
TOWN OF JACKSON, LOUISIANA**FINANCIAL REPORT****SEPTEMBER 30, 2002**

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 State House office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date: 4-28-04



TOWN OF JACKSON, LOUISIANA

FINANCIAL REPORT

SEPTEMBER 30, 2000



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Poittehouffie & Netterville

A Professional Accounting Corporation
Associated Office in Metairie, City of New Orleans, Louisiana
www.pnncpa.com

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members
of the Board of Aldermen
Town of Jackson, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Jackson, Louisiana, as of and for the year ended September 30, 2003. These general purpose financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Jackson as of September 30, 2003, and the results of the operations of its governmental funds for the year then ended and the results of the operations and cash flows of its proprietary funds for the years ended September 30, 2003 and 2002, in conformity with accounting principles generally accepted in the United States.

In accordance with Government Auditing Standards, we have also issued our report dated March 22, 2004, on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Poittehouffie & Netterville

Baton Rouge, Louisiana
March 22, 2004



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

To the Honorable Mayor and Members
of the Board of Aldermen
Town of Jackson, Louisiana

We have audited the general purpose financial statements of the Town of Jackson, Louisiana, as of and for the year ended September 30, 2003, and have issued our report thereon dated March 23, 2004. We conducted our audits in accordance with auditing standards generally accepted in the United States 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 Jackson's general purpose financial statements were free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have had a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not the objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and questioned costs as item C.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Jackson'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 assurance on the internal control over financial reporting. However, we noted one certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Town's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item B.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all weaknesses in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We believe that the lack of segregation of duties described in the accompanying schedule of findings and questioned costs is a material weakness.

This report is intended for the information of the Board of Aldermen, management of the Town of Jackson, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than those parties. Under Louisiana Revised Statute 24:511, this report is distributed by the Legislative Auditor as a public document.

Perthuisat J. Natchez

State House, Louisiana
March 22, 2004

**TOWN OF JACKSON, LOUISIANA
ALL FUND TYPES AND ACCOUNT GROUPS**

**COMBINED BALANCE SHEET
SEPTEMBER 30, 2000**

	Governmental Fund Type		Proprietary Fund Type
	General	Special Revenue	Enterprise
ASSETS			
Cash	\$ 71,067	\$ 41,103	\$ 18,093
Certificates of deposit	4,440	211,200	-
Accounts receivable - net of an allowance of \$20,000	-	-	64,847
Property taxes receivable	1,201	-	-
Other accounts receivable	11,084	-	-
Due from other funds	92,791	120,101	-
Due from other governmental agencies	-	27,067	-
Accrued interest receivable	\$ -	1,820	1,880
Restricted assets:			
- Club and investments	-	-	22,240
General fund assets	-	-	-
Fund equity (net)	-	-	2,281,680
Total assets	\$ 184,559	\$ 372,291	\$ 2,383,714
LIABILITIES			
Accounts payable	\$ 25,170	\$ -	\$ -
Finance - other funds	70,440	-	200,270
Payable from restricted assets:			
- Accrued interest payable	-	-	9,820
- Customers' service meter deposits	-	-	40,100
- Bonds payable - non-current portion	-	-	16,484
- Bonds payable - non-current portion	-	-	200,000
- Notes payable - current portion	-	-	100,180
- Notes payable - non-current portion	-	-	100,000
Other liabilities	10,000	-	100,000
Total liabilities	\$ 115,610	\$ -	\$ 656,650
FUND EQUITY			
Contributed capital (net)	-	-	808,100
Investment in general fund assets	-	-	-
Retained earnings:			
- Reserved for customers' service meter deposits	-	-	40,210
- Reserved for customer fixed-fee service	-	-	40,180
- Unreserved	-	-	64,500
Fund balance (deficit):			
- Unreserved - undesignated	9,690	-	-
- Unreserved - designated for streets and sidewalks	-	172,440	-
Total fund equity	\$ 9,690	\$ 172,440	\$ 2,028,614
Total liabilities and fund equity	\$ 184,559	\$ 372,291	\$ 2,383,714

The accompanying notes are an integral part of this statement.



Account Group	Totals	
	(Millions of Dollars)	
General Fund Assets	2001	2000
\$ -	\$ 187,200	\$ 194,811
" -	236,448	211,147
" -	66,847	82,110
" -	3,790	3,294
" -	33,483	46,113
" -	333,812	177,400
" -	77,387	66,550
" -	3,711	4,507
" -	313,348	307,481
1,007,108	1,317,318	1,296,878
" -	3,284,686	2,989,172
<u>\$ 1,007,108</u>	<u>\$ 4,298,301</u>	<u>\$ 4,286,050</u>
\$ -	\$ 20,100	\$ 20,700
" -	181,914	177,400
" -	9,507	8,388
" -	61,130	61,008
" -	10,404	9,984
" -	113,000	110,400
" -	110,130	110,000
" -	108,696	88,333
" -	128,047	108,128
" -	66,660	65,700
" -	804,100	1,010,978
1,017,108	1,307,308	1,294,878
" -	49,210	34,888
" -	425,131	410,000
" -	64,000	110,000
" -	3,671	27,000
" -	873,441	558,711
<u>1,007,108</u>	<u>4,083,487</u>	<u>4,078,686</u>
<u>\$ 1,007,108</u>	<u>\$ 4,078,267</u>	<u>\$ 4,078,446</u>



TOWN OF JACKSON, LOUISIANA
ALL GOVERNMENTAL FUND TYPES

**COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED SEPTEMBER 30, 2002**

	General	Special Revenue	Totals (Miscellaneous Only)	
			2001	2002
REVENUES				
Taxes	\$ 52,748	\$ 150,030	\$ 102,878	\$ 201,936
Licenses and permits	81,435	-	81,435	81,434
Intra-governmental revenues	22,826	-	12,826	12,829
Fines and forfeitures	40,844	-	40,000	57,219
Interest	93	5,414	5,464	7,170
Other	180,123	-	198,153	224,774
Total revenues	378,269	155,444	310,730	528,452
EXPENDITURES				
General government	141,794	124,724	200,248	218,681
Public safety	84,128	-	84,128	107,991
Recreation	13,996	-	13,996	7,730
Total expenditures	239,918	124,724	298,372	334,402
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	(175,649)	18,720	(156,841)	34,620
OTHER FINANCIAL SOURCES				
Operating transfers in	122,000	-	128,000	81,170
Total other financing sources	122,000	-	128,000	81,170
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES				
	(13,649)	18,720	1,159	127,810
FUND BALANCE				
Beginning of year	27,360	588,731	588,817	458,317
End of year	\$ 0,001	\$ 571,661	\$ 587,296	\$ 586,817

The accompanying notes are an integral part of this statement.



