

TOWN OF JACKSON, LOUISIANA
PUBLIC UTILITY SYSTEM OPERATIONS
SEPTEMBER 30, 1997
 (Millions of Dollars)

SCHEDULE 1
 Page 2 of 2

Variance Between Gas Purchased and Sold

Year Ended	Gas Purchased MCF	Gas Billed MCF	Leakage Variance MCF	Percent of Gas Purchased
9/30/97	29,716	28,372	1,344	4.52
9/30/96	36,279	32,740	3,539	9.75
9/30/95	38,888	27,400	11,488	29.55
9/30/94	33,338	31,802	1,536	4.61
9/30/93	32,452	30,842	1,610	4.96
9/30/92	31,454	31,086	-	-
9/30/91	31,461	31,398	1,063	3.35
9/30/90	34,701	33,139	1,562	4.50
9/30/89	23,094	21,880	2,214	9.58
9/30/88	40,817	38,325	2,492	6.11
9/30/87	40,325	39,456	1,069	2.64



TOWN OF JACKSON, LOUISIANA
PUBLIC UTILITY SYSTEM OPERATIONS
SEPTEMBER 30, 1997
(Without Audit)

SCHEDULE 2
Page 1 of 3

Statistics on System Operations

- (a) As of September 30, 1997, there were 168 metered customers for the gas and water systems. There were no unmetered customers for either the gas or water systems as September 30, 1997.
- (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	10.15
Over 1,000 cubic feet/MCF	8.66

2. Water -	Rate per 1,000 Gallons
First 2,000 gallons or less	\$ 4.00
Next 13,000 gallons/Mgal	2.00
Next 15,000 gallons/Mgal	1.00
Over 30,000 gallons/Mgal	0.80

- (c) Average monthly billing per customer was:

1. Gas	\$ <u>40.71</u>
2. Water	\$ <u>23.47</u>

TOWN OF JACKSON, LOUISIANA

SCHEDULE J

INSURANCE-IN-FORCE
SEPTEMBER 30, 1997

<u>Policy</u>	<u>Name of Insurer</u>	<u>Expiration Date</u>	<u>Coverage Limits</u>
Fire and Extended Coverage - Building and Contents	Trinity Universal Insurance of Kansas	02-01-98	\$ 400,000
Public Official Bond	EMC Insurance Company	08-30-97	25,000
General Liability	Scottsdale Indemnity Company	02-01-98	2,000,000
Police Professional Liability	Academy Insurance Company	02-01-98	2,000,000
Public Officials Errors and Omissions	National Union Fire of Pittsburgh, PA	02-01-98	2,000,000
Worker's Compensation	Louisiana Municipal Risk Management Agency	01-01-98	Statutory
Auto Physical Damage	Scottsdale Indemnity Company	02-01-98	1,000,000
Equipment	Agency Management Corporation	12-31-97	120,000
Equipment	Commercial Inland Marine	10-18-97	21,420

SUPPORTING SCHEDULES

TOWN OF JACKSON, LOUISIANA

D-2

**STATEMENT OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
YEAR ENDED SEPTEMBER 30, 1992**

Function and Activity	General			General
	Fixed Assets	Additions	Deletions	Fixed Assets
	Sept. 30, 1991			Sept. 30, 1992
General Government	\$ 290,018	\$ 98,614	\$ 6,880	\$ 381,752
Public Safety:				
Police protection	138,239	47,891	-	186,080
Fire protection	348,215	774	-	348,989
Rescue operations	4,451	-	-	4,451
Recreation	104,545	-	-	104,545
Total	\$ 985,528	\$ 147,279	\$ 6,880	\$ 1,065,681

The accompanying notes are an integral part of this statement.



TOWN OF JACKSON, LOUISIANA

D-1

COMPARATIVE STATEMENTS OF GENERAL FIXED ASSETS
SEPTEMBER 30, 1997 AND 1996

	<u>1997</u>	<u>1996</u>
GENERAL FIXED ASSETS		
Land	\$ 26,000	\$ 26,000
Buildings	293,084	292,124
Automotive and fire fighting equipment	585,543	599,947
Office furniture, fixtures, and equipment	51,471	53,584
Recreation equipment	106,685	108,545
Streets and sidewalks	<u>64,688</u>	<u>79,488</u>
Total general fixed assets	<u>\$ 1,045,681</u>	<u>\$ 905,528</u>
INVESTMENT IN GENERAL FIXED ASSETS		
Louisiana Highway Safety Commission Grant	\$ 15,000	\$ 15,000
Federal grant	80,000	80,000
State grant	98,884	98,884
General fund revenues	250,184	208,631
Federal revenue sharing funds	184,482	184,482
Municipal revenue sharing fund	18,000	18,000
Storms and sidewalks fund	212,236	121,599
Volunteer fire department	98,815	98,815
Louisiana Department of Transportation and Development	<u>4,800</u>	<u>4,800</u>
Total investment in general fixed assets	<u>\$ 1,045,681</u>	<u>\$ 905,528</u>

The accompanying notes are an integral part of these statements.



GENERAL FIXED ASSETS ACCOUNT GROUP

This 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 REVENUE BOND DEBT SERVICE
YEAR ENDING SEPTEMBER 30, 1997**

	Bond and Interest <u>Redemptions</u>	Reserve	Depreciation and Contingency Fund	Total
Cash balance, October 1, 1996	\$ 73,318	\$ 9,027	\$ 6,844	\$ 91,189
Cash receipts:				
Transfers from other accounts	48,944	2,172	2,172	53,288
Interest earned on investments	8,363	923	-	9,286
Interest earned on savings	1,523	738	138	2,401
	<u>58,830</u>	<u>3,833</u>	<u>2,310</u>	<u>64,973</u>
Total cash receipts	58,830	3,833	2,310	64,973
Total cash available	<u>132,148</u>	<u>12,860</u>	<u>9,154</u>	<u>154,162</u>
Cash disbursements:				
Principal payments	80,921	-	-	80,921
Interest payments	18,113	-	-	18,113
Transfers to other accounts	-	-	-	-
Total cash disbursements	<u>99,034</u>	<u>-</u>	<u>-</u>	<u>99,034</u>
Cash balance, September 30, 1997	<u>\$ 33,114</u>	<u>\$ 12,860</u>	<u>\$ 9,154</u>	<u>\$ 55,128</u>
Investment balance, October 1, 1996	\$ 198,845	\$ -	\$ 185,180	\$ 384,025
Additions (deductions)	<u>-</u>	<u>-</u>	<u>3,826</u>	<u>3,826</u>
Investment balance, September 30, 1997	<u>\$ 198,845</u>	<u>\$ -</u>	<u>\$ 189,006</u>	<u>\$ 387,851</u>
Total Cash and Investment, September 30, 1997	<u>\$ 231,959</u>	<u>\$ 12,860</u>	<u>\$ 198,162</u>	<u>\$ 442,981</u>

The accompanying notes are an integral part of this schedule.



