

RECEIVED  
LEGISLATIVE AUDITOR

2000 JAN -3 AM 9:43

OFFICIAL  
FILE COPY

DO NOT SEND OUT

(Xerox necessary  
copies from this  
copy and PLACE  
BACK in FILE)

**TOWN OF JONESBORO**  
*Jonesboro, Louisiana*

**General Purpose Financial Statements**  
**As of and for the Year Ended June 30, 1999**  
**With Supplemental Information Schedules**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date FEB 09 2000

**KENNETH D. FOLDEN & CO.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

302 EIGHTH STREET, JONESBORO, LA 71251  
(318) 259-7316  
FAX (318) 259-7315

**TOWN OF JONESBORO**  
**Jonesboro, Louisiana**

**General Purpose Financial Statements**  
**As of and for the Year Ended June 30, 1999**  
**With Supplemental Information Schedules**

**CONTENTS**

	<b>Statement</b>	<b>Page No.</b>
<b>INDEPENDENT AUDITORS' REPORT</b>		<b>1</b>
<b>General Purpose Financial Statements:</b>		
<b>Combined Balance Sheet, All Fund Types     and Account Group</b>	<b>A</b>	<b>2</b>
<b>Governmental Funds:</b>		
<b>Combined Statement of Revenues, Expenditures     and Changes in Fund Balances</b>	<b>B</b>	<b>3</b>
<b>Combined Statement of Revenues, Expenditures     and Changes in Fund Balances - Budget (GAAP     Basis) and Actual - General and Special Revenue Funds</b>	<b>C</b>	<b>4-5</b>
<b>Proprietary Fund:</b>		
<b>Statement of Revenues, Expenses and Changes     in Retained Earnings</b>	<b>D</b>	<b>6</b>
<b>Statement of Cash (and Cash Equivalents) Flows</b>	<b>E</b>	<b>7</b>
<b>Notes to the Financial Statements</b>		<b>8-18</b>
<b>Supplemental Information Schedules:</b>		
<b>Schedule of Revenues and Expenditures - Budget     (GAAP Basis) and Actual - General Fund</b>	<b>1</b>	<b>20-25</b>
<b>Special Revenue Funds:</b>		
<b>Combining Balance Sheet</b>	<b>2</b>	<b>27</b>
<b>Combining Schedule of Revenues, Expenditures     and Changes in Fund Balances</b>	<b>3</b>	<b>28</b>
<b>Capital Projects Funds:</b>		
<b>Combining Schedule of Revenues, Expenditures     and Changes in Fund Balances</b>	<b>4</b>	<b>30</b>
<b>Schedule of Compensation Paid Aldermen</b>	<b>5</b>	<b>32</b>

**TOWN OF JONESBORO**  
**Jonesboro, Louisiana**

**General Purpose Financial Statements**  
**As of and for the Year Ended June 30, 1999**  
**With Supplemental Information Schedules**

**CONTENTS (Continued)**

<b>REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u></b>		<b>33</b>
<b>REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133</b>		<b>34-35</b>
<b>Schedule of Federal Financial Assistance</b>	<b>6</b>	<b>36</b>
<b>SCHEDULE OF FINDINGS AND QUESTIONED COSTS</b>		<b>37</b>

# Kenneth D. Folden & Co.

Kenneth D. Folden, CPA

Certified Public Accountants

Ted W. Sanderlin, CPA

Members  
Society of Louisiana  
Certified Public Accountants

302 Eighth Street  
Jonesboro, LA 71251  
(318) 259-7316  
FAX (318) 259-7315

Members  
American Institute of  
Certified Public Accountants

## INDEPENDENT AUDITORS' REPORT

The Honorable Ira D. Reeves, Mayor  
and Members of the Board of Aldermen  
Town of Jonesboro, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Jonesboro, Louisiana, as of and for the year ended June 30, 1999 as listed in the table of contents. These general purpose financial statements are the responsibility of the Town of Jonesboro, Louisiana, management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Town of Jonesboro, Louisiana, as of June 30, 1999, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

In accordance with Governmental Auditing Standards, we have also issued our report dated December 18, 1999, on our consideration of the Town of Jonesboro's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulation, contracts and grants.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The financial information listed as supporting schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Town of Jonesboro. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements.

*Kenneth D. Folden, CPA*

**KENNETH D. FOLDEN & CO.**  
Certified Public Accountants

Jonesboro, Louisiana  
December 18, 1999

**Town of Jonesboro**  
**Jonesboro, Louisiana**  
**ALL FUND TYPES AND ACCOUNT GROUP**  
**Combined Balance Sheet**  
**June 30, 1999**

GOVERNMENTAL FUNDS		PROPRIETARY FUND	ACCOUNT GROUP	TOTAL (MEMORANDUM ONLY)
GENERAL FUND	SPECIAL REVENUE FUNDS	ENTERPRISE FUND	GENERAL FIXED ASSETS	

**ASSETS AND OTHER DEBITS**

## Assets:

Cash and cash equivalents	\$ 528,701	\$ 499,442	\$ 378,107	\$	1,406,250
Receivables (net of allowances for uncollectibles):	190,679	95,723	147,598		434,000
Inventory			46,354		46,354
Restricted assets:					
Cash and cash equivalents			71,257		71,257
Land, buildings and equipment (net, where applicable, of accumulated depreciation)			4,563,728	2,859,057	7,422,785
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 719,380</b>	<b>\$ 595,165</b>	<b>\$ 5,207,044</b>	<b>\$ 2,859,057</b>	<b>\$ 9,380,646</b>

**LIABILITIES, EQUITY AND OTHER CREDITS**

## Liabilities:

Accounts, salaries and other payables	\$ 76,701		\$ 62,494	\$	139,195
Payable from restricted assets:					
Customers' deposits	200		71,257		71,457
<b>Total Liabilities</b>	<b>76,901</b>	<b>NONE</b>	<b>133,751</b>	<b>NONE</b>	<b>210,652</b>

## Equity and Other Credits:

Contributed capital	5,000		3,025,324		3,030,324
Investment in general fixed assets				2,859,057	2,859,057
Retained earnings			2,047,969		2,047,969
Fund balance - unreserved, undesignated	637,479	595,165			1,232,644
<b>Total Equity and Other Credits</b>	<b>642,479</b>	<b>595,165</b>	<b>5,073,293</b>	<b>2,859,057</b>	<b>9,169,994</b>

**TOTAL LIABILITIES, EQUITY AND OTHER CREDITS**

<b>\$ 719,380</b>	<b>\$ 595,165</b>	<b>\$ 5,207,044</b>	<b>\$ 2,859,057</b>	<b>\$ 9,380,646</b>
-------------------	-------------------	---------------------	---------------------	---------------------

The accompanying notes are an integral part of this statement.



