

**TOWN OF JACKSON, LOUISIANA
ENTERPRISE FUND**

**COMPARATIVE STATEMENTS OF REVENUES AND EXPENSES
YEARS ENDING SEPTEMBER 30, 1996 AND 1995**

	1996	
	Gas	Water
Operating revenues		
Sales	\$ 295,573	\$ 140,134
Fees and service charges	5,811	5,811
Total operating revenues	301,384	145,945
Operating expenses		
Salaries	30,883	31,080
Wages	77,913	14,590
Audit and accounting	2,883	2,229
Depreciation	77,553	21,939
Electricity	2,128	-
Employers' retirement expense	2,913	2,676
Engineering	-	-
Gas purchased	133,329	-
Insurance	8,728	12,582
Legal	480	480
Maintenance, repairs, and supplies	6,218	77,235
Miscellaneous	2,971	5,218
Printing, stationery, and supplies	2,788	3,025
Payroll taxes	278	289
Senior analysis	-	-
Water pumpage charge	-	1,943
Travel expense	2,484	5,884
Uncollectible accounts	-	-
Utilities	1,180	1,159
Total operating expenses	333,991	229,891
Income from operations	67,393	16,054
Other revenues		
Interest income	8,199	8,199
Transfer from Dixon Correctional Institute	-	-
Total other revenue	8,199	8,199
Other charges		
Interest expense	4,239	12,885
Total other charges	4,239	12,885
Net income (loss)	\$ 71,353	\$ 11,368

The accompanying notes are an integral part of these statements.

LIABILITIES AND CAPITAL

	<u>1990</u>	<u>1989</u>
CURRENT LIABILITIES		
Accounts payable	\$ 6,209	\$ 13,538
State payable	111,688	139,270
Payable from restricted assets		
Public utility revenue bond payable (1978 bonds) :		
due within one year	30,789	29,215
Accrued interest payable	12,821	13,738
Customers' service meter deposits	44,817	43,172
Due to other funds	53,216	28,159
Other liabilities	<u>806</u>	<u>2,122</u>
Total current liabilities	<u>260,336</u>	<u>265,834</u>
LONG-TERM LIABILITIES		
Public utility revenue bonds payable (1978 bonds) :		
due after one year	331,459	365,064
Other liabilities	<u>139,720</u>	<u>359,520</u>
Total long-term liabilities	<u>471,179</u>	<u>724,584</u>
Total liabilities	<u>731,515</u>	<u>990,418</u>
CAPITAL CONTRIBUTIONS		
From federal grant for sewerage treatment plant	25,150	25,150
From environmental protection agency	14,163	14,163
From state grant for sewerage treatment plant	358,086	358,086
Less: Depreciation applicable to contributions	<u>(65,773)</u>	<u>(48,885)</u>
Net contributions	<u>431,626</u>	<u>478,514</u>
RETAINED EARNINGS		
Reserve for revenue bond retirement	-	483
Reserve for customers' service meter deposits	12,089	9,364
Reserve for revenue bond debt service	348,884	329,516
Unreserved	<u>600,215</u>	<u>580,362</u>
Total retained earnings	<u>960,318</u>	<u>919,345</u>
Total capital	<u>1,420,836</u>	<u>1,379,119</u>
Total liabilities and capital	<u>\$ 2,152,351</u>	<u>\$ 2,117,603</u>

**TOWN OF JACKSON, LOUISIANA
ENTERPRISE FUND**

**COMPARATIVE BALANCE SHEETS
SEPTEMBER 30, 1996 AND 1995**

A S S E T S

	1996	1995
CURRENT ASSETS		
Cash	\$ 143,731	\$ 88,541
Certificates of deposit	20,881	28,880
Accounts receivable (net of allowance for uncollectible accounts of \$7,300)	42,023	64,782
Accrued interest receivable	3,884	5,751
Total current assets	210,519	187,954
RESTRICTED ASSETS		
Cash and certificates of deposit -		
1995 bond accounts	-	483
1978 bond accounts	294,404	372,596
Customers' service meter deposits	38,298	52,132
Total restricted assets	432,702	425,211
PROPERTY, PLANT, AND EQUIPMENT		
Gas mains, meters, and equipment	512,182	512,182
Land, water wells, tanks, mains, and equipment	870,489	668,270
Sanitary collection and treatment plant	1,236,116	1,254,560
Treatment plant site	2,580	2,580
Automotive equipment	49,491	52,985
Buildings	70,909	78,409
Office furniture and fixtures	22,190	21,790
Less: Allowance for depreciation	(1,119,552)	(1,167,959)
Net property, plant, and equipment	443,315	457,227
Total assets	\$ 2,076,616	\$ 2,112,692

The accompanying notes are an integral part of these statements.



ENTERPRISE 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.

TOWN OF JACKSON, LOUISIANA
 SPECIAL REVENUE FUND

B-1

COMPARATIVE BALANCE SHEETS
 DECEMBER 31, 1998 AND 1997

ASSETS

	<u>1998</u>	<u>1997</u>
Cash	\$ 31,785	\$ 18,358
Certificates of deposit	246,685	187,833
Due from other funds	8,304	8,304
Due from other governmental units	18,805	9,878
Accrued interest receivable	<u>3,261</u>	<u>2,658</u>
Total assets	<u>\$ 318,839</u>	<u>\$ 307,029</u>

LIABILITIES AND FUND BALANCE

Liabilities:		
Due to other funds	\$ 2,882	\$ 2,465
	<u>2,882</u>	<u>2,465</u>
Fund balance:		
Unreserved - designated	<u>315,957</u>	<u>299,258</u>
Total liabilities and fund balance	<u>\$ 318,839</u>	<u>\$ 307,029</u>

The accompanying notes are an integral part of these statements.



TOWN OF JACKSON, LOUISIANA
ENTERPRISE FUND

C-4

SCHEDULE OF CHANGES IN ASSETS RESTRICTED
FOR REVENUE BOND DEBT SERVICE
YEAR ENDED SEPTEMBER 30, 1996

	Total of 1994 Bond Accounts Schedule C-5	Total of 1978 Bond Accounts Schedule C-6
Cash balance, October 1, 1995	\$ 460	\$ 76,149
Cash receipts:		
Transfers from other accounts	-	51,326
Interest earned on investments	-	9,288
Interest earned on savings	-	1,612
	<u>-</u>	<u>62,226</u>
Total cash available	<u>460</u>	<u>138,375</u>
Cash disbursements:		
Principal payments	-	29,849
Interest payments	-	19,905
Excheated to the State of Louisiana	463	-
	<u>463</u>	<u>49,754</u>
Cash balance, September 30, 1996	<u>\$ -</u>	<u>\$ 88,621</u>
Investment balance, October 1, 1995	\$ -	\$ 296,399
Additions	-	3,624
Investment balance, September 30, 1996	<u>\$ -</u>	<u>\$ 300,023</u>
Total cash and investment, September 30, 1996	<u>\$ -</u>	<u>\$ 388,644</u>

The accompanying notes are an integral part of this schedule.



