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INDEPENDENT AUDITOR'S REPORT

The Honorable W. F. "Billy" Edwards, Mayor
and The Members of the Town Council
Town of Jonesville, Louisiana

We have audited the general-purpose financial statements of the Town of Jonesville, Louisiana, as of and for the year ended June 30, 1997, as listed in the Table of Contents. 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 audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we 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. We believe that our audit provides a reasonable basis for our opinion.

During our audit, we determined that the Town's controls over general fixed assets have deteriorated to the point that we have been unable to place a reliance on the Town's inventory of general fixed assets. General fixed assets have been presented in the general-purpose financial statements, but we have been unable to determine the number or size of errors that may exist in these schedules.

In our opinion, except for the items mentioned in the preceding paragraphs, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Jonesville, Louisiana, as of June 30, 1987, the results of its operations of such funds and the cash flows of its proprietary fund type for the year then ended, in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The combining, individual fund, and account group financial statements and schedules, as listed in the Table of Contents, are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of the Town of Jonesville, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements, and in our opinion, except for the items mentioned in the preceding paragraphs, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

The financial information of the previous year, which is included for comparative purposes, was taken from the financial report for that year in which we expressed an unqualified opinion.

Richard H. Simmons & Company, LLP

Natchez, Mississippi
September 16, 1987

**GENERAL-PURPOSE FINANCIAL STATEMENTS
(COMBINED - STATEMENTS OVERVIEW)**

TOWNSHIP OF JONESVILLE, LOUISIANA
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 1987

	Governmental Fund Type		Proprietary Fund Type	Amounts Due to		Totals
	General	Special		General	Special	
ASSETS						
Cash	\$ 281,284	\$	\$ 10,975	\$	\$ 111,289	\$ 69,100
Temporary Investments at cost	69,447		651,469		139,916	342,975
Receivables (net, where applicable, of allowances for uncollectibles)						
Court fees	22,028		972,482		28,036	14,329
Charges for services	4,465		44,249		672,492	232,214
Other receivables	479,637		188,116		68,962	83,244
Due from other funds					659,495	459,319
Due from other governments	37,869				37,869	34,777
Restricted assets:						
Cash			49,249		60,249	37,861
Temporary Investments at cost	41,194				199,674	159,176
Plant and equipment, net					4,183,267	4,079,919
Amount to be provided for retirement of general long-term debt			1,577,297	2,249,240		
Total assets	<u>\$ 1,128,343</u>	<u>\$</u>	<u>\$ 2,356,321</u>	<u>\$ 2,249,240</u>	<u>\$ 383,238</u>	<u>\$ 119,632</u>
					<u>\$ 4,283,267</u>	<u>\$ 4,283,267</u>

continued

TOWN OF JONESVILLE, LOUISIANA
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

JUNE 30, 1997

	Environmental Fund Type		Proprietary Fund Type		Account Groups		Totals (Memorandum Only) June 30, 1997
	Debt Service	Capital Expenditures	Capital Expenditures	Enterprise	General Fund	Special Use	
LIABILITIES AND FUND EQUITY							
Liabilities							
Accounts payable	\$ 41,757	\$ -	\$ 334,979	\$ -	\$ -	\$ -	\$ 386,736
Accrued liabilities	26,101	-	29,333	-	-	-	55,434
Due to other funds	109,136	-	479,533	-	-	-	628,669
Payable from restricted assets:							
Consumer deposits			139,839				139,839
Other liabilities	2,891				164,363		167,254
Contributions of							
Tobacco/dues							
Notes and capital			100,000		89,622		189,622
Leases payable			1,200,844		1,311,211		2,512,055
Total liabilities	\$ 139,839	\$ -	\$ 1,675,206	\$ -	\$ 1,504,896	\$ -	\$ 3,319,941
Fund equity							
Continued capital investment in fixed assets:							
General					1,231,248		1,231,248
Restricted earnings:							
Unreserved					483,648		483,648
Fund balance							
Reserved	41,114	25,855					66,969
Unreserved	41,114	25,855					66,969
Total retained earnings/fund balance	\$ 41,114	\$ 25,855	\$ -	\$ -	\$ 483,648	\$ -	\$ 550,617
Total fund equity	\$ 139,839	\$ 25,855	\$ 1,675,206	\$ -	\$ 1,715,144	\$ -	\$ 3,541,000
Total liabilities and fund equity	\$ 279,678	\$ 51,710	\$ 3,350,412	\$ -	\$ 3,219,040	\$ -	\$ 6,892,800

The accompanying notes are an integral part of this financial statement.

TOWN OF JONESVILLE, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 1997

	General	Debt Service	Capital Projects	Totals (Memorandum Only)	
				Year Ended June 30, 1997	1996
Revenues					
Taxes	\$ 82,279	\$	\$	\$ 82,279	\$ 69,493
Licenses and permits	388,271			388,271	103,636
Intergovernmental revenue	288,044			288,044	305,370
Fines and forfeits	54,815			54,815	48,075
Charges for services	58,384			58,384	-
Net proceeds	25,911			25,911	42,177
Other revenue	34,302		882	35,184	46,909
Total revenues	\$ 1,823,276	\$	\$ 882	\$ 1,859,342	\$ 1,215,570
Expenditures					
Current					
General government	\$ 483,383	\$	\$	\$ 483,383	\$ 348,610
Public safety -					
Police	524,488			524,488	528,502
Fire	52,174			52,174	52,538
Highways and streets	344,827			344,827	318,794
Sanitation	147,233			147,233	118,675
Industrial	1,788			1,788	5,208
Airport	3,388			3,388	208
Activity	1,314			1,314	5,174
Recreation	25,188			25,188	27,543
Debt service					
Principal retirement		83,888		83,888	83,888
Interest		17,625		17,625	19,143
Total expenditures	\$ 1,582,821	\$ 101,513	\$	\$ 1,684,334	\$ 1,170,259
Excess of revenues (expenditures)	\$ 240,455	\$ 410,610	\$ 882	\$ 1,175,008	\$ 105,311
Other financing sources (uses)					
Operating transfers in	\$ 1,138,987	\$ 101,611	\$	\$ 1,240,598	\$ 1,303,448
Operating transfers out	(410,610)			(410,610)	(488,870)
Total other financing sources (uses)	\$ 728,377	\$ 101,611	\$	\$ 830,008	\$ 814,578
Excess of revenues and other sources	\$ 78,781	\$	\$ 882	\$ 79,663	\$ 100,400
Fund balances, beginning	471,368		18,190	489,558	330,189
Fund balances, ending	\$ 550,149	\$	\$ 19,072	\$ 569,221	\$ 430,589

The accompanying notes are an integral part of this financial statement.

TOWN OF JONESVILLE, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL AND DEBT SERVICE FUND TYPES

YEAR ENDED JUNE 30, 1997

	General Fund		Debt Service Fund	
	Budget	Actual	Budget	Actual
Revenues				
Taxes	\$ 46,304	\$ 40,278	\$	\$
License and permits	187,578	108,972		
Intergovernmental revenue	182,000	206,014		
Rental revenue	50,300	8,500		
Garbage collection fees	84,278	84,284		
Other revenues	180,000	194,728		
Total revenues	\$ 730,460	\$ 682,786	\$	\$
Expenditures				
General government	\$ 174,128	\$ 493,297	\$ 49,200	\$
Police safety				
Police	220,000	224,000	11,000	
Fire	81,000	82,174	500	
Highways and streets	920,000	944,927	181,000	
Sanitation	100,000	143,200	(14,200)	
Substantial	1,000	1,795	395	
Airport	8,700	2,000	400	
Activity	1,112	1,014	(392)	
Sanitation	25,000	25,000	29	
Debt service				
Principal retirement			60,000	60,000
Interest			29,182	17,688
Total expenditures	\$ 1,500,000	\$ 1,882,631	\$ 293,000	\$ 77,688
Excess of revenues	\$ (769,540)	\$ (1,199,845)	\$ (293,000)	\$ (77,688)
Other financing sources (uses)				
Operating transfers - in	\$ 304,000	\$ 1,128,287	\$ 174,087	\$ 201,611
Operating transfers - out	(29,429)	(101,611)	(18,129)	
Total other financing sources (uses)	\$ 274,571	\$ 1,026,676	\$ 155,958	\$ 201,611
Excess of revenues and other financing sources and other transfers	\$ (494,969)	\$ 17,041	\$	\$
Fund balances, beginning	\$ 471,919	\$ 471,919	\$	\$
Fund balances, ending	\$ (23,050)	\$ 38,878	\$ (23,050)	\$ 124,323

The accompanying notes are an integral part of the financial statements.

