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FINANCIAL REPORT

TOWN OF JACKSON, LOUISIANA

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SEPTEMBER 30, 1998



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Independent Auditors' Reports

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Independent Auditors' Report

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A Professional Accounting Corporation CERTIFIED PUBLIC ACCOUNTANTS

8550 UNITED PLAZA BLVD., SUITE 1001 • BATON ROUGE, LOUISIANA 70809 • TELEPHONE (504) 922-4600 • FAX (504) 922-4611

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, 1998. 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.

Except as discussed in the following paragraph, we conducted our audits 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, requires disclosure of certain matters regarding the year 2000 issue. The Town of Jackson has included such disclosures in Note 14. Because of the unprecedented nature of the year 2000 issue, its effects and the success of related mediation efforts will not be fully determinable until the year 2000 and thereafter. Accordingly, insufficient audit evidence exists to support the Town's disclosure with respect to the year 2000 issue made in Note 14. Further, we do not provide assurance that the Town of Jackson is or will be year 2000 ready, that the Town's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Town does business will be year 2000 ready.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding year 2000 disclosures, 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, 1998, 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 years ended September 30, 1998 and 1997, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29,

1998, 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.

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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.

Posterturate & Nettrulle

Baton Rouge, Louisiana December 29, 1998

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

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

We have audited the general purpose financial statements of the Town of Jackson, Louisiana, as of and for the year ended September 30, 1998, and have issued our report thereon dated December 29, 1998, which was qualified because insufficient audit evidence exists to support The Town of Jackson's disclosures with respect to the Year 2000 issue. We conducted our audits 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 were 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 had a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those 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.

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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 al 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.

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Baton Rouge, Louisiana December 29, 1998



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TOWN OF JACKSON, LOUISIANA ALL FUND TYPES AND ACCOUNT GROUPS

COMBINED BALANCE SHEET SEPTEMBER 30, 1998

Proprietary Governmental Fund Type Fund Type

	General			Special Revenue]	Enterprise	
ASSETS							
Cash	\$	36,895	\$	90,402		\$ 73,211	
Certificates of deposit		67,268		269,276		85,748	
Accounts receivable - net of allowances of \$7,720		-		-		69,720	
Property taxes receivable		3,080		-		-	
Other accounts receivable		42,765		-		-	
Due from other funds		86,297		6,304		-	
Due from volunteer fire department		1,260		-		-	
Due from other governmental agencies		6,638		26,791		-	
Accrued interest receivable		1,442		3,704		6,646	
Restricted assets:							
Cash and investments		-		-		498,399	
General fixed assets		-		-		-	
Fixed assets (net)		-		-		1,402,076	
Amount to be provided for long-term debt		-		-		-	
Total assets	\$	245,645	\$	396,477	\$	2,135,800	
LIABILITIES							
Accounts payable	\$	7,999	\$	-	\$	11,317	
Due to other funds		-		28,813		63,788	
Payable from restricted assets:							
Accrued interest payable		-		-		10,402	
Customers' service meter deposits		-		-		49,280	
Bonds payable - current portion		-		-		33,858	
Bonds payable - non-current portion		-		-		267,260	
Note payable		-		-		64,354	
Capital lease obligations		-		-		-	
Other liabilities		15,478		-		109,976	
Total liabilities	=	23,477	<u> </u>	28,813		610,235	
FUND EQUITY							
Contributed capital (net)		-		-		486,254	
Investment in general fixed assets		-		-		-	
Retained earnings:							
Reserved for customers' service meter deposits		-		-		17,972	
Reserved for revenue bond debt service		-		-		386,887	
Unreserved		-		-		634,452	
Fund balance							
Unreserved - undesignated		222,168		-		-	
Unreserved - designated for streets and sidewalks		- ,		367,664		-	
Total fund equity	4 <u></u>	222,168		367,664	·	1,525,565	
	.						

Total liabilities and fund equity

-

245,645 396,477 \$ 2,135,800 \$ \$

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The accompanying notes are an integral part of this statement.

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		ount oups		Totals (Memorandum Only)			Only)	
General Fixed Assets		General Long-term Obligations			1998	1997		
					••••			
\$	-	\$	-	\$	200,508	\$	172,903	
	-		-		422,292		403,580	
	-		-		69,720		70,969	
	-		-		3,080		2,909	
	-		-		42,765		41,773	
	-		-		92,601		70,865	
	-		-		1,260		1,260	
	-		-		33,429		10,523	
	-		. •		11,792		11,018	
	-		-		498,399		470,425	
1,08	3,543		-		1,083,543		1,045,681	
	-		-		1,402,076		1,369,197	
	-		10,369	·	10,369		20,060	
\$ 1,08	3,543	\$	10,369	\$	3,871,834		3,691,163	
\$	-	\$	-	\$	19,316	\$	23,854	
	•		-		92,601		70,865	
	-		-		10,402		11,530	
	-		-		49,280		44,476	
	-		-		33,858		32,329	
	-		-		267,260		301,058	
	-		-		64,354		88,501	
	-		10,369		10,369		20,060	
	-		-		125,454		124,505	
			10,369		672,894		717,178	
	-		-		486,254		436,630	
1,08	3,543		-		1,083,543		1,045,681	
	-		-		17,972		15,148	
	-		-		386,887		366,942	
	-		-		634,452		631,482	
	-		-		222,168		189,659	
	-		-		367,664		288,443	
1.08	3,543	<u></u>		<u> </u>	3,198,940		2,973,985	

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\$ 3,871,834 \$ 1,083,543 \$ 3,691,163 10,369 \$



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TOWN OF JACKSON, LOUISIANA ALL GOVERNMENTAL FUND TYPES

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COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES YEAR ENDED SEPTEMBER 30, 1998

Totals

(Memorandum Only)