TOWN OF JACKSON, LOUISIANA
ENTERPRISE FUND

C-8

COMPARATIVE STATEMENTS OF CHANGES IN RETAINED EARNINGS
YEARS ENDED SEPTEMBER 30, 1997 AND 1996

	<u>1997</u>	<u>1996</u>
Retained earnings - beginning of year	\$ 863,318	\$ 908,545
Net income (including depreciation of \$20,972 transferred to contributed capital during the year ended September 30, 1997 and 1996)	<u>59,254</u>	<u>67,773</u>
Retained earnings - end of year	<u>\$ 1,043,572</u>	<u>\$ 983,318</u>

The accompanying notes are an integral part of these statements.

Summary	1987		Variance	1986	
	Actual Total	Budget Total	Favorable (Unfavorable)	Actual Total	
\$ 102,559	\$ 504,681	\$ 512,580	(8 17,819)	\$ 548,851	
8,281	38,733	19,589	1,238	14,328	
102,478	519,414	536,000	(1 16,586)	550,379	
18,187	84,064	86,000	(1,936)	78,229	
21,088	57,500	58,000	(500)	52,215	
1,000	7,503	6,215	(1,288)	5,825	
33,344	85,045	85,000	1,045	91,800	
19,456	21,573	18,500	(3,073)	18,813	
2,253	7,999	8,000	(1)	8,738	
3,849	4,575	6,180	1,605	-	
-	121,921	125,000	3,079	150,329	
10,545	32,228	37,000	4,772	38,329	
400	1,350	1,350	-	1,250	
3,829	27,482	22,000	(5,482)	48,268	
1,253	5,069	1,000	(4,069)	13,374	
2,795	6,280	7,500	(1,220)	8,261	
804	1,276	1,100	(176)	1,265	
1,787	1,787	1,880	10	1,800	
-	288	2,200	1,912	1,545	
3,740	11,370	9,500	(1,870)	17,285	
-	-	-	-	-	
1,286	3,510	3,750	(240)	3,478	
143,586	493,282	488,025	(5,257)	595,700	
(38,494)	28,492	-	-	49,678	
2,207	32,637	32,000	637	18,412	
-	-	15,892	(15,892)	-	
2,207	32,637	32,000	(637)	18,412	
2,208	21,887	45,000	23,113	22,258	
2,208	21,887	45,000	23,113	22,258	
(3 38,487)	\$ 28,282	\$ 38,973	(3 10,691)	\$ 41,803	

TOWN OF JACKSON, LOUISIANA
ENTERPRISE FUND

COMPARATIVE STATEMENTS OF REVENUES AND EXPENSES
YEARS ENDED SEPTEMBER 30, 1997 AND 1996

	1997	
	\$	\$
Operating revenues		
Sales	296,487	145,625
Fees and service charges	4,951	4,951
Total operating revenues	301,438	150,576
Operating expenses		
Salaries	32,562	33,345
Wages	28,819	18,809
Audit and accounting	3,893	2,813
Depreciation	13,584	21,117
Electricity	2,117	-
Employers' retirement expense	2,949	2,761
Engineering fees	88	688
Gas purchases	121,321	-
Insurance	8,857	12,826
Legal	490	420
Maintenance, repairs, and supplies	5,026	17,787
Miscellaneous	2,585	1,251
Printing, stationery, and supplies	2,725	2,710
Payroll taxes	186	258
Power analysis	-	-
Water pumpage charge	-	354
Travel expense	3,814	3,808
Unavailable accounts	-	-
Utilities	1,298	1,536
Total operating expenses	236,029	115,037
INCOME (LOSS) FROM OPERATIONS	65,409	35,539
Other revenues		
Interest income	19,268	18,192
Other revenues	-	-
Total other revenues	19,268	18,192
Other charges		
Interest expense	3,082	14,484
Total other charges	3,082	14,484
NET INCOME (LOSS)	\$ 81,635	\$ 39,247

The accompanying notes are an integral part of these statements.



LIABILITIES AND CAPITAL

	<u>1997</u>	<u>1996</u>
CURRENT LIABILITIES		
Accounts payable	\$ 18,967	\$ 8,309
Notes payable	88,581	111,688
Payable from restricted assets:		
Public utility revenue bond payable (1978 bonds) -		
due within one year	31,379	30,789
Accrued interest payable	11,590	12,611
Customers' service meter deposits	84,476	44,817
Due to other funds	53,309	33,314
Other liabilities	1,436	858
Total current liabilities	<u>243,748</u>	<u>293,386</u>
LONG-TERM LIABILITIES		
Public utility revenue bonds payable (1978 bonds) -		
due after one year	381,458	315,458
Other liabilities	308,528	308,528
Total long-term liabilities	<u>689,986</u>	<u>623,986</u>
Total liabilities	<u>933,734</u>	<u>917,372</u>
CAPITAL CONTRIBUTIONS		
From federal grant for sewerage treatment plant	25,150	25,150
From environmental protection agency	14,183	14,183
From state grant for sewerage treatment plant	286,060	286,060
Less: depreciation applicable to capital contributions	(188,789)	(187,771)
Net contributions	<u>436,604</u>	<u>437,612</u>
RETAINED EARNINGS		
Revered for customers' service meter deposits	12,148	12,899
Revered for revenue bond debt service	368,947	385,888
Transferred	651,482	683,215
Total retained earnings	<u>1,032,577</u>	<u>1,081,992</u>
Total capital	<u>1,469,201</u>	<u>1,519,604</u>
Total liabilities and capital	<u>\$ 2,183,335</u>	<u>\$ 2,021,115</u>