TOWN OF JONESVILLE, LOUISIANA
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN RETAINED EARNINGS
PROPRIETARY FUND TYPE
YEARS ENDED JUNE 30, 1997 AND 1996

	<u>References</u>	
	<u>1997</u>	<u>1996</u>
Operating revenues		
Charges for services -		
Electricity sales	\$2,174,866	\$2,318,326
Water sales	196,353	189,235
Natural gas sales	611,628	647,529
Sewer charges	118,482	118,214
Interest income	19,597	18,488
Other operating revenues	<u>61,768</u>	<u>48,663</u>
Total operating revenues	<u>\$3,182,694</u>	<u>\$3,350,515</u>
Operating expenses		
Electricity Department expenses	\$1,465,955	\$1,473,968
Water Department expenses	178,797	176,938
Natural Gas Department expenses	419,343	448,845
Sewer Department expenses	<u>118,563</u>	<u>121,292</u>
Total operating expenses	<u>\$2,182,658</u>	<u>\$2,221,043</u>
Operating income	\$ 999,988	\$ 1,129,472
Operating transfers		
Transfers to General Fund	<u>(1,128,882)</u>	<u>(1,210,674)</u>
Net loss	\$ (128,894)	\$ (141,132)
Retained earnings - beginning	<u>492,344</u>	<u>633,496</u>
Retained earnings - ending	<u>\$ 363,450</u>	<u>\$ 492,364</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF JONESVILLE, LOUISIANA
COMPARATIVE STATEMENT OF CASH FLOWS
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
PROPRIETARY FUND TYPE
YEARS ENDED JUNE 30, 1997 AND 1996

	<u>Enterprise</u>	
	<u>1997</u>	<u>1996</u>
Cash flows from operating activities		
Cash received from customers	\$ 1,066,273	\$ 3,333,544
Cash payments to suppliers for goods and services	(1,841,680)	(1,823,873)
Cash payments to employees for services	(343,891)	(351,538)
Other operating revenues	81,357	57,151
Net cash provided by operating activities	<u>\$ 1,023,146</u>	<u>\$ 1,215,684</u>
Cash flows from non-capital financing activities		
(Increase) decrease in other receivables	\$ 30,261	\$ (26,751)
Operating transfers - out to other funds	(1,854,927)	(1,028,490)
Net cash used for non-capital financing activities	<u>\$ (1,824,666)</u>	<u>\$ (1,105,154)</u>
Cash flows from capital and related financing activities		
Proceeds from notes payable	\$ 43,813	\$ 87,846
Principal payments on notes payable	(39,544)	(32,643)
Purchases of fixed assets and equipment	(98,333)	(114,894)
Net cash used for capital and related financing activities	<u>\$ (94,064)</u>	<u>\$ (59,691)</u>
Net increase (decrease) in cash & cash equivalents	<u>\$ (59,599)</u>	<u>\$ 36,128</u>
Cash and cash equivalents, beginning of year	<u>308,308</u>	<u>348,238</u>
Cash and cash equivalents at end of year	<u>\$ 248,709</u>	<u>\$ 384,366</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	<u>\$ 938,588</u>	<u>\$ 1,129,472</u>
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	\$ 108,931	\$ 96,905
Provision for uncollective accounts	1,871	-
Change in assets and liabilities		
(Increase) decrease in		
Accounts receivable	(41,145)	(51,504)
Increase (decrease) in		
Bank overdrafts	-	(7,133)
Accounts payable	(31,986)	55,281
Accrued liabilities	(3,027)	879
Customer deposits	5,833	2,058
Total adjustments	<u>\$ 35,526</u>	<u>\$ 88,398</u>
Net cash provided by operating activities	<u>\$ 1,023,146</u>	<u>\$ 1,215,684</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF JONESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Jonesville, Louisiana was incorporated December 18, 1913, under the provisions of the Louisiana Act. The Town operates under the Mayor-Town Council form of government and provides the following services as authorized by the Act: public safety (police and fire), streets, sanitation, recreation, public improvements, planning and zoning, provision of gas, electric, and water utilities, sewer services, airport facilities and general services.

The accounting and reporting policies of the Town of Jonesville, Louisiana conform to generally accepted accounting principles as applicable to governments.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

This report includes all funds and account groups which are controlled by or dependent on the Town executive and legislative branches (Mayor and Town Council). The scope of the governmental entity included in this report was determined by applying the criteria established by Statement Number 14 of the Governmental Accounting Standards Board, "The Financial Reporting Entity". The application of these criteria revealed no additional governmental reporting entities which would be properly includable in this report.

B. Fund Accounting

The accounting system of the Town is organized and operated on a fund basis whereby a separate self-balancing set of accounts is maintained for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The various funds are grouped in the financial statements of this report into four generic fund types and two broad fund categories as follows:

TOWN OF JONESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1987

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. *Fund Accounting (continued)*

Governmental Funds

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 another fund.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects Fund - Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Proprietary Funds

Enterprise Funds - Enterprise Funds are 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 goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

C. *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.

The governmental type fund is accounted for using the modified accrual basis of accounting. These revenues are recognized when they become measurable and available as net current assets.

TOWN OF JONESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. *Basis of Accounting (continued)*

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

Those revenues susceptible to accrual are property taxes, sales taxes, franchise taxes, fines, interest revenue and charges for services. Licenses, permits and miscellaneous revenues are not susceptible to accrual because, generally, they are not measurable until received in cash.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when earned and their expenses are recognized when incurred. An estimated amount has been recorded for services rendered but not yet billed as of the close of the years involved. The receivable was accrued at by taking the cycle billing the Town sent the customers in July and prorating the amount of days applicable to the current year.

D. *Fixed Assets and Long-Term Liabilities*

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets.

Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

TOWN OF JONESVILLE, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D - Fixed Assets and Long-Term Liabilities(continued)

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are not capitalized along with other general fixed assets. General fixed assets are not depreciated.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in governmental funds.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings	25 years
Machinery and equipment	10-20 years
Distribution system - electricity	30 years
Distribution system - water	50 years
Distribution system - gas	50 years
Distribution system - sewer	50 years
Water tanks and wells	30-50 years
Meters	18 years

TOWN OF JONESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Fixed Assets and Long-Term Liabilities (continued)

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

E. Budgets and Budgetary Accounting

The Town should follow the following procedures established by Louisiana Revised Statute in preparation of the budgetary data reflected in these financial statements. For the year ended June 30, 1997 budget, the proper public participation was not obtained.

- (1) The Town Clerk prepares a proposed budget and submits same to the Mayor and Town Council no later than fifteen days prior to the beginning of each fiscal year.
- (2) A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- (3) A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
- (4) After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
- (5) Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated, require the approval of the Town Council.
- (6) All budgetary appropriations lapse at the end of each fiscal year.

