Total police	649,000	631,024	17,976
<b>Animal Control:</b>			
Advertising and publications	100		100
Building repair and maintenance	1,000	88	912
Equipment operating costs	2,000	1,934	66
Equipment repair and maintenance	2,000	751	1,249
Insurance and bonding	700	503	197
Miscellaneous	300	41	259
Operating supplies and expenditures	7,000	4,547	2,453
Salaries and related expenditures	22,300	23,890	(1,590)
Employee benefits	4,700	5,042	(342)
Telephone and utilities	2,250	2,098	152
Travel and workshops	750	424	326
Workers' compensation	350	375	(25)
Capital outlay	1,000		1,000
Total animal control	44,450	39,693	4,757
Total public safety	948,775	897,048	51,727
<b>Sanitation</b>			
Pest control	24,000	24,812	(812)
Sanitary contract service	163,000	164,693	(1,693)
Total sanitation	187,000	189,505	(2,505)

TOWN OF JONESBORO  
Jonesboro, Louisiana  
General Fund

Schedule 1 (Continued)

SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET (GAAP BASIS) AND ACTUAL  
For the Year Ended June 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Streets:</b>			
Advertising and publications	200	596	(396)
Building repair and maintenance	5,000	486	4,514
Data processing costs	300	449	(149)
Equipment operating costs	20,000	17,422	2,578
Equipment repair and maintenance	50,000	50,312	(312)
Insurance and bonding	12,000	26,011	(14,011)
Miscellaneous	5,350	9,635	(4,285)
Operating supplies and expenditures	15,000	16,079	(1,079)
Rental - equipment	750	968	(218)
Repairs and maintenance	500,000	282,374	217,626
Sidewalk maintenance	7,500	33	7,467
Salaries and related expenditures	290,450	284,202	6,248
Employee benefits	69,000	77,091	(8,091)
Telephone and utilities	8,500	10,178	(1,678)
Travel and workshops	750	52	698
Utilities - street lights	60,000	68,274	(8,274)
Utilities and maintenance - traffic signals	8,000	6,550	1,450
Workers' compensation	25,000	27,481	(2,481)
Capital outlay	38,500	15,611	22,889
<b>Total streets</b>	<b>1,116,300</b>	<b>893,804</b>	<b>222,496</b>
<b>Airport:</b>			
Airport maintenance	1,000	242	758
Building repair and maintenance	1,500		1,500
Equipment operating costs	250	196	54
Equipment repair and maintenance	2,000	3,527	(1,527)
Insurance and bonding	1,500	1,799	(299)
Operating supplies and expenditures	100	224	(124)
Utilities	6,000	4,967	1,033
Miscellaneous	500	22	478
<b>Total airport</b>	<b>12,850</b>	<b>10,977</b>	<b>1,873</b>
<b>Recreation:</b>			
Building repair and maintenance	3,000	2,033	967
Equipment repair and maintenance	3,500	8	3,492
Insurance and bonding	650	404	246
Operating supplies and expenditures	250		250
Miscellaneous	500		500
Utilities	7,200	5,367	1,833
<b>Total recreation</b>	<b>15,100</b>	<b>7,812</b>	<b>7,288</b>

TOWN OF JONESBORO  
Jonesboro, Louisiana  
General Fund

SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET (GAAP BASIS) AND ACTUAL  
For the Year Ended June 30, 2003

	Budget	Actual	Variance- Favorable (Unfavorable)
<b>Cemetery:</b>			
Operating supplies and expenditures			
Street repair and maintenance	2,000	97	1,903
Cemetery maintenance	5,000	5,600	(600)
Total cemetery	<u>7,000</u>	<u>5,697</u>	<u>1,303</u>
<b>Industrial Development:</b>			
Travel and inducement expenditures	3,000	314	2,686
Industrial park expenditures		2,500	(2,500)
Capital outlay	728,483		728,483
Total industrial development	<u>731,483</u>	<u>2,814</u>	<u>728,669</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 3,450,778</u>	<u>\$ 2,342,804</u>	<u>\$ 1,107,974</u>



**TOWN OF JONESBORO**  
**Jonesboro, Louisiana**  
**SUPPLEMENTAL INFORMATION SCHEDULES**  
**As of and for the Year Ended June 30, 2003**

