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TOWN OF JONESVILLE, LOUISIANA
GENERAL PURPOSE FINANCIAL STATEMENTS
YEARS ENDED
JUNE 30, 1999 AND 1998
WITH
INDEPENDENT AUDITOR'S REPORT

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 1-26-2000

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INDEPENDENT AUDITOR'S REPORT

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

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

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

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

In our opinion, except for the items mentioned in the preceding paragraphs, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Jonesville, Louisiana, as of June 30, 1999, the results of its operations of such funds and the cash flows of its proprietary fund type for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated November 11, 1999, on our consideration of Town of Jonesville, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund, and account group financial statements and schedules, as listed in the Table of Contents, including the Schedule of Expenditures of Federal Awards as required by U. S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Town of Jonesville, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and in our opinion, except for the items mentioned in the preceding paragraphs, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

The financial information of the previous year, which is included for comparative purposes, was taken from the financial report for that year in which we expressed a qualified opinion due to uncertainties in general fixed assets.

David M. Summers & Company, LLP

Natchez, Mississippi
November 11, 1999

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

TOWN OF JONESVILLE, LOUISIANA
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 1999

	Governmental Fund Types			Account Groups			Totals	
	General	Special Revenue	Debt Service	Capital Projects	General		(Memorandum Only)	June 30,
					Proprietary Fund Type Enterprise	fixed assets		
ASSETS								
Cash	\$ 36,042	\$	\$		\$	\$	\$ 36,042	\$ 56,387
Temporary investments at cost	80,292			129,578			209,870	208,548
Receivables (net, where applicable, of allowances for uncollectibles)								
Court fines	11,014						11,014	14,561
Charges for services	3,533			544,857			548,390	597,387
Other receivables	6,204						6,204	24,441
Due from other funds	48,447						48,447	-
Due from other governments	34,073						34,073	43,841
Restricted assets								
Cash				52,206			52,206	52,569
Temporary investments at cost				90,196			108,923	132,040
Plant and equipment, net				1,748,257	2,303,727		4,051,984	4,073,621
Amount to be provided for retirement of general long-term debt								
Total assets	\$ 238,332	\$	\$	\$ 2,565,094	\$ 2,303,727	\$ 147,119	\$ 5,254,272	\$ 5,394,903
						\$ 147,119	\$ 147,119	\$ 191,508

continued

TOWN OF JONESVILLE, LOUISIANA
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 1999

LIABILITIES AND FUND EQUITY	Governmental Fund Types		Proprietary Fund Type Enterprise	Account Groups			Totals (Memorandum Only) June 30, 1999	
	Special	Debt		Capital	General	long-		term debt
	Revenue	Service		Projects	fixed assets	-		1998
Liabilities	\$	\$	\$	\$	\$	\$	\$	
Bank overdrafts			13,892			13,892		
Accounts payable	33,603		263,493			297,096	356,853	
Accrued liabilities	35,147		20,428			55,575	44,566	
Due to other funds			48,447			48,447	-	
Payable from restricted assets								
Consumer deposits			141,642			141,642	143,064	
Other liabilities						483	1,261	
Certificates of indebtedness					80,795	80,795	123,713	
Notes and capital leases payable					66,324	111,893	143,844	
Total liabilities	\$ 69,233	\$ -	\$ 533,471	\$ -	\$ 147,119	\$ 749,823	\$ 813,301	
Fund equity								
Contributed capital	\$ -	\$ -	\$ 1,619,687	\$ -	\$ -	\$ 1,619,687	\$ 1,619,687	
Investment in general fixed assets	\$ -	\$ -	\$ -	\$ 2,303,727	\$ -	\$ 2,303,727	\$ 2,252,045	

-continued-

TOWN OF JONESVILLE, LOUISIANA
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 1999

	Governmental Fund Types			Proprietary Fund Type			Account Groups			Totals (Memorandum Only) June 30, 1999
	Special	Debt	Capital	Enterprise	General	General	General	long-	term debt	
	Revenue	Service	Projects	Enterprise	fixed	assets	long-	term debt	1998	
Retained earnings										
Unreserved	\$	\$	\$	\$ 411,936	\$	\$	\$	\$	\$ 411,936 \$ 548,328	
Fund balance										
Reserved	18,727								18,727 42,749	
Unreserved	150,372								150,372 118,793	
Total retained earnings/fund balances	\$ 169,099	\$ -	\$ -	\$ 411,936	\$ -	\$ -	\$ -	\$ -	\$ 581,035 \$ 709,870	
Total fund equity	\$ 169,099	\$ -	\$ -	\$ 2,031,623	\$ 2,303,727	\$ -	\$ -	\$ -	\$ 4,504,449 \$ 4,581,602	
Total liabilities and fund equity	\$ 238,332	\$ -	\$ -	\$ 2,565,094	\$ 2,303,727	\$ 147,119	\$ 5,254,272	\$ 5,394,903		