TOWN OF JACKSON, LOUISIANA
GENERAL AND SPECIAL REVENUE FUNDS

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED SEPTEMBER 30, 2001**

	General Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
REVENUES			
Taxes	\$ 30,000	\$ 35,748	\$ (5,750)
Licenses and permits	75,000	81,408	6,408
Intergovernmental revenue	11,000	15,856	4,856
Fees and forfeitures	30,000	48,048	(18,048)
Interest	100	80	(20)
Other revenue	238,900	189,133	(49,767)
Total revenue	<u>414,000</u>	<u>369,263</u>	<u>(44,737)</u>
EXPENDITURES			
General government	150,278	140,784	(9,495)
Public safety	162,000	184,120	(21,920)
Recreation	4,200	10,896	(6,696)
Total expenditures	<u>316,478</u>	<u>335,800</u>	<u>(19,322)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(91,478)</u>	<u>(71,537)</u>	<u>(19,859)</u>
OTHER FINANCING SOURCES			
Operating transfer in	82,800	128,800	75,180
Total other financing sources	<u>82,800</u>	<u>128,800</u>	<u>75,180</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	<u>(8,678)</u>	<u>(17,511)</u>	<u>(8,833)</u>
FUND BALANCE			
Beginning of year	<u>22,300</u>	<u>22,300</u>	<u>-</u>
End of year	<u>\$ 13,622</u>	<u>\$ 4,789</u>	<u>\$ (8,833)</u>

The accompanying notes are an integral part of this statement.



Special Revenue Fund

<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 146,000	\$ 150,119	\$ 4,119
-	-	-
-	-	-
8,000	5,154	(2,846)
<u>154,000</u>	<u>155,273</u>	<u>1,273</u>
150,000	154,714	(5,286)
-	-	-
-	-	-
<u>150,000</u>	<u>154,714</u>	<u>(5,286)</u>
34,000	18,710	(15,290)
-	-	-
-	-	-
<u>34,000</u>	<u>18,710</u>	<u>(15,290)</u>
358,710	509,315	-
<u>\$ 552,710</u>	<u>\$ 577,488</u>	<u>\$ 24,778</u>

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**FORM OF LIMITED LIABILITY
DOCUMENTARY FUND**

**COMPARATIVE STATEMENTS OF OPERATING REVENUES AND
EXPENSES IN RETAINED EARNINGS
YEARS ENDED SEPTEMBER 30, 2001 AND 2000**

	<u>2001</u>	<u>2000</u>
OPERATING REVENUES		
Gas sales	\$ 378,291	\$ 348,778
Water sales	370,666	179,221
Drainage sales	287,389	181,230
Franchise and service charges	21,884	28,129
Total operating revenues	<u>1,058,230</u>	<u>737,358</u>
OPERATING EXPENSES		
Salaries	125,341	79,027
Wages	74,851	71,420
Audit and accounting fees	1,699	13,779
Depreciation	190,217	129,820
Electricity	21,273	22,628
Employer retirement expenses	11,819	11,248
Engineering fees	-	18,475
Gas purchases	179,333	188,548
Insurance	25,488	47,227
Lease	1,489	9,411
Maintenance, materials, and supplies	21,274	24,178
Miscellaneous	2,280	27,248
Printing, miscellany, and supplies	2,750	2,287
Payroll taxes	1,492	1,412
Power analysis	-	327
Water purchase charge	283	388
Travel expense	14,220	17,825
Utilities	4,248	3,211
Total operating expenses	<u>759,272</u>	<u>659,122</u>
INCOME FROM OPERATIONS	<u>298,958</u>	<u>78,236</u>
NON-OPERATING REVENUES/EXPENSES		
Interest revenue	9,755	13,222
Office revenue	-	642
Interest expense	(21,479)	(21,212)
Operating leases net	<u>(18,000)</u>	<u>(21,778)</u>
Total non-operating revenues/expenses	<u>(29,724)</u>	<u>(8,126)</u>
NET INCOME (LOSS)	<u>(30,766)</u>	<u>(12,890)</u>
Depreciation transferred to contributed capital	24,875	24,847
Retained earnings - beginning of year	<u>1,198,787</u>	<u>1,284,471</u>
Retained earnings - end of year	<u>\$ 1,168,021</u>	<u>\$ 1,271,581</u>

The accompanying notes are an integral part of these statements.



TOWN OF JACKSON, LOUISIANA
PROPRIETARY FUNDS

COMPARATIVE STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 702,676	\$ 702,520
Cash paid to suppliers for goods and services	(575,176)	(483,074)
Cash paid to employees for services	(204,142)	(271,947)
Net cash provided by operating activities	<u>123,358</u>	<u>147,499</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Transfer to the general fund	(158,000)	(25,170)
Net cash used in non-capital financing activities	<u>(158,000)</u>	<u>(25,170)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(52,766)	(368,477)
Proceeds from the issuance of notes payable	-	178,345
Principal repayments of notes payable	(61,694)	(61,694)
Principal paid on revenue bonds	(75,000)	(9,396)
Interest paid on revenue bonds and notes	(21,678)	(25,534)
Capital contributions	-	654,000
Net cash used in capital and related financing activities	<u>(111,138)</u>	<u>(122,856)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest earned on investments	9,735	15,352
Other non-operating revenues	-	645
Net cash provided by investing activities	<u>9,735</u>	<u>15,997</u>
Net increase (decrease) in cash and cash equivalents	(17,025)	(59,360)
Cash and cash equivalents - beginning of year	<u>264,333</u>	<u>323,693</u>
Cash and cash equivalents - end of year	<u>\$ 247,308</u>	<u>\$ 264,333</u>

The accompanying notes are an integral part of these statements.



TOWN OF JACKSON, LOUISIANA
PROPRIETARY FUND

COMPARATIVE STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2001 AND 2000

	2001		2000
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Income from operations	\$ 19,070		\$ 99,190
Adjustments to reconcile income from operations to net cash provided by operating activities:			
Depreciation	168,257		129,653
Net change in assets and liabilities:			
Accounts receivable	283		9,266
Accrued revenues	648		3,973
Accounts payable	-		(116,648)
Customer service meter deposits	(14,488)		2,181
Other liabilities	49		(4,000)
Due to other funds	113,457		9,007
Total adjustments	107,909		10,980
Net cash provided by operating activities	\$ 226,956		\$ 239,799

The accompanying notes are an integral part of these statements.



TOWN OF JACKSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

1. Summary of significant accounting policies

The Town of Jackson, Louisiana was incorporated on April 2, 1832, and operates under a Mayor - Board of Aldermen form of government. As authorized by its charter, the Town is responsible for public safety, highways and streets, sanitation, recreation, public improvements, and general administrative services.

The accounting and reporting practices of the Town of Jackson conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The Town's reporting entity applies all relevant Government Accounting Standards Board (GASB) pronouncements. The Town's proprietary fund applies all Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB pronouncements prevail. Such accounting and reporting procedures conform to the requirements of Louisiana Revised Statute 24:513, to the guidance set forth in the Louisiana Governmental Accounting Guide, and to the industry audit guide, *Audit of State and Local Governmental Units* published by the American Institute of Certified Public Accountants.

The following is a summary of certain significant accounting policies and practices:

Financial reporting entity

Statement No. 14 of the Governmental Accounting Standards Board (GASB), *The Financial Reporting Entity*, establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Since the Town is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments, it is considered a primary government under the provisions of this Statement. As used in GASB Statement 14, fiscally independent means that the Town may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. Additionally, the Town does not have any component units, which are defined by GASB Statement No. 14 as other legally separate organizations for which the elected officials are financially accountable. There are no other primary governments with which the Town has a significant relationship.