Town of Jonesboro  
Jonesboro, Louisiana

Statement B

**GOVERNMENTAL FUNDS - GENERAL, SPECIAL  
REVENUE AND CAPITAL PROJECT FUNDS**  
Combined Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Year Ended June 30, 1999

GOVERNMENTAL FUNDS			
GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUNDS	TOTAL (MEMORANDUM ONLY)

**REVENUES**

General sales and use tax	\$ 540,709	\$ 540,709	\$	\$ 1,081,418
Intergovernmental	151,501			151,501
Franchise fees - utility	115,585			115,585
Garbage fees	105,790			105,790
Fines and forfeitures	46,997			46,997
Licenses and permits	82,876			82,876
Ad valorem tax	81,968	102,248		184,216
Other fees and charges	96,206	4,436		100,642
Video draw poker commissions	95,111			95,111
Public safety fee	45,886			45,886
Grants:				
Federal			322,346	322,346
State				
Contributions	4,275			4,275
Use of money (interest)	6,852	16,121		22,973
<b>Total revenues</b>	<b>1,373,756</b>	<b>663,514</b>	<b>322,346</b>	<b>2,359,616</b>

**EXPENDITURES**

Legislative	36,465			36,465
Judicial	5,809			5,809
Executive	48,378			48,378
General and administrative	240,677	4,469		245,146
Public safety	762,114			762,114
Sanitation	126,970			126,970
Streets	811,691		359,425	1,171,116
Airport	15,269			15,269
Recreation	13,087			13,087
Cemetery	4,994			4,994
Safety	270			270
Industrial development	5,596			5,596
<b>Total expenditures</b>	<b>2,071,320</b>	<b>4,469</b>	<b>359,425</b>	<b>2,435,214</b>

**EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES**

(697,564) 659,045 (37,079) (75,598)

**OTHER FINANCING SOURCES (Uses)**

Sale of general fixed assets	147,103			147,103
Transfers from other funds	911,781		37,079	948,860
Transfers to other funds	(41,229)	(911,781)		(953,010)
<b>Total other financing sources (uses)</b>	<b>1,017,655</b>	<b>(911,781)</b>	<b>37,079</b>	<b>142,953</b>

**EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES  
OVER EXPENDITURES AND OTHER USES**

320,091 (252,736) NONE 67,355

**FUND BALANCES AT BEGINNING OF YEAR**

317,388 847,901 NONE 1,165,289

**FUND BALANCES AT END OF YEAR**

\$ 637,479 \$ 595,165 NONE \$ 1,232,644

The accompanying notes are an integral part of this statement.

Town of Jonesboro  
Jonesboro, Louisiana  
**GOVERNMENTAL FUNDS - GENERAL, SPECIAL,  
REVENUE AND CAPITAL PROJECT FUNDS**  
Combined Statement of Revenues, Expenditures,  
and Changes in Fund Balances - Budget (GAAP Basis) and Actual  
For the Year Ended June 30, 1999

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>						
General sales and use tax	\$ 450,000	\$ 540,709	\$ 90,709	\$ 455,000	\$ 540,709	\$ 85,709
Intergovernmental	127,935	151,501	23,566			
Franchise fees - utility	135,000	115,585	(19,415)			
Garbage fees	104,500	105,790	1,290			
Fines and forfeitures	50,000	46,997	(3,003)			
Licenses and permits	68,150	82,876	14,726			
Ad valorem tax	75,300	81,968	6,668	96,000	102,248	6,248
Other fees and charges	61,950	96,206	34,256		4,436	4,436
Video draw poker commissions	65,000	95,111	30,111			
Public safety fee	47,000	45,886	(1,114)			
Grants:						
Federal						
State	15,000		(15,000)			
Contributions		4,275	4,275			
Use of money (interest)	4,000	6,852	2,852	24,000	16,121	(7,879)
<b>Total revenues</b>	<b>1,203,835</b>	<b>1,373,756</b>	<b>169,921</b>	<b>575,000</b>	<b>663,514</b>	<b>88,514</b>
<b>EXPENDITURES</b>						
Legislative	50,345	36,465	13,880			
Judicial	5,970	5,809	161			
Executive	53,200	48,378	4,822			
General and administrative	257,450	240,677	16,773	4,290	4,469	(179)
Public safety	818,280	762,114	56,166			
Sanitation	122,000	126,970	(4,970)			
Streets	902,150	811,691	90,459			
Airport	16,300	15,269	1,031			
Recreation	21,500	13,087	8,413			
Cemetery	24,535	4,994	19,541			
Safety	5,000	270	4,730			
Industrial development	481,513	5,596	475,917			
<b>Total expenditures</b>	<b>2,758,243</b>	<b>2,071,320</b>	<b>686,923</b>	<b>4,290</b>	<b>4,469</b>	<b>(179)</b>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<b>(1,554,408)</b>	<b>(697,564)</b>	<b>856,844</b>	<b>570,710</b>	<b>659,045</b>	<b>88,335</b>
<b>OTHER FINANCING SOURCES (Uses)</b>						
Sale of general fixed assets		147,103	147,103			
Transfers from other funds	1,521,710	911,781	(609,929)			
Transfers to other funds		(41,229)	(41,229)	(1,521,710)	(911,781)	609,929
<b>Total other financing sources (uses)</b>	<b>1,521,710</b>	<b>1,017,655</b>	<b>(504,055)</b>	<b>(1,521,710)</b>	<b>(911,781)</b>	<b>609,929</b>
<b>EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<b>(32,698)</b>	<b>320,091</b>	<b>352,789</b>	<b>(951,000)</b>	<b>(252,736)</b>	<b>698,264</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>32,698</b>	<b>317,388</b>	<b>284,690</b>	<b>951,000</b>	<b>847,901</b>	<b>(103,099)</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 637,479</b>	<b>\$ 637,479</b>	<b>\$ 637,479</b>	<b>\$ 595,165</b>	<b>\$ 595,165</b>	<b>\$ 595,165</b>

The accompanying notes are an integral part of this statement.