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

TOWN OF JONESVILLE, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 1999

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)	
					Year Ended June 30, 1999	1998
Revenues						
Taxes	\$ 74,217	\$	\$	\$	\$ 74,217	\$ 72,828
Licenses and permits	107,260				107,260	101,148
Intergovernmental revenue	224,340	12,235			236,575	249,630
Fines and forfeits	35,584				35,584	47,566
Charges for services	156,111				156,111	131,869
Note proceeds	30,000				30,000	-
Other revenue	49,937				49,937	45,426
Total revenues	\$ 677,449	\$ 12,235	\$ -	\$ -	\$ 689,684	\$ 648,467
Expenditures						
Current						
General government	\$ 534,711	\$	\$	\$	\$ 534,711	\$ 517,500
Public safety						
Police	586,965				586,965	560,235
Fire	33,055				33,055	44,355
Highways and streets	389,347				389,347	395,745
Sanitation	75,610				75,610	132,698
Industrial	18,142				18,142	1,245
Airport	96				96	2,870
Activity and rentals	7,561				7,561	2,769
Recreation	12,872				12,872	15,001
Rehabilitation loans and grants		12,300			12,300	37,630
Debt service						
Principal retirement			73,818		73,818	70,070
Interest			10,319		10,319	13,326
Capital outlay				491	491	25,895
Total expenditures	\$ 1,658,359	\$ 12,300	\$ 84,137	\$ 491	\$ 1,755,287	\$ 1,819,339
Excess of revenues (expenditures)	\$ (980,910)	\$ (65)	\$ (84,137)	\$ (491)	\$ (1,065,603)	\$ (1,170,872)

-continued-

TOWN OF JONESVILLE, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES
 YEAR ENDED JUNE 30, 1999

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)	
					Year Ended June 30, 1999	1998
Other financing sources (uses)						
Operating transfers in	\$ 1,073,160	\$	\$ 84,137	\$	\$ 1,157,297	\$ 844,163
Operating transfers out	(84,137)				(84,137)	(83,396)
Total other financing sources (uses)	\$ 989,023	\$ -	\$ 84,137	\$ -	\$ 1,073,160	\$ 760,767
Excess of revenues and other sources (expenditures and other uses)	\$ 8,113	\$ (65)	\$ -	\$ (491)	\$ 7,557	\$ (410,105)
Fund balances, beginning	160,986	65		491	161,542	571,647
Fund balances, ending	\$ 169,099	\$ -	\$ -	\$ -	\$ 169,099	\$ 161,542

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

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

YEAR ENDED JUNE 30, 1999

	General Fund		Special Revenue Fund		Debt Service Fund	
	Budget	Actual	Budget	Actual	Budget	Actual
Revenues						
Taxes	\$ 69,475	\$ 74,217	\$ 4,742	\$	\$	\$
Licenses and permits	98,925	107,260	8,335			
Intergovernmental revenue	188,713	224,340	40,627	12,235	12,235	
Rental revenue	17,015	19,008	1,993			
Garbage collection fees	60,746	60,694	(52)			
Other revenues	198,460	191,930	(6,530)			
Total revenues	\$ 628,334	\$ 677,449	\$ 49,115	\$ 12,235	\$ 12,235	\$
Expenditures						
General government	\$ 513,093	\$ 534,711	\$ (21,618)	\$	\$	\$
Public safety						
Police	602,840	586,965	15,875			
Fire	33,196	33,055	141			
Highways and streets	406,449	389,347	17,102			
Sanitation	70,163	75,610	(5,447)			
Industrial	867	18,142	(17,275)			
Airport	96	96				
Activity and rentals	500	7,561	(7,061)			
Recreation	11,454	12,872	(1,418)			
Rehabilitation loans and grants				12,300	12,300	
Debt service						
Principal retirement						73,818
Interest						(818)
Total expenditures	\$ 1,638,658	\$ 1,658,359	\$ (19,701)	\$ 12,300	\$ 12,300	\$ (1,137)