TOWN OF JONESVILLE, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

E. Budgets and Budgetary Accounting (continued)

- (7) Budgets for the General and Debt Service Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budget amounts are as originally adopted, or as amended from time to time by the Town Council.

F. Cash and Investments

Investments are stated at cost and consist of demand deposit accounts, savings accounts and certificates of deposit. For purposes of the statement of cash flows, the Enterprise Funds consider all highly liquid investments (including restricted assets) with a maturity of six months or less when purchased to be cash equivalents. The following is a summary of cash and cash equivalents for the proprietary fund type:

	1997	1996
Cash	\$ 18,575	\$ 19,371
Temporary investments	151,409	194,802
Restricted cash	49,289	57,881
Restricted temporary investments	59,481	52,362
Cash and cash equivalents at June 30	\$ 378,754	\$ 324,316

The carrying amount of the Town's cash and temporary investments with financial institutions was \$857,748, and the bank balance was \$369,833 at June 30, 1997. There was \$944 in cash on hand at June 30, 1997. At June 30, 1997, the Town's banks had pledged \$653,832 in securities against the Town's deposits. The bank balance is categorized as follows:

TOWN OF JONESVILLE, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1987

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. Cash and Investments (continued)

Amount insured by FDIC	\$ 200,000
Amount collateralized with securities held by an independent financial institution's trust department in the Town's name	389,813
Uncollateralized	_____
Required collateral - 100% of bank balances exclusive of FDIC insurance plus FDIC insurance	\$ 589,813

Investments made by the Town that are included on the balance sheet are summarized below. The investments that are represented by specific identifiable investment securities are classified as to credit risk by the categories described below:

- Category 1 - Insured or registered in the name of the Town and held by the Town.
- Category 2 - Uninsured but registered in the name of the Town and held by the Town.
- Category 3 - Uninsured and not registered in the name of the Town or held by the Town.

Security type	Category			Carrying amount	Market value
	1	2	3		
Non-interest bearing accounts	\$ 180,181	\$ -	\$ -	\$ 180,181	\$ 180,181
Interest-bearing time certificates of deposit	286,409	-	-	286,409	286,409
Savings accounts	121,895	-	-	121,895	121,895
	<u>\$ 587,745</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 587,745</u>	<u>\$ 587,745</u>

TOWN OF JONESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

G. Inventories

For both governmental and proprietary funds, purchase of various operating supplies are regarded as expenditures or expenses at the time purchased, and inventories of such supplies (if any) are not recorded as assets at the close of the fiscal year. For the years ending June 30, 1997 and June 30, 1996, these amounts were considered to be immaterial.

H. Bad Debts

Uncollectible amounts due for customers' utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the receivable.

I. 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 Town's cash flows and operations. However, comparative (i.e., presentation of prior year totals by fund type) data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

J. Total Columns on Combined Statements - Overview

Total columns on combined statements - overview 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 accordance 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.

TOWN OF JONESVILLE, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1987

NOTE 2 - AD VALOREM TAXES

The Town annually levies ad valorem taxes in accordance with state statute for the fiscal year ended June 30. Tax bills are prepared and delivered in October with payment due from the date of receipt to the last day of February. Because of the due dates noted previously, ad valorem taxes are not considered to be available resources of the fiscal year in which they apply and are therefore not accrued as of the end of the fiscal year.

The Town bills and collects its own property taxes using the assessed values determined by the Tax Assessor of Catahoula Parish.

For the year ended June 30, 1987, taxes of 7.56 mills were levied on property with assessed value of \$8,371,270 and were dedicated as follows:

General corporate purposes	7.56
Total taxes levied were	\$63,287

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

<u>Fund</u>	<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 479,537	\$ 159,156
Proprietary Fund	<u>189,156</u>	<u>479,537</u>
Total	\$ 668,693	\$ 638,693

TOWN OF JONESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1997

NOTE 4 - DUE FROM OTHER GOVERNMENTS

Amounts due from other governmental units consisted of the following:

	<u>1997</u>	<u>1996</u>
<i>State of Louisiana</i>		
Tobacco tax	\$ 3,454	\$ 3,454
Jail inmate housing	3,234	4,410
Video Draw Poker	3,847	1,438
Highway maintenance	3,829	3,829
<i>Catahoula Parish</i>		
Fire insurance premium	5,988	6,829
Jail inmate housing	4,088	3,896
Parish revenue sharing	3,746	3,720
Sanitation sales tax	5,831	5,783
Other	<u>643</u>	<u>280</u>
Total	\$ <u>37,632</u>	\$ <u>34,737</u>

NOTE 5 - RESTRICTED ASSETS

Restricted assets as of June 30 were applicable to the following:

	<u>1997</u>	<u>1996</u>
<i>Governmental fund types</i>		
General Fund - building savings	\$ 41,154	\$ 40,074
Capital Projects Fund - new shop grant	<u>26,638</u>	<u> </u>
Total governmental fund types	\$ <u>67,792</u>	\$ <u>40,074</u>
<i>Proprietary fund types</i>		
Customers' deposits	<u>\$ 138,728</u>	<u>\$ 146,983</u>
Total restricted assets	\$ <u>206,520</u>	\$ <u>187,057</u>

TOWN OF JONESVILLE, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1997

NOTE 6 - FIXED ASSETS

The following is a summary of general fixed assets:

	Balance 6/30/96	Additions	Dispositions	Balance 6/30/97
Land and buildings	\$ 1,378,609	\$	\$	\$ 1,378,609
Machinery and equipment	817,847	47,784	_____	864,841
Totals	\$2,196,456	\$ 47,784	\$ _____	\$2,244,240

The following is a summary of changes in proprietary fund type property, plant and equipment for fiscal year ended June 30, 1997:

	Balance 6/30/96	Additions	Deletions/ dispositions	Balance 6/30/97
Electric system	\$1,139,369	\$ 46,215	\$	\$ 1,185,584
Gas system	341,781	_____	_____	341,781
Water system	1,410,930	_____	_____	1,410,930
Sewer system	1,498,263	3,299	_____	1,498,563
Buildings	11,579	_____	_____	11,579
Land	21,602	_____	_____	21,602
Miscellaneous equipment	171,726	49,819	_____	220,745
Total	\$4,590,180	\$ 99,933	\$ _____	\$4,690,713
Less accumulated depreciation	(2,719,411)	(180,985)	_____	(2,900,396)
Net	\$1,870,769	\$ (78,052)	\$ _____	\$1,871,367

TOWN OF JONESVILLE, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1997

NOTE 7 - CHANGES IN LONG-TERM DEBT

The following is a summary of debt transactions for the Town for the fiscal year ended June 30, 1997:

	<u>General Obligation Long-Term</u>			<u>Utility</u> <u>Fund</u>	
	<u>Cert. of</u> <u>Indebtedness</u>	<u>Note</u> <u>payable</u>	<u>Capital</u> <u>leases</u>	<u>Notes</u> <u>payable</u>	<u>Totals</u>
Balances					
6/30/96	\$ 204,720	\$ 21,804	\$ 63,129	\$ 75,208	\$ 364,861
Proceeds	-	-	35,911	49,619	74,930
Principal retired	(228,262)	(19,646)	(24,722)	(228,546)	(501,176)
Balances					
6/30/97	\$ 164,952	\$ 2,512	\$ 24,267	\$ 101,679	\$ 365,210

Long-Term debt as of June 30, 1997 is comprised of the following:

General Fund

\$164,952 Certificate of Indebtedness, Series 1987, held by Catahoula-LaSalle Bank, dated February 11, 1988. As of March 31, 1994, this Certificate of Indebtedness was restructured to add an additional \$117,000 of principal. Principal installments are payable on December 1 of each year beginning December 1, 1994 and ending December 1, 2001, with an interest rate of 4.5% per annum, payable on December 1 of each year, commencing December 1, 1994.