CAPITAL PROJECT FUNDS		
Budget	Actual	Variance Favorable (Unfavorable)

\$	\$	\$
322,346	322,346	NONE
<hr/>		
322,346	322,346	NONE
<hr/>		
359,425	359,425	NONE
<hr/>		
359,425	359,425	NONE
<hr/>		
37,079	37,079	NONE
<hr/>		
37,079	37,079	NONE
<hr/>		
37,079	37,079	NONE
<hr/>		
NONE	NONE	NONE
<hr/>		
NONE	NONE	NONE
<hr/>		
NONE	NONE	NONE



Town of Jonesboro  
Jonesboro, Louisiana  
**PROPRIETARY FUND**  
Statement of Revenues, Expenses, and Changes  
in Retained Earnings  
For the Year Ended June 30, 1999

	<b>ENTERPRISE FUND</b>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 672,160
<b>Total operating revenues</b>	<u>672,160</u>
<b>OPERATING EXPENSES</b>	
Personal services	275,813
Repairs and maintenance	164,907
Operating supplies	33,623
Office supplies	8,553
Insurance and bonding	15,909
Transportation cost	10,317
Utility services	100,079
Rentals	626
Meter reading	20,800
Depreciation	133,157
Other charges	15,151
<b>Total operating expenses</b>	<u>778,935</u>
<b>OPERATING INCOME (Loss)</b>	<u>(106,775)</u>
<b>NON-OPERATING REVENUES</b>	
Tap fees and permits	3,255
Interest income	13,576
Transfer from general fund	4,150
<b>Total non-operating revenues and transfers</b>	<u>20,981</u>
<b>NET INCOME (Loss)</b>	(85,794)
<b>RETAINED EARNINGS AT BEGINNING OF YEAR</b>	<u>2,133,763</u>
<b>RETAINED EARNINGS AT END OF YEAR</b>	<u>\$ 2,047,969</u>

The accompanying notes are an integral part of this statement.

Town of Jonesboro  
 Jonesboro, Louisiana  
**PROPRIETARY FUND**  
 Statement of Cash (and Cash Equivalents) Flows  
 For the Year Ended June 30, 1999

Statement E

<b>ENTERPRISE FUND</b>
------------------------

**Cash flows from operating activities:**

Net income (loss)		\$ (85,794)
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	133,157	
(Increase) decrease in:		
Accounts receivable	27,421	
Due from General Fund	48,549	
Inventory	(3,456)	
Restricted assets	(4,714)	
Increase (decrease) in:		
Accounts payable	31,699	
Customer deposits	<u>4,714</u>	
		<u>237,370</u>
Net cash provided by operating activities		151,576
 <b>Cash flows from capital and related financing activities:</b>		
Receipts from state grant		
Acquisition & construction of capital assets	<u>(7,723)</u>	
Net cash used by capital and related financing activities		<u>(7,723)</u>
 Net cash increase for the year		143,853
Cash at beginning of year (unrestricted)		<u>234,251</u>
 Cash at end of year (unrestricted)		<u>\$ 378,104</u>

The accompanying notes are an integral part of this statement.

**Town of Jonesboro  
Jonesboro, Louisiana**

**Notes to the Financial Statements  
As of and for the Year Ended June 30, 1999**

**INTRODUCTION**

The Town of Jonesboro is located in the southwest corner of Jackson Parish. Jonesboro was incorporated as a village on September 4, 1901, and as a town on May 14, 1903, under provisions of the Lawrason Act. The Town operates under a Mayor-Board of Aldermen form of government. The Board of Aldermen of the Town of Jonesboro is composed of five aldermen, elected for four year terms, who are compensated according to the schedule in this report. The Town serves 4,305 citizens by providing police protection, fire protection, water/sewer services, sanitation services, street maintenance, and various administrative functions such as legislation of town ordinances and the enforcement of same. The Town employs approximately fifty persons to serve the needs of the citizens of the Town of Jonesboro.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

The accompanying financial statements of the Town of Jonesboro have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**B. REPORTING ENTITY**

As the municipal governing authority, for reporting purposes, the Town of Jonesboro is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (municipality), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Town of Jonesboro for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the municipality to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the municipality.
2. Organizations for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization were not included because of the nature or significance of the relationship.

Town of Jonesboro  
Jonesboro, Louisiana  
Notes to the Financial Statements (Continued)

**B. REPORTING ENTITY (CONTINUED)**

As required by generally accepted accounting principles, these financial statements present the Town of Jonesboro (the primary government). The Town of Jonesboro has no component units.

Considered in the determination of component units of the reporting entity were the Jackson Parish Police Jury, Sheriff, Clerk of Court, Assessor, and School Board and the District Attorney and Judges for the Second Judicial District. It was determined that these governmental entities are not component units of the Town of Jonesboro reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of the Town of Jonesboro.

**C. FUND ACCOUNTING**

The Town of Jonesboro uses funds and an account group to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable financial resources.

Funds of the Town of Jonesboro are classified into two categories: governmental and proprietary. Each category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

**Governmental Funds**

Governmental funds account for all or most of the Town of Jonesboro's general activities, including the collection and disbursement of specific or legally restricted monies, and the acquisition or construction of general fixed assets. Governmental funds of the Town of Jonesboro include:

1. General fund--to account for all financial resources, except those required to be accounted for in other funds.
2. Special revenue funds--to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
3. Capital projects fund--to account for major capital expenditures.

**Proprietary Funds**

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

1. Enterprise fund--fund used to account for operations that are financed and operated in a manner similar to a private business enterprise where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user fees.



**Town of Jonesboro  
Jonesboro, Louisiana  
Notes to the Financial Statements (Continued)**

**D. BASIS OF ACCOUNTING**

The accounting and financial treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

**Revenues**

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means that the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Ad valorem taxes (which are based on assessments of business property and homesteads in the parish) are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, and February of the fiscal year. Based on prior experience, the uncollectible ad valorem taxes net of proceeds from the tax sale of property is immaterial, thus no provision has been made for such a loss.

Sales tax and intergovernmental taxes are collected by the Jackson Parish Sales Tax Collection Agency and the State of Louisiana, respectively, and remitted to the Town. Therefore, amounts collected by the governmental agencies that are remitted within 60 days to the Town, are recognized as revenue.

Utility franchise fees on gross receipts are remitted to the Town quarterly. Revenue is recognized in the fiscal period that the utility companies collect gross receipts, if the utility franchise fees are received by the Town within 60 days.

Revenues from fines, forfeitures, licenses and permits are not susceptible to accrual because they are not generally measurable until received in cash.

**Expenditures**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term debt which are recognized when due.

**Other Financing Sources (Uses)**

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sales of fixed assets, debt extinguishments, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.