**TOWN OF JACKSON, LOUISIANA
ENTERPRISE FUND**

**COMPARATIVE BALANCE SHEETS
SEPTEMBER 30, 1997 AND 1996**

A S S E T S

	1997	1996
CURRENT ASSETS		
Cash	\$ 104,600	\$ 143,731
Certificates of deposit	81,797	28,864
Accounts receivable (net of allowances for uncollectible accounts of \$5,720)	78,989	62,815
Accrued interest receivable	6,142	3,624
Total current assets	271,528	239,034
RESTRICTED ASSETS		
Cash and certificates of deposit -		
Revenue bond debt service	418,884	381,416
Customers' service meter deposits	59,624	50,518
Total restricted assets	478,508	431,934
PROPERTY, PLANT, AND EQUIPMENT		
Gas trains, meters, and equipment	512,899	512,792
Land, water rights, tanks, mains, and equipment	682,290	670,469
Sewerage collection and treatment plant	1,236,116	1,236,116
Treatment plant site	2,800	2,800
Automotive equipment	42,005	49,494
Buildings	70,908	70,908
Office furniture and fixtures	21,896	21,190
Less: allowance for depreciation	(1,281,888)	(1,162,551)
Net property, plant, and equipment	1,285,122	1,484,218
Total assets	\$ 7,050,372	\$ 7,113,112

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

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE,
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED SEPTEMBER 30, 1997
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED SEPTEMBER 30, 1996**

	1997		Variance - Favorable (Unfavorable)	1996
	Budget	Actual		Actual
Revenues				
Taxes	\$ 120,000	\$ 118,396	(16,604)	\$ (12,271)
Grant revenues	57,000	60,163	3,163	-
Interest	1,000	12,832	11,832	18,267
Total revenues	<u>178,000</u>	<u>191,391</u>	<u>10,590</u>	<u>13,996</u>
Expenditures				
Street and sidewalk repairs	172,000	178,264	6,264	58,718
Capital outlay	6,000	59,640	(53,640)	9,380
Total expenditures	<u>(178,000)</u>	<u>(237,904)</u>	<u>(60,004)</u>	<u>(67,698)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	6,000	(46,513)	(52,513)	63,698
OTHER FINANCING SOURCES				
Sales of general fixed assets	-	-	-	52,660
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,660</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	6,000	(46,513)	(52,513)	116,358
Fund Balance				
Beginning of year	316,381	316,381	-	659,280
End of year	<u>\$ 322,381</u>	<u>\$ 269,868</u>	<u>(\$ 52,513)</u>	<u>\$ 775,938</u>

The accompanying notes are an integral part of this statement.

SPECIAL REVENUE FUND

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

TOWN OF JACKSON, LOUISIANA
GENERAL FUND

Act
Page 2 of 2

SCHEDULE OF EXPENDITURES - BUDGET (GAAP) BASED AND ACTUAL
YEAR ENDED SEPTEMBER 30, 1997
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED SEPTEMBER 30, 1996

	1997		Variance - Favorable (Unfavorable)	1996
	Budget	Actual		Actual
PUBLIC SAFETY				
Police				
Salaries	\$ 94,000	\$ 96,812	(\$ 2,812)	\$ 81,568
Capital outlay	40,000	47,851	(7,851)	-
Miscellaneous	150	261	(111)	695
Entertainment expense	3,300	3,411	(111)	1,858
Office supplies	1,200	1,799	(599)	1,158
Vehicle expense	16,200	15,025	1,175	12,708
Uniforms	500	1,043	(543)	387
Insurance	27,000	22,364	4,636	24,852
Supplies and maintenance	11,500	11,191	309	5,164
Telephone	3,000	2,956	44	2,407
Printing	6,000	3,811	2,189	4,028
Gas	750	681	69	707
Water	180	48	132	48
Sewer	150	120	30	120
Payroll taxes	3,000	3,790	(790)	3,211
Total police	205,180	210,682	(5,502)	181,281
Fire				
Jackson volunteer fire department	6,500	6,000	500	5,548
Capital outlay	-	774	(774)	-
Insurance	6,500	4,574	1,926	7,207
Electricity	1,900	1,748	152	1,987
Telephone	1,700	1,195	505	2,025
Vehicle expense	2,500	2,279	221	1,126
Salaries	1,700	1,236	464	1,280
Supplies and maintenance	2,000	1,883	117	3,765
Gas	200	269	(69)	494
Water	1,100	949	151	948
Sewer	150	120	30	120
Total fire	23,500	21,842	1,658	24,529
Total public safety	228,680	232,524	(3,844)	205,810
RECREATION				
Recreation department	7,500	9,426	(1,926)	21,287
Total all departments	\$ 236,180	\$ 241,950	\$ 5,712	\$ 227,039

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 ENDING SEPTEMBER 30, 1997
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDING SEPTEMBER 30, 1996

	1997		Variance - Favorable (Unfavorable)	1996	
	Budget	Actual		Budget	Actual
GENERAL GOVERNMENT					
Legal	\$ 1,050	\$ 1,125	\$ 225	\$ 1,350	
Salaries	22,000	19,305	2,695	19,740	
Audit and accounting	6,300	7,215	(915)	6,001	
Engineering fees	-	1,445	(1,445)	-	
Electricity	24,500	24,480	20	25,823	
Insurance	14,000	10,518	3,484	6,018	
Health insurance	3,500	3,026	473	2,793	
Dixie Correctional	5,000	5,976	(976)	6,604	
Contractor's fee	1,500	1,554	(54)	600	
Garbage disposal	1,400	1,342	58	1,184	
Maintenance and supplies	18,500	7,867	10,633	10,587	
Miscellaneous	12,500	13,585	(1,085)	15,450	
Recreation expense	2,500	2,375	125	3,714	
Office supplies and printing	6,300	7,458	(1,158)	4,681	
Payroll taxes	3,500	-	3,500	-	
Traffic and tractor expenses	1,000	520	480	934	
Telephone	1,000	786	214	479	
Unemployment insurance	150	287	(137)	75	
Capital outlay	6,000	7,714	(1,714)	21,053	
Wages	2,500	2,349	151	1,323	
Total general governmental	\$ 129,900	\$ 118,267	\$ 6,633	\$ 129,120	

The accompanying notes are an integral part of this statement.