-continued-

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

YEAR ENDED JUNE 30, 1999

	General Fund		Special Revenue Fund		Debt Service Fund		Variance favorable (unfavorable)
	Budget	Actual	Budget	Actual	Budget	Actual	
Total expenditures (forward)	\$ 1,638,658	\$ 1,658,359	\$ 12,300	\$ 12,300	\$ 83,000	\$ 84,137	\$ (1,137)
Excess of expenditures	\$ (1,010,324)	\$ (980,910)	\$ (65)	\$ (65)	\$ (83,000)	\$ (84,137)	\$ (1,137)
Other financing sources (uses)							
Operating transfers - in	\$ 1,149,093	\$ 1,073,160	\$	\$	\$ 83,000	\$ 84,137	\$ 1,137
Operating transfers - out	(83,000)	(84,137)					
Total other financing sources (uses)	\$ 1,066,093	\$ 989,023	\$	\$	\$ 83,000	\$ 84,137	\$ 1,137
Excess of revenues and other sources (expenditures and other uses)	\$ 55,769	\$ 8,113	\$ (65)	\$ (65)	\$	\$	\$
Fund balances, beginning	160,986	160,986	65	65			
Fund balances, ending	\$ 216,755	\$ 169,099	\$	\$	\$	\$	\$

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

TOWN OF JONESVILLE, LOUISIANA
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
RETAINED EARNINGS
PROPRIETARY FUND TYPE
YEARS ENDED JUNE 30, 1999 AND 1998

	<u>Enterprise</u>	
	<u>1999</u>	<u>1998</u>
Operating revenues		
Charges for services		
Electricity sales	\$ 2,315,960	\$ 2,291,030
Water sales	206,457	196,187
Natural gas sales	427,670	548,487
Sewer charges	119,791	121,162
Interest income	12,850	14,155
Other operating revenues	<u>2,456</u>	<u>48,911</u>
Total operating revenues	<u>\$ 3,085,184</u>	<u>\$ 3,219,932</u>
Operating expenses		
Electricity department expenses	\$ 1,536,723	\$ 1,553,222
Water department expenses	161,859	189,115
Natural gas department expenses	316,530	412,969
Sewer department expenses	<u>133,303</u>	<u>121,376</u>
Total operating expenses	<u>\$ 2,148,415</u>	<u>\$ 2,276,682</u>
Operating income	\$ 936,769	\$ 943,250
Operating transfers		
Transfers to General Fund	<u>1,073,161</u>	<u>758,767</u>
Net income (loss)	\$ (136,392)	\$ 184,483
Retained earnings - beginning	<u>548,328</u>	<u>363,845</u>
Retained earnings - ending	<u>\$ 411,936</u>	<u>\$ 548,328</u>

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

TOWN OF JONESVILLE, LOUISIANA
 COMPARATIVE STATEMENT OF CASH FLOWS
 INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
 PROPRIETARY FUND TYPE
 YEARS ENDED JUNE 30, 1999 AND 1998

	Enterprise	
	1999	1998
Cash flows from operating activities		
Cash received from customers	\$ 3,117,466	\$ 3,140,337
Cash payments to suppliers for goods and services	(1,795,889)	(1,855,726)
Cash payments to employees for services	(260,376)	(282,768)
Other operating revenues	15,306	63,066
Net cash provided by operating activities	\$ 1,076,507	\$ 1,064,909
Cash flows from non-capital financing activities		
Decrease in other receivables	\$ -	\$ 44,500
Operating transfers - out to other funds	(1,024,714)	(1,079,148)
Net cash used for non-capital financing activities	\$ (1,024,714)	\$ (1,034,648)
Cash flows from capital and related financing activities		
Principal payments on notes payable	\$ (30,480)	\$ (27,630)
Purchases of fixed assets and equipment	(29,382)	(23,348)
Net cash used for capital and related financing activities	\$ (59,862)	\$ (50,978)
Net decrease in cash and cash equivalents	\$ (8,069)	\$ (20,717)
Cash and cash equivalents, beginning of year	280,049	300,766
Cash and cash equivalents, end of year	\$ 271,980	\$ 280,049

-continued-

TOWN OF JONESVILLE, LOUISIANA
 COMPARATIVE STATEMENT OF CASH FLOWS
 INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
 PROPRIETARY FUND TYPE
 YEARS ENDED JUNE 30, 1999 AND 1998

	Enterprise	
	1999	1998
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 936,769	\$ 943,250
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	\$ 102,701	\$ 105,034
Change in assets and liabilities		
(Increase) decrease in		
Accounts receivable	49,010	(21,375)
Increase (decrease) in		
Bank overdrafts	13,892	-
Accounts payable	(25,015)	33,529
Accrued liabilities	572	(375)
Customer deposits	(1,422)	4,846
Total adjustments	\$ 139,738	\$ 121,659
Net cash provided by operating activities	\$ 1,076,507	\$ 1,064,909
Supplemental schedule of significant non-cash activities		
Fixed assets contributed by other funds	\$ -	\$ 25,895

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

TOWN OF JONESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Jonesville, Louisiana was incorporated December 16, 1903, under the provisions of the Lawrason Act. The Town operates under the Mayor-Town Council form of government and provides the following services as authorized by the Act: public safety (police and fire), streets, sanitation, recreation, public improvements, planning and zoning, provision for gas, electric, and water utilities, sewer services, airport facilities and general services.