				Special				
	(General	I	Revenue		1998	<u>.</u>	1997
<u>REVENUES</u>					-			
Taxes	\$	26,843	\$	142,679	\$	169,522	\$	142,523
Licenses and permits		79,503		-		79,503		85,094
Intergovernmental revenues		73,163		-		73,163		85,708
Fines and forfeitures		60,055		-		60,055		55,332
Interest		3,099		13,208		16,307		15,331
Other		169,374		36,968		206,342		205,299
Total revenues		412,037	<u> </u>	192,855	<u></u>	604,892		589,287
EXPENDITURES								
Current operating:								
General government		139,684		113,634		253,318		336,171
Public safety		227,466		-		227,466		231,840
Recreation		1,284		-		1,284		9,486
Debt service:								
Principal retirement		9,691		-		9,691		9,058
Interest		1,403		-		1,403		2,036
Total expenditures		379,528		113,634		493,162		588,591
EXCESS OF REVENUES								
OVER EXPENDITURES		32,509		79,221		111,730		696
FUND BALANCE								
Beginning of year		189,659		288,443		478,102		477,406
End of year	\$	222,168	\$	367,664	\$	589,832	\$	478,102

The accompanying notes are an integral part of this statement.

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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, 1998

	General Fund					
] 	Budget		Actual		'ariance worable favorable)
REVENUES						
Taxes	\$	26,800	\$	26,843	\$	43
Licenses and permits		83,600		79,503		(4,097)
Intergovernmental revenue		75,200		73,163		(2,037)
Fines and forfeitures		56,000		60,055		4,055
Interest		3,000		3,099		99
Other revenue		142,700		169,374		26,674
Total revenues		387,300		412,037		24,737
EXPENDITURES						
Current operating expenditures:						
General government		166,810		139,684		27,126
Public safety		205,321		227,466		(22,145)
Recreation		2,500		1,284		1,216
Debt service expenditures:						
Principal retirement		9,500		9,691		(191)
Interest		2,000		1,403		597
Total expenditures	<u> </u>	386,131		379,528		6,603
EXCESS OF REVENUES						
OVER EXPENDITURES		1,169		32,509		31,340
FUND BALANCE						
Beginning of year		189,659		189,659		-
End of year	\$	190,828	\$	222,168	\$	31,340

The accompanying notes are an integral part of this statement.

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Special Revenue Fund						
 Budget		Actual	Fa	'ariance avorable favorable)		
\$ 120,000	\$	142,679	\$	22,679		
-		. –		-		
-		-		-		

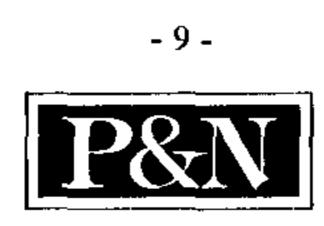
10,000	13,208	3,208
12,000	36,968	24,968
142,000	192,855	50,855

-

-

111,000	113,634	(2,634)
-	-	-
-	-	-
-	-	-
-	-	-
111,000	113,634	(2,634)
31,000	79,221	48,221
288,443	288,443	_

 288,443		288,443	·	<u> </u>
\$ 319,443	\$	367,664	\$	48,221



TOWN OF JACKSON, LOUISIANA PROPRIETARY FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS YEARS ENDED SEPTEMBER 30, 1998 AND 1997

	1998		1997	
OPERATING REVENUES			•	056 407
Gas sales	\$	249,731	\$	256,487
Water sales		157,857		145,635
Sewerage sales		107,994		102,559
Penalties and service charges	 =;,	14,856		14,733
Total operating revenues		530,438	-	519,414
OPERATING EXPENSES				04.07.4
Salaries		92,120		84,064
Wages		67,819		57,910
Audit and accounting fees		7,800		7,513
Depreciation		94,440		93,045
Electricity		23,762		21,573
Employees' retirement expenses		8,279		7,959
Engineering fees		5,346		4,575
Gas purchases		116,150		121,321
Insurance		29,945		32,228
Legal		1,350		1,350
Maintenance, materials, and supplies		41,384		27,462
Miscellaneous		5,220		5,069
Printing, stationery, and supplies		5,675		8,280
Payroll taxes		1,492		1,278
Sewer analysis		1,675		1,787
Water pumpage charge		290		268
Truck expense		22,509		11,370
Utilities	<u></u>	6,167		3,910
Total operating expenses		531,423	<u></u>	490,962
INCOME (LOSS) FROM OPERATIONS		(985)		28,452
NON-OPERATING REVENUES (EXPENSES)				
Interest revenues		24,780		22,637
Interest expense		(19,028)		(21,807)
Net non-operating revenues (expenses)	_	5,752		830
<u>NET INCOME</u>		4,767		29,282
Depreciation transferred to contributed capital		20,972		20,972
Retained earnings - beginning of year	.	1,013,572		963,318
Retained earnings - end of year		1,039,311		1,013,572

The accompanying notes are an integral part of these statements. - 10 -



TOWN OF JACKSON, LOUISIANA PROPRIETARY FUND

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COMPARATIVE STATEMENTS OF CASH FLOWS YEARS ENDED JUNE 30, 1998 AND 1997

	 1998	<u>. </u>	1997
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 531,186	\$	507,836
Cash paid to suppliers for goods and services	(263,514)		(250,467)
Cash paid to employees for services	(159,939)		(141,974)
Net cash provided by operating activities	 107,733		115,395
CASH FLOWS FROM CAPITAL AND RELATED			
FINANCING ACTIVITIES:			
Grant revenues received	70,596		-
Repayments of note payable	(24,147)		(23,187)
Acquisition of capital assets	(127,319)		(18,077)
Principal paid on revenue bonds	(32,269)		(30,871)
Interest paid on revenue bonds	(19,028)		(21,807)
Net cash used by capital and related financing activities	 (132,167)		(93,942)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest earned on investments	24,780		22,637
Net cash provided by investing activities	 24,780		22,637
Net increase in cash and cash equivalents	346		44,090
Cash and cash equivalents - beginning of year	 657,012		612,922
Cash and cash equivalents - end of year	\$ 657,358	<u> </u>	657,012

The accompanying notes are an integral part of these statements.