Fund accounting

The accounts of the Town are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in the individual funds based upon the purposes for which they are to be spent and the means by which the operating activities are controlled. The various funds are grouped, in the financial statements in this report, into three generic fund types and two broad fund categories as follows:



TOWN OF JACKSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

1. Summary of significant accounting policies (continued)

Fund accounting (continued)

Governmental funds

Governmental funds are used to account for all or most of the municipality's general activities, including the collection and distribution of specific or legally restricted revenues, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include:

General fund - the general fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in other funds.

Special revenue fund - the special revenue fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Proprietary funds

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

Enterprise fund - the enterprise fund is used to account for operations (a) that are financed and operated in a manner similar to private/business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing the goods or services to the general public or a customer base be financed or recovered through user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Fixed assets and long-term obligations

The accounting and reporting treatment applied to fixed assets and long-term obligations is determined by its measurement focus.

All governmental fund type operations are accounted for on a spending or "financial flow" measurement focus, and only current assets and current liabilities are generally included on their balance sheets.



TOWN OF JACKSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

1. Summary of significant accounting policies (continued)

Fixed assets and long-term obligations (continued)

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group and are recorded as expenditures in the governmental funds when purchased. The Town has not capitalized public domain ("infrastructure") fixed assets which consist of certain improvements other than buildings, including roads, bridges, sidewalks, and drainage improvements. These assets are immovable and of value only to the Town; therefore, the need for accumulative accountability is not significant. No depreciation has been provided on general fixed assets, nor has interest been capitalized.

Long-term obligations expected to be financed from governmental fund resources are accounted for in the general long-term obligations account group.

The proprietary fund type operations are accounted for on a cost of services or "capital maintenance" measurement basis, and all assets and liabilities (whether current or non-current) associated with their activity are included on its balance sheets.

Depreciation of all exhaustible fixed assets used by the proprietary funds is charged as an expense against its operations. Depreciation has been provided over the asset's estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Sewerage system	25 years
Gas plant and buildings	25 years
Office equipment	5-10 years
Automotive equipment	3-7 years

All fixed assets are stated at historical cost.

Basis of accounting:

Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement bases applied.

All governmental fund types are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Property and sales taxes, interest revenues, and various intergovernmental revenues are measurable to accrual. Fines, licenses, and permits are not measurable to accrual because they are generally not measurable until received in cash.

TOWN OF JACKSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

1. Summary of significant accounting policies (continued)

Basis of accounting (continued)

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is the principal and interest on long-term debt which is recognized when due.

The proprietary funds are accounted for using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Budgets and budgetary accounting

The Town follows these procedures in establishing the budgetary data reflected in these financial statements:

1. A proposed budget is prepared and submitted to the Mayor and Board of Aldermen prior to the beginning of each fiscal year.
2. The proposed budget is published in the official journal and made available for public inspection. A public hearing is held to obtain taxpayer comments.
3. The budget is adopted through the passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
4. Budgetary amendments involving the transfer of funds from one department, program, or function to another or involving increases in expenditures exceeding those revenues exceeding amounts originally estimated require the approval of the Board of Aldermen.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. Budgets for the general, debt service, and proprietary funds are adopted in/least consistent with generally accepted accounting principles (GAAP).

TOWNSHIP OF JACKSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

1. Summary of significant accounting policies (continued)

Budgets and budgetary accounting (continued)

7. Louisiana R.S. 28:1319 requires budgets to be amended when revenue collections plus projected revenue collections for the remainder of a year, within a fund, are failing to meet estimated annual budgeted revenues by five percent or more or expenditures plus projected expenditures for the remainder of the year, within a fund, are exceeding estimated budgeted expenditures by five percent or more.

The level of budgetary control is total appropriations. Budgeted amounts are as originally adopted.

Cash and investments

Cash and investments, which include demand deposit accounts, interest-bearing demand deposit accounts, and certificates of deposit, are stated at cost, which approximates market.

Under Louisiana Revised Statutes 38:1271 and 38:1901, the Towns may deposit funds in demand deposit accounts, interest-bearing demand deposit accounts, money market accounts, and time certificates of deposit with state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Accounts receivable

Uncollectible accounts due from customers for utility services are recognized through the establishment of an allowance for bad debts account at the time information becomes available which indicates the collectibility of the particular receivable.

Accumulated annual vacation

Employees earn vacation and sick leave at various rates depending upon length of their employment.

TOWN OF JACKSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

1. Summary of significant accounting policies (continued)

Operating transfers in and out

Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases where repayment is expected, the transfers are accounted for through the various due from and due to accounts.

Comparative data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of the changes in the Town's financial position and operations. However, since its inclusion would make the statements unduly complex and difficult to read, comparative data (i.e., presentation of prior year totals by fund type) has not been presented in all of the statements.

Total volumes on combined statements

Total volumes on the combined statements are captioned parenthetically only to indicate that they are presented only to facilitate financial analysis. Data in these volumes do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Since interfund eliminations have not been made in the aggregation of this data, such data is not comparable to a reconciliation.

Statements of cash flows

For purposes of the statements of cash flows, the Town considers all highly liquid investments (including restricted assets) with original maturities of three months or less to be cash equivalents.

Encumbrances

Encumbrance accounting, under which contracts and other commitments for the expenditure of monies are recorded, is used to ensure that portions of the applicable appropriations, if not employed by the Town,

Reclassification

Certain 2002 balances have been reclassified to conform with the 2001 financial statement presentation.



TOWNSHIP OF JACKSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

5. Fixed assets

A summary of changes in general fixed assets follows:

	Balance 9/30/81	Additions	Deletions	Balance 9/30/82
Land	\$ 26,800	\$ -	\$ -	\$ 26,800
Buildings	368,359	-	-	368,359
Automotive, police, and fire fighting equipment	392,937	23,028	18,613	397,352
Office furniture, fixtures, and equipment	18,311	1,898	2,451	17,758
Streets and sidewalks	214,368	49,371	1,346	262,393
Recreation equipment	106,491	-	-	106,491
	<u>\$ 1,239,877</u>	<u>\$ 83,897</u>	<u>\$ 23,610</u>	<u>\$ 1,352,164</u>

A summary of proprietary fund type property, plant, and equipment at September 30, 2002, follows:

Gas mains, meters, and equipment	\$ 115,683
Land, water walls, tanks, mains, and equipment	1,454,796
Sewerage collection and treatment plant	2,682,677
Treatment plant site	2,340
Automotive equipment	66,248
Building	76,989
Office furniture and fixtures	41,663
	<u>4,221,196</u>
Less accumulated depreciation	<u>(1,939,633)</u>
	<u>\$ 2,281,563</u>

In accordance with Financial Accounting Standards Board Statement No. 62, Capitalization of Interest Costs: Situations Involving Certain Tax-Exempt Borrowings and Certain Gifts and Grants, the Town capitalized interest in connection with construction in progress for proprietary fund types. No interest was capitalized during the year ended September 30, 2002.

TOWN OF JACKSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

2. Changes in long-term liabilities

During the year ended September 30, 2003, the Town issued \$170,000 of bonds in order to finance the upgrade and expansion of its water system. These bonds, which were dated January 13, 1979, are due in annual installments of \$21,904, including interest at 5.00%, through January 21, 2018.