\$ 164,952

TOWN OF JONESVILLE, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1997

NOTE 7 - CHANGES IN LONG-TERM DEBT (continued)

General Fund (continued)

<p>\$98,000 Note payable to Catahoula-LaSalle Bank, dated June 29, 1993, payable in monthly installments of \$1,692.75, beginning on July 29, 1993, with an interest rate of 8.17% per annum. The note is secured by Certificates of Deposit.</p>	\$ 2,358
<p>Note to Ford Motor Credit for the lease purchase of a Ford Model 68408 tractor with Alamo Terrain King Model A Boom Mower in the amount of \$35,943. Dated June 16, 1995, payable in monthly installments of \$122.31, commencing on June 16, 1995 and ending on May 14, 2000, with an interest rate of 7.99% per annum.</p>	13,085
<p>Note to Ford Motor Credit for the Lease purchase of a New Holland 5580 Loader Backhoe in the amount of \$24,308, dated July 31, 1998, payable in monthly installments of \$476.28, commencing on July 31, 1998 and ending on June 30, 2001, with an interest rate of 6.79% per annum.</p>	20,005
<p>Note to Government Capital Corporation for the lease purchase of new computer system in the amount of \$51,654, dated January 5, 1995, payable in monthly installments of \$645.82, commencing on January 5, 1995 and ending on January 5, 2000, with an interest rate of 7.00% per annum.</p>	17,782
<p>Note to Government Capital Corporation for the lease purchase of new computer software in the amount of \$42,527, dated March 22, 1996, payable in monthly installments of \$695.97, commencing March 22, 1996 and ending on February 22, 2001, with an interest rate of 7.625% per annum.</p>	32,226
<p>Note to Waterworld to finance the purchase of Police Department equipment in the amount of \$1,550.88, dated July 22, 1996, payable in monthly installments of \$32.31, commencing on August 22, 1996 and ending on July 22, 2000, with no stated rate of interest.</p>	1,195

TOWN OF JONESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1997

NOTE 7 - CHANGES IN LONG-TERM DEBT (continued)

Proprietary Fund

Note to Catahoula-LaSalle Bank to finance sewer improvements in the amount of \$87,848, dated July 31, 1995, payable in monthly installments of \$1,715.36, commencing on September 15, 1995, and ending on September 15, 2000, with an adjustable rate of interest. The interest rate at June 30, 1996 was 6.4% per annum. \$ 58,308

Note to First National Bank of Commerce to finance the purchase of three new utility trucks in the amount of \$49,919, dated February 12, 1997, payable in monthly installments of \$1,185.23, commencing on March 12, 1997, and ending on February 12, 2001, with an interest rate of 7.50% per annum. 45,411

Total \$ 285,287

The annual requirements to amortize all outstanding debt as of June 30, 1997, including interest payments of \$49,649 are as follows:

Fiscal year ending June 30	General Obligation			Utility Fund	Total
	Certificate of Indebtedness	Note payable	Capital leases	Notes payable	
1998	\$ 48,590	\$ 1,388	\$ 33,308	\$ 34,885	\$ 118,069
1999	48,590	-	33,308	34,885	116,811
2000	48,590	-	33,308	34,885	116,800
2001	37,717	-	13,294	14,627	65,638
2002	-	-	-	-	-
Total	\$ 183,217	\$ 1,388	\$ 109,201	\$ 119,242	\$ 414,048

Retirement of general obligation debt is to be made by annual transfers of General Fund revenue in the amounts necessary to retire principal and interest currently due.

TOWN OF JONESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1997

NOTE 8 - SEGMENT INFORMATION FOR ENTERPRISE FUND

The Enterprise Fund operated by the Town provides electric, gas, water and sewer utility services. The following is a summary of disclosures required by the national Council on Governmental Accounting in Interpretation 2 Segment Information for Enterprise Funds.

	June 30, 1997				Total
	Electric utility	Water utility	Gas utility	Sewer service	
Operating revenue	\$2,174,959	\$ 194,953	\$ 411,038	\$ 118,892	\$ 2,101,842
Purchase of utility	(1,225,099)		(231,319)		(1,456,418)
Operating expenses	(214,933)	(143,333)	(81,718)	(86,741)	(526,725)
Depreciation	(25,034)	(33,472)	(5,996)	(21,822)	(86,324)
Other operating revenue	\$7,081	\$ 188	16,824	3,112	\$1,001
Operating income	\$ 122,032	\$ 23,232	\$ 207,113	\$ 3,291	\$ 555,668
Operating transfers out					(1,128,991)
Net loss					\$ (128,670)

NOTE 9 - ACCRUED VACATION PAY

The liability for compensated absences has not been accrued because the amount is considered to be immaterial.

NOTE 10 - RETIREMENT COMMITMENTS

Police and fire employees of the Town are members of the State retirement system for municipal police and fire employees. Contributions to these systems are made by both employees and the Town as a percentage of salaries. The Town contributed \$8,997 to these systems during the year as its share of the police and fire employees' contributions.

All other employees of the Town are members of the Social Security System.

TOWN OF JONESVILLE, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1997

NOTE 11 - COMPENSATION OF GOVERNING BOARD

The Governing Board of the Town of Jonesville, Louisiana consists of a Mayor and five Council Members. For the fiscal year ended June 30, 1997, the following compensations were paid:

W. F. "Billy" Edwards, Mayor	\$ 28,804
Ernest J. White, Alderman	1,800
Gary Odum, Alderman	4,200
Gary Humphries, Alderman	4,400
Stephen R. Mophett, Alderman	4,300
Terry Russ, Alderman	4,200
Mark Davis, Alderman	<u>2,300</u>
Total	\$ <u>42,604</u>

NOTE 12 - CONTINGENT LIABILITIES

A lawsuit has been filed against the Town seeking damages for alleged sexual harassment and slander by a former Town employee. This matter will be tried in the Federal District Court Western District of Louisiana, Alexandria Division. The liability insurance carrier has questioned whether the Town has insurance coverage, if there would be an adverse decision against the Town. At this time there is no way to determine the possible outcome of this case.

**FINANCIAL STATEMENTS OF
INDIVIDUAL FUNDS AND ACCOUNT GROUPS**

GENERAL FUND

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

TOWN OF JONESVILLE, LOUISIANA
GENERAL FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 1997 AND 1996

	<u>1997</u>	<u>1996</u>
ASSETS		
Current assets		
Cash	\$ 121,284	\$ 69,819
Temporary investments (at cost)	69,447	123,617
Receivables (net of allowance for uncollectibles):		
Court fines	22,038	14,559
Franchise tax	3,362	3,133
Other	1,163	3,566
Due from other funds	479,537	353,239
Due from other governments	<u>37,639</u>	<u>34,771</u>
Total current assets	\$ 734,410	\$ 626,499
Restricted assets		
Building savings	\$ 41,154	\$ 40,074
Total restricted assets	\$ 41,154	\$ 40,074
Total assets	\$ 775,564	\$ 666,573
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 41,737	\$ 27,355
Accrued liabilities	26,191	31,357
Other liabilities	3,901	-
Due to other funds	<u>159,158</u>	<u>196,089</u>
Total liabilities	\$ 230,987	\$ 254,799
Fund balance		
Reserved	\$ 41,154	\$ 40,074
Unreserved	<u>504,432</u>	<u>421,774</u>
Total fund balance	\$ 545,586	\$ 471,848
Total liabilities and fund balance	\$ 776,573	\$ 726,647

The accompanying notes are an integral part of this financial statement.