SPECIAL REVENUE FUND

Stumps and Siderwalks Fund - To account for the receipt and use of proceeds of the Town's sales tax. The taxes are dedicated to capital expenditures for stumps and sidewalks.



TOWN OF JACKSON, LOUISIANA
GENERAL FUND

Act
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SCHEDULE OF EXPENDITURES
BUDGET BASIS AND ACTUAL
YEAR ENDING SEPTEMBER 30, 1996

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDING SEPTEMBER 30, 1995

	1996		Variance - Favorable (Unfavorable)	1995	
	Budget	Actual		Budget	Actual
PUBLIC SAFETY					
Police:					
Salaries	\$ 81,000	\$ 81,569	\$ 1,431	\$ 76,052	
Miscellaneous	500	683	(880	
Retirement expense	4,200	1,888	2,312	1,792	
Office supplies	1,200	1,199	1	458	
Vehicle expense	12,500	12,700	(200	
Uniforms	500	387	113	833	
Insurance	20,000	24,852	3,148	20,799	
Supplies and maintenance	3,600	5,166	404	3,173	
Telephone	2,200	2,487	(307	
Electricity	4,100	4,009	61	3,480	
Gas	750	703	47	531	
Water	100	48	52	48	
Sewer	150	170	30	120	
Payroll taxes	2,580	3,510	(1,030	
Total police	142,680	148,241	6,120	125,885	
Fire:					
Jackson volunteer fire department	5,600	5,540	60	2,650	
Insurance	8,700	7,205	1,495	7,800	
Electricity	2,000	1,885	115	1,850	
Telephone	2,200	2,075	125	4,328	
Vehicle expense	1,850	1,188	214	1,245	
Salaries	1,200	1,200	-	1,600	
Supplies and maintenance	4,400	3,756	824	3,609	
Gas	250	404	(154	
Water	1,200	948	252	948	
Sewer	150	120	30	120	
Total fire	27,150	24,375	2,775	24,073	
Total public safety	174,550	169,620	8,910	149,958	
RECREATION					
Recreation department	25,250	21,287	3,963	8,680	
Total all departments	\$ 302,650	\$ 216,013	\$ 86,637	\$ 259,133	

The accompanying notes are an integral part of this statement.

TOWN OF JACKSON, LOUISIANA
GENERAL FUND

Act
Page 1 of 2

SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED SEPTEMBER 30, 1998

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED SEPTEMBER 30, 1995

	1998		Variance - Favorable (Unfavorable)	1995
	Budget	Actual		Actual
GENERAL GOVERNMENT				
Legal	\$ 1,350	\$ 1,350	\$ -	\$ 1,350
Salaries	18,750	18,748	10	18,750
Audit and accounting	7,000	6,061	939	6,318
Electricity	26,250	25,623	627	24,728
Insurance	7,200	6,014	1,186	3,622
Health insurance	1,300	3,393	(2,093)	3,277
Dues-Conventional	6,850	6,604	246	3,348
Caroten's fee	900	900	(300)	1,200
Garbage disposal	1,200	1,184	16	990
Maintenance, material, and supplies	11,000	10,987	13	3,899
Miscellaneous	22,000	15,499	7,601	6,925
Municipal employees' retirement	1,000	3,794	(2,794)	3,442
Office supplies and printing	2,480	4,681	(2,201)	9,218
Payroll taxes	300	-	300	-
Truck and tractor expenses	1,180	904	276	370
Telephone	500	479	21	600
Unemployment insurance	-	35	(35)	441
Capital outlay	17,500	22,093	(4,593)	378
Wages	1,350	1,335	15	2,316
Total general governmental	\$ 132,850	\$ 128,120	\$ 4,730	\$ 97,187

The accompanying notes are an integral part of this statement.



TOWN OF JACKSON, LOUISIANA
GENERAL FUND

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SCHEDULE OF OTHER REVENUE -
BUDGET BASIS AND ACTUAL
YEAR ENDED SEPTEMBER 30, 1996
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED SEPTEMBER 30, 1995

	1996		Variance - Favorable (Unfavorable)	1995
	Budget	Actual		Actual
OTHER REVENUE				
Utility franchise fees	\$ 179,000	\$ 182,519	\$ 3,519	\$ 183,474
Interest revenues	3,000	3,726	726	3,374
Jackson cablevision fees	4,000	4,873	873	4,457
Miscellaneous	3,200	4,000	800	1,450
Total other revenue	<u>\$ 189,200</u>	<u>\$ 195,118</u>	<u>\$ 5,918</u>	<u>\$ 192,755</u>

The accompanying notes are an integral part of this statement.

TOWN OF JACKSON, LOUISIANA
GENERAL FUND

A-2

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET (FIRM BASIS) AND ACTUAL
YEAR ENDED SEPTEMBER 30, 1996
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED SEPTEMBER 30, 1995

	1996		Balance - Favorable (Unfavorable)	1995
	Budget	Actual		Actual
REVENUES				
Ad valorem taxes	\$ 24,780	\$ 24,780	\$ 0	\$ 24,867
Licenses and permits	63,000	60,000	(2,800)	60,000
Intergovernmental:				
Tobacco	13,780	19,764	2,084	19,760
Beer	6,000	5,433	(567)	4,893
Fire insurance	11,540	11,600	-	11,640
State revenue sharing	20,000	20,000	0	21,791
Video Poker	24,500	23,439	(1,061)	19,360
Fines and forfeitures	24,200	29,062	4,862	19,560
Other	144,700	183,903	6,203	123,640
Total revenues	394,500	398,133	15,473	303,000
EXPENDITURES				
Current Operating:				
General government	110,800	129,136	5,124	93,160
Public safety	174,800	140,600	(6,000)	140,300
Recreation	25,200	21,267	(5,000)	3,000
Other Services:				
Principal retirement	0,000	0,000	(460)	7,012
Interest	3,000	2,629	(371)	3,182
Total expenditures	313,800	327,132	16,332	350,322
EXCESS OF REVENUES OVER EXPENDITURES	910	50,998	30,141	50,710
FUND BALANCE				
Beginning of year	120,500	120,500	-	70,820
End of year	\$ 121,410	\$ 169,472	\$ 30,141	\$ 120,500

The accompanying notes are an integral part of this statement.



TOWNSHIP OF JACKSON, LOUISIANA
GENERAL FUND

A-1

COMPARATIVE BALANCE SHEETS
SEPTEMBER 30, 1996 AND 1995

ASSETS

	<u>1996</u>	<u>1995</u>
Cash	\$ 20,523	\$ 28,699
Certificates of deposit	61,734	59,185
Property taxes receivable	1,788	4,808
Other accounts receivable	46,290	58,895
Due from other funds	49,081	25,300
Due from volunteer fire department	1,280	-
Due from other governmental agencies	3,124	1,362
Accrued interest receivable	<u>787</u>	<u>748</u>
Total assets	<u>\$ 184,298</u>	<u>\$ 150,197</u>

LIABILITIES AND FUND BALANCE

Liabilities:		
Accounts payable	\$ 12,828	\$ 7,791
Payroll taxes payable	5,008	5,149
Due to employees' retirement systems	<u>8,465</u>	<u>7,626</u>
Total Liabilities	<u>26,301</u>	<u>20,566</u>
Fund balance	<u>157,925</u>	<u>129,589</u>
Total liabilities and fund balance	<u>\$ 184,226</u>	<u>\$ 150,155</u>

The accompanying notes are an integral part of these statements.