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TOWN OF JACKSON, LOUISIANA PROPRIETARY FUND

COMPARATIVE STATEMENTS OF CASH FLOWS YEARS ENDED JUNE 30, 1998 AND 1997

		1998	 1997
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Income from operations	\$	(985)	\$ 28,452
Adjustments to reconcile income from operations to net cash provided by operating activities:			
Depreciation		94,440	93,045
Loss on disposition of equipment		-	151
Not about a substa and lightliticat			

Net change in assets and liabilities:

Accounts receivable	1,249	(8,946)
Accrued revenues	(501)	(2,291)
Accounts payable	355	4,753
Customer service meter deposits	4,804	(341)
Other liabilities	(2,108)	479
Due to other funds	10,479	93
Total adjustments	108,718	86,943
Net cash provided by operating activities	\$ 107,733 \$	115,395

The accompanying notes are an integral part of these statements.

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NOTES TO FINANCIAL STATEMENTS

1. <u>Summary of Significant Accounting Policies</u>

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

The accounting and reporting practices of the Town of Jackson conform to 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, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB pronouncements prevail. Such accounting and reporting procedures conform to the requirements of Louisiana Revised Statute 24:517, to the guidance set forth in the Louisiana Governmental 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 fiscally independent of other state and local governments, it is considered a primary government under the provisions of this Statement. As used in GASB Statement 14, fiscally independent means that the Town may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. Additionally, the Town does not have any components 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:



NOTES TO FINANCIAL STATEMENTS

1. <u>Summary of Significant Accounting Policies</u> (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 monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include:

<u>General Fund</u> - 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.

<u>Special Revenue Fund</u> - 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:

<u>Enterprise Fund</u> - 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.

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NOTES TO FINANCIAL STATEMENTS

1. <u>Summary of Significant Accounting Policies</u> (continued)

Fixed Assets and Long-term Obligations (continued)

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

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

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 its balance sheets.

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

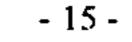
Sewerage system	35 years
Gas plant and buildings	25 years
Office equipment	5-10 years
Automotive equipment	3-5 years

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 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.





NOTES TO FINANCIAL STATEMENTS

1. <u>Summary of Significant Accounting Policies</u> (continued)

Basis of Accounting (continued)

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

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

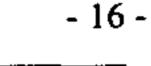
Use of Estimates

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

Budgets and Budgetary Accounting

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

- 1. A proposed budget is prepared and submitted to the Mayor and Board of Aldermen prior to the beginning of each fiscal year.
- 2. The proposed budget is published in the official journal and made available for public inspection. A public hearing is held to obtain taxpayer comments.
- 3. The budget is adopted through the passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
- 4. Budgetary amendments involving the transfer of funds from one department, program, or function to another or involving increases in expenditures 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).





NOTES TO FINANCIAL STATEMENTS

1. <u>Summary of Significant Accounting Policies</u> (continued)

Budgets and Budgetary Accounting (continued)

7. Louisiana R.S. 39:1310 requires budgets to be amended when revenue collections plus projected revenue collections for the remainder of a year, within a fund, are failing to meet estimated annual budgeted revenues by five percent or more or expenditures plus projected expenditures for the remainder of the year, within a fund, are exceeding estimated budgeted copenditures 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 decreased by \$1,800 and \$5,394, respectively; originally budgeted revenues and for the special revenue fund were increased by \$21,000, and originally budgeted expenses were decreased \$9,000; and originally budgeted revenues for the enterprise funds were increased by \$55,000 and originally budgeted expenses were decreased by \$12,975.

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.

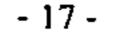
Under Louisiana Revised Statutes 39:1271 and 33:2955, the Town may deposit funds in demand deposit accounts, interest-bearing demand deposit accounts, money market accounts, and time certificates of deposit with state banks organized under Louisiana law and national banks having principal offices in Louisiana.

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.





NOTES TO FINANCIAL STATEMENTS

1. <u>Summary of Significant Accounting Policies</u> (continued)

Operating Transfers In and Out

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

Comparative Data

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

Total Columns on Combined Statements

Total columns on the combined statements are captioned memorandum only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. 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.

Encumbrances

Encumbrances 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.

Reclassifications

Certain 1997 balances have been reclassified to conform with the 1998 financial statement presentation.

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NOTES TO FINANCIAL STATEMENTS

2. Fixed Assets

A summary of changes in general fixed assets follows:

		Balance)9/30/97	<u>_A</u>	<u>ditions</u>	<u>Deleti</u>	ions		Balance 09/30/98
Land	\$	26,000	\$	-	\$	-	\$	26,000
Buildings		293,094		16,006		1,990		307,110
Automotive and firefighting equipment Office furniture, fixtures, and		503,843		5,526		4,558		504,811
equipment		51,471		1,830		7,460		45,841
Streets and sidewalks		64,608		28,035		326		92,317
Recreation equipment	-	106,665		<u> </u>	<u></u>	<u> </u>	<u></u>	107,464
	<u>\$</u>	<u>1,045,681</u>	<u>\$</u>	52,196	<u>\$ 1</u>	<u>4,334</u>	<u>\$</u>	1,083,543

A summary of proprietary fund type property, plant, and equipment at September 30, 1998 follows:

Gas mains, meters, and equipment	\$	519,189
Land, water wells, tanks, mains, and equipment		698,516
Sewerage collection and treatment plant		1,343,029
Treatment plant site		2,300
Automotive equipment		42,598
Building		70,909
Office furniture and fixtures		12,573
Less: accumulated depreciation	(<u>1,287,038</u>)
	<u>\$</u>	1,402,076

In accordance with Financial Accounting Standards Board Statement No. 62, *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, 1998.