TOWN OF JONESVILLE, LOUISIANA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 1997
WITH COMPARATIVE AMOUNTS
FOR YEAR ENDED JUNE 30, 1996

	<u>1997</u>	<u>1996</u>
Revenues		
Taxes		
Ad valorem, including penalties and interest	\$ 55,819	\$ 59,516
Franchise	<u>6,468</u>	<u>6,107</u>
Total taxes	\$ <u>62,287</u>	\$ <u>65,623</u>
Licenses and permits		
Occupational licenses	\$ 108,838	\$ 102,833
Other permits	<u>432</u>	<u>1,803</u>
Total - licenses and permits	\$ <u>109,270</u>	\$ <u>104,636</u>
Intergovernmental revenue		
Beer taxes	\$ 7,028	\$ 8,643
Tobacco taxes	13,816	13,816
Video Draw Poker taxes	19,681	16,243
Sanitation sales taxes	107,568	92,979
State fire insurance premiums	5,965	6,038
Jail inmate housing	86,741	72,783
Hard surface road tax	45,638	52,314
Cops Grant	<u>1,612</u>	<u>17,872</u>
Total intergovernmental revenue	\$ <u>288,044</u>	\$ <u>280,339</u>
Fines and forfeits	\$ 54,218	\$ 48,582
Garbage collection fees	\$ 56,314	\$ _____
Miscellaneous		
Building rents	\$ 9,583	\$ 11,488
Interest earned	7,653	11,732
Note proceeds	25,911	42,527
Other	<u>16,986</u>	<u>23,846</u>
Total miscellaneous	\$ <u>59,133</u>	\$ <u>89,593</u>
Total revenues	\$ <u>629,976</u>	\$ <u>586,885</u>

continued

TOWN OF JONESVILLE, LOUISIANA
 GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 YEAR ENDED JUNE 30, 1997
 WITH COMPARATIVE AMOUNTS
 FOR YEAR ENDED JUNE 30, 1996

	<u>1997</u>	<u>1996</u>
Expenditures		
Current		
General government	\$ 483,391	\$ 640,616
Public safety		
Police	524,403	536,562
Fire	82,174	82,538
Highways and streets	344,837	318,784
Sanitation	147,231	118,675
Industrial	1,726	5,198
Airport	3,396	229
Activity	1,314	8,138
Recreation	25,388	23,567
Total expenditures	<u>\$ 1,632,691</u>	<u>\$ 1,623,495</u>
Excess of revenues (expenditures)	\$ (953,718)	\$ (1,048,846)
Other financing sources (uses)		
Operating transfers from		
Utility Fund	1,128,967	1,270,624
Operating transfers to		
Debt Service Fund	<u>(101,613)</u>	<u>(88,324)</u>
Excess of revenue and other sources (expenditures and other uses)	\$ 73,761	\$ 141,310
Fund balance, beginning	<u>471,848</u>	<u>330,596</u>
Fund balance, ending	<u>\$ 545,609</u>	<u>\$ 471,906</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF JONESVILLE, LOUISIANA
 GENERAL FUND
 STATEMENT OF EXPENDITURES
 YEAR ENDED JUNE 30, 1997
 WITH COMPARATIVE AMOUNTS
 FOR YEAR ENDED JUNE 30, 1996

	<u>1997</u>	<u>1996</u>
General government		
Salaries	\$ 302,508	\$ 297,892
Payroll taxes	15,845	21,444
Employee benefits and insurance	94,135	71,340
Office supplies	8,821	10,809
Computer expenses	2,024	5,756
Audit and accounting	9,374	5,813
Legal and consultant fees	38,733	22,009
Repairs and maintenance	5,188	2,897
General insurance	24,089	28,386
Miscellaneous	36,863	58,503
Utilities and telephone	42,118	49,907
Travel and meetings	6,900	7,992
Capital outlay - equipment	5,913	56,838
Total general government	<u>\$ 683,321</u>	<u>\$ 648,616</u>
Public safety - police		
Salaries	\$ 310,502	\$ 322,099
Payroll taxes	24,675	30,927
Police retirement	6,808	7,227
Employee benefits and insurance	62,999	39,492
Uniform allowance	4,828	6,141
Office and other supplies	5,371	5,342
Legal and consultant fees	8,971	5,860
Prisoners' meals and jail supplies	29,657	25,820
Insurance	9,594	44,311
Gas and oil	12,479	12,600
Utilities and telephone	13,213	10,463
Repairs and maintenance	13,523	12,699
Miscellaneous	5,988	7,359
Travel and meetings	1,036	3,544
Capital outlay - equipment	4,786	17,999
Total public safety - police	<u>\$ 624,468</u>	<u>\$ 658,563</u>

continued

TOWN OF JONESVILLE, LOUISIANA
 GENERAL FUND
 STATEMENT OF EXPENDITURES
 YEAR ENDED JUNE 30, 1997
 WITH COMPARATIVE AMOUNTS
 FOR YEAR ENDED JUNE 30, 1996

	1997	1996
Public safety - fire		
Salaries	\$ 23,486	\$ 22,241
Payroll taxes	1,530	1,886
Fire fighters' retirement	1,199	1,865
Employee benefits and insurance	4,593	2,474
Utilities and telephone	910	1,825
Insurance	2,937	6,340
Supplies	6,552	3,734
Repairs and maintenance	4,439	3,806
Miscellaneous	373	2,275
Capital outlay - equipment	5,065	6,969
Total public safety - fire	\$ 52,114	\$ 52,536
Highways and streets		
Salaries	\$ 184,145	\$ 182,763
Payroll taxes	19,866	17,268
Employee benefits and insurance	56,215	23,643
Insurance	7,861	44,821
Gas and oil	13,864	12,789
Supplies	28,371	18,032
Repairs and maintenance	15,194	11,292
Utilities and telephone	2,519	2,344
Miscellaneous	2,852	6,129
Capital outlay - equipment	23,468	2,752
Total highways and streets	\$ 344,831	\$ 318,794
Sanitation		
Supplies	\$ 6,755	\$ 5,214
Repairs and maintenance	85	-
Garbage contract	139,661	113,239
Miscellaneous	500	222
Total sanitation	\$ 147,001	\$ 118,675

continued

TOWN OF JONESVILLE, LOUISIANA
 GENERAL FUND
 STATEMENT OF EXPENDITURES
 YEAR ENDED JUNE 30, 1997
 WITH COMPARATIVE AMOUNTS
 FOR YEAR ENDED JUNE 30, 1996

	<u>1997</u>	<u>1996</u>
Industrial		
Repairs and maintenance	\$ 682	\$ 2,114
Other	1,034	796
Capital outlay	<u>-</u>	<u>2,386</u>
Total industrial	\$ <u>1,716</u>	\$ <u>5,296</u>
Airport		
Insurance	\$ 1,046	-
Repairs and maintenance	281	110
Other	<u>319</u>	<u>149</u>
Total airport	\$ <u>1,646</u>	\$ <u>259</u>
Activity		
Supplies	\$ 405	\$ 251
Utilities and telephone	847	2,402
Repairs and maintenance	62	923
Capital outlay	<u>-</u>	<u>1,550</u>
Total activity	\$ <u>1,314</u>	\$ <u>4,126</u>
Recreation		
Supplies	\$ 1,189	\$ 3,020
Repairs and maintenance	2,571	3,403
Insurance	4,308	4,358
Utilities and telephone	9,477	6,256
Miscellaneous expense	1,105	2,328
Capital outlay - equipment	<u>6,500</u>	<u>8,562</u>
Total recreation	\$ <u>26,150</u>	\$ <u>37,927</u>
Total expenditures	\$ <u>1,582,621</u>	\$ <u>1,627,425</u>

The accompanying notes are an integral part of this financial statement.