**TOWN OF JACKSON, LOUISIANA
SPECIAL REVENUE FUND**

B.2

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED SEPTEMBER 30, 1996
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED SEPTEMBER 30, 1995**

	1996		Variance - Favorable (Unfavorable)	1995
	Budget	Actual		Actual
Revenues				
Taxes	\$ 134,000	\$ 122,271	(\$ 11,729)	\$ 134,767
Interest	1,180	8,367	7,187	6,099
Total revenues	<u>135,180</u>	<u>130,638</u>	<u>(4,542)</u>	<u>140,866</u>
Expenditures				
Street and sidewalk repairs	144,400	88,218	56,182	75,041
Capital outlay	-	9,380	(9,380)	-
Total expenditures	<u>144,400</u>	<u>97,598</u>	<u>46,802</u>	<u>75,041</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(9,220)	33,040	74,380	45,825
OTHER FINANCING SOURCES				
Sales of general fixed assets	52,465	52,465	-	-
Total other financing sources	<u>52,465</u>	<u>52,465</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	43,245	117,495	74,380	45,825
Fund Balance				
Beginning of year	189,288	189,288	-	153,462
End of year	<u>\$ 232,533</u>	<u>\$ 306,783</u>	<u>\$ 74,250</u>	<u>\$ 199,287</u>

The accompanying notes are an integral part of this statement.

SUPPORTING SCHEDULES



Postlethwaite & Netterville

A Professional Accounting Corporation
CERTIFIED PUBLIC ACCOUNTANTS

8000 SHIFFLET PLAZA BOULEVARD, SUITE 1001 • BAYON BOULEVARD, LOUISIANA 70002 • TELEPHONE (504) 835-9900 • FAX (504) 835-9911

INDEPENDENT AUDITORS' REPORT ON SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

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, 1996 and have issued our report thereon dated November 15, 1996. 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, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget (OMB) Circular A-128, *Audit of State and Local Governments*. Those standards and OMB Circular A-128 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 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.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the Town of Jackson taken as a whole. The accompanying schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Postlethwaite & Netterville

Bayou Rouge, Louisiana
November 15, 1996



Postlethwaite & Netterville

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS

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, as of and for the year ended September 30, 1996, and have issued our report thereon dated November 15, 1996.

In connection with our audit of the general purpose financial statements of the Town of Jackson, Louisiana, and with our own inspection of the Town's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, *Audit of State and Local Governments*, we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended September 30, 1996.

As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing reporting and special tests and provisions that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Town's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of these procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Town had not complied, in all material respects, with those requirements.

This report is intended for the information of the Town of Jackson's finance committee, management of the Town of Jackson, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Postlethwaite & Netterville

Bayou Rouge, Louisiana
November 15, 1996

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations, that would be material to a federal financial assistance program, 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 the lack of segregation of duties is a material weakness.

This report is intended for the information of the Town of Jackson's finance committee, management of the Town of Jackson, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.

Paul B. Whitman & Nathaniel

Baton Rouge, Louisiana
November 15, 1990

SINGLE AUDIT REPORTS

OR

CERTIFIED PUBLIC ACCOUNTANTS



TOWN OF JACKSON, LOUISIANA

SCHEDULE J

SCHEDULE OF PRINCIPAL OFFICIALS AND SALARIES
YEAR ENDED SEPTEMBER 30, 1996

	Year Ended September 30, 1996
Charles Coleman - Mayor	\$ 1,500
James Newberry - Mayor	4,500
Arvin Blain	1,800
Leon Edwards	450
Michael Harrell	450
Donald Harrod	450
Donald Payne	450
Mary Poole	1,500
Charles McAdams	1,500
Joan Lee	1,500
Miriam D. Gill	<u>1,350</u>
	<u>\$ 15,000</u>



TOWN OF JACKSON, LOUISIANA
PUBLIC UTILITY SYSTEM OPERATIONS
 DECEMBER 31, 1999
 (Without Audit)

SCHEDULE J
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Variance Between Gas Purchased and Sold

<u>Year Ended</u>	<u>Gas Purchased MCF</u>	<u>Gas Billed MCF</u>	<u>Leakage Variance MCF</u>	<u>Percent of Gas Purchased</u>
9/30/96	36,279	32,741	3,538	9.75
9/30/95	29,888	27,480	2,408	8.05
9/30/94	25,550	21,892	3,658	14.31
9/30/93	32,453	30,893	1,560	4.80
9/30/92	32,454	35,085	-	-
9/30/91	32,461	31,588	1,873	5.77
9/30/90	34,791	35,179	3,382	9.72
9/30/89	35,694	32,880	2,814	7.85
9/30/88	40,817	38,525	2,292	5.61
9/30/87	40,525	39,455	1,070	2.64

1990				1989
Sewerage	Actual Total	Budget Total	Variance Favorable (Unfavorable)	Actual Total
\$ 102,184	\$ 540,851	\$ 547,858	(\$ 7,009)	\$ 488,185
2,995	18,528	18,508	20	18,144
<u>105,280</u>	<u>559,379</u>	<u>566,366</u>	<u>1 7,071</u>	<u>496,329</u>
17,200	79,625	79,700	577	79,854
19,960	52,225	51,900	1 325	58,828
711	9,825	6,400	3,425	18,457
32,919	93,600	90,200	1 3,400	98,915
18,885	18,813	18,880	1 67	18,828
2,019	8,728	8,650	1 78	7,308
-	-	10,200	10,200	-
-	103,829	105,180	1,571	82,861
8,648	30,325	33,000	2,675	25,142
458	1,850	1,250	-	1,350
7,153	40,589	58,750	18,161	39,911
5,183	13,374	4,400	1 8,974	7,160
2,768	8,581	8,700	119	5,045
585	1,165	1,250	85	1,709
1,880	1,800	1,800	-	1,620
-	1,345	2,900	2,555	179
5,677	17,265	17,750	485	30,900
-	-	3,000	3,000	13,355
1,132	3,473	3,250	1 223	2,887
<u>143,885</u>	<u>509,700</u>	<u>580,580</u>	<u>1 70,880</u>	<u>457,440</u>
(38,502)	49,879	81,650	13,729	68,899
2,814	18,412	16,800	1,612	16,858
-	-	-	-	19,427
<u>2,814</u>	<u>18,412</u>	<u>16,800</u>	<u>1,612</u>	<u>35,427</u>
3,486	22,290	22,800	3,718	20,471
<u>3,486</u>	<u>22,290</u>	<u>22,800</u>	<u>3,718</u>	<u>20,471</u>
<u>(\$ 42,812)</u>	<u>\$ 41,881</u>	<u>\$ 21,758</u>	<u>\$ 38,081</u>	<u>\$ 66,891</u>