The following is a summary of the Town's bond transactions during the year ended September 30, 2003:

Bonds payable at October 1, 2002	\$	340,190
Bonds retired during the current year	/	170,000
Bonds payable at September 30, 2003	\$	<u>170,190</u>

The annual requirements to amortize all of the outstanding sewerage bonds as of September 30, 2003, including interest payments of \$104,640 are as follows:

Year ending September 30,	Amount
2004	\$ 21,904
2005	21,904
2006	21,904
2007	21,904
2008	21,904
Thereafter	<u>125,418</u>
	<u>\$ 189,038</u>

As part of the bond agreement with Rural Economic and Community Development, the Town has agreed to comply with certain covenants. These consist, primarily, of reporting and audit requirements, insurance coverage, restrictions on additional debt, maintenance of various deposit accounts, and other administrative requirements. The Town complied with these covenants during the year ended September 30, 2003.

Notes payable are as follows:

	2003		2002
Demand note, with a variable interest rate, secured by certificate of deposit	\$ 128,711	\$	198,127
Notes payable, bearing interest at 4.7500%, due in monthly installments of \$4,238, through July 2005, secured by certificate of deposit	<u>60,142</u>		<u>134,627</u>
	<u>\$ 188,853</u>	\$	<u>332,754</u>

TOWN OF JACKSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

3. Changes in long-term liabilities (continued)

The annual requirements to amortize all of the outstanding notes payable as of September 30, 2003, including interest payments of \$14,488 are as follows:

<u>Year ending</u> <u>September 30,</u>	<u>Amount</u>
2004	\$ 193,473
2005	42,750
	<u>\$ 236,223</u>

4. Ad valorem taxes

Ad valorem taxes attach as enforceable liens on all applicable property on February 1st of each year. Taxes are levied and are initially billed to the taxpayers in November of each year. Billed ad valorem taxes become delinquent on January 1st of the following calendar year.

The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of East Feliciana Parish. During the year ended September 30, 2003, taxes of \$1.18 mills were levied on property with assessed valuations totaling \$3,519,779 and were dedicated for general purposes.

All ad valorem taxes levied during the year ended September 30, 2003, totaled approximately \$3,771, and \$1,351 was still uncollected at September 30, 2003.

5. Interfund receivables and payables

Interfund receivables and payables at September 30, 2003, were as follows:

<u>Fund</u>	<u>Interfund</u> <u>Receivables</u>	<u>Interfund</u> <u>Payables</u>
General fund	\$ 42,791	\$ 76,641
Proprietary fund	-	257,271
Special Revenue fund	<u>101,121</u>	<u>-</u>
	<u>\$ 143,912</u>	<u>\$ 333,912</u>

TOWN OF JACKSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

6. Defined benefit pension plans

Substantially all employees of the Town of Jackson are members of either the Municipal Employees Retirement System of Louisiana or the Municipal Police Employees 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 (the system)

Plan description - the system is composed of two distinct plans, Plan A and Plan B, which have separate assets and benefit provisions. All employees of the Town are members of Plan A.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and who 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 the age of 60 with at least 18 years of creditable service or at or after the age of 75 with at least 25 years of creditable service or at any age with at least 38 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final average monthly salary for each year of creditable service. Final average salary is the employee's average salary over the 30 consecutive or joint months that produce the highest average. Employees who terminate their employment without least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the age specified above and receive the benefits accrued to their date of termination. The System also provides death and disability benefits. Benefits are established and 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, 7917 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 933-4839.

Funding policy - under Plan A, members are required by state statute to contribute 9.23 percent of their annual covered salary to the System, and the Town of Jackson is required to make contributions at an actuarially-determined rate. The rate paid by the Town during the past fiscal year ranged from 10.6 to 11.88 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 ten 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 Jackson are established and amended by state statute. As provided by Louisiana Revised Statute 11:305, 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 Jackson's contributions to the System under Plan A during the years ending September 30, 2003, 2002, and 2001 were \$12,908, \$18,418, and \$15,694, respectively, equal to the required contributions for those years.

TOWN OF JACKSON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

4. Defined benefit pension plan (continued)

b. Municipal police employees retirement system of Louisiana (the 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 the age of 58 with at least 20 years of creditable service or at or after the age of 53 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 over the 36 consecutive or joint months that produce the highest average. Employees who terminate their employment with at least five years of creditable service stated above, and do not withdraw their employer contributions, may retire at the ages specified above and receive the benefit accrued in their date of termination. The System also provides death and disability benefits. Benefits are established and awarded by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. This report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 9401 United Plaza Drive, Suite 3000, Louisiana 70809-1250, or by calling (225) 929-3411.

Funding policy - plan members are required by state statute to contribute 7.50 percent of their annual covered salary to the System, and the Town of Jackson is required to make contributions at an actuarially determined rate. The rate paid by the Town during the past fiscal year ranged from 8.00 to 15.25 percent of annual covered payroll. The contribution requirements of plan members and the Town of Jackson are established and awarded by state statute. As provided by Louisiana Revised Statute 11:183, 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 Jackson contributions to the System during the years ending September 30, 2001, 2002, and 2003 were \$12,681, \$6,826, and \$7,809, respectively, equal to the required contributions for those years.

7. Summary of enterprise activities

Gas, water, and sewerage services are provided by the Town and are financed by user charges. The significant financial data for the year ended September 30, 2003, for these three services are as follows:

	Gas	Water	Sewer	Total
Operating revenues	\$ 286,487	\$ 288,262	\$ 174,196	\$ 748,945
Operating expenses	331,444	182,294	328,037	841,775
Depreciation	13,266	49,284	76,187	138,737
Income (loss) from operations	22,843	12,675	(51,024)	15,494
Net income (loss)	(181,732)	2,811	(51,162)	(130,083)
Property, plant and equipment additions	-	32,765	-	32,765
Revenue bonds and notes payable	-	452,252	-	452,252



TOWN OF JACKSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

8. Restricted assets

In accordance with the indenture governing the public utility revenue bonds, cash is periodically deposited into accounts administered by a Trustee bank. These bonds are a direct liability of the public utility fund and are serviced by the earnings from the Fund. Deposits are made to these trust accounts in accordance with the following requirements:

- (1) The "utility system revenue bond and interest sinking fund" requires that sufficient cash be accumulated to meet the annual installment of bond principal and interest which becomes due on January 1st of each year. The required funds for the years ended September 30, 2000 and 2001, were deposited timely.
- (2) The "utility system revenue bond reserve fund" is supplemental to the account referred to in (1) above. The minimum balance to be maintained in this account is 20% of the amounts obligated to be deposited into the sinking fund and shall continue monthly until there is no deposit a sum equal to the highest combined principal and interest requirement in any succeeding fiscal year, according to the bond agreement. The Town has been making monthly deposits into this account in accordance with the Trustee's letter of conditions.
- (3) The "depreciation and contingency fund" requires a minimum balance of \$5,000. The Town has also been making the required deposits into this account.

The Trustee has agreed to the terms stated in its letter of conditions addressed to the Town dated August 11, 1978. The Town has complied with these conditions.

9. Due from other governmental agencies

Accounts due from other governmental agencies as September 30, 2000, consisted of \$27,363 due from the East Feliciana Parish Police Jury for sales taxes.

10. Dedicated revenues

Streets and sidewalks special revenue fund

The Town receives 14.8803% of East Feliciana Parish's sales tax collections. These proceeds are dedicated to the general maintenance and repairs of streets and sidewalks in the Town of Jackson. The Town recognized \$198,130 of sales tax proceeds during the year ended September 30, 2000.