TOWNS OF JACKSON, LOUISIANA
GENERAL FUND

A-2

SCHEDULE OF OTHER REVENUE -
BUDGET FISCAL BASIS AND ACTUAL
YEAR ENDED SEPTEMBER 30, 1997

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED SEPTEMBER 30, 1996

	1997		Variance - Favorable (Unfavorable)	1996
	Budget	Actual		Actual
OTHER REVENUE				
Utility franchise fees	\$ 129,800	\$ 178,811	\$ 1,821	\$ 142,513
License revenues	3,800	3,314	1	3,736
Admission collection fees	4,200	4,814	314	4,573
Miscellaneous	11,175	13,200	2,320	4,893
Total other revenue	\$ 147,625	\$ 185,899	\$ 815	\$ 153,805

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 GAAP BASIS AND ACTUAL
YEAR ENDED SEPTEMBER 30, 1997
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED SEPTEMBER 30, 1996**

	1997		Variance - Favorable (Unfavorable)	1996	
	Budget	Actual		Budget	Actual
REVENUES					
Ad valorem taxes	\$ 26,180	\$ 26,127	\$ 53	\$ 26,718	
Licenses and permits	79,580	81,894	2,314	68,150	
Intergovernmental					
Tobacco taxes	19,200	19,204	44	19,764	
Boat taxes	2,500	2,877	377	9,433	
Fire insurance rebate	-	11,749	11,749	11,648	
State revenue sharing	31,200	27,841	(3,359)	28,003	
Video Poker	18,000	21,217	3,217	29,418	
Fees and forfeitures	51,000	51,231	231	29,082	
Other	(41,621)	(48,460)	(6,839)	123,882	
Total revenues	<u>175,839</u>	<u>400,321</u>	<u>28,798</u>	<u>398,133</u>	
EXPENDITURES					
Current operating:					
General government	123,900	119,267	4,633	129,126	
Public safety	228,600	231,640	(3,040)	182,620	
Recreation	7,300	9,486	(2,186)	21,267	
Debt service:					
Principal retirement	8,000	8,848	(848)	8,000	
Interest	1,700	2,856	(1,156)	2,822	
Total expenditures	<u>315,200</u>	<u>371,667</u>	<u>56,433</u>	<u>341,835</u>	
EXCESS OF REVENUES OVER EXPENDITURES	6,115	28,654	22,539	31,836	
FUND BALANCE					
Beginning of year	150,625	160,625	-	120,200	
End of year	<u>\$ 160,150</u>	<u>\$ 189,659</u>	<u>\$ 21,200</u>	<u>\$ 160,636</u>	

The accompanying notes are an integral part of this statement.



TOWN OF JACKSON, LOUISIANA
GENERAL FUND

A-1

COMPARATIVE BALANCE SHEETS
SEPTEMBER 30, 1995 AND 1996

ASSETS

	<u>1995</u>	<u>1996</u>
Cash	\$ 38,804	\$ 30,522
Certificates of deposit	64,885	61,734
Property taxes receivable	2,908	1,788
Other accounts receivable	61,773	46,280
Due from other funds	64,860	49,081
Due from volunteer fire department	1,368	1,280
Due from other governmental agencies	1,018	3,124
Accrued interest receivable	<u>1,322</u>	<u>787</u>
 Total assets	 <u>\$ 268,138</u>	 <u>\$ 264,286</u>

LIABILITIES AND FUND BALANCE

Liabilities:		
Accounts payable	\$ 12,880	\$ 12,818
Payroll taxes payable	8,232	3,468
Due to employees' retirement systems	<u>2,217</u>	<u>6,465</u>
Total Liabilities	<u>23,441</u>	<u>23,651</u>
 Fund balance	 <u>188,658</u>	 <u>188,625</u>
 Total liabilities and fund balance	 <u>\$ 212,099</u>	 <u>\$ 212,276</u>

The accompanying notes are an integral part of these statements.



GENERAL FUND

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



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



TOWN OF JACKSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

10. Due from Other Governmental Agencies

Amounts due from other governmental agencies at September 30, 1997, consisted of the following:

East Feliciana Parish Police Jury - sales taxes	\$ 9,707
State of Louisiana - beer tax revenue	1,036
	\$ 10,743

11. Dedicated Revenues

Streets and Sidewalks Special Revenue Fund

The Town receives 14.666% 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 \$135,386 of sales tax proceeds during the year ended September 30, 1997.

12. Lease Agreements

On February 6, 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 \$648.

This lease agreement has a non-appreciation exciputory clause that allows for lease cancellation if the Town does not make an appreciation for its continuation during any subsequent fiscal period. Lease expenditures totaled approximately \$11,088 during the fiscal year ended September 30, 1997.

13. Cash and Investments

At September 30, 1997, the carrying amounts of the Town's deposits were as follows:

Cash	\$ 200
Demand deposit accounts / savings accounts	209,130
Certificates of deposit	755,588
	\$ 1,044,918

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, 1997, the Town had \$1,044,918 in deposits (collected bank balances). Of these bank balances, \$483,971 was covered by federal depository insurance, and \$470,930 was secured by collateral owned by the fiscal agent bank.



TOWN OF JACKSON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

8. Separation 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, 1997 for these three services are as follows:

	Gas	Water	Sewerage	Total
Operating revenues	\$ 261,398	\$ 150,346	\$ 307,479	\$ 719,223
Operating expenses	226,888	119,057	343,886	689,831
Depreciation	17,364	22,117	23,344	62,825
Operating income (loss)	17,146	9,172	40,249	66,567
Net income (loss)	40,522	27,217	(38,897)	28,842
Property, plant and equipment additions	316	17,563	-	17,879
Revenue bonds and notes payable	58,234	183,153	88,581	429,968

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, 1997 and 1996 were deposited timely.
- (2) The "utility system revenue bond reserve fund" is supplemental to the account referred to in (1) above. The minimum balance to be maintained in this account is 20% of the amounts obligated to be deposited into the sinking fund and shall continue monthly until there is no longer a sum equal to the highest combined principal and interest requirement in any succeeding fiscal year, according to the bond agreement. The Town has been making monthly deposits into this account in accordance with the Fund'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 FundRA 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.

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 to the System, and the Town of Jackson is required to make contributions at an actuarially determined rate. The rate currently being paid by the Town is 8.25 % 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 two dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town of Jackson are established and amended by state statute. As provided by Louisiana Revised Statute 11:153, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of Jackson's contributions to the System under Plan A during the years ending September 30, 1997, 1996, and 1995 were \$17,487, \$13,963, and \$11,343, respectively, equal to the required contributions for those years.

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

Plan Description. All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire on or after the age of 50 with at least 20 years of creditable service or on or after the age of 55 with a least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3-1/3 percent of their final-average salary over the 36-consecutive or joined months that produce the highest average. Employees who terminate their employment with at least the amount of creditable service stated above, and do not withdraw their employees' 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 and amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8481 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2190, or by calling (800) 909-7411.