**Town of Jonesboro  
Jonesboro, Louisiana  
Notes to the Financial Statements (Continued)**

**D. BASIS OF ACCOUNTING (CONTINUED)**

The proprietary fund is accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. The proprietary fund uses the accrual basis of accounting; revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred.

**E. BUDGETS**

The Town uses the following budget practices:

The proposed budgets for the fiscal year ended June 30, 1999, were made available for public inspection on June 8, 1998. The proposed budgets, prepared on the GAAP basis of accounting, were published in the official journal 12 days prior to the public hearing, which was held at the Town Hall on June 22, 1998, for comments from taxpayers. The budgets are legally adopted and amended, as necessary, by the Board of Aldermen. All appropriations lapse at year end. Budgeted amounts included in the accompanying financial statements are as originally adopted.

**F. ENCUMBRANCES**

Encumbrance accounting, under which purchase orders, 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 of Jonesboro.

**G. CASH, CASH EQUIVALENTS AND INVESTMENTS**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in short-term time deposits. Under state law, the Town of Jonesboro may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the Town of Jonesboro may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. At June 30, 1999, the Town of Jonesboro had no investments.

**H. FIXED ASSETS**

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available.

Fixed assets used in the proprietary fund operations are included on the balance sheet of the funds, net of accumulated depreciation. Depreciation of all exhaustible fixed assets used by proprietary fund operations is charged as an expense against operations. Depreciation is computed using the straight-line method.

**Town of Jonesboro  
Jonesboro, Louisiana  
Notes to the Financial Statements (Continued)**

**I. COMPENSATED ABSENCES**

Employees earn from one week to three weeks of vacation leave annually, depending upon length of service; vacation leave does not accumulate. Employees earn from one week to three weeks of sick leave annually, depending upon length of service; employees are allowed to accumulate 30 days of sick leave. The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the governmental funds when leave is actually taken. The amount of accrued sick leave is immaterial to the financial statements and is not accrued.

**J. FUND EQUITY**

**Contributed Capital**

Contributed capital is recorded in the Enterprise Fund for capital grants restricted for the acquisition or construction of capital assets. Contributed capital is not amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such resources.

**K. INTERFUND TRANSACTIONS**

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**L. SALES TAXES**

The taxpayers of the Town of Jonesboro levied a 1% sales and use tax on April 1, 1980, to provide funds for any lawful activity of the Town. In January 1988, the taxpayers of the Town levied an additional 1% sales and use tax for a period of ten (10) years commencing August 1, 1989. In July, 1998, the taxpayers of the Town renewed the 1% sales and use tax for an additional ten (10) years commencing August 1, 1999. The purpose of this tax is for the construction, maintenance, repair and improvements of the Town's streets.

**M. TOTAL COLUMNS OF 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. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**Town of Jonesboro  
Jonesboro, Louisiana  
Notes to the Financial Statements (Continued)**

**2. LEVIED TAXES**

The following is a summary of authorized and levied ad valorem taxes:

	Authorized Millage	Levied Millage
Constitutional	8.06	7.95
Operation and maintenance - fire protection	5.00	5.00
Operation and maintenance - streets	5.00	5.00

**3. CASH AND CASH EQUIVALENTS**

At June 30, 1999, the Town of Jonesboro has cash and cash equivalents (book balances) totaling \$1,406,250 unrestricted and \$71,257 restricted as follows:

Demand deposits	\$ 704,325
Petty cash	2,700
Time deposits	<u>770,482</u>
<b>Total</b>	<b><u>\$ 1,477,507</u></b>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the 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. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 1999, the Town of Jonesboro has \$1,526,210 in deposits (collected bank balances). These deposits are secured from risk by \$200,000 of federal deposit insurance and \$1,551,709 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Town of Jonesboro that the fiscal agent has failed to pay deposited funds upon demand.

**4. RECEIVABLES**

The receivables of \$434,000 at June 30, 1999, are as follows:

	General Fund	Special Revenue Funds	Proprietary Fund	Total
<b>Taxes:</b>				
Sales and use	\$ 95,723	\$ 95,723		\$ 191,446
Accounts	21,683		127,129	148,582
Fees	14,304			14,304
Intergovernmental	58,969		20,469	79,438
<b>Total</b>	<b><u>\$ 190,679</u></b>	<b><u>\$ 95,723</u></b>	<b><u>\$ 147,598</u></b>	<b><u>\$ 434,000</u></b>



**Town of Jonesboro  
Jonesboro, Louisiana  
Notes to the Financial Statements (Continued)**

**5. FIXED ASSETS**

The changes in general fixed assets follow:

	Balance July 1, 1998	Additions	Deletions	Balance June 30, 1999
General fixed assets at 6/30/72	\$ 400,603	\$	\$	\$ 400,603
Land	147,487			147,487
Buildings	356,342			356,342
Improvements other than buildings	522,549			522,549
Machinery and equipment	1,354,484	126,687	(49,095)	1,432,076
Total	<u>\$ 2,781,465</u>	<u>\$ 126,687</u>	<u>\$ (49,095)</u>	<u>\$ 2,859,057</u>

The Town sold various items that had been placed out-of-service for numerous years. The Town did not have these items included on its general fixed assets listing; therefore, no deletions are shown for these items.

A summary of fixed assets used in the proprietary funds follows:

Plant and equipment	\$ 5,349,738
Less accumulated depreciation	<u>(786,010)</u>
Total	<u>\$ 4,563,728</u>

**6. PENSION PLANS**

Substantially all employees of the Town of Jonesboro are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana, Municipal Police Employees Retirement System of Louisiana, or Firefighters 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 (System)**

*Plan Description.* The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan A.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 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 salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

**Town of Jonesboro  
Jonesboro, Louisiana  
Notes to the Financial Statements (Continued)**

**6. PENSION PLANS (Continued)**

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (504)925-4810.

*Funding Policy.* Under Plan A, members are required by state statute to contribute 9.25 percent of their annual covered salary and the Town of Jonesboro is required to contribute at an actuarially determined rate. The current rate is 6.25 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 Jonesboro are established and may be 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 Jonesboro contributions to the System under Plan A for the years ending June 30, 1999, 1998 and 1997, were \$31,846, \$29,338 and \$30,676, respectively, equal to the required contributions for each year.

**B. Municipal Police Employees Retirement System of Louisiana (System)**

*Plan Description.* All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (504)929-7411.

*Funding Policy.* Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the Town of Jonesboro is required to contribute at an actuarially determined rate. The current rate is 9.0 percent of annual covered payroll. The contribution requirements of plan members and the Town of Jonesboro are established and may be 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 Jonesboro contributions to the System for the years ending June 30, 1999, 1998 and 1997, were \$17,946, \$20,881 and \$17,754, respectively, equal to the required contributions for each year.