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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, 1998:

	Revenue <u>Bonds</u>	
Bonds payable at October 1, 1997	\$	333,387
Bonds retired during the current year	(<u> </u>
Bonds payable at September 30, 1998	<u>\$</u>	301,118

Revenue bonds payable at September 30, 1998 are comprised of the following individual issues:

\$327,000 of gas bonds dated January 18, 1979; due in annual installments of \$27,060, including

interest at 5.00%, through January 21, 1999.	\$	25,693
--	----	--------

\$373,000 of water bonds dated January 18, 1979;	
due in annual installments of \$21,924, including	
interest at 5.00%, through January 21, 2019.	275,425
	\$ 301,118

The annual requirements to amortize all of the outstanding revenue bonds as of September 30, 1998, including interest payments of \$169,875, are as follows:

Year ending			
September 30,	Amount		
1999	\$	48,984	
2000		21,924	
2001		21,924	
2002		21,924	
2003		21,924	
Thereafter		334,313	
	<u>\$</u>	<u>470,993</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, 1998.



NOTES TO FINANCIAL STATEMENTS

3. <u>Changes in Long-Term Obligations</u> (continued)

Notes payable are as follows:

	09/.	<u>09/30/97</u>		
Demand note, with a variable interest				
rate, collateralized by certificates				
of deposit.	<u>\$</u>	<u>64,354</u>	<u>\$</u>	<u>88,501</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 that was not paid at acquisition. The fire truck is recorded in the general fixed asset account group at its capitalized cost of \$112,890; the Town paid \$60,000 at acquisition and signed the capital lease agreement for the remaining \$52,890, which is included in the general long-term debt

obligations group.

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

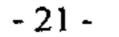
Year ending September 30,	<u></u> A	<u>mount</u>
1999	\$	11,094
Less amount representing interest, assuming an implicit effective rate of 6.995%	(<u>725</u>)
Present value of future minimum lease payments	<u>\$</u>	10,369

5. Ad Valorem Taxes

Ad valorem taxes attach as enforceable liens on all applicable property on February 28th of each year. Taxes are levied and are actually 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 assessor of East Feliciana Parish. During the year ended September 30, 1998, taxes of 5.84 mills were levied on property with assessed valuations totaling \$4,587,080 and were dedicated for general purposes.

Ad valorem taxes levied during the year ended September 30, 1998 totaled approximately \$26,800, and \$3,080 was still uncollected at September 30, 1998.





NOTES TO FINANCIAL STATEMENTS

6. Interfund Receivables and Payables

Interfund receivables and payables at September 30, 1998 were as follows:

Fund	terfund <u>ceivables</u>	Interfund <u>Payables</u>		
General fund	\$ 86,297	\$	-	
Proprietary fund	-		63,788	
Special Revenue fund	6,304	•	28,813	
•	\$ 92,601	<u>\$</u>	92,601	

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 assets and benefit provisions. All employees of the Town are members of Plan A.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and who are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan A, employees who retire at or after the age of 60 with at least 10 years of creditable service or at or after the age of 55 with at least 25 years of creditable service or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average 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 established and amended by state statue. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.





NOTES TO FINANCIAL STATEMENTS

7. <u>Defined Benefit Pension Plan</u> (continued)

a. Municipal Employees Retirement System of Louisiana (the System) - 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 5.75 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town of Jackson are established and amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of Jackson's contributions to the System under Plan A during the years ending September 30, 1998, 1997, and 1996 were \$12,783, \$12,407, and \$13,961, respectively,

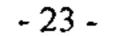
equal to the required contributions for these years.

b. <u>Municipal Police Employees Retirement System of Louisiana</u> (the System)

Plan Description - all full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after the age of 50 with at least 20 years of creditable service or at 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 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 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, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (225) 929-7411.

Funding Policy - plan members are required by state statute to contribute 7.50 percent of their annual covered salary to the System, and the Town of Jackson is required to make contributions at an actuarially determined rate. The rate currently being paid by the Town is 9.00 percent 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 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of Jackson contributions to the System during the years ending September 30, 1998, 1997, and 1996 were \$3,804, \$3,411, and \$1,888, respectively, equal to the required contributions for these years.





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, 1998 for these three services are as follows:

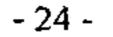
	Gas	Water	Sewer	<u> </u>
Operating revenues \$	254,683	\$ 162,809	\$ 112,946	\$ 530,438
Operating expenses	221,225	128,234	181,964	531,423
Depreciation	17,935	22,808	53,697	94,440
Income (loss) from operations	33,458	34,575	(69,018)	(985)
Net income (loss)	42,506	31,289	(69,028)	4,767
Property, plant and equipment additions	7,085	13,320	106,914	127,319
Revenue bonds and notes payable	25,693	275,425	64,354	365,472

9. <u>Restricted Assets</u>

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

- (1) The "utility system revenue bond and interest sinking fund" requires that sufficient cash be accumulated to meet the annual installment of bond principal and interest which becomes due on January 18th of each year. The required funds for the years ended September 30, 1998 and 1997 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 on deposit a sum equal to the highest combined principal and interest requirement in any succeeding fiscal year, according to the bond agreement. The Town has been making monthly deposits into this account in accordance with the FmHA'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 FmHA 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.





NOTES TO FINANCIAL STATEMENTS

10. Due from Other Governmental Agencies

Amounts due from other governmental agencies at September 30, 1998 consisted of the following:

East Feliciana Parish Police Jury - sales taxes	\$	26,791
State of Louisiana - tobacco tax revenue		4,941
State of Louisiana – video poker revenue		1,697
	\$	33,429

11. Dedicated Revenues

Streets and Sidewalks Special Revenue Fund

The Town receives 14.6863% 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 \$142,679 of sales tax proceeds during the year ended September 30, 1998.

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 \$948.

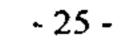
This lease agreement has a non-appropriation exculpatory clause that allows for lease cancellation if the Town does not make an appropriation for its continuation during any subsequent fiscal period. Lease expenditures totaled approximately \$11,000 during the fiscal year ended September 30, 1998.