Funding Policy. Plan members are required by state statute to contribute 7.5 percent of their annual covered salary to the System, and the Town of Jackson is required to make contributions at an actuarially determined rate. The rate currently being paid by the Town is 9.07% of annual covered payroll. The contribution requirements of plan members and the Town of Jackson are established and amended by state statute. As provided by Louisiana Revised Statute 11:153, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of Jackson contributions to the System during the years ending September 30, 1997, 1996, and 1995 were \$3,411, \$1,688, and \$1,763, respectively, equal to the required contributions for those years.

TOWN OF JACKSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

6. Interfund Receivables and Payables

Interfund receivables and payables at September 30, 1997 were as follows:

Fund	Interfund Receivables	Interfund Payables
General Fund	\$ 64,564	\$ -
Proprietary Fund	-	51,208
Special Revenue Fund	4,208	17,536
	<u>\$ 70,852</u>	<u>\$ 70,852</u>

7. Defined Benefit Pension Plan

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

a. Municipal Employees Retirement System of Louisiana (the System)

Plan Description. The system is composed of two distinct plans, Plan A and Plan B, which have separate costs and benefit provisions. All employees of the Town of Jackson are members of Plan A.

All permanent employees working at least 30 hours per week who are not covered by another pension plan and who are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan A, employees who retire at or after the age of 55 with at least 10 years of creditable service or at or after the age of 50 with at least 20 years of creditable service or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average 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 their employment 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 credited and accrued by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. This report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (504) 922-4840.



TOWN OF JACKSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

3. Changes in Long-Term Obligations (continued)

Notes payable are as follows:

	<u>09/30/97</u>	<u>09/30/96</u>
Demand notes, with a variable interest rate, collateralized by certificates of deposit.	\$ <u>58,504</u>	\$ <u>111,658</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 accounts group at its capital lease cost of \$112,898, the Town paid \$80,000 at acquisition and signed the capital lease agreement for the remaining \$32,898, which is included in the general long-term debt obligations group.

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

year ending September 30,	<u>Amount</u>
1998	\$ 11,094
1999	<u>11,094</u>
	22,188
Less amount representing interest, assuming an implicit effective rate of 6.993%	(<u>3,128</u>)
Present value of future minimum lease payments	<u>\$ 19,060</u>

5. Ad Valorem Taxes

Ad valorem taxes attach as enforceable liens on all applicable property as February 28th of each year. Taxes are levied and are usually billed to the taxpayers in November of each year. Billed ad valorem taxes become delinquent on January 2nd of the following calendar year.

The Town bills and collects its own property taxes using the assessed values determined by the tax assessors of East Feliciana Parish. During the year ended September 30, 1997, taxes of 5.94 mills were levied on property with assessed valuations totaling \$4,452,140 and were dedicated for general purposes.

Ad valorem taxes levied during the year ended September 30, 1997 totaled approximately \$26,327, and \$2,969 was still uncollected at September 30, 1997.



TOWN OF JACKSON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

3. Changes in Long-Term Obligations

The following is a summary of the Town's bond transactions during the year ended September 30, 1997:

	<u>Public Utility Revenue Bonds</u>
Bonds payable at October 1, 1996	\$ 364,258
Bonds raised during the current year	(30,821)
Bonds payable at September 30, 1997	<u>\$ 333,437</u>

Revenue bonds payable at September 30, 1997 are comprised of the following individual issues:

\$27,080 of gas bonds dated January 18, 1979; due in annual installments of \$27,080, including interest at 5.60%, through January 21, 1998	\$ 90,234
\$23,880 of water bonds dated January 18, 1979; due in annual installments of \$21,904, including interest at 5.60%, through January 21, 2018	<u>283,193</u>
	<u>\$ 373,427</u>

These revenue bonds are scheduled to mature as follows:

<u>year ending September 30,</u>	<u>Amount</u>
1998	\$ 37,329
1999	33,758
2000	8,379
2001	9,002
2002	9,452
Later years	240,377
	<u>\$ 373,427</u>

As part of the bond agreement with Rural Economic and Community Development the Town has agreed to comply with certain covenants. These covenants, 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, 1997.

TOWN OF JACKSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

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

Reclassifications

Certain 1996 balances have been reclassified to conform with the 1997 financial statement presentation.

2. **Fixed Assets**

A summary of changes in general fixed assets follows:

	Balance 09/30/96	Additions	Deletions	Balance 09/30/97
Land	\$ 26,000	\$ -	\$ -	\$ 26,000
Buildings	292,124	870	-	293,094
Automotive and firefighting equipment	598,847	104,375	470	803,842
Office furniture, fixtures, and equipment	51,504	4,315	6,245	51,471
Tools and vehicles	28,408	39,349	159	64,698
Recreation equipment	104,545	3,120	-	108,665
	<u>\$ 1,005,228</u>	<u>\$ 1,447,029</u>	<u>\$ 6,869</u>	<u>\$ 1,045,388</u>

A summary of proprietary land type property, plant, and equipment at September 30, 1997 follows:

Gas mains, meters, and equipment	\$ 512,589
Land, water wells, tanks, meters, and equipment	885,280
Sewerage collection and treatment plant	1,258,115
Treatment plant site	2,000
Automotive equipment	42,000
Maintenance building	9,450
Maintenance shop	61,450
Other furniture and fixtures	21,000
Less: Accumulated depreciation	<u>(1,201,180)</u>
	<u>\$ 1,369,124</u>

In accordance with Financial Accounting Standards Board Statement No. 82, Capitalization of Interest Cost in Situations Involving Certain Fund-Specific Borrowings and Certain Gifts and Grants, the Town capitalizes interest in connection with construction in progress for proprietary land types. No interest was capitalized during the year ended September 30, 1997.

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 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

Employees earn vacation and sick leave at various rates depending upon length of their employment. As employees must use their vacation and sick leave in the year earned, 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 all of the statements.

Total Columns on Combined Statements

Total columns on the combined statements are captioned *interim* 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 interfund 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.