Town of Jonesboro  
Jonesboro, Louisiana  
Notes to the Financial Statements (Continued)

6. PENSION PLANS (Continued)

C. Firefighters Retirement System of Louisiana

*Plan Description.* Membership in the Louisiana Firefighters Retirement System is mandatory for all full-time firefighters employed by a municipality, parish or fire protection district that did not enact an ordinance before January 1, 1980, exempting itself from participation in the System. Employees are eligible to retire at or after age 55 with at least 12 years of creditable service or at or after age 50 with at least 20 years of creditable service. Upon retirement, members are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 percent of their final-average salary for each year of creditable service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 (or at or after age 50 with at least 20 years of creditable service at termination) and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Firefighters' Retirement System, P. O. Box 94095, Baton Rouge, Louisiana 70804, or by calling (504)925-4060.

*Funding Policy.* Plan members are required by state statute to contribute 8.0 percent of their annual covered salary and the Town of Jonesboro is required to contribute at an actuarially determined rate. The current rate is 9.0 percent of annual covered payroll. The contribution requirements of plan members and the Town of Jonesboro are established and may be 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 Jonesboro's contributions to the System for the years ending June 30, 1999, 1998 and 1997, were \$9,889, \$8,562 and \$8,737, respectively, equal to the required contributions for each year.

7. ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$158,663 at June 30, 1999, are as follows:

	General Fund	Enterprise Fund	Total
Accounts	\$ 76,701	\$ 51,789	\$ 128,490
Intergovernmental		10,705	10,705
Total	<u>\$ 76,701</u>	<u>\$ 62,494</u>	<u>\$ 139,195</u>

**Town of Jonesboro  
Jonesboro, Louisiana  
Notes to the Financial Statements (Continued)**

**8. INTERGOVERNMENTAL RECEIVABLE/PAYABLE**

The following is a summary of the intergovernmental receivable from other governments at June 30, 1999:

Receivable from	General Fund	Proprietary Fund
Jackson Parish Police Jury	\$ 16,939	\$
State of Louisiana	37,151	20,470
Jonesboro Fire District No. 1	4,879	
<b>Total</b>	<b><u>\$ 58,969</u></b>	<b><u>\$ 20,470</u></b>

The following is a summary of the intergovernmental payable due other governments at June 30, 1999:

Payable to	Enterprise Fund
State of Louisiana - Department of Revenue and Taxation	\$ 4,073
Jonesboro Fire District No. 1	6,632
	<b><u>\$ 10,705</u></b>

**9. LITIGATION AND CLAIMS**

The Town has been named as defendant in several lawsuits. In the opinion of management and counsel for the Town, potential liability of the Town of Jonesboro, in excess of applicable insurance coverages, is neither probable nor estimatable at this time.

**10. YEAR 2000 COMPLIANCE**

The worldwide challenge facing organizations, commonly referred to as the Year 2000 (Y2K) issue, is the result of problems that may be encountered with date-related transactions on systems that have historically recognized years using two digits vs. four digits, e.g. 98 versus 1998. These systems will potentially recognize the "00" as the year 1900 instead of 2000.

On the surface, the Y2K problem sounds simple enough; however, the implications of this problem are far reaching and could impact a full range of business services and activities.

The Town of Jonesboro has conducted a study of its own systems and operations. Based on this study, the Town of Jonesboro has initiated a project to take all necessary and reasonable steps to get the mission critical systems and operations Y2K compliant in a timely manner.

The total costs of the Y2K efforts are immaterial and as of June 30, 1999, it has not been necessary for the Town of Jonesboro to expend any funds toward making its systems year 2000 compliant.

**Town of Jonesboro  
Jonesboro, Louisiana  
Notes to the Financial Statements (Continued)**

**10. YEAR 2000 COMPLIANCE (Continued)**

The assessment of the costs of the Y2K compliance effort, and the timetable for the planned completion of the internal Y2K modifications, are management's estimates. The estimates were based on numerous assumptions as to future events. There can be no guarantee that these estimates will prove accurate, and actual results could differ from those estimated if these assumptions prove inaccurate. Additionally, there can be no absolute guarantee that significant third parties will successfully and timely convert their systems.

**TOWN OF JONESBORO**  
**Jonesboro, Louisiana**

**SUPPLEMENTAL INFORMATION SCHEDULES**  
**As of and for the Year Ended June 30, 1999**

**General Fund - Detailed schedule of revenues and expenditures, budget (GAAP basis) and actual, by function.**

**TOWN OF JONESBORO**  
**Jonesboro, Louisiana**  
**General Fund**

Schedule 1

**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the Year Ended June 30, 1999**

	Budget	Actual	Variance- Favorable (Unfavorable)
<b>REVENUES</b>			
General sales and use taxes	\$ 450,000	\$ 540,709	\$ 90,709
Intergovernmental	127,935	151,501	23,566
Franchise fees - utility	135,000	115,585	(19,415)
Garbage fees	104,500	105,790	1,290
Fines and forfeitures	50,000	46,997	(3,003)
Licenses and permits	68,150	82,876	14,726
Ad valorem tax	75,300	81,968	6,668
Other fees and charges	61,950	96,206	34,256
Video draw poker commissions	65,000	95,111	30,111
Public safety fee	47,000	45,886	(1,114)
Grants:			
State	15,000		(15,000)
Contributions		4,275	4,275
Use of money (interest)	4,000	6,852	2,852
<b>TOTAL REVENUES</b>	<b>1,203,835</b>	<b>1,373,756</b>	<b>169,921</b>
<b>EXPENDITURES</b>			
<b>Legislative:</b>			
Aldermen fees	24,000	24,000	
Group insurance	18,500	6,927	11,573
Workers' compensation	125	114	11
Retirement	2,220	828	1,392
Medicare insurance		243	(243)
Travel and workshops	5,500	4,353	1,147
<b>Total legislative</b>	<b>50,345</b>	<b>36,465</b>	<b>13,880</b>
<b>Judicial:</b>			
Court magistrate fees	5,400	5,400	
Court costs & other fees	500	396	104
Court magistrate travel and workshops	50		50
Workers' compensation	20	13	7
<b>Total judicial</b>	<b>5,970</b>	<b>5,809</b>	<b>161</b>



**TOWN OF JONESBORO**  
**Jonesboro, Louisiana**  
**General Fund**

Schedule 1 (Continued)