**SPECIAL REVENUE FUNDS**

**Fire Department Ad Valorem Tax Fund - To account for the proceeds of a 4.88 mill ad valorem tax levied to provide for the operation and maintenance of the Town's fire department.**

**Street Department Ad Valorem Tax Fund - To account for the proceeds of a 4.88 mill ad valorem tax levied for the operation and maintenance of roads, streets, and alleys of the Town.**

**Street Sales Tax Fund - To account for the revenues of a one (1) percent sales and use tax levied for the construction, maintenance, repair and improvements of the Town's streets.**

TOWN OF JONESBORO  
Jonesboro, Louisiana  
SPECIAL REVENUE FUNDS

Combining Balance Sheet, June 30, 2003

	Fire Dept Ad Valorem Tax Fund	Street Dept Ad Valorem Tax Fund	Street Sales Tax Fund	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 34,439	\$ 16,508	\$ 558,850	\$ 609,797
Taxes receivable			114,482	114,482
<b>TOTAL ASSETS</b>	<u>\$ 34,439</u>	<u>\$ 16,508</u>	<u>\$ 673,332</u>	<u>\$ 724,279</u>
<b>LIABILITIES AND FUND EQUITY</b>				
Liabilities	NONE	NONE	NONE	NONE
Fund Equity - fund balances:				
Unreserved and undesignated	\$ 34,439	\$ 16,508	\$ 673,332	\$ 724,279
<b>Total Fund Equity</b>	<u>34,439</u>	<u>16,508</u>	<u>673,332</u>	<u>724,279</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 34,439</u>	<u>\$ 16,508</u>	<u>\$ 673,332</u>	<u>\$ 724,279</u>

TOWN OF JONESBORO  
Jonesboro, Louisiana  
SPECIAL REVENUE FUNDS

Combining Schedule of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended June 30, 2003

	Fire Dept Ad Valorem Tax Fund	Street Dept Ad Valorem Tax Fund	Street Sales Tax Fund	Total
<b>REVENUES</b>				
General sales and uses tax	\$		\$ 669,576	\$ 669,576
Ad Valorem tax	63,529	63,529		127,058
Other fees and charges				
Use of money (interest)	791	314	10,771	11,876
Total revenues	<u>64,320</u>	<u>63,843</u>	<u>680,347</u>	<u>808,510</u>
<b>EXPENDITURES</b>				
General and administrative			5,711	5,711
Total expenditures	<u>NONE</u>	<u>NONE</u>	<u>5,711</u>	<u>5,711</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>64,320</u>	<u>63,843</u>	<u>674,636</u>	<u>802,799</u>
<b>OTHER FINANCING SOURCES (Uses)</b>				
Transfers to other funds	(67,189)	(104,958)	(646,792)	(818,939)
Total other financing sources (uses)	<u>(67,189)</u>	<u>(104,958)</u>	<u>(646,792)</u>	<u>(818,939)</u>
<b>EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER (Under) EXPENDITURES AND OTHER USES</b>	(2,869)	(41,115)	27,844	(16,140)
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>37,308</u>	<u>57,623</u>	<u>645,488</u>	<u>740,419</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 34,439</u>	<u>\$ 16,508</u>	<u>\$ 673,332</u>	<u>\$ 724,279</u>

TOWN OF JONESBORO  
Jonesboro, Louisiana  
SUPPLEMENTAL INFORMATION SCHEDULES  
For the Year Ended June 30, 2003

GENERAL

COMPENSATION PAID ALDERMEN

The schedule of compensation paid to the Town of Jonesboro aldermen is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the Town of Jonesboro aldermen is included in the general administrative expenditures of the General Fund. Members of the governing board receive compensation pursuant to Louisiana Revised Statute 33:405 (G).