DEBT SERVICE FUNDS

General Obligation Debt - To accumulate monies for the payment of the General Obligation Debt. Financing is to be provided from General Fund revenues.

TOWN OF JONESVILLE, LOUISIANA

DEBT SERVICE FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE- BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 1997

WITH COMPARATIVE ACTUAL AMOUNTS
FOR YEAR ENDED JUNE 30, 1996

	<u>1997</u>	<u>1996</u>
Revenues	\$ _____	\$ _____
Expenditures		
Debt Service		
Principal retirements	\$ 83,996	\$ 69,651
Interest and fiscal fees	<u>17,625</u>	<u>16,143</u>
Total expenditures	\$ 101,621	\$ 85,794
Excess of revenues (expenditures)	\$ 101,611	\$ (85,824)
Other financing sources		
Operating transfers from General Fund	<u>101,611</u>	<u>85,824</u>
Excess of revenues and other sources (expenditures)	\$ -	\$ -
Fund balance - beginning	_____	_____
Fund balance - ending	\$ _____	\$ _____

The accompanying notes are an integral part of this financial statement.

CAPITAL PROJECTS FUND

Rural Development New Shop Grant - To account for the construction of a new Town shop financed by a State Grant.

TOWN OF JONESVILLE, LOUISIANA
 CAPITAL PROJECTS FUND
 NEW SHOP FUND
 COMPARATIVE BALANCE SHEET
 JUNE 30, 1997 AND 1996

	<u>1997</u>	<u>1996</u>
ASSETS		
Temporary investments	\$ 38,828	\$ 25,156
Total assets	\$ 38,828	\$ 25,156
LIABILITIES AND FUND BALANCE		
Fund balance		
Restricted	\$ 26,018	\$ 25,156
Total liabilities and fund balance	\$ 26,018	\$ 25,156

The accompanying notes are an integral part of this financial statement.

TOWN OF JONESVILLE, LOUISIANA
CAPITAL PROJECTS FUND
NEW SHOP FUND

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 1997

WITH COMPARATIVE AMOUNTS FOR YEAR ENDED JUNE 30, 1996

	<u>1997</u>	<u>1996</u>
Revenues		
Intergovernmental		
State Rural Development Grant	\$ -	\$ 25,000
Interest earned	<u>882</u>	<u>156</u>
Total revenues	\$ <u>882</u>	\$ <u>25,156</u>
Expenditures	\$ <u>-</u>	\$ <u>-</u>
Total expenditures	\$ <u>-</u>	\$ <u>-</u>
Excess of revenues (expenditures)	\$ 882	\$ 25,156
Fund balance, beginning	<u>25,156</u>	<u>-</u>
Fund balance, ending	\$ <u>26,038</u>	\$ <u>25,156</u>

The accompanying notes are an integral part of this financial statement.

ENTERPRISE FUND

Municipal Utilities Fund - To account for the provision of electric, natural gas, water and sewer services to residents of the Town and some residents of the Parish. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administrative, operations and maintenance, financing and related debt service, and billings and collections.

TOWN OF JONESVILLE, LOUISIANA
 ENTERPRISE FUND
 MUNICIPAL UTILITIES SYSTEM
 COMPARATIVE BALANCE SHEET
 JUNE 30, 1997 AND 1996

	<u>1997</u>	<u>1996</u>
ASSETS		
Current assets		
Cash	\$ 19,578	\$ 19,371
Temporary investments at cost	151,489	194,902
Accounts receivable, net of allowance for uncollectible accounts (\$3,290 1997; \$329 1996)	572,492	524,214
Other receivables	44,000	70,761
Due from General Fund	155,156	109,809
Total current assets	<u>\$ 938,715</u>	<u>\$ 939,057</u>
Restricted assets - consumer deposits		
Cash	\$ 49,340	\$ 57,883
Temporary investments at cost	59,482	89,107
Total restricted assets	<u>\$ 108,822</u>	<u>\$ 146,990</u>
Plant and equipment, at cost, net of accumulated depreciation, \$9,811,346 1997; \$2,710,411 1996)		
Total assets	<u>\$1,877,357</u>	<u>\$1,878,759</u>
LIABILITIES AND FUND EQUITY		
Liabilities		
Current liabilities (payable from current assets)		
Accounts payable	\$ 264,979	\$ 286,884
Accrued liabilities	28,231	28,230
Due to General Fund	479,537	358,230
Current portion of note payable	28,528	15,891
Total current liabilities (payable from current assets)	<u>\$ 781,275</u>	<u>\$ 689,235</u>
Current liabilities (payable from restricted assets)		
Consumer deposits	\$ 136,236	\$ 132,380
Total current liabilities	<u>\$ 917,511</u>	<u>\$ 821,615</u>
Long-term liabilities		
Note payable	\$ 75,151	\$ 59,405
Total liabilities	<u>\$ 992,662</u>	<u>\$ 880,620</u>
Fund equity		
Contributed capital	\$ 1,088,798	\$ 1,088,792
Retained earnings - unreserved	365,845	492,344
Total fund equity	<u>\$1,454,643</u>	<u>\$1,581,136</u>
Total liabilities and fund equity	<u>\$1,454,643</u>	<u>\$1,581,136</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF JONESVILLE, LOUISIANA
 ENTERPRISE FUND
 MUNICIPAL UTILITIES SYSTEM
 COMPARATIVE STATEMENT OF OPERATING REVENUES AND EXPENSES
 ALL DEPARTMENTS
 YEARS ENDED JUNE 30, 1997 AND 1996

	1997	1996
Operating revenues		
Charges for services	\$3,101,389	\$3,283,304
Other operating revenues	81,353	67,351
Total operating revenues	\$3,182,742	\$3,350,655
Operating expenses		
Personal services	\$ 289,774	\$ 359,317
Purchase of utilities provided	1,356,409	1,398,341
Materials and supplies	89,704	99,366
Depreciation	100,905	99,905
Utilities and telephone	62,943	63,497
Other operating expense	113,893	118,817
Total operating expenses	\$2,183,368	\$2,321,943
Operating income	\$ 999,374	\$1,028,712

The accompanying notes are an integral part of this financial statement.

TOWN OF JONESVILLE, LOUISIANA

ENTERPRISE FUND

MUNICIPAL UTILITIES SYSTEM

COMPARATIVE STATEMENT OF OPERATING REVENUES AND EXPENSES
ELECTRIC DEPARTMENT

YEARS ENDED JUNE 30, 1987 AND 1986

	<u>1987</u>	<u>1986</u>
Operating revenues		
Charges for services -		
Electricity sales and fees	\$ 2,174,958	\$ 2,218,326
Other operating revenues	<u>87,051</u>	<u>47,414</u>
Total operating revenues	<u>\$ 2,262,009</u>	<u>\$ 2,265,740</u>
Operating expenses		
Personal services	\$ 132,912	\$ 132,462
Purchase of electricity	1,225,699	1,228,029
Materials and supplies	38,359	44,288
Depreciation	28,823	28,637
Utilities and telephone	7,809	7,958
Other operating expenses	<u>36,261</u>	<u>37,492</u>
Other operating expenses	<u>\$ 1,485,958</u>	<u>\$ 1,423,908</u>
Operating income	<u>\$ 776,051</u>	<u>\$ 841,772</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF JONESVILLE, LOUISIANA
 ENTERPRISE FUND
 MUNICIPAL UTILITIES SYSTEM
 COMPARATIVE STATEMENT OF OPERATING REVENUES AND EXPENSES
 WATER DEPARTMENT
 YEARS ENDED JUNE 30, 1997 AND 1996