**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the Year Ended June 30, 1999**

	Budget	Actual	Variance- Favorable (Unfavorable)
<b>Executive:</b>			
Equipment operating costs	1,200	419	781
Equipment repair and maintenance	1,000	1,258	(258)
Insurance and bonding	1,000	673	327
Salaries and related expenditures	39,700	40,006	(306)
Employee benefits	6,000	2,703	3,297
Travel and workshops	4,000	3,127	873
Workers' compensation	300	192	108
<b>Total executive</b>	<b>53,200</b>	<b>48,378</b>	<b>4,822</b>
<b>General and administrative:</b>			
Advertising and publications	1,000	1,382	(382)
Association dues and fees	1,800	2,614	(814)
Building repair and maintenance	9,500	2,782	6,718
Data processing costs	6,500	1,172	5,328
Downtown beautification	36,000	25,625	10,375
Election	1,000	5,213	(4,213)
Equipment repair and maintenance	15,000	11,882	3,118
Insurance and bonding	19,000	23,411	(4,411)
Legal and audit	20,000	20,106	(106)
Miscellaneous	6,100	7,163	(1,063)
National guard	600	600	
Office supplies and expenditures	18,000	16,000	2,000
Rental - equipment	200	172	28
Salaries and related expenditures	59,000	67,369	(8,369)
Employee benefits	17,250	16,221	1,029
Telephone and utilities	17,000	19,350	(2,350)
Tourism	1,500	195	1,305
Travel and workshops	2,500	3,623	(1,123)
Veterans service officer	500	504	(4)
Workers' compensation	500	308	192
Zoning	5,000	6,851	(1,851)
Capital outlay	19,500	8,134	11,366
<b>Total general and administrative</b>	<b>257,450</b>	<b>240,677</b>	<b>16,773</b>

**TOWN OF JONESBORO**  
**Jonesboro, Louisiana**  
**General Fund**

Schedule 1 (Continued)

**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the Year Ended June 30, 1999**

		Variance- Favorable (Unfavorable)
Budget	Actual	

**Public safety:**

**Fire:**

Advertising and publications	200	150	50
Association dues and fees	750	261	489
Building repair and maintenance	5,100	1,873	3,227
Data processing costs	600	113	487
Equipment operating costs	2,000	1,683	317
Equipment repair and maintenance	8,000	6,827	1,173
Insurance and bonding	6,000	11,898	(5,898)
Miscellaneous	500	431	69
Operating supplies and expenditures	15,000	7,062	7,938
Rental	100	59	41
Salaries and related expenditures	84,500	100,860	(16,360)
Employee benefits	26,900	24,072	2,828
Salaries - supplemental pay	8,250	13,590	(5,340)
Telephone and utilities	9,500	10,546	(1,046)
Travel and workshops	1,500	1,312	188
Volunteer fees	8,500	3,970	4,530
Workers' compensation	8,000	6,330	1,670
Capital outlay	16,150	12,192	3,958
<b>Total fire</b>	<b>201,550</b>	<b>203,229</b>	<b>(1,679)</b>

**Police:**

Advertising and publications	100	10	90
Association dues and fees	500	35	465
Autopsy and coroner	4,000	3,561	439
Building repair and maintenance	5,000	465	4,535
Criminal investigation	2,000	2,799	(799)
Data processing costs		113	(113)
Equipment operating costs	12,500	7,690	4,810
Equipment repair and maintenance	24,000	13,830	10,170
Feeding prisoners	20,000	26,423	(6,423)
Insurance and bonding	20,000	27,098	(7,098)
Indigent defender board	15,000	9,751	5,249
Miscellaneous	1,000	(247)	1,247
Operating supplies and expenditures	15,000	12,271	2,729
Rental - equipment	1,000	0	1,000
Salaries and related expenditures	276,200	264,264	11,936
Employee benefits	83,050	63,936	19,114
Salaries - supplemental pay	23,500	23,720	(220)
Telephone and utilities	18,500	17,024	1,476

**TOWN OF JONESBORO**  
**Jonesboro, Louisiana**  
**General Fund**

Schedule 1 (Continued)

**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the Year Ended June 30, 1999**

	Budget	Actual	Variance- Favorable (Unfavorable)
<b>Police: (Continued)</b>			
Travel and workshops	3,700	2,532	1,168
Workers' compensation	20,000	11,860	8,140
Capital outlay	38,500	46,751	(8,251)
Total police	583,550	533,886	49,664
<b>Animal Control:</b>			
Advertising and publications	100		100
Building repair and maintenance	1,000		1,000
Equipment operating costs	1,200	741	459
Equipment repair and maintenance	2,000	268	1,732
Insurance and bonding	500	506	(6)
Miscellaneous	150		150
Operating supplies and expenditures	5,000	3,330	1,670
Salaries and related expenditures	13,500	13,591	(91)
Employee benefits	5,230	3,832	1,398
Telephone and utilities	2,500	1,890	610
Travel		14	(14)
Workers' compensation	1,000	250	750
Capital outlay	1,000	577	423
Total animal control	33,180	24,999	8,181
Total public safety	818,280	762,114	56,166
<b>Sanitation</b>			
Equipment repair and maintenance	1,000		1,000
Pest control	12,000	13,268	(1,268)
Sanitary contract service	100,500	110,053	(9,553)
Sanitary collection system	7,000	3,571	3,429
Sanitary landfill cleanup	1,500	78	1,422
Total sanitation	122,000	126,970	(4,970)

**TOWN OF JONESBORO**  
**Jonesboro, Louisiana**  
**General Fund**

Schedule 1 (Continued)