TOWN OF JONESBORO  
Jonesboro, Louisiana  
Schedule of Compensation Paid Aldermen  
For the Year Ended June 30, 2003

ALDERMEN	AMOUNT
Alvin "Kim" Jones	\$ 3,000
Carroll R. Layfield	6,000
Randy Shows	6,000
Aaron Stringer, Jr.	3,000
Terry Wiley	6,000
Nancy Zuber	<u>6,000</u>
Total	<u>\$ 30,000</u>

## TAMI D. LEDBETTER, CPA, LLC

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213 Gate City Road; Hodge, LA 71247  
P. O. Box 1787; Hodge, LA 71247  
Office: 318-259-8611  
Fax: 318-259-8613  
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### REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Don L. Essmeier, Mayor  
and Members of the Board of Aldermen  
Town of Jonesboro, Louisiana

I have audited the general purpose financial statements of the Town of Jonesboro, Jonesboro, Louisiana, as of and for the year ended June 30, 2003, and have issued my report thereon dated December 18, 2003. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

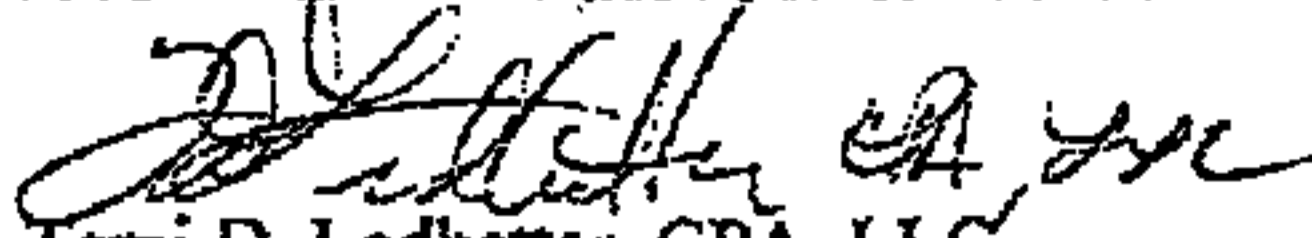
#### Compliance

As part of obtaining reasonable assurance about whether the Town of Jonesboro's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instance of noncompliance that are required to be reported under Government Auditing Standards. However, I noted a certain immaterial instance of noncompliance, which was reported to management of the Town of Jonesboro in a separate letter dated December 18, 2003.

#### Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Town of Jonesboro's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of the Legislative Auditor of the State of Louisiana, the board of aldermen and management of the Town of Jonesboro, and federal awarding agencies and pass-through entities. It is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

  
Tami D. Ledbetter, CPA, LLC  
December 18, 2003

TOWN OF JONESBORO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2003

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the Town of Jonesboro.
2. No reportable conditions relating to the audit of the financial statement are reported in the REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS.
3. No instance of noncompliance material to the financial statements of the Town of Jonesboro was disclosed during the audit.
4. The Town of Jonesboro had no federal award programs.

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

No findings for current year. In addition, there were no prior year findings.

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

The Town of Jonesboro had no major federal programs.

**TAMI D. LEDBETTER, CPA, LLC**

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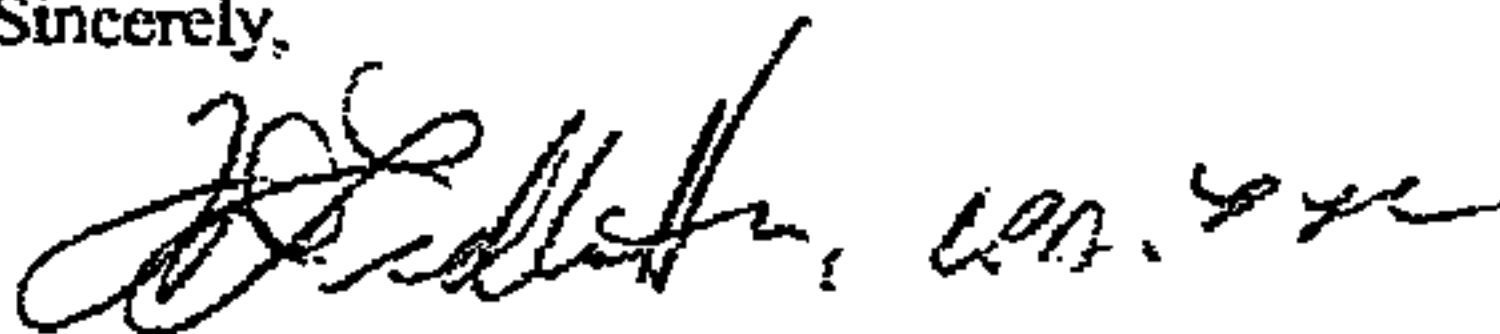
The Honorable Don L. Essmeier, Mayor  
and Members of the Board of Aldermen  
Town of Jonesboro, Louisiana

In planning and performing my audit of the general purpose financial statements of the Town of Jonesboro, Louisiana, as of and for the year ended June 30, 2003, and to obtain reasonable assurance about whether the financial statements are free of material misstatement, I considered the following:

- (1) The internal control structure in order to determine auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control structure; and,
- (2) As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of the Town of Jonesboro's compliance with certain provisions of laws, regulations, and contracts. The objective of my audit was not to provide an opinion on overall compliance with such provisions. Accordingly, I did not express such an opinion.