TOWN OF JACKSON, LOUISIANA

SCHEDULE J

INSURANCE-IN-FORCE
SEPTEMBER 30, 1996

<u>Policy</u>	<u>Name of Insurer</u>	<u>Expiration Date</u>	<u>Coverage Limits</u>
Fire and Extended Coverage - Building and Contents	Zurich-American	February 2, 1997	\$ 300,000
Public Official Bond	Employees Mutual Casualty Company	August 30, 1997	90,000
Automobile Liability	Louisiana Municipal Risk Management	February 1, 1997	500,000
General Liability	Louisiana Municipal Risk Management	February 1, 1997	500,000
Police Professional Liability	Louisiana Municipal Risk Management	February 1, 1997	900,000
Public Officials Errors and Omissions	Louisiana Municipal Risk Management	February 1, 1997	500,000
Writer's Compensation	Louisiana Municipal Risk Management	January 1, 1997	Statutory
Auto Physical Damage	Aviation Indemnity	May 28, 1997	140,771
Equipment	Aviation Indemnity	December 31, 1996	120,000

TOWN OF JACKSON, LOUISIANA
ENTERPRISE FUND

C-3

COMPARATIVE STATEMENTS OF CHANGES IN RETAINED EARNINGS
YEARS ENDED SEPTEMBER 30, 1996 AND 1995

	<u>1996</u>	<u>1995</u>
Retained earnings - beginning of year	\$ 908,545	\$ 877,682
Net income (including Depreciation transferred to contributed capital in the amounts of \$28,972 and \$28,972 during the years ended September 30, 1996 and 1995, respectively)	<u>63,773</u>	<u>87,663</u>
Retained earnings - end of year	<u>\$ 972,318</u>	<u>\$ 965,345</u>

The accompanying notes are an integral part of these statements.



TOWN OF JACKSON, LOUISIANA

B-3

**STATEMENT OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
YEAR ENDED SEPTEMBER 30, 1996**

Function and Activity	General Fixed Assets Sept. 30, 1995	Additions	Deductions	General Fixed Assets Sept. 30, 1996
General Government	\$ 340,942	\$ 27,576	\$ 78,508	\$ 290,010
Public Safety:				
Police protection	134,172	4,067	-	138,239
Fire protection	368,275	-	-	368,275
Rescue operations	4,451	-	-	4,451
Recreation	87,802	16,733	-	104,535
Total	\$ 815,682	\$ 48,376	\$ 78,508	\$ 805,550

The accompanying notes are an integral part of this statement.



TOWN OF JACKSON, LOUISIANA

201

COMPARATIVE STATEMENTS OF GENERAL FIXED ASSETS
SEPTEMBER 30, 1996 AND 1995

	<u>1996</u>	<u>1995</u>
GENERAL FIXED ASSETS		
Land	\$ 26,000	\$ 26,000
Buildings	283,124	281,443
Automotive and fire fighting equipment	589,547	478,181
Office furniture, fixtures, and equipment	53,584	36,188
Recreation equipment	184,543	87,812
Streets and sidewalks	<u>22,488</u>	<u>20,035</u>
Total general fixed assets	<u>\$ 1,065,528</u>	<u>\$ 939,657</u>
INVESTMENT IN GENERAL FIXED ASSETS		
Louisiana Highway Safety Committee Grant	\$ 15,000	\$ 15,000
Federal grant	80,000	80,000
State grant	98,884	98,884
General fund revenues	308,871	338,715
Federal revenue sharing funds	184,482	184,482
Municipal revenue sharing fund	10,860	10,860
Streets and sidewalks fund	121,296	121,296
Volunteer fire department	80,850	80,850
Louisiana Department of Transportation and Development	<u>4,828</u>	<u>4,828</u>
Total investment in general fixed assets	<u>\$ 988,971</u>	<u>\$ 988,971</u>

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.



TOWN OF JACKSON, LOUISIANA
ENTERPRISE FUND

C-4

SCHEDULE OF CHANGES IN ASSETS RESTRICTED
FOR STREETS AND STREET SERVICE
1978 BUDGET
YEAR ENDED SEPTEMBER 30, 1995

	Bond and Interest Redemption	Reserve	Depreciation and Contingency Fund	Total
Cash balance, October 1, 1995	\$ 65,803	\$ 5,783	\$ 4,547	\$ 76,133
Cash receipts:				
Transfers from other accounts	48,984	2,172	2,172	53,328
Interest earned on investments	5,380	908	-	6,288
Interest earned on savings	1,321	369	123	1,813
	<u>55,685</u>	<u>3,449</u>	<u>2,295</u>	<u>61,429</u>
Total cash available	<u>121,488</u>	<u>9,232</u>	<u>6,842</u>	<u>137,562</u>
Cash disbursements:				
Principal payments	59,849	-	-	59,849
Interest payments	18,935	-	-	18,935
Transfers to other accounts	-	-	-	-
Total cash disbursements	<u>78,784</u>	<u>-</u>	<u>-</u>	<u>78,784</u>
Cash balance, September 30, 1995	<u>\$ 42,704</u>	<u>\$ 9,232</u>	<u>\$ 6,842</u>	<u>\$ 58,778</u>
Investment balance, October 1, 1995	\$ 186,648	\$ -	\$ 99,748	\$ 286,396
Additions (deletions)	-	-	3,634	3,634
Investment balance, September 30, 1995	<u>\$ 186,648</u>	<u>\$ -</u>	<u>\$ 103,382</u>	<u>\$ 290,030</u>
Total Cash and Investment, September 30, 1995	<u>\$ 272,163</u>	<u>\$ 9,232</u>	<u>\$ 110,224</u>	<u>\$ 391,619</u>

The accompanying notes are an integral part of this schedule.

TOWN OF JACKSON, LOUISIANA
ENTERPRISE FUND

G-5

SCHEDULE OF CHANGES IN ASSETS RESTRICTED
FOR REVENUE BOND DEBT SERVICE
1992 BONDS
YEAR ENDED SEPTEMBER 30, 1996

	Cash With Paying Agent
Cash balance, October 1, 1995	\$ 483
Cash receipts:	
Transfers from other accounts	-
	-
Total cash available	483
Cash disbursements:	
Principal payments	-
Interest payments	-
Forwarded to the State of Louisiana	483
	483
Cash balance, September 30, 1996	\$ -

The accompanying notes are an integral part of this schedule.



TOWN OF JACKSON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

8. Segments 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, 1996 for these three services are as follows:

	Gas	Water	Sewerage	Total
Operating revenues	\$ 304,164	\$ 145,825	\$ 305,280	\$ 755,269
Operating expenses	235,654	129,917	344,529	710,100
Depreciation	17,253	21,929	32,319	71,501
Operating income (loss)	68,513	16,408	18,239	43,179
Net income (loss)	72,490	12,802	(42,681)	42,611
Property, plant and equipment additions	16,736	1,743	1,780	20,259
Revenues bonds and notes payable	73,835	298,625	111,688	475,948

9. Restricted Assets

In accordance with the indentures 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 15th of each year. The required funds for the years ended September 30, 1996 and 1995 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 25% of the amounts obligated to be deposited into the sinking fund and shall continue monthly until there is on deposit a sum equal to the highest scheduled 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 Public'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 Public has agreed to the terms stated in its letter of conditions addressed to the Town dated August 25, 1978. The Town has complied with these conditions.