13. Cash and Investments

At September 30, 1998, the carrying amounts of the Town's deposits were as follows:

Petty cash	\$	300
Demand deposit accounts / savings accounts		340,401
Certificates of deposit	. <u></u>	780,498
	<u>\$</u>	1,121,199

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, 1998, the Town had \$1,121,570 in deposits (collected bank balances). Of these bank balances, \$142,618 was covered by federal depository insurance, and \$978,952 was secured by collateral owned by the fiscal agent bank.



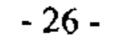


NOTES TO FINANCIAL STATEMENTS

14. Year 2000 Issues

The Year 2000 Issue consists of two shortcomings that make computer processing systems unable to read year-date data beyond the year 1999. The first shortcoming is that many computer programs contain abbreviated dates which eliminate the first two digits of the year. Therefore, some computer programs may recognize January 1, 2000 as January 1, 1900 and process data incorrectly or stop processing data altogether. The second shortcoming is that some computers will be unable to detect the year 2000 as a leap year and may not register the additional day, and data calculations may be incorrect.

The Town is in the process of evaluating its personal computers and other computer controlled equipment to determine the proper course of action.





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FINANCIAL STATEMENTS OF

INDIVIDUAL FUNDS AND ACCOUNT GROUPS



GENERAL FUND

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



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TOWN OF JACKSON. LOUISIANA GENERAL FUND

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COMPARATIVE BALANCE SHEETS SEPTEMBER 30, 1998 AND 1997

ASSETS

	 1998		
Cash	\$ 36,895	\$	38,861
Certificates of deposit	67,268		64,385
Property taxes receivable	3,080		2,909
Other accounts receivable	42,765		41,773
Due from other funds	86,297		64,561
Due from volunteer fire department	1,260		1,260
Due from other governmental agencies	6,638		1,016
Accrued interest receivable	 1,442		1,335
Total assets	\$ 245,645	\$	216,100

LIABILITIES AND FUND BALANCE

Liabilities: Accounts payable Payroll taxes payable Due to employees' retirement systems Total liabilities	7,5	30	5 12,892 6,332 7,217 26,441
Fund balance	222,1	68	189,659
Total liabilities and fund balance	<u>\$</u> 245,6	<u>45</u>	5 216,100

The accompanying notes are an integral part of these statements.

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TOWN OF JACKSON, LOUISIANA <u>GENERAL FUND</u>

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL YEAR ENDED SEPTEMBER 30, 1998 WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED SEPTEMBER 30, 1997

				1998				1997	
		Budget		Actual		Variance Favorable (Unfavorable)		Actual	
REVENUES				·····					
Ad valorem taxes	\$	26,800	\$	26,843	\$	43	\$	26,127	
Licenses and permits		83,600		79,503		(4,097)		85,094	
Intergovernmental revenues:									
Tobacco taxes		19,750		24,705		4,955		19,764	
Beer taxes		6,000		5,528		(472)		5,037	
Fire insurance rebates		7,450		7,460		10		11,749	
State revenue sharing		20,000		13,078		(6,922)		27,841	
Video poker		22,000		22,392		392		21,317	
Fines and forfeitures		56,000		60,055		4,055		55,332	
Other		145,700		172,473		26,773		148,460	
Total revenues		387,300		412,037		24,737		400,721	
<u>EXPENDITURES</u>									
Current operating expenditures:									
General government		166,810		139,684		27,126		119,267	
Public safety		205,321		227,466		(22,145)		231,840	
Recreation		2,500		},284		1,216		9,486	
Debt service:									
Principal retirement		9,500		9,691		(191)		9,058	
Interest		2,000		1,403		597		2,036	
Total expenditures	L	386,131		379,528		6,603		371,687	
EXCESS OF REVENUES									
OVER EXPENDITURES		1,169		32,509		31,340		29,034	
FUND BALANCE									
Beginning of year		189,659	B	189,659		-		160,625	
End of year	\$	190,828	\$	222,168	\$	31,340	\$	189,659	



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The accompanying notes are an integral part of this statement.

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TOWN OF JACKSON, LOUISIANA GENERAL FUND

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SCHEDULE OF OTHER REVENUE -BUDGET (GAAP BASIS) AND ACTUAL YEAR ENDED SEPTEMBER 30, 1998 WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED SEPTEMBER 30, 1997

	. —		 1998				1997
		Budget	 Actual	Fa	ariance worable favorable)	<u></u>	Actual
OTHER REVENUE							
Utility franchise fees	\$	130,000	\$ 127,495	\$	(2,505)	\$	126,821
Interest revenues		3,000	3,099		99		3,324
Jackson cablevision fees		4,700	4,591		(109)		4,814

Miscellancous	 8,000	 37,288	<u></u>	29,288	<u></u>	13,501
Total other revenue	\$ 145,700	\$ 172,473	\$	26,773	\$	148,460

The accompanying notes are an integral part of this statement.

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TOWN OF JACKSON, LOUISIANA GENERAL FUND

<u>SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL</u> <u>YEAR ENDED SEPTEMBER 30, 1998</u>

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED SEPTEMBER 30, 1997

			1998				1997
	 Budget		Actual	Far	ariance vorable avorable)		Actual
<u>GENERAL GOVERNMENT</u>				•	(205)	đ	1 1 2 5
Legal	\$ 1,350	\$	1,575	\$	(225)	\$	1,125
Salaries	22,000		21,560		440		19,305
Audit and accounting fees	10,000		7,450		2,550		7,513
Engineering fees	1,900		3,686		(1,786)		1,445
Electricity	24,000		23,127		873		24,480
Insurance	14,300		13,860		440		10,616
Health insurance	4,500		4,405		95		3,029
Dixon Correctional	5,350		4,460		890		5,976
Coroner's fees	11,500		10,792		708		1,554
	1,410		1,401		9		1,342
Garbage disposal	7,250		10,327		(3,077)		7,067
Maintenance and supplies	15,800		17,173		(1,373)		13,585
Miscellaneous	3,700		3,600		100		3,175
Retirement expense	3,700		3,937		(237)		7,459
Office supplies and printing	500		96		404		520
Truck and tractor expenses	800		1,056		(256)		746
Telephone	250		233		17		207
Unemployment insurance	35,500		7,687		27,813		7,774
Capital outlay	-		3,259		(259)		2,349
Wages	 3,000		139,684	<u> </u>	27,126		119,267
Total general government	\$ 166,810	<u> </u>	137,004	<u> </u>			