TOWN OF JACKSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

11. Cash and Investments

At September 30, 2003, the carrying amounts of the Town's deposits were as follows:

Petty cash	\$	200
Demand deposit accounts / savings accounts		692,819
Certificates of deposit		235,488
	\$	<u>\$928,507</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by either federal deposit insurance or the pledge of securities owned by a 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 bank. At September 30, 2003, the Town had \$928,507 in deposits (collected bank balances). Of these bank balances, \$181,677 was covered by federal depository insurance, and \$746,830 was secured by collateral owned by the fiscal agent bank in the name of the Town of Jackson.

FINANCIAL STATEMENTS OF

ESSENTIAL FUNDS AND ACCOUNT GROUPS





Pricewaterhouse & Netteville

A Professional Accounting Corporation
Associated Offices in Member Cities of the United States
www.pwncpa.com

**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTAL INFORMATION**

To the Honorable Mayor and Members
of the Board of Aldermen
Town of Jackson, Louisiana

Our independent auditors' report on the general purpose financial statements of the Town of Jackson, Louisiana as of and for the year ended September 30, 2003, appears on page 1. Our audit was made for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules contained on pages 26 thru 45, which recast the responsibility of the Town's management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such additional information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole, except for the information relating to the number of customers serviced by the gas and water systems. This information was provided to us by the Town, and we express no opinion on it.

Pricewaterhouse & Netteville

Baton Rouge, Louisiana
March 22, 2004

GENERAL FUND

To account for resources traditionally associated with governments
which are not required to be accounted for in other funds.



**TOWN OF JACKSON, LOUISIANA
GENERAL FUND**

**COMPARATIVE BALANCE SHEETS
SEPTEMBER 30, 2003 AND 2002**

ASSETS

	2003	2002
Cash	\$ 13,007	\$ 14,309
Certificates of deposit	4,349	4,794
Property taxes receivable	3,381	3,381
Other accounts receivable	52,583	46,183
Due from other funds	83,781	-
Accrued interest receivable	8	13
Total assets	\$ 156,707	\$ 68,680

LIABILITIES AND FUND BALANCE

Liabilities:		
Accounts payable	\$ 26,570	\$ 22,773
Accrued liabilities	30,827	-
Due to other funds	38,841	79,086
Total liabilities	127,838	141,839
Fund balance (deficit) - unreserved	2,869	37,200
Total liabilities and fund balance	\$ 130,707	\$ 179,039

The accompanying notes are an integral part of these statements.



**TOWN OF JACKSON, LOUISIANA
GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET (GAAP BASED) AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2002
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2001**

	2001		Variance Favorable (Unfavorable)	2002
	Budget	Actual		Actual
REVENUES				
Ad valorem taxes	\$ 25,000	\$ 21,748	\$ (3,252)	\$ 21,644
Licenses and permits	75,000	81,400	6,400	90,854
Intergovernmental revenues:				
Bond issue	1,500	6,889	5,389	7,900
State revenue sharing	7,500	6,751	(749)	7,614
Fees and forfeitures	50,000	40,846	(9,154)	57,219
Other	240,000	199,233	(40,767)	254,091
Total revenues	<u>419,000</u>	<u>397,267</u>	<u>(21,733)</u>	<u>427,117</u>
EXPENDITURES				
General government	119,279	140,794	(21,515)	140,000
Public safety	140,000	144,120	(4,120)	157,190
Recreation	4,300	13,995	(9,695)	1,158
Total expenditures	<u>263,579</u>	<u>298,910</u>	<u>(35,331)</u>	<u>298,348</u>
EXCESS OF REVENUES OVER GENERAL EXPENDITURES	<u>(44,579)</u>	<u>(17,643)</u>	<u>(26,936)</u>	<u>(41,232)</u>
OTHER FINANCING SOURCES				
Operating transfers in	82,000	118,000	36,000	93,176
Total other financing sources	<u>82,000</u>	<u>118,000</u>	<u>36,000</u>	<u>93,176</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER GENERAL EXPENDITURES	<u>37,421</u>	<u>100,357</u>	<u>62,921</u>	<u>51,944</u>
FUND BALANCE DEFICIT				
Beginning of year	<u>27,802</u>	<u>27,802</u>	<u>-</u>	<u>(1,290)</u>
End of year	<u>\$ 65,223</u>	<u>\$ 128,159</u>	<u>\$ 62,936</u>	<u>\$ 50,654</u>

The accompanying notes are an integral part of this statement.



**TOWN OF JACKSON, LOUISIANA
GENERAL FUND**

**SCHEDULE OF OTHER REVENUES
BUDGET (GAAP BASIS) AND ACTUAL
YEARS ENDED SEPTEMBER 30, 2002**

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2001

	2002		Variance Favorable (Unfavorable)	2001
	Budget	Actual		Actual
OTHER REVENUES				
Utility franchise fees	\$ 125,000	\$ 102,336	\$ (12,664)	\$ 118,676
Interest revenues	150	90	(60)	287
Collection fees	-	4,336	4,336	4,193
Miscellaneous	114,943	73,481	(41,462)	93,951
Total other revenues	\$ 240,093	\$ 180,243	\$ (59,850)	\$ 216,997

The accompanying notes are an integral part of this statement.



**TOWN OF JACKSON, LOUISIANA
GENERAL FUND**

**SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2002**

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2001

	2002			2001
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
GENERAL GOVERNMENT				
Legal	\$ 1,200	\$ 1,200	-	\$ 1,200
Salaries	22,260	25,417	(3,157)	29,520
Audit and accounting fees	5,000	5,000	-	7,875
Engineering fees	4,000	5,831	180	4,599
Electricity	22,000	25,327	1,268	24,222
Insurance	10,000	11,781	5,219	15,206
Health insurance	3,000	338	2,462	668
Contractor's fees	1,000	1,400	(150)	1,200
Garbage disposal	3,000	3,257	(257)	1,892
Maintenance and supplies	3,000	2,420	488	4,683
Miscellaneous	15,000	22,458	(7,458)	19,221
Retirement expenses	4,000	7,029	(2,142)	5,827
Office supplies and printing	3,000	5,118	(118)	7,215
Truck and motor expenses	1,500	-	1,200	-
Telephone	1,000	3,869	(869)	3,210
Unemployment insurance	500	425	75	515
Capital outlay	1,500	1,500	-	2,029
Wages	1,741	1,787	(28)	1,740
Total general government	128,229	142,794	(8,212)	145,698

The accompanying notes are an integral part of this statement.