**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the Year Ended June 30, 1999**

	Budget	Actual	Variance- Favorable (Unfavorable)
<b>Streets:</b>			
Advertising and publications	500	644	(144)
Building repair and maintenance	5,000	515	4,485
Equipment operating costs	13,000	9,358	3,642
Equipment repair and maintenance	40,000	43,234	(3,234)
Insurance and bonding	12,000	25,036	(13,036)
Miscellaneous	8,000	16,042	(8,042)
Operating supplies and expenditures	20,000	16,913	3,087
Rental - equipment	1,000	1,303	(303)
Repairs and maintenance	335,000	252,015	82,985
Sidewalk maintenance	6,000	583	5,417
Salaries and related expenditures	191,500	222,257	(30,757)
Employee benefits	61,900	53,324	8,576
Telephone and utilities	10,500	8,115	2,385
Travel and workshops	750	318	432
Utilities - street lights	73,000	72,633	367
Utilities and maintenance - traffic signals	6,000	4,500	1,500
Workers' compensation	38,000	26,868	11,132
Capital outlay	80,000	58,033	21,967
<b>Total streets</b>	<b>902,150</b>	<b>811,691</b>	<b>90,459</b>
<b>Airport:</b>			
Building repair and maintenance	1,500	5,670	(4,170)
Equipment operating costs	500	219	281
Equipment repair and maintenance	6,000	4,012	1,988
Insurance and bonding	1,500		1,500
Operating supplies and expenditures	1,200	925	275
Utilities	4,500	4,443	57
Miscellaneous	100		100
Capital outlay	1,000		1,000
<b>Total airport</b>	<b>16,300</b>	<b>15,269</b>	<b>1,031</b>
<b>Recreation:</b>			
Building repair and maintenance	5,750	771	4,979
Equipment repair and maintenance	7,500	4,101	3,399
Insurance and bonding	1,000	1,796	(796)
Operating supplies and expenditures	750	1,717	(967)
Utilities	6,500	4,702	1,798
<b>Total recreation</b>	<b>21,500</b>	<b>13,087</b>	<b>8,413</b>

**TOWN OF JONESBORO**  
**Jonesboro, Louisiana**  
**General Fund**

**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the Year Ended June 30, 1999**

	Budget	Actual	Variance- Favorable (Unfavorable)
<b>Cemetery:</b>			
Maintenance	24,535	4,994	19,541
Total cemetery	<u>24,535</u>	<u>4,994</u>	<u>19,541</u>
<b>Safety:</b>			
Operating supplies and expenditures	5,000	270	4,730
Total safety	<u>5,000</u>	<u>270</u>	<u>4,730</u>
<b>Industrial Development:</b>			
Travel and inducement expenditures	10,000	5,596	4,404
Capital outlay	471,513		471,513
Total industrial development	<u>481,513</u>	<u>5,596</u>	<u>475,917</u>
Total Expenditures	<u>\$ 2,758,243</u>	<u>\$ 2,071,320</u>	<u>\$ 686,923</u>



**TOWN OF JONESBORO**  
**Jonesboro, Louisiana**  
**SUPPLEMENTAL INFORMATION SCHEDULES**  
**As of and for the Year Ended June 30, 1999**

**SPECIAL REVENUE FUNDS**

**Fire Department Ad Valorem Tax Fund - To account for the proceeds of a five (5.0) mill ad valorem tax levied to provide for the operation and maintenance of the Town's fire department.**

**Street Department Ad Valorem Tax Fund - To account for the proceeds of a five (5.0) mill ad valorem tax levied for the operation and maintenance of roads, streets, and alleys of the Town.**

**Street Sales Tax Fund - To account for the revenues of a one (1) percent sales and use tax levied for the construction, maintenance, repair and improvements of the Town's streets.**

**TOWN OF JONESBORO**  
**Jonesboro, Louisiana**  
**SPECIAL REVENUE FUNDS**

Combining Balance Sheet, June 30, 1999

	Fire Dept Ad Valorem Tax Fund	Street Dept Ad Valorem Tax Fund	Street Sales Tax Fund	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 32,286	\$ 55,978	\$ 411,178	\$ 499,442
Taxes receivable			95,723	95,723
<b>TOTAL ASSETS</b>	<b>\$ 32,286</b>	<b>\$ 55,978</b>	<b>\$ 506,901</b>	<b>\$ 595,165</b>
<b>LIABILITIES AND FUND EQUITY</b>				
Liabilities	\$	\$	\$	\$
<b>Fund Equity - fund balances:</b>				
Unreserved and Undesignated	\$ 32,286	\$ 59,978	\$ 506,901	\$ 595,165
<b>Total Fund Equity</b>	<b>32,286</b>	<b>55,978</b>	<b>506,901</b>	<b>595,165</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 32,286</b>	<b>\$ 55,978</b>	<b>\$ 506,901</b>	<b>\$ 595,165</b>

**TOWN OF JONESBORO**  
**Jonesboro, Louisiana**  
**SPECIAL REVENUE FUNDS**

**Combining Schedule of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended June 30, 1999**

	Fire Dept Ad Valorem Tax Fund	Street Dept Ad Valorem Tax Fund	Street Sales Tax Fund	Total
<b>REVENUES</b>				
General property taxes	\$ 51,124	\$ 51,124	\$	\$ 102,248
General sales and uses taxes			540,709	540,709
Other fees and charges	2,218	2,218		4,436
Use of money - interest	1,343	722	14,056	16,121
Total revenues	<u>54,685</u>	<u>54,064</u>	<u>554,765</u>	<u>663,514</u>
<b>EXPENDITURES</b>				
General and administrative			4,469	4,469
Total expenditures			<u>4,469</u>	<u>4,469</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>54,685</u>	<u>54,064</u>	<u>550,296</u>	<u>659,045</u>
<b>OTHER FINANCING (Uses)</b>				
Transfers to other funds	<u>(53,789)</u>	<u>(70,801)</u>	<u>(787,191)</u>	<u>(911,781)</u>
Total other financing sources (uses)	<u>(53,789)</u>	<u>(70,801)</u>	<u>(787,191)</u>	<u>(911,781)</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES AND OTHER USES</b>	896	(16,737)	(236,895)	(252,736)
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>31,390</u>	<u>72,715</u>	<u>743,796</u>	<u>847,901</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 32,286</u>	<u>\$ 55,978</u>	<u>\$ 506,901</u>	<u>\$ 595,165</u>

**TOWN OF JONESBORO**  
**Jonesboro, Louisiana**  
**SUPPLEMENTAL INFORMATION SCHEDULES**  
**For the Year Ended June 30, 1999**

**CAPITAL PROJECTS FUNDS**

**The Capital Projects Funds include Community Development Block Grants passed through the Louisiana Division of Administration.**

**Contract #107-800249 - This project was for street improvements in residential areas composed of low-moderate income families.**

**TOWN OF JONESBORO**  
**Jonesboro, Louisiana**  
**CAPITAL PROJECTS FUNDS**

**Combining Schedule of Revenues, Expenditures  
and Changes in Fund Balances  
For the Year Ended June 30, 1999**

		<b>COMMUNITY  DEVELOPMENT  BLOCK GRANT  Contract #107-800249</b>
<b>REVENUES</b>		
Grant - federal	\$	<u>322,346</u>
Total revenues		<u>322,346</u>
 <b>EXPENDITURES</b>		
Streets		<u>359,425</u>
Total expenditures		<u>359,425</u>
 <b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>		<u>(37,079)</u>
 <b>OTHER FINANCING SOURCES</b>		
Transfers from other funds		<u>37,079</u>
Total other financing sources		<u>37,079</u>
 <b>EXCESS OF REVENUES OVER EXPENDITURES</b>		<b>NONE</b>
 <b>FUND BALANCES AT BEGINNING OF YEAR</b>		<u><b>NONE</b></u>
 <b>FUND BALANCES AT END OF YEAR</b>		<u><u><b>NONE</b></u></u>

**TOWN OF JONESBORO**  
**Jonesboro, Louisiana**  
**SUPPLEMENTAL INFORMATION SCHEDULES**  
**For the Year Ended June 30, 1999**

**GENERAL**

**COMPENSATION PAID ALDERMEN**

The schedule of compensation paid to the Town of Jonesboro aldermen is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the Town of Jonesboro aldermen is included in the general administrative expenditures of the General Fund. Members of the governing board receive compensation pursuant to Louisiana Revised Statute 33:405 (G).