**PUBLIC UTILITY SYSTEM OPERATIONS
SEPTEMBER 30, 1996
(Without Audit)**

Statistics on System Operations

- (a) As of September 30, 1996 the number of metered customers was 609 and 875 for the gas and water systems, respectively. There were no unmetered customers for either the gas or water systems at September 30, 1996.

- (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	\$ 4.00
First 1,000 cubic feet/MCF	18.15
Over 1,000 cubic feet/MCF	8.66

2. Water -	Rate per 1,000 Gallons
First 2,000 gallons or less	\$ 4.00
Next 11,000 gallons/Mgal	2.00
Next 50,000 gal tons/Mgal	1.00
Over 50,000 gallons/Mgal	0.80

- (c) Average monthly billing per customer was:

1. Gas	\$ <u>40.25</u>
2. Water	\$ <u>13.48</u>

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, 1996**

	General Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
REVENUES			
Taxes	\$ 24,700	\$ 24,700	\$ -
Licenses and permits	63,000	60,150	(2,850)
Intergovernmental	87,900	86,228	(1,672)
Fees and forfeitures	24,200	22,002	(2,198)
Interest	2,000	2,726	726
Other	142,700	151,179	8,479
Total revenues	<u>344,500</u>	<u>346,985</u>	<u>2,485</u>
EXPENDITURES			
Current Operating:			
General government	132,850	128,126	4,724
Public safety	174,550	168,820	5,730
Recreation	25,200	21,267	3,933
Debt Service			
Principal retirement	8,000	8,400	(400)
Interest	2,000	2,629	(629)
Total expenditures	<u>342,600</u>	<u>329,242</u>	<u>13,358</u>
EXCESS OF REVENUES OVER EXPENDITURES	910	31,026	30,116
OTHER FINANCING SOURCES	-	-	-
Sales of general fixed assets	-	-	-
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	910	31,026	30,116
FUND BALANCE			
Beginning of year	<u>129,589</u>	<u>129,969</u>	<u>-</u>
End of year	<u>\$ 130,499</u>	<u>\$ 160,995</u>	<u>\$ 30,496</u>

The accompanying notes are an integral part of this statement.



Postlethwaite & Natterville

A Registered Accounting Corporation
CERTIFIED PUBLIC ACCOUNTANTS

8000 LAFAYETTE PLACE BLVD., SUITE 1000 • BAYTON BRIDGE, LOUISIANA 70309 • TELEPHONE (504) 892-4998 • FAX (504) 892-9811

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT OF THE GENERAL PURPOSE 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, 1996, and have issued our report thereon dated November 13, 1996.

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

Compliance with laws and regulations applicable to the Town of Jackson is the responsibility of the Town'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 Jackson's compliance with certain provisions of laws and regulations. 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 no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of the Town of Jackson's finance committee, management of the Town of Jackson, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.

Postlethwaite & Natterville

Bayou Rouge, Louisiana
November 15, 1996



Postlethwaite & Netterville

A Professional Accounting Corporation
CERTIFIED PUBLIC ACCOUNTANTS

8888 UNITED PLAZA BLDG., SUITE 1000 ■ BAYTON BOULEVARD, LOUISIANA 70002 ■ TEL: (504) 835-8888 ■ FAX: (504) 835-8888

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT ACCOUNTING 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, 1996, and have issued our report thereon dated November 13, 1996.

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.

The management of the Town of Jackson 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.

In planning and performing our audit of the general purpose financial statements of the Town of Jackson, as of and for the year ended September 30, 1996, we obtained an understanding of the internal control structure. With respect to this internal control structure, 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 in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition 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 Town's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

Finding:	The segregation of duties is inadequate to provide effective internal control.
Cause:	The condition is due to economic and space limitations.
Recommendation:	No action recommended.
Management's response:	We concur with the finding.

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 lack of segregation of duties is a material weakness.

This report is intended for the information of the Town of Jackson's finance committee, management of the Town of Jackson, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.

Portthornite J. Wathenville

Baton Rouge, Louisiana
November 13, 1996



TOWN OF JACKSON, LOUISIANA
ALL FUND TYPES AND ACCOUNT GROUPS

COMBINED BALANCE SHEET
SEPTEMBER 30, 1996

	Governmental Fund Type	
	General	Special Revenue
ASSETS		
Cash	\$ 30,312	\$ 11,780
Certificates of deposit	41,734	148,656
Accounts receivable - (net of allowances of \$7,720)	-	-
Property taxes receivable	1,788	-
Other accounts receivable	46,390	-
Due from other funds	49,000	8,504
Due from volunteer fire department	1,260	-
Due from other governmental agencies	3,134	19,863
Accrued interest receivable	367	3,354
Restricted assets:		
Cash and investments	-	-
General fund assets	-	-
Fiscal assets (net)	-	-
Amount to be provided for long-term debt	-	-
Total assets	314,735	218,877
LIABILITIES		
Accounts payable	\$ 12,028	\$ -
Due to other funds	-	2,088
Payable from restricted assets:		
Accrued interest	-	-
Customers' service meter deposits	-	-
Bonds payable - current portion	-	-
Bonds payable - non-current portion	-	-
Note payable	-	-
Capital lease obligations	-	-
Other liabilities	11,837	-
Total liabilities	23,865	2,088
CLASS EQUITY		
Contributed capital (net)	-	-
Investments in general fund assets	-	-
Retained earnings:		
Reserved for bond retirement	-	-
Reserved for customers' service meter deposits	-	-
Reserved for revenue bond debt service	-	-
Unreserved	-	-
Fund balance:		
Unreserved - unassigned	149,625	-
Unreserved - designated for assets and liabilities	-	216,791
Total fund equity	149,625	216,791
Total liabilities and fund equity	\$ 388,285	\$ 218,877

The accompanying notes are an integral part of this statement.