**TOWN OF JACKSON, LOUISIANA
GENERAL FUND**

**SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	2011		2010	
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
MUNICIPALITY				
Police				
Salaries	\$ 171,500	\$ 182,000	\$ (10,500)	\$ 171,000
Capital outlay	10,421	5,000	10,760	10,000
Miscellaneous	1,000	6,273	(1,270)	11,000
Retirement expense	5,500	10,400	(3,000)	8,500
Office supplies	1,000	1,740	40	1,000
Vehicle expense	11,000	10,000	500	11,500
Utilities	100	240	100	400
Insurance	10,000	10,000	40	10,000
Supplies and maintenance	4,000	10,443	(11,000)	11,700
Telephone	4,000	2,700	1,300	3,000
Electricity	4,000	4,400	(300)	3,700
Utilities	1,100	1,411	(300)	870
Payroll taxes	-	7,100	(7,100)	6,000
Total police	<u>225,500</u>	<u>290,333</u>	<u>(60,500)</u>	<u>277,200</u>
Fire				
Salaries volunteer fire department	6,000	1,700	300	6,000
Insurance	100	-	100	100
Electricity	2,000	1,000	900	2,000
Telephone	1,000	1,000	(10)	1,000
Vehicle expense	3,000	4,700	(1,000)	4,000
Salaries	1,400	1,410	30	13,100
Supplies and maintenance	7,000	42,311	(30,000)	9,000
Utilities	3,700	1,800	300	1,000
Capital outlay	10,200	17,100	20,000	-
Total fire	<u>40,300</u>	<u>73,020</u>	<u>(14,110)</u>	<u>49,000</u>
Total public safety	<u>265,800</u>	<u>363,353</u>	<u>(70,500)</u>	<u>326,200</u>
RECREATION				
Recreation department	4,000	10,000	(6,700)	7,700
Total all departments	<u>\$ 269,800</u>	<u>\$ 373,353</u>	<u>\$ (70,800)</u>	<u>\$ 400,000</u>

The accompanying notes are an integral part of this statement.



SPECIAL REVENUE FUND

Streets and Sidewalks Fund - To account for the receipt and use of proceeds of the Town's sales tax. The fees are dedicated to expenditures for streets and sidewalks.



TOWN OF JACKSON, LOUISIANA
SPECIAL REVENUE FUND

COMPARATIVE BALANCE SHEETS
SEPTEMBER 30, 2001 AND 2000

ASSETS

	2001	2000
Cash	\$ 48,818	\$ 112,896
Certificate of deposit	231,099	238,350
Due from other funds	281,328	162,900
Due from other governmental agencies	37,367	44,359
Accrued interest receivable	1,812	1,998
Total assets	\$ 577,423	\$ 558,753

LIABILITIES AND FUND BALANCE

Liabilities

Accounts payable	\$ -	\$ -
	-	-

Fund balance:

Unreserved - designated	373,483	358,753
Total liabilities and fund balance	\$ 373,483	\$ 358,753

The accompanying notes are an integral part of these statements.



TOWN OF JACKSON, LOUISIANA
SPECIAL REVENUE FUND

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET (GAAP BASIS) AND ACTUAL,
YEAR ENDED SEPTEMBER 30, 2000
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 1999**

	2000		Variance Favorable (Unfavorable)	1999
	Budget	Actual		Actual
REVENUES				
Taxes	\$ 148,000	\$ 150,754	\$ 2,754	\$ 148,370
Interest	8,000	5,154	(2,846)	6,900
Total revenues	<u>156,000</u>	<u>155,908</u>	<u>1,464</u>	<u>155,270</u>
EXPENDITURES				
Street and sidewalks repairs	108,000	87,880	20,120	71,813
Capital outlay	38,000	48,171	(10,171)	2,300
Total expenditures	<u>146,000</u>	<u>136,051</u>	<u>10,749</u>	<u>74,113</u>
EXCESS OF REVENUES OVER EXPENDITURES				
	24,000	18,756	(5,276)	81,157
FUND BALANCE				
Beginning of year	508,781	508,795	-	440,113
End of year	<u>\$ 532,781</u>	<u>\$ 527,551</u>	<u>\$ (5,170)</u>	<u>\$ 528,266</u>

The accompanying notes are an integral part of this statement.



CAPITAL PROJECTS FUND

To account for the funds received and expended
for the expansion of the sewer system.



**TOWN OF JACKSON, LOUISIANA
CAPITAL PROJECTS FUND**

**COMPARATIVE BALANCE SHEET
SEPTEMBER 30, 2000 AND 1999**

ASSETS

	<u>1999</u>	<u>2000</u>
Cash	\$ -	\$ -
Accounts receivable	-	-
Total assets	<u>\$ -</u>	<u>\$ -</u>

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	\$ -	\$ -
	<u>-</u>	<u>-</u>

Fund balance:

Unreserved - designated	-	-
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these statements.



TOWN OF JACKSON, LOUISIANA
CAPITAL PROJECTS FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED SEPTEMBER 30, 2001
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2000

	<u>2001</u>	<u>2000</u>
REVENUES		
Grant revenues	\$ -	\$ 603,833
Total revenues	<u>-</u>	<u>603,833</u>
EXPENDITURES		
Capital outlay	-	603,833
Total expenditures	<u>-</u>	<u>603,833</u>
EXCESS OF REVENUES		
OVER EXPENDITURES		
	-	-
FUND BALANCE		
Beginning of year	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.



INTEREST FUND

Public Utility Fund - To account for the provision of gas, water, and sewer services to the residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, billing, and collection.

**BOYD DE JACQUES LOUISIANA,
HYDRAPOWER CORP.**

**COMPARATIVE BALANCE SHEETS
(SEPTEMBER 30, 2001 AND 2002)**

ASSETS

	2001	2002
CURRENT ASSETS		
Cash	\$ 28,833	\$ 34,875
Accounts receivable (net of allowance for uncollectible accounts of \$28,000 and \$20,000, respectively)	86,847	87,128
Due from other funds	-	14,585
Accrued interest receivable	1,880	2,108
Total current assets	117,540	138,696
RESTRICTED ASSETS		
Cash and certificates of deposit -		
Kerensa local debt service	441,893	429,328
Customer's service meter deposits	81,322	79,423
Total restricted assets	523,215	508,751
PROPERTY, PLANT, AND EQUIPMENT		
Gas mains, meters, and equipment	318,892	318,892
Land, water wells, tanks, meters, and equipment	1,484,736	1,404,465
Sewerage collection and treatment plant	2,083,877	2,083,877
Treatment plant site	2,500	2,500
Automotive equipment	60,248	60,248
Buildings	70,800	70,800
Office furniture and fixtures	41,600	38,173
	4,344,145	4,398,955
Less: allowance for depreciation	(1,248,899)	(1,788,260)
Net property, plant, and equipment	3,095,246	2,610,695
Total assets	\$ 2,015,701	\$ 2,058,142

The accompanying notes are an integral part of this statement.



LIABILITIES AND CAPITAL

	2003	2002
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ -	\$ -
Notes payable due within one year	111,142	111,141
Payable from restricted assets:		
Public utility revenue bond payable		
due within one year	9,404	9,404
Accrued interest payable	3,429	3,289
Customers' service meter deposits	41,159	41,158
Due to other funds	117,271	118,319
Total current liabilities	271,905	282,201
<u>LONG-TERM LIABILITIES</u>		
Public utility revenue bonds payable -		
due after one year	211,990	220,487
Notes payable due after one year	116,496	89,223
Other liabilities	128,228	128,228
Total long-term liabilities	456,714	437,938
Total liabilities	728,619	720,139
<u>CAPITAL CONTRIBUTIONS</u>		
From federal grants for sewer systems	25,158	25,158
From environmental protection agency	14,163	14,163
From state grant for sewerage treatment plant and systems	1,868,698	1,868,698
	1,907,919	1,907,919
Less: depreciation applicable to capital contributions	(252,082)	(275,200)
Net contributions	1,655,837	1,632,719
<u>RETAINED EARNINGS</u>		
Reserved for customers' service meter deposits	48,213	54,463
Reserved for sewerage bond debt service	422,381	418,921
Unreserved	541,293	768,949
Total retained earnings	1,011,887	1,242,333
Total capital	2,667,724	2,875,052
Total liabilities and capital	\$ 2,996,343	\$ 3,095,191