	<u>1997</u>	<u>1996</u>
Operating revenues		
Charges for services		
Water sales and fees	\$ 136,253	\$ 196,235
Other operating revenues	<u>5,166</u>	<u>4,075</u>
Total operating revenues	\$ <u>202,119</u>	\$ <u>200,310</u>
Operating expenses		
Personal services	\$ 60,334	\$ 53,627
Materials and supplies	18,686	26,338
Depreciation	25,472	26,212
Utilities and telephone	16,836	26,259
Other operating expenses	<u>28,472</u>	<u>23,693</u>
Total operating expenses	\$ <u>178,792</u>	\$ <u>176,129</u>
Operating income	\$ <u>23,322</u>	\$ <u>24,171</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF JONESVILLE, LOUISIANA
 ENTERPRISE FUND
 MUNICIPAL UTILITIES SYSTEM
 COMPARATIVE STATEMENT OF OPERATING REVENUES AND EXPENSES
 NATURAL GAS DEPARTMENT
 YEARS ENDED JUNE 30, 1997 AND 1996

	<u>1997</u>	<u>1996</u>
Operating revenues		
Charges for services		
Natural gas sales and fees	\$ 611,939	\$ 647,529
Other operating revenues	<u>16,928</u>	<u>18,243</u>
Total operating revenues	<u>\$ 627,867</u>	<u>\$ 665,772</u>
Operating expenses		
Personnel services	\$ 36,649	\$ 32,260
Purchase of natural gas	331,319	366,112
Materials and supplies	13,397	12,618
Depreciation	6,308	7,514
Utilities and telephone	1,385	1,220
Other operating expenses	<u>30,862</u>	<u>28,061</u>
Total operating expenses	<u>\$ 419,343</u>	<u>\$ 448,845</u>
Operating income	<u>\$ 207,113</u>	<u>\$ 211,927</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF JONESVILLE, LOUISIANA
 ENTERPRISE FUND
 MUNICIPAL UTILITIES SYSTEM
 COMPARATIVE STATEMENT OF OPERATING REVENUES AND EXPENSES
 SEWER DEPARTMENT
 YEARS ENDED JUNE 30, 1997 AND 1996

	<u>1997</u>	<u>1996</u>
Operating revenues		
Charges for services		
Sewer charges and fees	\$ 118,882	\$ 118,274
Other operating revenues	<u>3,112</u>	<u>2,419</u>
Total operating revenues	\$ <u>121,994</u>	\$ <u>120,693</u>
Operating expenses		
Personal services	\$ 31,489	\$ 32,868
Materials and supplies	19,371	16,142
Depreciation	31,922	30,242
Utilities and telephone	17,919	16,568
Other operating expenses	<u>17,968</u>	<u>20,872</u>
Total operating expenses	\$ <u>118,669</u>	\$ <u>120,692</u>
Operating income (loss)	\$ <u>3,324</u>	\$ <u>(599)</u>

The accompanying notes are an integral part of this financial statement.

GENERAL FIXED ASSET ACCOUNT GROUP

To account for all fixed assets of the Town, except those accounted for in the Utility Fund and elements of the Town's infrastructure, which are not required to be capitalized under generally accepted accounting principles.

TOWN OF JONESTVILLE, LOUISIANA
COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS - BY SOURCE
JUNE 30, 1997 AND 1996

	<u>1997</u>	<u>1996</u>
General fixed assets		
Land and buildings	\$ 1,378,699	\$ 1,378,639
Machinery and equipment	<u>884,841</u>	<u>817,047</u>
Total general fixed assets	\$2,263,540	\$2,195,746
Investment in general fixed assets from		
General Fund	\$2,122,848	\$2,878,846
Donations from other governments	<u>140,700</u>	<u>120,700</u>
Total investment in general fixed assets	\$2,263,548	\$3,000,346

The accompanying notes are an integral part of this financial statement.

TOWN OF JONESVILLE, LOUISIANA
 SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY
 JUNE 30, 1997

<u>Function and Activity</u>	<u>Total</u>	<u>Land and buildings</u>	<u>Machinery and equipment</u>
General government			
Financial administration	\$ 430,468	\$ 242,144	\$ 188,324
Public Safety			
Police protection	280,918	56,889	224,029
Fire protection	187,829	17,981	179,848
Streets	127,042	8,207	118,835
Sanitation	135,568	8,207	127,361
Industrial development	835,161	835,161	-
Airport	82,252	82,252	-
Recreation	107,435	92,738	14,697
Activity Center	<u>36,670</u>	<u>36,128</u>	<u>5,542</u>
Totals	<u>\$2,242,640</u>	<u>\$1,378,622</u>	<u>\$ 864,018</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF JONESVILLE, LOUISIANA
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
YEAR ENDED JUNE 30, 1997

	General fixed assets <u>7/1/96</u>	Additions	Dispositions	General fixed assets <u>6/30/97</u>
General government				
Financial administration	\$ 424,535	\$ 5,913	\$ -	\$ 430,448
Public Safety				
Police protection	296,189	4,756		300,945
Fire protection	132,764	5,668		138,432
Streets	191,693	23,468		215,161
Sanitation	135,568			135,568
Industrial Development	835,161			835,161
Airport	82,252			82,252
Recreation	191,833	6,480		198,313
Activity Center	<u>36,679</u>			<u>36,679</u>
Totals	<u>\$2,185,746</u>	<u>\$ 24,727</u>	<u>\$ -</u>	<u>\$2,210,473</u>

The accompanying notes are an integral part of this financial statement.

GENERAL LONG-TERM DEBT ACCOUNT GROUP

To account for unmatured principal amounts on general long-term debt expected to be financed from General Fund revenues. Payment of maturing obligations, including interest, is accounted for in the Debt Service Fund.

TOWN OF JONESVILLE, LOUISIANA
STATEMENT OF GENERAL LONG-TERM DEBT
JUNE 30, 1997
WITH COMPARATIVE TOTALS FOR JUNE 30, 1996

	Certificates of Indebtedness <u>Series 1997</u>	Note payable dated <u>6/28/96</u>	Capital Leases	<u>Totals</u>	
				<u>1997</u>	<u>1996</u>
Amount available and to be provided for the retirement of general long-term debt:					
Amount necessary to be provided from:					
General Fund Revenues	\$ 164,853	\$ 2,338	\$ 94,287	\$ 261,478	\$ 218,003
Total available and to be provided	\$ 164,853	\$ 2,338	\$ 94,287	\$ 261,478	\$ 218,003
General long-term debt:					
Installment payable - Certificates of Indebtedness	\$ 164,853	\$	\$	\$ 164,853	\$ 208,720
Notes and capital leases payable	_____	2,338	94,287	96,625	114,933
Total general long-term debt	\$ 164,853	\$ 2,338	\$ 94,287	\$ 261,478	\$ 318,003

The accompanying notes are an integral part of this financial statement.

ADDITIONAL REPORTS

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 CERTIFIED PUBLIC ACCOUNTANTS
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 FRANK E. BEARD, C.P.A., SENIOR
 LARRY B. BOGGS, C.P.A., SENIOR
 C. WALTER DUNN, C.P.A., SENIOR

ALLEN H. BRADSHAW, C.P.A.
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VIRGINIA T. BRADSHAW, P.C.A.
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**INDEPENDENT AUDITOR'S REPORT ON
 THE INTERNAL CONTROL STRUCTURE
 BASED ON AN AUDIT OF
 GENERAL-PURPOSE FINANCIAL STATEMENTS
 PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

The Honorable W. F. "Bill" Edwards, Mayor
 and Members of the Town Council
 Town of Jonesville
 Jonesville, Louisiana

We have audited the general-purpose financial statements of the Town of Jonesville, Louisiana, as of and for the year ended June 30, 1997, and have issued our report thereon dated September 16, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement.