Proprietary Fund Type	Account Change		Totals (Millions/Doll. Only)	
	General Fixed Assets	General Long-term Liabilities		
			1995	1996
Enterprise				
\$ 143,791	\$ -	\$ -	\$ 205,809	\$ 123,799
28,881	-	-	328,251	547,136
62,623	-	-	62,623	64,760
-	-	-	1,788	6,008
-	-	-	46,290	28,899
-	-	-	23,263	31,664
-	-	-	1,280	-
-	-	-	13,887	11,640
3,814	-	-	7,682	7,157
444,330	-	-	444,330	426,711
-	905,328	-	905,328	905,682
1,444,715	-	-	1,444,715	1,518,798
-	-	29,118	29,118	27,182
<u>\$ 2,123,119</u>	<u>\$ 905,328</u>	<u>\$ 29,118</u>	<u>\$ 3,500,517</u>	<u>\$ 3,892,287</u>
\$ 6,009	\$ -	\$ -	\$ 18,157	\$ 21,508
59,216	-	-	55,505	51,684
12,621	-	-	12,621	12,739
44,817	-	-	44,817	43,171
28,789	-	-	38,789	29,533
503,469	-	-	503,469	563,884
113,688	-	-	113,688	103,270
-	-	28,118	28,118	27,282
189,586	-	-	121,839	135,526
761,282	-	28,118	791,861	766,542
471,602	-	-	471,602	478,214
-	905,328	-	905,328	915,652
-	-	-	-	483
12,009	-	-	12,009	8,960
248,009	-	-	248,009	208,504
626,212	-	-	626,212	548,567
-	-	-	160,625	128,899
-	-	-	315,330	189,286
<u>1,428,228</u>	<u>905,328</u>	<u>-</u>	<u>2,822,854</u>	<u>2,442,626</u>
<u>\$ 2,123,119</u>	<u>\$ 905,328</u>	<u>\$ 29,118</u>	<u>\$ 3,500,517</u>	<u>\$ 3,892,287</u>

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



TOWN OF JACKSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

Budgets and Budgetary Accounting

The Town follows these procedures in establishing its 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 called to obtain taxpayer comments.
3. The budget is adopted through 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 resulting from revenues exceeding amounts 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 on bases consistent with generally accepted accounting principles (GAAP).
3. Louisiana R.S. 38:1510 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) or when 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, or as amended by the Board. Originally budgeted revenues and expenditures for the general fund for the fiscal year ended September 30, 1996 were increased by \$81,808 and \$85,480, respectively. Originally budgeted revenues and expenses for the special revenue fund were increased by \$68,530 and \$44,400, respectively. Originally budgeted revenues and expenses for the enterprise funds were increased by \$65,850 and \$71,400, respectively.

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 38:2905, the Town may deposit funds in demand deposit accounts, interest-bearing demand deposit accounts, money market accounts, or time certificates of deposit with state banks organized under Louisiana law and national banks having principal offices in Louisiana.



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Special Revenue Fund		
Budget	Actual	Variance Favorable (Unfavorable)
\$ 134,000	\$ 132,271	(\$ 11,728)
-	-	-
-	-	-
1,100	18,267	9,267
<u>135,100</u>	<u>150,538</u>	<u>15,438</u>
144,450	67,608	76,842
-	-	-
-	-	-
-	-	-
<u>144,450</u>	<u>67,608</u>	<u>76,842</u>
9,393	65,033	74,386
<u>52,430</u>	<u>52,465</u>	<u>15</u>
<u>52,430</u>	<u>52,465</u>	<u>15</u>
45,180	117,495	74,315
<u>190,285</u>	<u>399,296</u>	<u>-</u>
<u>\$ 242,385</u>	<u>\$ 316,791</u>	<u>\$ 74,406</u>

TOWN OF JACKSON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Fixed Assets and Long-term Liabilities (continued)

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

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

Sewerage system	35 years
Gas plant and buildings	25 years
Office equipment	5-10 years
Automotive equipment	3- 5 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 focus 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 susceptible to accrual. Fines, licenses, and permits are not susceptible to accrual because they are generally not measurable until received in cash.

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 at 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.

TOWN OF JACKSON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

3. Summary of Significant Accounting Policies (continued)

Fund Accounting - Governmental Funds (continued)

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 Funds - 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 to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. 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 on a continuing basis be financed or recovered 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.

Fixed Assets and Long-term Liabilities

The accounting and reporting treatment applied to fixed assets and long-term liabilities 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.

Fixed assets used in governmental fund type operations (general fund assets) are accounted for in the General Fixed Assets Account Group and are recorded as expenditures in the governmental fund types 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 inalienable and of value only to the Town, therefore, the need for cumulative accountability is not significant. No depreciation has been provided on general fixed assets, nor has interest been capitalized.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-term Obligation Account Group.

TOWN OF JACKSON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

The Town of Jackson, Louisiana was incorporated on April 2, 1910, and operates under a Mayor - Board of Aldermen form of government. As authorized by its charter, the Town is responsible for the following services: 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 generally accepted accounting principles as applicable to governmental units on a consistent basis between periods. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 28:517 and to the guidance set forth in the Louisiana Governmental Accounting Guide and to the industry wide guide, *Standards of Error 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 financially independent of other state or local governments, it is considered a primary government under the provisions of this Statement. As used in GASB Statement 14, *financially 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 comprises its assets, liabilities, fund equity, revenues, and expenditures, or expense, as appropriate. 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 spending activities are conducted. The various funds are grouped, in the financial statements in this report, into three generic fund types and two broad fund categories as follows:

Governmental Funds

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

**TOWN OF JACKSON, LOUISIANA
PROPRIETARY FUND**

**EXHIBIT 5
Page 2 of 2**

**COMPARATIVE STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 1996 AND 1995**

	1996	1995
RECONCILIATION OF INCOME FROM OPERATIONS		
(II) NET CASH PROVIDED BY OPERATING ACTIVITIES		
Income from operations	\$ 49,879	\$ 60,889
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	91,600	90,913
Provision for uncollectible accounts	-	13,356
Net change in assets and liabilities		
Accounts receivable	3,759	(4,740)
Accrued revenues	(900)	(1,288)
Other receivables	-	26,774
Accounts payable	(7,315)	(11,642)
Customers' service meter deposits	1,645	(900)
Other liabilities	(2,482)	(12,340)
Due to other funds	25,877	21,830
Total adjustments	111,379	120,868
Net cash provided by operating activities	\$ 161,258	\$ 181,757

The accompanying notes are an integral part of these statements.



**TOWN OF JACKSON, LOUISIANA
PROPRIETARY FUND**

EXHIBIT 2

Page 1 of 2

**COMPARATIVE STATEMENTS OF CASH FLOWS -
YEARS ENDED SEPTEMBER 30, 1996 AND 1995**

	1996	1995
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 558,138	\$ 519,025
Cash payments to suppliers for goods & services	(289,993)	(205,528)
Cash payments to employees for services	(121,348)	(130,282)
Net cash provided by operating activities	146,808	183,215
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Repayments of note payable	(23,282)	(39,024)
Acquisition and construction of capital assets	(20,179)	(21,821)
Principal paid on revenue bonds	(29,689)	(28,033)
Interest paid on revenue bonds	(23,298)	(20,471)
Reimbursement from Diocese Charitential Institute	-	35,427
Net cash used by capital and related financing activities	(96,448)	(73,922)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest earned on investments	18,412	35,026
Net cash provided by investing activities	18,412	35,026
Net increase (decrease) in cash and cash equivalents	86,772	144,319
Cash and cash equivalents - beginning of year	382,732	402,623
Cash and cash equivalents - end of year	469,504	546,942

The accompanying notes are an integral part of these statements.