Contingencies

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

TOWN OF JACKSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Budgetary and Budgetary Accounting

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

1. A proposed budget is prepared and submitted to the Mayor and Board of Aldermen prior to the beginning of each fiscal year.
2. The proposed budget is published in the official journal and made available for public inspection. A public hearing is held to obtain taxpayer comments.
3. The budget is adopted through the passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
4. Budgetary amendments involving the transfer of funds from one department, program, or function to another or involving increases in expenditures resulting from revenues exceeding amounts originally estimated require the approval of the Board of Aldermen.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. Budgets for the general, debt service, and proprietary funds are adopted on bases consistent with generally accepted accounting principles (GAAP).
7. Louisiana R.S. 49:1783 requires budgets to be amended when revenue collections plus projected revenue collections for the remainder of a year, within a fund, are falling to meet estimated annual budgeted revenues by five percent or more or expenditures plus projected expenditures for the remainder of the year, within a fund, are exceeding estimated budgeted expenditures by five percent or more.

The level of budgetary control is total appropriations. Budgeted amounts are as originally adopted, or as amended by the Board. Originally budgeted revenues and expenditures for the general fund for the fiscal year ended September 30, 1997 were increased by \$19,373 and \$13,806, respectively; originally budgeted revenues and expenses for the special revenue fund were increased by \$7,000 and \$2,803, respectively; and originally budgeted revenues for the enterprise funds were increased by \$40,150 and \$4,475, 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 38:2855, the Town may deposit funds in demand deposit accounts, interest-bearing demand deposit accounts, money market accounts, and time certificates of deposit with state banks organized under Louisiana law and national banks having principal offices in Louisiana.



TOWN OF JACKSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Fixed Assets and Long-term Obligations (continued)

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

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

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:

Sanitization system	25 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 refers to the timing of the measurement made, regardless of the measurement basis 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 for current assets. Property and sales taxes, interest revenue, 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 as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

TOWN OF JACKSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Fund Accounting (continued)

Governmental Funds

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

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

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

Proprietary Funds

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Proprietary funds differ from governmental funds in that 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 Obligations

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

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

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

TOWN OF JACKSON, LOUISIANA
GUIDE TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

The Town of Jackson, Louisiana was incorporated on April 2, 1852, and operates under a Mayor - Board of Aldermen form of government. As authorized by its charter, the Town is responsible for public safety, highways and streets, sanitation, recreation, public improvements, and general administrative services.

The accounting and reporting practices of the Town of Jackson conform to generally accepted accounting principles as applicable to governmental units. The Town's reporting entity applies all relevant Government Accounting Standards (GASB) pronouncements. The Town's proprietary fund applies all Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1988, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB pronouncements prevail. Such accounting and reporting procedures conform to the requirements of Louisiana Revised Statute 24:507, to the guidance set forth in the Louisiana Government Accounting Guide, and to the industry audit guide, *Audits of State and Local Governmental Units* published by the American Institute of Certified Public Accountants.

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

Financial Reporting Entity

Statement No. 14 of the Governmental Accounting Standards Board (GASB), *The Financial Reporting Entity*, establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Since the Town is a special purpose government that has a separately elected governing body, is legally separate, and is financially independent of other state and local governments, it is considered a primary government under the provisions of this Statement. As used in GASB Statement 14, *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 expenses, 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 controlled. The various funds are grouped, in the financial statements in this report, into three generic fund types and two broad fund categories as follows:

**TOWN OF JACKSON, LOUISIANA
 PROPRIETARY FUND**

**EXHIBIT 3
 Page 2 of 3**

**COMPARATIVE STATEMENTS OF CASH FLOWS
 YEARS ENDED SEPTEMBER 30, 1997 AND 1996**

	<u>1997</u>	<u>1996</u>
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Income from operations	\$ 28,452	\$ 45,679
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation	65,045	93,804
Loss on disposition of equipment	151	-
Net change in assets and liabilities		
Accounts receivable	(8,840)	3,758
Accrued revenues	(2,281)	300
Accounts payable	4,753	(1,315)
Customers' service meter deposits	(341)	1,649
Other liabilities	478	(2,485)
Due to other funds	92	25,621
Total adjustments	<u>66,947</u>	<u>111,179</u>
Net cash provided by operating activities	<u>\$ 115,392</u>	<u>\$ 126,628</u>

The accompanying notes are an integral part of these statements.



**TRUST OF JACKSON, LOUISIANA
PROPRIETARY FUND**

**EXHIBIT 5
Page 1 of 2**

**COMPARATIVE STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 1997 AND 1996**

	1997	1996
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 903,886	\$ 958,034
Cash paid to suppliers for goods & services	(248,487)	(249,812)
Cash paid to employees for services	(141,879)	(171,248)
Net cash provided by operating activities	(116,480)	(163,026)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Repayments of notes payable	(23,187)	(25,983)
Acquisition of capital assets	(18,071)	(20,179)
Principal paid on revenue bonds	(20,871)	(28,049)
Interest paid on revenue bonds	(21,881)	(22,289)
Net cash used by capital and related financing activities	(84,010)	(96,500)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest earned on investments	22,852	18,412
Net cash provided by investing activities	22,852	18,412
 Net increase in cash and cash equivalents	 41,694	 80,170
Cash and cash equivalents - beginning of year	612,922	532,752
Cash and cash equivalents - end of year	\$ 654,616	\$ 612,922

The accompanying notes are an integral part of these statements.



**TOWN OF JACKSON, LOUISIANA
PROPRIETARY FUND**

EXHIBIT 4

**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS
YEARS ENDED SEPTEMBER 30, 1993 AND 1992**

	1993	1992
Operating revenues		
Gas sales	\$ 156,487	\$ 298,330
Water sales	163,635	140,114
Sewerage sales	102,338	182,384
Fees and service charges	14,712	34,328
Total operating revenues	437,172	655,156
Operating expenses		
Salaries	84,084	79,123
Wages	27,660	22,225
Audit and accounting	7,515	5,825
Depreciation	60,045	60,804
Electricity	21,575	18,810
Employees' retirement expense	2,809	8,719
Engineering fees	4,575	-
Gas purchases	121,211	139,628
Insurance	32,218	30,328
Legal	1,258	1,350
Minorance, materials, and supplies	27,462	40,555
Miscellaneous	9,099	13,104
Printing, stationery, and supplies	8,288	8,581
Payroll taxes	1,378	1,165
Water pumpage charge	368	1,945
Water analysis	1,787	1,800
Travel expense	11,570	17,285
Utilities	3,930	2,478
Total operating expenses	493,962	608,700
INCOME FROM OPERATIONS	43,210	46,456
Non-operating revenues (expenses)		
Interest revenues	22,610	35,412
Interest expense	(21,807)	(22,280)
Net non-operating revenues (expenses)	803	3,132
NET INCOME	44,013	49,588
Depreciation transferred to contributed capital	30,971	30,971
Retained earnings - beginning of year	963,318	908,545
Retained earnings - end of year	\$ 1,013,572	\$ 969,318

The accompanying notes are an integral part of these statements.