**TYSON OF JACKSON LEISHERMAN
INTERNATIONAL P.L.L.C.**

**COMPARATIVE STATEMENTS OF REVENUES AND EXPENSES
YEARS ENDED DECEMBER 31, 2002 AND 2001**

	2002		
	On	Wine	Average
OPERATING REVENUES			
Sales	\$ 175,291	\$ 193,666	\$ 184,500
Penalties and service charges	7,296	7,296	7,296
Total operating revenues	182,587	200,962	191,796
OPERATING EXPENSES			
Salaries	64,348	64,378	64,363
Wages	11,891	10,651	11,271
Audit and accounting	1,833	1,833	1,833
Depreciation	15,960	49,884	32,922
Electricity	11,618	1,143	7,907
Employee's retirement expense	1,791	1,332	1,562
Engineering fees	-	-	-
Gift purchases	176,882	-	-
Insurance	14,644	14,626	14,635
Legal	450	450	450
Maintenance, repairs, and supplies	6,201	14,831	10,516
Miscellaneous	7,391	1,130	454
Printing, stationery, and supplies	1,110	1,074	1,092
Payroll taxes	497	497	497
Travel analysis	-	-	-
Travel postage charge	-	283	-
Travel expense	6,554	6,111	6,332
Utilities	1,140	1,632	1,386
Total operating expenses	194,644	187,304	189,927
INCOME (LOSS) FROM OPERATIONS	-12,057	13,658	(8,131)
Other revenues			
Interest revenues	1,261	621	469
Other revenues	-	-	-
Total other revenues	1,261	621	469
Other charges			
Interest expense	-	21,877	-
Operating lease charges	108,000	-	-
Total other charges	108,000	21,877	-
NET INCOME (LOSS)	\$ (114,793)	\$ (7,026)	\$ (10,662)

The accompanying notes are an integral part of these statements.



	2002		2001	
	Actual Total	Budget Total	Variance Favorable (Unfavorable)	Actual Total
\$	548,217	\$ 660,000	\$ 111,783	\$ 660,700
	<u>21,889</u>	<u>20,100</u>	<u>1,789</u>	<u>20,000</u>
	<u>569,106</u>	<u>680,100</u>	<u>110,994</u>	<u>680,700</u>
	120,234	110,200	(9,480)	92,011
	70,491	70,000	(4,400)	71,000
	5,400	5,000	400	11,700
	<u>180,225</u>	<u>100,000</u>	<u>(80,225)</u>	<u>100,000</u>
	20,870	20,000	870	20,000
	15,000	14,000	(1,000)	11,000
	-	10,000	10,000	10,000
	<u>170,140</u>	<u>170,000</u>	<u>(140)</u>	<u>100,000</u>
	60,400	40,000	(20,400)	40,000
	1,400	1,700	300	2,000
	20,204	20,000	(204)	20,000
	1,000	1,000	0	11,000
	1,200	1,000	200	1,000
	1,000	1,000	0	1,000
	-	1,000	1,000	500
	200	500	300	500
	<u>10,000</u>	<u>10,000</u>	<u>0</u>	<u>10,000</u>
	4,000	1,000	(3,000)	1,000
	<u>140,000</u>	<u>140,000</u>	<u>0</u>	<u>140,000</u>
	10,000	10,000	0	10,000
	0	0	0	0
	<u>10,000</u>	<u>10,000</u>	<u>0</u>	<u>10,000</u>
	0	0	0	0
	<u>10,000</u>	<u>10,000</u>	<u>0</u>	<u>10,000</u>
	<u>100,000</u>	<u>100,000</u>	<u>0</u>	<u>100,000</u>
	<u>100,000</u>	<u>100,000</u>	<u>0</u>	<u>100,000</u>
\$	600,000	\$ 600,000	\$ 0	\$ 600,000

TOWNSHIP OF JACKSON, LOUISIANA
ENTERPRISE FUND

COMPARATIVE STATEMENTS OF CHANGES IN RETAINED EARNINGS
YEARS ENDED SEPTEMBER 30, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
Retained earnings - beginning of year	\$ 1,193,797	\$ 1,396,410
Net income (loss) including depreciation of \$56,375 and \$24,897 transferred to contributed capital during the years ended September 30, 2003 and 2002.	<u>(93,995)</u>	<u>17,334</u>
Retained earnings - end of year	<u>\$ 1,104,799</u>	<u>\$ 1,394,747</u>

The accompanying notes are an integral part of these statements.



**TOWN OF JACKSON, LOUISIANA
ENTERPRISE FUND**

**SCHEDULE OF CHANGES IN ASSETS RESTRICTED
FOR REVENUE BOND DEBT SERVICE
YEAR ENDED SEPTEMBER 30, 2002**

	Bond and Interest Redemption	Reserve	Depreciation and Contingency Fund	Total
Cash balance - October 1, 2001	\$ 51,884	\$ 28,853	\$ 21,418	\$ 102,155
Cash receipts:				
Transfer from other accounts	21,040	2,173	2,173	25,386
Interest earned on investments	4,400	461	-	4,861
Interest earned on savings	587	324	214	1,125
	<u>26,027</u>	<u>2,958</u>	<u>2,387</u>	<u>31,372</u>
Cash disbursements:				
Principal payments	33,408	-	-	33,408
Interest payments	11,510	-	-	11,510
Transfer to other accounts	-	-	-	-
Total cash disbursements	<u>44,918</u>	<u>-</u>	<u>-</u>	<u>44,918</u>
Cash balance - September 30, 2002	\$ 26,969	\$ 28,853	\$ 23,805	\$ 79,627
Investment balance, October 1, 2001	\$ 128,640	\$ -	\$ 128,203	\$ 256,843
Additions (deletions)	-	-	2,587	2,587
Investment balance, September 30, 2002	\$ 128,640	\$ -	\$ 130,790	\$ 259,430
Total cash and investment, September 30, 2002	\$ 155,609	\$ 28,853	\$ 153,595	\$ 338,057

The accompanying notes are an integral part of these statements.



GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets not used in proprietary fund operations.



TOWNSHIP OF JACKSON, LOUISIANA

**COMPARATIVE STATEMENTS OF GENERAL FIXED ASSETS
SEPTEMBER 30, 2003 AND 2002**

	<u>2003</u>	<u>2002</u>
GENERAL FIXED ASSETS		
Land	\$ 26,000	\$ 26,000
Buildings	388,789	388,789
Automotive and fire fighting equipment	596,504	583,837
Office furniture, fixtures, and equipment	57,360	58,211
Recreation equipment	186,491	186,491
Streets and sidewalks	282,283	274,888
Total general fixed assets	<u>\$ 1,577,427</u>	<u>\$ 1,596,816</u>
INVESTMENT IN GENERAL FIXED ASSETS		
Louisiana highway safety commission grant	\$ 15,000	\$ 15,000
Federal grant	80,000	80,000
State grant	88,889	88,889
General fund revenues	486,415	447,308
Federal revenues sharing fund	184,482	184,482
Municipal revenues sharing fund	30,860	30,860
Streets and sidewalks fund	410,215	361,248
Volunteer fire department	117,708	24,352
Louisiana department of transportation and development grant	4,000	4,000
Total investment in general fixed assets	<u>\$ 1,317,819</u>	<u>\$ 1,295,816</u>

The accompanying notes are an integral part of these statements.