**TOWN OF JACKSON, LOUISIANA
ALL GOVERNMENTAL FUND TYPES**

EXHIBIT 2

**COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDING SEPTEMBER 30, 1996**

	General	Special Revenues	Totals (Memorandum Only)	
			1996	1995
REVENUES				
Taxes	\$ 34,738	\$ 137,271	\$ 147,889	\$ 139,214
Licenses and permits	60,190	-	60,190	60,086
Intergovernmental	90,278	-	90,278	79,133
Fines and forfeitures	29,062	-	29,062	19,685
Interest	2,756	18,967	13,693	8,374
Other	151,172	-	151,172	173,379
Total revenues	<u>358,125</u>	<u>156,238</u>	<u>496,775</u>	<u>455,865</u>
EXPENDITURES				
Current Operating:				
General government	129,336	67,608	186,734	172,210
Public safety	165,878	-	165,620	148,338
Recreation	21,263	-	21,267	3,608
Debt Service:				
Principal retirement	8,465	-	8,465	7,917
Interest	3,628	-	3,629	3,182
Total expenditures	<u>327,133</u>	<u>67,608</u>	<u>394,771</u>	<u>336,358</u>
EXCESS OF REVENUES OVER EXPENDITURES	31,006	88,630	96,935	99,396
OTHER FINANCING SOURCES				
Sales of general fund assets	-	52,465	52,465	-
	<u>-</u>	<u>52,465</u>	<u>52,465</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	31,006	141,095	148,971	99,396
FUND BALANCE				
Beginning of year	<u>129,369</u>	<u>169,236</u>	<u>328,882</u>	<u>328,289</u>
End of year	<u>\$ 160,375</u>	<u>\$ 310,331</u>	<u>\$ 477,486</u>	<u>\$ 328,882</u>

The accompanying notes are an integral part of this statement.

TOWN OF JACKSON, LOUISIANA

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 1990

Federal Grant Pass-Through Grant Program <u>Title</u>	Total Fiscal <u>Amount</u>	Disbursements/ Expenditures during the year ended September 30, 1990	Remaining Balance as of September 30, 1990
Farmers' Home Administration Rural Economic and Community Development			
1978 Revenue Bonds	<u>\$ 780,000</u>	<u>\$ 29,849</u>	<u>\$ 750,151</u>

TOWN OF JACKSON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

10. Due from Other Governmental Agencies

Amounts due from other governmental agencies at September 30, 1996, consisted of the following:

East Feliciana Parish Police Jury - sales taxes	\$	10,583
State of Louisiana - tobacco tax revenue		<u>3,124</u>
	\$	<u>13,707</u>

11. Dedicated Revenues

Streets and Sidewalks Special Revenue Fund

The Town receives 14.68628% 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 \$122,271 of sales tax proceeds during the year ended September 30, 1996.

12. Lease Agreements

On February 8, 1996, the Town entered into an operating lease agreement for maintenance equipment. The lease is for a period of three years and requires monthly payments are \$948.

This lease agreement has a non-appropriation-occupancy clause that allows for lease cancellation if the Town does not make an appropriation for its continuation during any subsequent fiscal period. Lease expenditures totaled \$7,585 during the fiscal year ended September 30, 1996.

13. Cash and Investments

At September 30, 1996, the carrying amounts of the Town's deposits were as follows:

Party cash	\$	180
Demand deposit accounts / savings accounts		377,889
Certificates of deposit		<u>875,451</u>
	\$	<u>1,253,520</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, 1996, the Town had \$997,249 in deposits (collected bank balances). Of these bank balances, \$125,583 was covered by federal depository insurance, and \$871,666 was secured by collateral owned by the fiscal agent bank.

Certificates of deposit in the amount of \$100,000 were pledged to secure a demand note payable.

**TOWN OF JACKSON, LOUISIANA
PROPRIETARY FUND**

EXHIBIT A

**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS
YEARS ENDED SEPTEMBER 30, 1996 AND 1995**

	1996	1995
Operating revenues		
Gas sales	\$ 298,503	\$ 247,024
Water sales	140,134	136,031
Sewerage sales	100,984	108,540
Penalties and service charges	14,528	14,368
Total operating revenues	554,149	506,363
Operating expenses		
Salaries	79,373	70,604
Wages	53,325	59,658
Audit and accounting	3,879	60,437
Depreciation	91,600	90,919
Electricity	18,813	15,828
Employees' retirement expense	8,728	7,288
Gas purchases	184,829	82,881
Insurance	90,529	25,142
Legal	1,380	1,393
Maintenance, materials, and supplies	40,969	19,911
Miscellaneous	13,374	7,000
Printing, stationery, and supplies	8,561	5,845
Payroll taxes	1,165	1,719
Water pumpage charge	1,945	379
Sewer analysis	1,800	1,650
Truck expense	17,385	20,990
Unavailable accounts	-	13,356
Utilities	3,478	2,487
Total operating expenses	586,736	437,440
Income (loss) from operations	-32,587	68,923
Non-operating revenues (expenses)		
Interest revenues	18,432	14,834
Transfer from Dixon Correctional Institute	-	18,432
Interest expense	(22,290)	(20,432)
Net non-operating revenues (expenses)	-3,858	12,834
Net income	-36,445	81,757
Depreciation transferred to contributed capital	30,973	30,973
Retained earnings - beginning of year	280,582	112,682
Retained earnings - end of year	\$ 244,137	\$ 203,545

The accompanying notes are an integral part of these statements.



TOWN OF JACKSON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

7. Defined Benefit Pension Plan (continued)

a. Municipal Employees Retirement System of Louisiana (continued)

Funding Policy. Under Plan A, members are required by state statute to contribute 9.25 percent of their annual covered salary, and the Town of Jackson is required to contribute at an actuarially determined rate. The current rate is 6.25% of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town of Jackson are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:303, 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 for the years ending September 30, 1996, 1995, and 1994 were \$13,961, \$11,343, and \$10,894, respectively, equal to the required contributions for year.

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

Plan Description. All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 58 with at least 20 years of creditable service or at or after age 55 with at least 17 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 with at 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 benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 9804 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2158, or by calling (504) 928-7411.

Funding Policy. Plan members are required by state statute to contribute 7.5 percent of their annual covered salary, and the Town of Jackson is required to contribute at an actuarially determined rate. The current rate is 9.0% of annual covered payroll. The contribution requirements of plan members and the Town of Jackson are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:303, 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 for the years ending September 30, 1996, 1995, and 1994 were \$1,888, \$1,793, and \$2,140, respectively, equal to the required contributions for year.

TOWNS OF JACKSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

6. Interfund Receivable and Payable Balances

Individual fund interfund receivable and payable balances as of September 30, 1996 were as follows:

Fund	Interfund Receivables	Interfund Payables
General fund	\$ 48,800	\$ -
Proprietary fund	-	51,216
Special Revenue fund	6,304	1,088
	\$ 55,104	\$ 52,304

7. Defined Benefit Pension Plan

Substantially all employees of the Town of Jackson are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana and 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

Plan Description. The system is comprised of two distinct plans, Plan A and Plan B, which have separate assets and benefit provisions. All employees of the Town of Jackson 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 age 60 with at least 10 years of creditable service or at or after age 55 with at least 35 years of creditable service or at any age with at least 36 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 5 percent of their final average monthly salary for each year of creditable service. Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (504) 921-4810.