**TOWN OF JONESBORO**  
**Jonesboro, Louisiana**

**Schedule of Compensation Paid Aldermen**  
**For the Year Ended June 30, 1999**

ALDERMEN	AMOUNT
Henry J. Hester, Jr.	\$ 2,400
Alvin "Kim" Jones	4,800
Troy W. Kennedy	2,400
* Randy Layfield	2,400
Ira D. Reeves	2,400
* Randy Shows	2,400
Crystelle Warner	2,400
* Terry Wiley	2,400
* Richard W. Zuber	<u>2,400</u>
Total	<u>\$ 24,000</u>

\* Took office January 1, 1999

# Kenneth D. Folden & Co.

Kenneth D. Folden, CPA

Certified Public Accountants

Ted W. Sanderlin, CPA

Members  
Society of Louisiana  
Certified Public Accountants

302 Eighth Street  
Jonesboro, LA 71251  
(318) 259-7316  
FAX (318) 259-7315

Members  
American Institute of  
Certified Public Accountants

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

The Honorable Ira D. Reeves, Mayor  
and Members of the Board of Aldermen  
Town of Jonesboro, Louisiana

We have audited the general purpose financial statements of the Town of Jonesboro, Jonesboro, Louisiana, as of and for the year ended June 30, 1999, and have issued our report thereon dated December 18, 1999. We conducted our audit in accordance with generally accepted auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

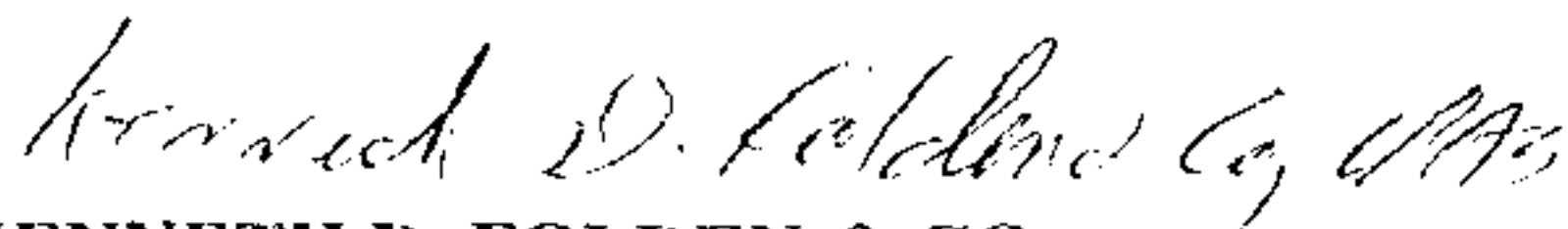
### Compliance

As part of obtaining reasonable assurance about whether the Town of Jonesboro's financial statements are free of material misstatement, we performed tests of 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 those provisions was not an 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 Jonesboro'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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting 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 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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



**KENNETH D. FOLDEN & CO.**  
Certified Public Accountants

Jonesboro, Louisiana  
December 18, 1999

# Kenneth D. Folden & Co.

Kenneth D. Folden, CPA

Certified Public Accountants

Ted W. Sanderlin, CPA

Members  
Society of Louisiana  
Certified Public Accountants

302 Eighth Street  
Jonesboro, LA 71251  
(318) 259-7316  
FAX (318) 259-7315

Members  
American Institute of  
Certified Public Accountants

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

The Honorable Ira D. Reeves, Mayor  
and Members of the Board of Aldermen  
Town of Jonesboro, Louisiana

### Compliance

We have audited the compliance of the Town of Jonesboro with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1999. The Town of Jonesboro's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Town of Jonesboro's management. Our responsibility is to express an opinion on the Town of Jonesboro'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. Those 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 of Jonesboro's compliance with those 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 of Jonesboro's compliance with those requirements.

In our opinion, the Town of Jonesboro complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999.

### Internal Control Over Compliance

The management of the Town of Jonesboro 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 of Jonesboro'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.

Our consideration of the internal control over compliance would not necessarily disclose all matters 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 would 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 noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

*Kenneth D. Folden & Co., CPAs*  
**KENNETH D. FOLDEN & CO.**  
Certified Public Accountants

Jonesboro, Louisiana  
December 18, 1999

**TOWN OF JONESBORO**  
**Jonesboro, Louisiana**

**Schedule of Federal Financial Assistance**  
**For the Year Ended June 30, 1999**

Federal Grantor / Pass-Through Grantor / Program Name	CFDA Number	Expenditures June 30, 1999
United States Department of Housing and Urban Development		
Passed through Louisiana Division of Administration Community Development Block Grant	14.219	\$ 322,346
<b>TOTAL FEDERAL ASSISTANCE EXPENDED</b>		<b><u>\$ 322,346</u></b>



**TOWN OF JONESBORO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 1999**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses a qualified opinion on the (general purpose) financial statements of the Town of Jonesboro.
2. No reportable conditions relating to the audit of the financial statement are reported in the **REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**.
3. No instances of noncompliance material to the financial statements of the Town of Jonesboro was disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs is reported in the **REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**.
5. The auditors' report on compliance for the major federal award program for the Town of Jonesboro expresses an unqualified opinion.
6. No audit findings relative to the major federal award programs for the Town of Jonesboro are reported in Part C. of this Schedule.
7. The program tested as a major program was the Louisiana Community Development Block Grant - Street Paving Project, Contract #107-800249 (CFDA #14.219).
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. Town of Jonesboro was determined to be a low-risk auditee.

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

No findings for current year. In addition, there were no prior year findings.

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

NONE