Special Revenue Fund		
Budget	Actual	Variance Favorable (Unfavorable)
\$ 120,000	\$ 116,796	(\$ 3,204)
-	-	-
-	-	-
-	12,000	12,000
<u>58,000</u>	<u>80,163</u>	<u>2,163</u>
<u>178,000</u>	<u>196,959</u>	<u>18,959</u>
372,000	216,904	(155,096)
-	-	-
-	-	-
<u>132,000</u>	<u>226,904</u>	<u>94,904</u>
4,000	(28,335)	(32,335)
<u>316,300</u>	<u>218,569</u>	<u>97,731</u>
\$ 521,781	\$ 389,443	(132,338)

**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, 1997**

	General Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
REVENUES			
Taxes	\$ 25,180	\$ 26,127	\$ 947
Licenses and permits	19,580	85,894	66,314
Intergovernmental	15,790	85,768	69,978
Fines and forfeitures	21,080	58,332	37,252
Interest	7,000	8,324	1,324
Other	149,625	149,738	113
Total revenues	<u>378,925</u>	<u>499,723</u>	<u>120,798</u>
EXPENDITURES			
Current operating:			
General government	179,800	159,267	20,533
Public safety	128,624	121,840	6,784
Recreation	7,500	9,486	1,986
Debt service:			
Principal retirement	8,500	9,098	598
Interest	2,780	2,026	754
Total expenditures	<u>328,184</u>	<u>311,687</u>	<u>166,497</u>
EXCESS OF REVENUES OVER CURRENT EXPENDITURES	6,741	18,036	11,295
FUND BALANCE			
Beginning of year	160,625	160,625	—
End of year	<u>\$ 167,366</u>	<u>\$ 182,658</u>	<u>\$ 21,292</u>

The accompanying notes are an integral part of this statement.

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

EXHIBIT 2

**COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED SEPTEMBER 30, 1997**

	General	Special Revenue	Totals	
			Education Debt	1997
REVENUES				
Taxes	\$ 26,127	\$ 116,796	\$ 142,923	\$ 147,809
Licenses and permits	85,094	-	85,094	86,158
Intergovernmental revenues	85,788	-	85,788	80,178
Fees and forfeitures	25,501	-	25,501	29,082
Interest	5,324	12,087	17,411	13,083
Other	145,125	60,163	205,288	171,129
Total revenues	400,757	188,946	589,703	497,339
EXPENDITURES				
Current operating:				
General government	119,267	216,804	336,071	338,734
Public safety	231,848	-	231,848	165,639
Recreation	9,486	-	9,486	21,207
Debt service:				
Principal retirement	9,098	-	9,098	8,480
Interest	2,036	-	2,036	2,629
Total expenditures	371,687	216,804	588,491	546,732
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	29,070	(28,338)	696	96,606
OTHER FINANCING SOURCES				
Sales of general fixed assets	-	-	-	32,460
	-	-	-	32,460
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	29,070	(28,338)	696	148,521
FUND BALANCE				
Beginning of year	180,823	316,751	497,428	328,885
End of year	\$ 189,893	\$ 388,413	\$ 578,311	\$ 477,406

The accompanying notes are an integral part of this statement.



Proprietary Fund Type	Assets		Liabilities	
	General Fixed Assets	General Long-term Obligations	1997	1996
Enterprise				
\$ 106,630	\$ -	\$ -	\$ 172,900	\$ 213,809
31,137	-	-	493,548	329,251
70,909	-	-	78,968	61,833
-	-	-	2,809	1,768
-	-	-	41,773	46,280
-	-	-	78,884	31,303
-	-	-	1,280	1,280
-	-	-	30,323	11,887
8,148	-	-	11,835	7,882
470,429	-	-	470,425	448,180
-	1,045,481	-	1,845,681	908,328
1,549,197	-	-	1,305,197	1,444,319
-	-	20,000	20,000	28,118
<u>\$ 2,181,373</u>	<u>\$ 1,045,481</u>	<u>\$ 20,000</u>	<u>\$ 3,091,456</u>	<u>\$ 3,568,947</u>
\$ 18,962	\$ -	\$ -	\$ 28,856	\$ 18,257
21,389	-	-	70,865	55,385
11,880	-	-	11,558	12,621
44,476	-	-	44,476	44,817
21,219	-	-	32,128	36,789
304,888	-	-	503,098	333,469
85,804	-	-	88,581	131,488
-	-	20,000	20,000	29,138
180,568	-	-	124,593	121,839
633,111	-	20,000	211,178	311,861
458,658	-	-	436,630	487,682
-	1,045,481	-	1,845,681	908,328
15,148	-	-	15,148	17,099
568,942	-	-	365,942	348,004
621,482	-	-	611,482	605,115
-	-	-	189,619	150,625
-	-	-	388,410	116,730
1,898,283	1,045,481	-	2,913,892	2,803,454
<u>\$ 2,181,373</u>	<u>\$ 1,045,481</u>	<u>\$ 20,000</u>	<u>\$ 3,091,163</u>	<u>\$ 3,568,947</u>

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

**COMBINED BALANCE SHEET
SEPTEMBER 30, 1997**

	Governmental Fund Type	
	General	Special Revenue
ASSETS		
Cash	\$ 58,854	\$ 79,212
Certificates of deposit	64,345	257,438
Accounts receivable - net of allowance of \$7,120	-	-
Property taxes receivable	1,900	-
Other accounts receivable	41,173	-
Due from other funds	60,566	6,594
Due from utilities fee department	1,260	-
Due from other governmental agencies	1,034	9,507
Accrued interest receivable	1,355	2,538
Restricted assets:		
Cash and investments	-	-
General fund assets	-	-
Fixed assets (net)	-	-
Amounts to be provided for long-term debt	-	-
Total assets	\$ 214,129	\$ 385,289
LIABILITIES		
Accounts payable	\$ 12,892	\$ -
Due to other funds	-	17,506
Payable from restricted assets:		
Accrued interest payable	-	-
Customers' service meter deposits	-	-
Bonds payable - current portion	-	-
Bonds payable - non-current portion	-	-
Note payable	-	-
Capital lease obligations	-	-
Other liabilities	17,509	-
Total liabilities	26,401	17,506
FUND EQUITY		
Contributed capital (net)	-	-
Investment in general fund assets	-	-
Restricted earnings:		
Reserve for customers' service meter deposits	-	-
Reserve for revenue bond debt service	-	-
Unassigned	-	-
Fund balance:		
Unassigned - undesignated	189,629	-
Unassigned - designated for streets and sidewalks	-	285,441
Total fund equity	189,629	285,441
Total liabilities and fund equity	\$ 214,129	\$ 385,289

The accompanying notes are an integral part of this statement.