In planning and performing our audit of the general-purpose financial statements of the Town of Jonesville, Louisiana, for the year ended June 30, 1997, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on the internal control structure.

The management of the Town of Jonesville, Louisiana is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general-purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories:

1. Cash
2. Revenue and Receivables
3. Expenditures/Expenses for Goods and Services and Accounts Payable
4. Property and Equipment/Capital Expenditures
5. Payroll

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general-purpose financial statements.

1. **Finding:**

From our understanding of the Town's internal control structure, we have determined that the small size of the Town and its limited number of personnel do not allow for adequate segregation of duties among employees. This is a continuing comment from prior years.

Recommendation:

We do not believe that it will be cost effective for the Town to hire the number of employees that would be required to resolve this problem. We do believe that the Town has already taken steps to offset this problem, such as approving certain transactions at Board Meetings and requiring dual signatures on all checks. The Board should insist on monthly financial reports at Board meetings, including detailed general ledgers and budget comparisons.

Management's Response:

Management has been aware of this situation and agrees with our recommendation.

2. **Finding:**

As reported in our report on compliance dated September 16, 1997, the Town has not maintained its system of controls over general fixed assets. Computer listings are incomplete. An inventory of the Town's general fixed assets was started during the year, but is not complete.

Recommendation

We recommend that the Town finish its inventory of all Town property as soon as possible.

Management's Response:

Management is already looking into the best way to complete its inventory of fixed assets.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general-purpose 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 structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe that the inadequate segregation of duties and the lack of controls over general fixed assets described above are material weaknesses.

We also noted other matters involving the internal control structure and its operation that we have reported to the management of the Town of Jonesville, Louisiana, in a separate letter dated September 16, 1997.

This report is intended for the information of the management and the Office of the Legislative Auditor, State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Arthur M. Swanson & Company, LLP

Natchez, Mississippi
September 16, 1997

SILAS M. SIMMONS & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

205 N. COMMERCE STREET

P.O. BOX 1027

MONROE, LOUISIANA 70001

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 BOARD OF POLICE, CITY OF MONROE
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**INDEPENDENT AUDITOR'S REPORT ON
 COMPLIANCE BASED ON AN AUDIT OF
 GENERAL-PURPOSE FINANCIAL STATEMENTS
 PERFORMED IN ACCORDANCE WITH
 GOVERNMENT AUDITING STANDARDS**

The Honorable W. F. "Billy" Edwards, Mayor
 and Members of the Town Council
 Town of Jonesville
 Jonesville, Louisiana

We have audited the general-purpose financial statements of the Town of Jonesville, Louisiana as of and for the year ended June 30, 1997, and have issued our report thereon dated September 16, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts and grants applicable to the Town of Jonesville, Louisiana is the responsibility of Town of Jonesville, Louisiana's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Town of Jonesville, Louisiana's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general-purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed the following instances of noncompliance that are required to be reported herein under Government Auditing Standards for which the ultimate resolution cannot presently be determined. Accordingly, no provision for any liability that may result has been recognized in the Town of Jonesville, Louisiana's general-purpose financial statements as of and for the year ended June 30, 1997.

The Town did not comply with all provisions of the Local Government Budget Act for the year ended June 30, 1997. Although the budget was adopted at an open Board Meeting, the Town did not advertise the budget's availability or seek the required public participation. During the year when budgeted revenues exceeded actual revenues by (2%) or more and when actual expenditures exceeded budgeted expenditures by (2%) or more, it appears that the Board was not notified in writing as required by the Act.

General fixed assets records and inventories were not maintained as required by law. The Town has maintained some fixed asset records on its old computer software, but we found those records to be incomplete. During the year the Town began an inventory of its fixed assets, but this inventory was never completed. We have also reported this as a material internal control weakness in our report on internal control dated September 16, 1997.

We considered these instances of noncompliance in forming our opinion on whether the Town of Jonesville, Louisiana's 1997 general-purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated September 16, 1997, on those general-purpose financial statements.

This report is intended for the information of management and the Office of the Legislative Auditor, State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Attest: M. *McIntosh* & Company, LLP

Natchez, Mississippi
September 16, 1997

SEAS M. SIMMONS & COMPANY
 CERTIFIED PUBLIC ACCOUNTANTS
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 P. O. Box 1927
 Natchez, Mississippi 39121

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 FREDERICK S. SIMMONS, CPAs - 1932-1937
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 C. HENRY CARROLL, CPAs - 1942-1947

W. L. & M. W. SIMMONS, CPAs
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MANAGEMENT REPORT

The Honorable W. F. "Billy" Edwards, Mayor
 and Members of the Town Council
 Town of Jonesville, Louisiana

We have audited the general-purpose financial statements of the Town of Jonesville, Louisiana, for the year ended June 30, 1997, and have issued our report thereon dated September 18, 1997.

We conducted our audit in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

During the course of our audit, certain matters were detected which required the attention of management. These matters do not have a material effect on the general-purpose financial statements. Our findings and recommendations are as follows:

PRIOR YEAR FINDINGS:

All prior year findings not specifically mentioned have either been resolved or listed as a finding in the Internal Control or Compliance Report.

CURRENT YEAR FINDINGS

1. Finding

In our prior year report on internal controls we commented on the problems the Town was experiencing with its new computer system and software. During our current year audit, we have found that the same conditions exist. Certain functions are not utilized. The Town's staff has had to rely heavily on the computer consultant, SPAS, to fix problems. Certain problems have been recurring. Management is aware of the problems and has already taken the steps to replace the computer system.

Recommendation

In the prior year we recommended that additional training time was required for the staff and that the Town should meet with SPAS to determine the best way to resolve the problems being experienced.

Management's Response

The Town is currently in the process of replacing its computer system from SPAS.

2. Finding

We were unable to reconcile ad valorem taxes assessed with ad valorem taxes collected. The tests performed produced a variance of \$7,418.78. We performed additional testing but were unable to resolve this shortage. Several factors caused this problem and created an environment where it was difficult to resolve the variance. In general, internal controls over receipts deteriorated during the year as follows:

- A. The ad valorem tax receivable subsidiary ledger was not maintained during the collection process.
- B. General Fund and Utility Fund receipts were collected through the same cash drawer. These receipts were not properly segregated.
- C. Taxpayers were allowed to write one check to pay utility bills and ad valorem taxes.
- D. Deposits were not always made in a timely manner.

The lack of a full-time Town Clerk during the period of time in question and the overall confusion caused by the computer system also contributed to this breakdown.

Recommendation

The Town should reimplement the following controls.

- A. Ad valorem tax collections and the related receivable subsidiary should be monitored during the collection process. This should be done by someone other than the individuals collecting the receipts.
- B. A separate cash drawer should be set up for ad valorem tax collections.
- C. Where possible, the Town should request taxpayers to write a separate check for ad valorem tax payments.
- D. All receipts should be deposited on a daily basis.

Management's Response

The Town has already hired a full-time Clerk and is taking steps to replace the computer system. The new Clerk, Mr. Robert Swager, has already implemented the above recommendations along with additional control procedures which he felt were necessary.

The findings in this report came to our attention as a result of the audit procedures and tests we applied.

This report is intended solely for the use of management and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

William H. Swenson & Company, LLP

Natchez, Mississippi
September 18, 1997

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**TOWN OF JONESVILLE, LOUISIANA
GENERAL-PURPOSE FINANCIAL STATEMENTS
YEARS ENDED
JUNE 30, 1997 AND 1996
WITH
INDEPENDENT AUDITOR'S REPORT**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the parish or regional, 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: ~~2000~~ **24 Nov**

11/24/00
11/24/00