During my audit, I became aware of a certain matter involving immaterial noncompliance with laws and matters involving the internal control structure that was an opportunity for strengthening internal controls and compliance requirements. The memorandum that accompanies this letter summarizes my comments regarding that matter. (I previously reported on the Town of Jonesboro's internal control structure in my report dated December 18, 2003.) This letter does not affect my report dated December 18, 2003, on the general purpose financial statements of the Town of Jonesboro, Louisiana.

Sincerely,



Tami D. Ledbetter, CPA, LLC  
December 18, 2003



Current Year's Finding

2003-ML1 Audit Not Completed Within Six Months of Close of Fiscal Year

Louisiana law requires the audit be completed within six months of the close of the fiscal year. The report was issued late due to problems in the firm performing the audit.

In a letter dated March 2, 2004, the Town of Jonesboro responded that management will ensure that the audit is completed within the time prescribed by law for future audits.



**TOWN OF JONESBORO**

**Mayor Don L. Essmeier**  
P.O. Box 610  
Jonesboro, LA 71251  
Ph: (318) 259-2385  
FAX: (318) 259-4177

**Aldermen:**

**District A:**  
Carroll R. "Randy" Layfield  
116 Wood Street  
Jonesboro, LA 71251  
318-259-9178

**District B:**  
Nancy M. Zuber  
210 Allen Avenue  
Jonesboro, LA 71251  
318-259-2976

**District C:**  
Aaron "Pete" Stringer  
712 Johnson Street  
Jonesboro, LA 71251  
318-395-9176

**District D:**  
Terry L. Wiley  
374 Terrace Hills  
Jonesboro, LA 71251  
318-259-2544

**At-Large:**  
Randy L. Shows  
128 Hickory Street  
Jonesboro, LA 71251  
318-259-8490

**Clerk:**  
Beatrice Rice, MMC  
P. O. Box 610  
Jonesboro, LA 71251  
318-259-2385

**Attorney:**  
Douglas L. Stokes  
401 Polk Avenue  
Jonesboro, LA 71251  
318-259-4164

**Chief of Police:**  
G. Wesley Horton  
P. O. Box 610  
Jonesboro, LA 71251  
318-259-2164

**Fire Chief:**  
Tim Wyatt  
P. O. Box 610  
Jonesboro, LA 71251  
318-259-5028

**Public Works Director:**  
Donald Davis  
P. O. Box 610  
Jonesboro, LA 71251  
318-259-5032

March 2, 2004

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

Dear Council Members:

I am responding to the comments referenced in the management letter associated with the audited financial statements of the Town of Jonesboro, Louisiana as of and for the year ending June 30, 2003 issued by Tami D. Ledbetter, CPA, LLC dated December 18, 2003.

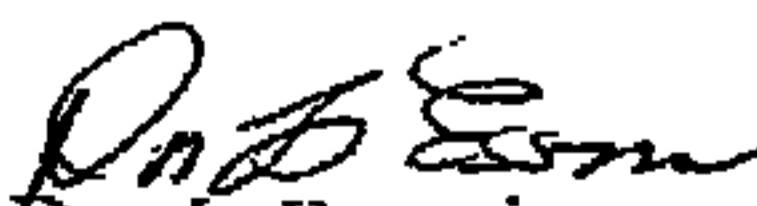
**2003-ML1 Audit Not Completed Within Six Months of Close of Fiscal Year**

Louisiana law requires the audit be completed within six months of the close of the fiscal year. Ms. Ledbetter has assumed responsibility for the report being issued late and has assured me that changes have been made in the structure of her firm to ensure that this will not occur in the future.

*Management will ensure that the audit is completed within the time prescribed by law.*

Should you have any questions, please contact me.

Sincerely,

  
Don L. Essmeier  
Mayor