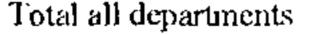
The accompanying notes are an integral part of this statement. - 30 -

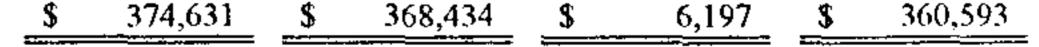


TOWN OF JACKSON, LOUISIANA GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL YEAR ENDED SEPTEMBER 30, 1998 WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED SEPTEMBER 30, 1997

		1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
PUBLIC SAFETY		<u> </u>	<u></u>	
Police:				
Salaries	\$ 113,000	\$ 114,882	\$ (1,882)	\$ 96,512
Capital outlay	1,000	6,795	(5,795)	47,851
Miscellaneous	150	88	62	261
Retirement expense	3,800	3,804	(4)	3,411
Office supplies	2,000	1,962	38	1,799
Vehicle expense	12,600	13,302	(702)	15,025
Uniforms	1,800	1,717	83	1,043
Insurance	16,600	18,532	(1,932)	22,364
Supplies and maintenance	6,500	8,649	(2,149)	11,191
Telephone	3,100	3,116	(16)	2,956
Electricity	3,500	3,699	(199)	3,811
Gas	862	712	150	601
Water	48	48	-	48
Sewer	120	120	-	120
Payroll taxes	4,500	7,088	(2,588)	3,700
Total police	169,580	184,514	(14,934)	210,693
Fire:				
Jackson volunteer fire department	7,350	7,260	90	6,000
Capital outlay	5,000	9,679	(4,679)	7 74
Insurance	8,500	8,335	165	4,574
Electricity	2,500	2,960	. (460)	1,748
Telephone	1,250	1,240	10	1,195
Vehicle expense	2,150	2,080	70	2,279
Salaries	1,300	1,298	2	1,236
Supplies and maintenance	6,000	9,032	(3,032)	1,983
Gas	623	948	(325)	289
Water	948	120	828	949
Sewer	120	-	120	120
Total fire	35,741	42,952	(7,211)	21,147
Total public safety	205,321	227,466	(22,145)	231,840
RECREATION				
Recreation department	2,500	1,284	1,216	9,486





The accompanying notes are an integral part of this statement.

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SPECIAL REVENUE FUND

<u>Streets and Sidewalks Fund</u> - 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 SPECIAL REVENUE FUND

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COMPARATIVE BALANCE SHEETS SEPTEMBER 30, 1998 AND 1997

ASSETS

	·	1998	<u>-</u> ··	1997
Cash	\$	90,402	\$	29,212
Certificates of deposit		269,276		257,438
Due from other funds		6,304		6,304
Due from other governmental agencies		26,791		9,507
Accrued interest receivable		3,704	.	3,538
Total assets	\$	396,477	<u></u>	305,999

LIABILITIES AND FUND BALANCE

Liabilities: Due to other funds	\$	28,813	\$	17,556
		28,813		17,556
Fund balance				
Unreserved - designated	. <u></u>	367,664	-	288,443
Total liabilities and fund balance	\$	396,477	\$	305,999

The accompanying notes are an integral part of these statements.

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TOWN OF JACKSON, LOUISIANA SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL YEAR ENDED SEPTEMBER 30, 1998 WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED SEPTEMBER 30, 1997

			1998				1997
		Budget	Actual	Fa	'ariance avorable favorable)		Actual
<u>REVENUES</u>			 				· · · · · · · · · · · · · · · · · · ·
Taxes	\$	120,000	\$ 142,679	\$	22,679	\$	116,396
Grant revenues		12,000	36,968		24,968		60,163
Interest		10,000	13,208		3,208		12,007
Total revenues	······	142,000	 192,855		50,855	- <u></u>	188,566

EXPENDITURES

Street and sidewalk repairs	81,00	0 85,599	(4,599)	126,264
Capital outlay	30,00	0 28,035	1,965	90,640
Total expenditures	111,00	0 113,634	(2,634)	216,904
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	31,00	0 79,221	48,221	(28,338)
FUND BALANCE				
Beginning of year	288,44	3 288,443		316,781
End of year	\$ 319,44	3 \$ 367,664	\$ 48,221	\$ 288,443

The accompanying notes are an integral part of this statement.

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ENTERPRISE FUND

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<u>Public Utility Fund</u> - 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 ENTERPRISE FUND

COMPARATIVE BALANCE SHEETS SEPTEMBER 30, 1998 AND 1997

<u>ASSETS</u>

	1998		1997
\$	73,211	\$	104,830
	85,748		81,757
	69,720		70,969
	6,646		6,145
	235,325		263,701
	<u> </u>	\$ 73,211 85,748 69,720 6,646	\$ 73,211 \$ 85,748 69,720 6,646

RESTRICTED ASSETS

Cash and certificates of deposit -

.

Revenue bond debt service

431.147 410.801

67,252 498,399	59,624
498,399	470 425
	470,425
519,189	512,599
698,516	685,260
1,343,029	1,236,116
2,300	2,300
42,598	42,103
70,909	70,909
12,573	21,096
(1,287,038)	(1,201,186)
1,402,076	1,369,197
	519,189 698,516 1,343,029 2,300 42,598 70,909 12,573 (1,287,038)

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The accompanying notes are an integral part of this statement.