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 condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We believe that the lack of segregation of duties described above is a material weakness.

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

Richard W. Pugh, CPA

Kevin Krump, Louisiana
October 24, 1997



PwDellhwaite & Netterville

A Professional Accounting Corporation
CERTIFIED PUBLIC ACCOUNTANTS

2001 LIMITED PEARL ISLAND, SUITE 1000 • DARTON SQUARE, LOUISIANA 70002 • TELEPHONE: (504) 832-4600 • FAX: (504) 832-6211

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

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

We have audited the general purpose financial statements of the Town of Jackson, Louisiana, as of and for the year ended September 30, 1997, and have issued our report thereon dated October 24, 1997. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Town of Jackson's general purpose financial statements are free of material misstatement, we performed tests of the its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not the objective of our audit, and 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*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Jackson's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Town's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.



Postlethwaite & Netterville

A Professional Accounting Corporation
CERTIFIED PUBLIC ACCOUNTANTS

8001 LAFAYETTE PLACE (SUITE 100) • SLATKIN TOWER • LOUISIANA 70001 • TELEPHONE (504) 885-6000 • FAX (504) 885-6111

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, 1997. 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 the standards applicable to financial audits contained in 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 statements 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, 1997, 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 funds for the two years ended September 30, 1997 and 1996, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated October 24, 1997, on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

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 that information relating 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.

Baton Rouge, Louisiana
October 28, 1997

TABLE OF CONTENTS

	<u>Schedule</u>	<u>Page</u>
<u>Reporting Schedules:</u>		
Insurance-in-Force	1	39
Public Utility System Operations	2	40 - 43
Schedule of Principal Officials and Salaries	3	42
<u>Single Audit Reports of Certified Public Accountants:</u>		
Report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133		43 - 44
Schedule of Expenses of Federal Awards		45

TABLE OF CONTENTS

	<u>Schedule</u>	<u>Page</u>
<u>Financial Statements of Individual Funds and Account Groups:</u>		
<u>General Fund:</u>		
Comparative Balance Sheets	A-1	14
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual	A-2	15
Schedule of Other Revenues - Budget (GAAP Basis) and Actual	A-3	18
Schedule of Expenditures - Budget (GAAP Basis) and Actual	A-4	27 - 28
<u>Special Revenue Fund:</u>		
Comparative Balance Sheets	B-1	29
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual	B-2	30
<u>Enterprise Fund:</u>		
Comparative Balance Sheets	C-1	31 - 32
Comparative Statements of Revenues and Expenses	C-2	33 - 34
Comparative Statements of Changes in Retained Earnings	C-3	35
Schedule of Changes in Assets Expenditure for Revenue Bond Debt Service	C-4	36
<u>General Fixed Assets Account Group:</u>		
Comparative Statements of General Fixed Assets	D-1	37
Statement of Changes in General Fixed Assets by Function and Activity	D-2	38

TABLE OF CONTENTS

	Exhibit	Page
Independent Auditors' Reports		
Independent Auditors' Report		1
Independent Auditors' Report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards		2-3
General Purpose Financial Statements (Combined Statements - Government)		
Combined Balance Sheet - All Fund Types and Account Groups	1	4 - 5
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types	2	4
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - General and Special Revenue Funds	3	7 - 8
Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings - Proprietary Fund Type	4	9
Comparative Statement of Cash Flows - Proprietary Fund Type	5	10 - 11
Notes to Financial Statements		12 - 23

TOWN OF JACKSON, LOUISIANA
FINANCIAL REPORT
SEPTEMBER 30, 1987



TOWN OF JACKSON, LOUISIANA

SCHEDULE OF EXPENSES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 1992

Federal Grant Pass-Through Grant Programs Title	Total Fund Amount	Disbursemental Expenditures during the year ended September 30, 1992	Remaining Balance as of September 30, 1992
(1) Farmers' Home Administration- Rural Economic and Community Development			
1978 Revenue Bonds	\$ 790,000	\$ 45,994	\$ 744,007
(2) U.S. Department of Justice			
Local Law Enforcement Block Grant Program	N/A	8,190	N/A
Federal Highway Administration			
Louisiana Department of Transportation and Development	N/A	89,241	N/A
	<u>\$ 790,000</u>	<u>\$ 133,425</u>	<u>\$ 656,575</u>

Our consideration of the internal control over compliance would not necessarily disclose all instances in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that could be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We issued no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the general purpose financial statements of the Town of Madison as of and for the year ended September 30, 1997, and have issued our report thereon dated October 24, 1997. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

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



Russ Rogge, Louisiana
October 24, 1997





Poslethwaite & Netterville

A Professional Accounting Firm
CERTIFIED PUBLIC ACCOUNTANTS

808 WEST PLAZA BLVD., SUITE 104 • BAYON BOULEVARD, LOUISIANA 70802 • TEL: (504) 835-1004 • FAX: (504) 835-4911

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of the Town of Jackson with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Requirement that are applicable to its major federal programs for the year ended September 30, 1997. The Town of Jackson's major federal programs are identified in the accompanying schedule of responses to federal awards. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the Town's management. Our responsibility is to express an opinion on the Town's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with these requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Town's compliance with these requirements.

In our opinion, the Town of Jackson complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended September 30, 1997.

Internal Control Over Compliance

The management of the Town of Jackson is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Town's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

SINGLE AUDIT REPORTS
OF
CERTIFIED PUBLIC ACCOUNTANTS



TOWN OF JACKSON, LOUISIANA

SCHEDULE 3

SCHEDULE OF PRINCIPAL OFFICIALS AND SALARIES
YEAR ENDED SEPTEMBER 30, 1997

	Year ended September 30, 1997
Charles Coleman - Mayor	\$ 4,000
Aaron Egan	1,000
Leon Edwards	1,000
Michael Harrell	1,000
Donald Howard	1,000
Donald Payne	<u>1,000</u>
	\$ 13,000