TOWN OF JACKSON, LOUISIANA

**STATEMENT OF CHANGES IN GENERAL FUND ASSETS
BY FUNCTION AND ACTIVITY
YEAR ENDING SEPTEMBER 30, 2004**

Function and Activity	General Fund Assets			General Fund Assets	
	September 30, 2003	Additions	Deductions	September 30, 2004	
General Government	\$ 188,803	\$ 56,871	\$ 18,100	\$ 327,574	
Public Safety:					
Police protection	238,368	1,460	-	239,828	
Fire protection	171,651	11,150	4,017	178,784	
Revenue operations	4,811	-	-	4,811	
Recreation	104,491	-	-	104,491	
Total	<u>\$ 508,123</u>	<u>\$ 69,481</u>	<u>\$ 22,117</u>	<u>\$ 555,487</u>	

The accompanying notes are an integral part of this statement.



SUPPORTING SCHEDULES

TOWN OF JACKSON, LOUISIANA

**INSURANCE IN FORCE
SEPTEMBER 28, 2002**

<u>Policy</u>	<u>Form of Insurer</u>	<u>Expiration Date</u>	<u>Coverage Limits</u>
Fire and Extended Coverage - Building and Contents	Employers' Mutual	02-01-04	\$ 154,000
Public Official Bond	Dart Agency	08-30-04	61,000
General Liability	Louisiana Risk Management	02-01-04	500,000
Police Professional Liability	Louisiana Risk Management	02-01-04	500,000
Public Officials Errors and Omissions	Louisiana Risk Management	02-01-04	500,000
Worker's Compensation	Louisiana Risk Management	01-01-04	Statutory
Auto Physical Damage	Lexington	03-01-04	175,000
Equipment	Employers' Mutual	12-23-03	181,000
Equipment	Employers' Mutual	10-18-03	81,000

TOWN OF JACKSON, LOUISIANA

PUBLIC UTILITY SYSTEM OPERATIONS

SEPTEMBER 30, 2000

(Amounts in \$)

Statistics on System Operations

- (a) As of September 30, 2000, there were 316 and 685 metered customers for the gas and water systems, respectively. There were no unmetered customers for either the gas or water systems as of September 30, 2000.
- (b) The following rate schedules were in effect during the fiscal year for gas and water:

1. Gas	Rate per 1,000 Cubic Feet
Minimum charge	\$ 12.00
First 1,000 cubic feet/MCF	15.00 + amount above \$5.00 MCF (\$4.10 as September 30, 2000)
Over 1,000 cubic feet/MCF	10.00 + amount above \$5.00 MCF

2. Water:	Rate per 1,000 Gallons
First 1,000 gallons or less	\$ 1.50
Next 13,000 gallons/43gal	1.50
Next 10,000 gallons/43gal	1.50
Over 36,000 gallons/43gal	1.00

- (c) Average monthly billing per customer was:

1. Gas \$ 42.57

2. Water \$ 18.24



TOWN OF JACKSON, LOUISIANA
PUBLIC UTILITY SYSTEM OPERATIONS
SEPTEMBER 30, 2003
(Without Audit)

Variance Between Gas Purchased and Sold

<u>Year Ended</u>	<u>Gas Purchased MCF's</u>	<u>Gas Billed MCF's</u>	<u>Leakage Variance MCF's</u>	<u>Percent of Gas Purchased</u>
09/30/02	28,184	26,582	1,602	5.8
09/30/02	26,844	24,219	2,625	10.1
09/30/01	31,120	31,083	-	-
09/30/00	25,608	26,220	-	-
09/30/99	24,373	24,270	2,103	8.67
09/30/98	31,643	31,297	346	1.10
09/30/97	28,716	28,372	344	1.20
09/30/96	34,379	32,741	1,638	4.79
09/30/95	28,888	27,400	1,488	5.15
09/30/94	35,350	31,892	3,458	10.29
09/30/93	32,493	30,845	1,648	4.96



TOWN OF JACKSON, LOUISIANA

SCHEDULE OF PRINCIPAL OFFICIALS AND SALARIES
YEAR ENDED SEPTEMBER 30, 2002

	<u>Year ended</u> <u>September 30, 2002</u>	
Charles Coleman - Mayor	\$	1,400
Leon Edwards		1,800
Michael Howard		1,800
Donald Howard		1,800
Keith Mills		1,800
Henry Ruppelle		1,800
	\$	<u>17,400</u>

TOWN OF JACKSON, LOUISIANA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2001**

A. Summary of Audit Results

- (1) The auditors' report expressed an unqualified opinion on the financial statements of the Town of Jackson, Louisiana as of and for the year ended September 30, 2001.
- (2) One reportable condition relating to the audit of the financial statements is reported at section B in this schedule. This condition is considered a material weakness.
- (3) One instance of noncompliance material to the financial statements of the Town of Jackson, Louisiana was identified during the audit and is reported at section C in this schedule.

B. Reportable condition - lack of segregation of duties

Criteria - segregation of duties is an integral part of internal controls, as such, policies and procedures should be in place that provide reasonable assurance that financial transactions are properly recorded.

Condition - the segregation of duties is inadequate to provide effective internal control as the performance of accounting procedures is limited to one person.

Recommendation - no action is recommended.

Management's Response - we concur with the finding and the recommendation. Compensating controls do exist in that the Board of Aldermen reviews all invoices prior to disbursement. Additionally, the Board of Aldermen has decided that it would not be cost effective to increase the size of the administrative staff to achieve effective segregation of duties.

C. Instance of noncompliance - violation of budget law

Criteria - the Town is required to amend the budget for its general fund when the actual expenditures plus projected expenditures for the remainder of the year exceed budgeted amounts by more than five percent or when the actual revenues plus projected revenues for the remainder of the year are more than five percent less than budgeted amounts.

Condition - total expenditures for the general fund for the year ended September 30, 2000, exceeded budgeted amounts by more than five percent, and total revenues for the general fund for the year ended September 30, 2001, were more than five percent less than budgeted amounts.

Recommendation - we recommend that the accountant and Board of Aldermen compare the actual results to budgeted amounts on a monthly basis when reviewing the financial statements. If it is determined that total expenditures for the year will exceed budgeted amounts by more than five percent or that total revenues for the year will be more than five percent less than budgeted amounts, the town should amend its originally adopted budget.

Management's Response - we concur with the finding and the recommendation.

TOWN OF JACKSON, LOUISIANA

SUMMARY SCHEDULE OF FINANCIAL FINDINGS
YEAR ENDED SEPTEMBER 30, 2002

Internal control structure findings:

81-01 Segregation of duties

Condition - due to the size of the Town's accounting staff, the segregation of duties is inadequate to provide effective internal control.

Current status - this finding still applies in the current year and is noted in the audit report for the year ended September 30, 2003 (see item B in the accompanying schedule of findings and questioned costs).

81-02 Violation of budget law

Condition - total expenditures for the general fund for the year ended September 30, 2002, exceeded budgeted amounts by more than five percent.

Current status - this finding still applies in the current year and is noted in the audit report for the year ended September 30, 2003 (see item C in the accompanying schedule of findings and questioned costs).