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LIABILITIES AND CAPITAL

	<u> </u>	1998		1997
<u>CURRENT LIABILITIES</u>				
Accounts payable	\$	11,317	\$	10,962
Note payable		64,354		88,501
Payable from restricted assets:				
Public utility revenue bond payable (1978 bonds)				
due within one year		33,858		32,329
Accrued interest payable		10,402		11,530
Customers' service meter deposits		49,280		44,476
Due to other funds		63,788		53,309
Other liabilities		1,456		2,436
Total current liabilities	<u> </u>	234,455		243,543

LONG-TERM LIABILITIES

Public utility revenue bonds payable (1978 bonds) -

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Total liabilities and capital	\$ 2,135,800	\$ 2,103,323
Total capital	1,525,565	1,450,202
Total retained earnings	1,039,311	1,013,572
Unreserved	634,452	631,482
Reserved for revenue bond debt service	386,887	366,942
Reserved for customers' service meter deposits	17,972	15,148
RETAINED EARNINGS		
Net contributions		436,630
Less: depreciation applicable to capital contributions	(209,721)	(188,749)
	695,975	625,379
From state grant for sewerage treatment plant	586,066	586,066
From environmental protection agency	14,163	14,163
From federal grant for sewerage treatment plant	95,746	25,150
CAPITAL CONTRIBUTIONS		
Total liabilities	610,235	653,121
Total long-term liabilities	375,780	409,578
Other liabilities	108,520	108,520
due after one year	267,260	301,058





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TOWN OF JACKSON, LOUISIANA ENTERPRISE FUND

COMPARATIVE STATEMENTS OF REVENUES AND EXPENSES YEARS ENDED SEPTEMBER 30, 1998 AND 1997

1998

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	Gas	Water	Sewerage	
OPERATING REVENUES				
Sales	\$ 249,731	\$ 157,857	\$ 107,994	
Penalties and service charges	4,952	4,952	4,952	
Total operating revenues	254,683	162,809	112,946	
OPERATING EXPENSES				
Salaries	35,636	35,636	20,848	
Wages	14,270	11,646	41,903	
Audit and accounting	3,513	3,245	1,042	
Depreciation	17,935	22,808	53,697	
Electricity	2,136	-	21,626	
Employees' retirement expense	2,170	2,170	3,939	
Engineering fees	-	4,950	396	
Gas purchases	116,150	-	-	
Insurance	7,239	11,027	11,679	
Legal	450	450	450	
Maintenance, repairs, and supplies	8,205	23,696	9,483	
Miscellaneous	2,614	1,303	1,303	
Printing, stationery, and supplies	1,885	1,925	1,865	
Payroll taxes	115	194	1,183	
Sewer analysis	-	-	1,675	
Water pumpage charge	-	290	-	
Truck expense	7,568	7,568	7,373	
Utilities	1,339	1,326	3,502	
Total operating expenses	221,225	128,234	181,964	
INCOME (LOSS) FROM OPERATIONS	33,458	34,575	(69,018)	
Other revenues				
Interest revenues	11,478	10,396	2,906	
Other revenues	-	-		
Total other revenue	11,478	10,396	2,906	
Other charges				
Interest expense	2,430	13,682	2,916	
Total other charges	2,430	13,682	2,916	
NET INCOME (LOSS)	<u>\$ 42,506</u>	\$ 31,289	\$ (69,028)	

The accompanying notes are an integral part of these statements.

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			1998			 1997
				١	/ariance	
	Actual		Budget	F	avorable	Actual
	Total		Total	(Un	favorable)	 Total
\$	515,582	\$	504,000	\$	11,582	\$ 504,681
	14,856		11,500		3,356	14,733
-	530,438	<u> </u>	515,500	<u></u>	14,938	 519,414
	92,120		93,000		880	84, 064
	67,819		64,000		(3,819)	57,910
	7,800		10,500		2,700	7,513
	94,440		94,500		60	93,045
	23,762		22,000		(1,762)	21,573
	8,279		8,000		(279)	7,959
	5,346		4,000		(1,346)	4,575
	116,150		121,500		5,350	121,321
	29,945		28,000		(1,945)	32,228
	1,350		1,500		150	1,350
	41,384		36,000		(5,384)	27,462
	5,220		1,750		(3,470)	5,069
	5,675		5,000		(675)	8,280
	1,492		1,600		108	1,278
	1,675		1,750		75	1,787
	2.90		300		10	268
	22,509		20,000		(2,509)	11,370
	6,167		4,500		(1,667)	3,910
	531,423		517,900	•····	(13,523)	 490,962
	(985)		(2,400)		1,415	28,452
	24,78 0		23,000		1,780	22,637
	•		70,000		(70,000)	 •
	24,780		93,000	<u> </u>	(68,220)	 22,637
	19,028		21,000		1,972	21,807
	19,028		21,000	<u> </u>	1,972	 21,807
	<u></u>			<u> </u>	················	
\$	4,767	<u> </u>	69,600	\$	(64,833)	\$ 29,282

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TOWN OF JACKSON, LOUISIANA ENTERPRISE FUND

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COMPARATIVE STATEMENTS OF CHANGES IN RETAINED EARNINGS YEARS ENDED SEPTEMBER 30, 1998 AND 1997

		1998		1997		
Retained earnings - beginning of year	\$	1,013,572	\$	963,318		
Net income (including depreciation of \$20,972 transferred to contributed capital during the						
years ended September 30, 1998 and 1997)		25,739	<u> </u>	50,254		
Retained earnings - end of year	<u></u>	1,039,311	\$	1,013,572		

The accompanying notes are an integral part of these statements.