TOWNSHIP OF JACKSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

3. Changes in Long-Term Debt (continued)

Notes payable are as follows:

	<u>09/30/96</u>	<u>09/30/95</u>
Demand notes, with a variable interest rate, collateralized by certificates of deposit.	<u>\$ 111,685</u>	<u>\$ 135,230</u>

4. Capital Leases

The Town entered into a capital lease during the fiscal year ended September 30, 1994 for the portion of the fire truck not paid at acquisition. The fire truck is recorded in the General Fixed Asset Account Group at its capitalized cost of \$132,890; the Town paid \$68,800 at acquisition and signed the capital lease agreement for the remaining \$64,090, which is included in the General Long-term Debt Account Group.

Future minimum lease payments under the above mentioned capital lease are as follows:

Year Ending September 30,	<u>Amount</u>
1997	\$ 11,894
1998	11,894
1999	<u>11,894</u>
	33,282
Less amount representing interest, assuming an implicit effective rate of 6.992%	<u>(4,160)</u>
Present value of future minimum lease payments	<u>\$ 29,122</u>

5. Ad Valorem Taxes

Ad valorem taxes which are enforceable there on all applicable property as of February 28th of each year. Taxes are levied and are actually billed to the taxpayers in November of each year. Billed taxes become delinquent on January 31st 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. For the year ended September 30, 1996, taxes of 8.84 mills were levied on property with assessed valuations totaling \$4,094,600 and were dedicated for general purposes.

Total taxes levied were approximately \$34,700, and \$1,765 was still uncollected at September 30, 1996.

TOWN OF JACKSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

3. Changes in Long-Term Debt

The following is a summary of the Town's bond transactions during the year ended September 30, 1996:

	Public Utility Revenue Bonds
Bonds payable at October 1, 1995	\$ 393,307
Bonds retired during the current year	<u>(29,648)</u>
Bonds payable at September 30, 1996	<u>\$ 363,659</u>

Revenue bonds payable at September 30, 1996 are comprised of the following individual issues:

\$327,000 of gas bonds dated January 18, 1979; due in annual installments of \$27,000, including interest at 5.00%, through January 31, 1999.	\$ 75,000
\$175,000 of water bonds dated January 18, 1979; due in annual installments of \$21,874, including interest at 5.00%, through January 31, 2019.	<u>300,659</u>
	<u>\$ 375,659</u>

The annual requirements to amortize all outstanding revenue bond debt as of September 30, 1996, including interest payments of \$204,700 are as follows:

Year Ending September 30,	Public Utility Revenue Bonds
1997	\$ 48,894
1998	48,894
1999	48,894
2000	21,904
2001	21,904
Later years	536,181
	<u>\$ 886,961</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, 1996.

In accordance with Government Auditing Standards, we have also issued reports dated November 15, 1996, on our consideration of the Town's internal control structure and on its compliance with laws and regulations.

Postlethwaite & Watterville

Baton Rouge, Louisiana
November 15, 1996

TOWN OF JACKSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Accounts Receivable

Uncollectible amounts due from customers for utility services are recognized as uncollectible accounts through the establishment of an allowance for uncollectible accounts account at the time information becomes available which indicates the uncollectibility of the particular receivable.

Accumulated Unpaid Vacation

Employers own vacation and sick leave at various rates depending upon length of employment. Vacation and sick leave must be used in the year earned. Accordingly, no provision is made in the financial statements for unpaid vacation and sick leave.

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 each of the statements.

Total Columns on Combined Statements - Overview

Total revenues on the 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 conformity with generally accepted accounting principles. Since important eliminations have not been made in the aggregation of this data, such data is not comparable to a consolidation.

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 twelve months or less to be cash equivalents.

Expenditures

Expenditures accounting, under which contracts and other commitments for the expenditure of monies are recorded in order to ensure that portions of the applicable appropriation, is not employed by the Town.



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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, 1996. 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.

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, 1996, and the results of its operations of its governmental funds for the year then ended and the results of its operations and cash flows of its proprietary fund for the two years ended September 30, 1996 and 1995, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The financial statements of the individual funds and account groups and the other supporting schedules 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 Jackson. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole, except for the information related to the number of customers serviced by the gas and water systems. This information was furnished to us from the Town, and we express no opinion on it.



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS

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, as of and for the year ended September 30, 1996, and have issued our report thereon dated November 13, 1996.

We have applied procedures to test the Town of Jackson's compliance with the following requirements applicable to its federal financial assistance program, which is identified in the Schedule of Federal Financial Assistance, for the year ended September 30, 1996:

1. Political activity
2. Civil rights
3. Federal financial reports
4. Drug-free workplace

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's *Compliance Supplement for Single Audits of State and Local Governments*. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Town of Jackson's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of these procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the Town of Jackson had not complied, in all material respects, with those requirements.

This report is intended for the information of the Town of Jackson's finance committee, management of the Town of Jackson, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.

Postlethwaite & Netterville

Ernie Fouge, Louisiana
November 13, 1996

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TOWN OF JACKSON, LOUISIANA
FINANCIAL REPORT
SEPTEMBER 30, 1990

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 4-2-97



TOWN OF JACKSON, LOUISIANA

FINANCIAL REPORT

SEPTEMBER 30, 1996



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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
NOTES TO FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies (continued)**

Reclassification

Certain 1995 balances have been reclassified to conform with the 1996 financial statement presentation.

2. **Fixed Assets**

A summary of changes in general fixed assets follows:

	Balance 09/30/95	Additions	Deletions	Balance 09/30/96
Land	\$ 26,000	-	-	\$ 26,000
Buildings	291,443	681	-	292,124
Automotive and freighting equipment	474,181	4,065	78,308	399,938
Office furniture, fixtures, and equipment	36,198	17,585	-	53,783
Streets and sidewalks	20,008	9,980	-	29,988
Recreation equipment	87,812	18,733	-	106,545
	<u>\$ 923,652</u>	<u>\$ 48,159</u>	<u>\$ 78,308</u>	<u>\$ 993,503</u>

A summary of proprietary fund type property, plant, and equipment at September 30, 1996 follows:

Gas mains, meters, and equipment	\$ 502,392
Land, water wells, tanks, mains, and equipment	670,468
Sewerage collection and treatment plant	1,236,116
Treatment plant site	2,588
Automotive equipment	49,491
Maintenance building	81,459
Maintenance shop	9,458
Office furniture and fixtures	22,198
Less: Accumulated depreciation	(1,182,353)
	<u>\$ 1,444,316</u>

In accordance with Financial Accounting Standards Board Statement No. 82, Capitalization of Interest Cost in Situations Involving Certain Tax-Exempt Borrowings and Certain Gifts and Grants, the Town capitalizes interest in connection with construction in progress for Proprietary Fund types. No interest was capitalized during the year ended September 30, 1996.



Pustkethwhite & Netterville

A Registered Accounting Corporation
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS

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, 1996 and have issued our report thereon dated November 15, 1996.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, *Audit of State and Local Governments*. Those standards and OMB Circular A-128 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 for the year ended September 30, 1996, we considered the internal control structure of the Town of Jackson in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements of Town of Jackson and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated November 15, 1996.

The management of the Town of Jackson 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, 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, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projections 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.