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TOWN OF JACKSON, LOUISIANA ENTERPRISE FUND

SCHEDULE OF CHANGES IN ASSETS RESTRICTED FOR REVENUE BOND DEBT SERVICE YEAR ENDED SEPTEMBER 30, 1998

		Bond and Interest edemption	ŀ	Reserve	preciation and ontingency Fund		Total
Cash balance - October 1, 1997	\$	85,406	\$	12,360	\$ 9,194	\$	106,960
Cash receipts:							
Transfers from other accounts		48,984		2,172	2,172		53,328
Interest carned on investments		8,823		958	-		9,781
Interest carned on savings		1,767		313	231		2,311
		59,574	<u></u>	3,443	 2,403	•······	65,420
Cash disbursements:							
Principal payments		32,269		-	-		32,269
Interest payments		16,715		-	-		16,715
Transfers to other accounts		-			 -		-
Total cash disbursements	<u>-</u>	48,984			 	.	48,984
Cash balance - September 30, 1998		95,996	\$	15,803	\$ 11,597	<u>\$</u>	123,396
Investment balance,							
October 1, 1997	\$	196,645	\$	-	\$ 107,196	\$	303,841
Additions (deletions)		-	<u></u>		 3,910		3,910
Investment balance,							
September 30, 1998		196,645	\$		\$ 111,106	\$	307,751
Total cash and investment,							
September 30, 1998		292,641	\$	15,803	\$ 122,703	\$	431,147



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GENERAL FIXED ASSETS ACCOUNT GROUP

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



TOWN OF JACKSON, LOUISIANA

COMPARATIVE STATEMENTS OF GENERAL FIXED ASSETS SEPTEMBER 30, 1998 AND 1997

	 1998		1997	
GENERAL FIXED ASSETS				
Land	\$ 26,000	\$	26,000	
Buildings	307,110		293,094	
Automotive and fire fighting equipment	504,811		503,843	
Office furniture, fixtures, and equipment	45,841		51,471	
Recreation equipment	107,464		106,665	
Streets and sidewalks	92,317		64,608	
Total general fixed assets	 1,083,543	\$	1,045,681	

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		355,810	350,164
Federal revenue sharing fund		184,482	184,482
Municipal revenue sharing fund		10,060	10,060
Streets and sidewalks fund		239,945	212,236
Volunteer fire department		94,562	90,055
Louisiana Department of Transportation and Development		4,800	 4,800
Total investment in general fixed assets	\$	1,083,543	\$ 1,045,681

The accompanying notes are an integral part of these statements. - 40 -

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TOWN OF JACKSON, LOUISIANA

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STATEMENT OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY YEAR ENDED SEPTEMBER 30, 1998

Eunction and Activity	Fi	General xed Assets ot. 30, 1997	A	dditions	De	ductions	Fi	General xed Assets ot. 30, 1998
General Government	\$	370,244	\$	35,665	\$	9,080	\$	396,829
Public Safety:								
Police protection		186,772		5,552		82		192,242
Fire protection		377,549		10,180		5,172		382,557
Rescue operations		4,451		-		-		4,451
Recreation		106,665		799		_		107,464
Total	\$	1,045,681	<u>\$</u>	52,196	\$	14,334	\$	1,083,543

The accompanying notes are an integral part of this statement.

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SUPPORTING SCHEDULES



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TOWN OF JACKSON, LOUISIANA

INSURANCE-IN-FORCE SEPTEMBER 30, 1998

Policy	Name of Insurer	Expiration Date	Coverage Limits
Fire and Extended Coverage - Building and Contents	Trinity Universal Insurance of Kansas	02-01-99	\$ 410,000
Public Official Bond	Western Surety Insurance	08-30-99	60,000
General Liability	Scottsdale Indemnity Company	02-01-99	2,000,000
Police Professional Liability	Audubon Insurance Company	02-01-99	2,000,000
Public Officials Errors and Omissions	National Union Fire of Pittsburgh, PA	02-01-99	2,000,000
Worker's Compensation	Louisiana Municipal Risk Management Agency	01-01-99	Statutory
Auto Physical Damage	Scottsdale Indemnity Company	02-01-99	1,000,000
Equipment	Agency Management Corporation	12-22-98	120,000
Equipment	Commercial Inland Marine	10-18-98	31,423



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TOWN OF JACKSON, LOUISIANA

PUBLIC UTILITY SYSTEM OPERATIONS SEPTEMBER 30, 1998 (Without Audit)

Statistics on System Operations

1.

- (a) As of September 30, 1998, there were 993 metered customers for the gas and water systems. There were no unmetered customers for either the gas or water systems at September 30, 1998.
- (b) The following rate schedules were in effect during the fiscal year for gas and water:

Gas -	Rate per 1,000 <u>Cubic Feet</u>
Minimum charge	\$ 6.00
First 1,000 cubic feet/MCF	10.16

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Over 1,000 cubic feet/MCF	8.66
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2. Water -	Rate per <u>10 Gallons</u>
First 2,000 gallons or less	\$ 4.00
Next 13,000 gallons/Mgal	2.00
Next 35,000 gallons/Mgal	1.00
Over 50,000 gallons/Mgal	0.80

(c) Average monthly billing per customer was:

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1. Gas	<u>\$</u>	41.77
2. Water	<u>\$</u>	23.47



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TOWN OF JACKSON, LOUISIANA

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PUBLIC UTILITY SYSTEM OPERATIONS SEPTEMBER 30, 1998 (Without Audit)

Variance Between Gas Purchased and Sold

	Gas Purchased	Gas Billed	Leakage Variance	Percent of Gas
Year Ended	MCF's	MCF's	<u>MCF's</u>	Purchased
9/30/98	31,645	31,207	438	1.38
9/30/97	29,716	28,372	1,344	4.52
9/30/96	36,279	32,741	3,538	9.75
9/30/95	28,888	27,400	1,488	5.15
9/30/94	35,550	31,892	3,658	10.29
9/30/93	32,453	30,843	1,610	4.96
9/30/92	32,454	33,086	-	-
9/30/91	32,461	31,398	1,063	3.27
9/30/90	34,701	33,139	1,562	4.50
9/30/89	35,694	32,880	2,814	7.88



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TOWN OF JACKSON, LOUISIANA

SCHEDULE OF PRINCIPAL OFFICIALS AND SALARIES YEAR ENDED SEPTEMBER 30, 1998

	Year ended September 30, 1998	
Charles Coleman - Mayor	\$ 8,400	
Aaron Elam	1,350	
Lela Elam	450	
Leon Edwards	1,800	
Michael Harrell	1,800	

	\$	17,400
Henry Rogillio	·	750
Mary Alice Payne		600
Donald Payne		450
Donald Havard		1,800