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

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

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

B. Fund Accounting

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

TOWN OF JONESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Fund Accounting (continued)

Governmental Funds

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

Special Revenue Fund - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

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

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

Proprietary Funds

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

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

TOWN OF JONESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Basis of Accounting (continued)

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

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

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

D. Fixed Assets and Long-Term Liabilities

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

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

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

TOWN OF JONESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

Buildings	25 years
Machinery and equipment	10-20 years
Distribution system - electricity	20 years
Distribution system - water	50 years
Distribution system - gas	50 years
Distribution system - sewer	50 years
Water tanks and wells	33-50 years
Meters	15 years

TOWN OF JONESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

E. Budgets and Budgetary Accounting

The Town follows the following procedures established by Louisiana Revised Statute in preparation of the budgetary data reflected in these financial statements.

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

TOWN OF JONESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

E. Budgets and Budgetary Accounting (continued)

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

F. Cash and Investments

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

	<u>1999</u>	<u>1998</u>
Cash	\$.	\$ 14,790
Temporary investments	129,578	122,843
Restricted cash	52,206	52,569
Restricted temporary investments	<u>90,196</u>	<u>89,847</u>
Cash and cash equivalents at June 30	<u>\$ 271,980</u>	<u>\$ 280,049</u>

The carrying amount of the Town's cash and temporary investments with financial institutions was \$472,459, and the bank balance was \$558,417 at June 30, 1999. There was \$944 in cash on hand at June 30, 1999. At June 30, 1999, the Town's banks had pledged \$663,149 in securities against the Town's deposits. The bank balance is categorized as follows:

TOWN OF JONESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. Cash and Investments (continued)

Amount insured by FDIC	\$ 200,000
Amount collateralized with securities held by an independent financial institution's trust department in the Town's name	291,638
Uncollateralized	-----
Required collateral - 100% of bank balance exclusive of FDIC Insurance plus FDIC Insurance	\$ <u>491,638</u>

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

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

Security type	Category			Carrying amount	Market value
	1	2	3		
Non-interest bearing accounts	\$ 135,020	\$	\$	\$ 135,020	\$ 135,020
Interest-bearing time certificates of deposit	234,578			234,578	234,578
Savings accounts	102,861			102,861	102,861
	<u>\$ 472,459</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 472,459</u>	<u>\$ 472,459</u>

TOWN OF JONESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

G. Inventories

For both governmental and proprietary funds, purchase of various operating supplies are regarded as expenditures/or expenses at the time purchased, and inventories of such supplies (if any) are not recorded as assets at the close of the fiscal year. For the years ending June 30, 1999 and June 30, 1998, these amounts were considered to be immaterial.

H. Bad Debts

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

I. Comparative Data

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

J. Total Columns on Combined Statements - Overview

Total columns on combined statements - overview are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in accordance with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

TOWN OF JONESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 2 - AD VALOREM TAXES

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

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

For the year ended June 30, 1999, taxes of 7.56 mills were levied on property with assessed value of \$8,942,725 and were dedicated as follows:

General corporate purposes	7.56
Total taxes levied were	\$67,607

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables were as follows at June 30:

Fund	1999 Interfund		1998 Interfund	
	Receivable	Payable	Receivable	Payable
General Fund	\$ 48,447	\$ -	\$ -	\$ -
Proprietary Fund	-	48,447	-	-
Totals	<u>\$ 48,447</u>	<u>\$ 48,447</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF JONESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 4 - DUE FROM OTHER GOVERNMENTS

Amounts due from other governmental units consisted of the following:

	<u>1999</u>	<u>1998</u>
State of Louisiana		
Tobacco tax	\$ 3,554	\$ 3,454
Beer tax	2,182	1,202
Jail inmate housing	3,718	5,670
Video Draw Poker	5,134	5,918
Highway maintenance	3,829	3,829
Catahoula Parish		
Fire insurance premium	-	6,030
Jail inmate housing	540	4,152
Parish revenue sharing	4,398	3,943
Sanitation sales tax	10,368	9,293
Other	350	350
Total	<u>\$ 34,073</u>	<u>\$ 43,841</u>

NOTE 5 - RESTRICTED ASSETS

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

	<u>1999</u>	<u>1998</u>
Governmental fund types		
General Fund - building savings	<u>\$ 18,727</u>	<u>\$ 42,193</u>
Total governmental fund types	<u>\$ 18,727</u>	<u>\$ 42,193</u>
Proprietary fund types		
Customers' deposits	<u>\$ 142,402</u>	<u>\$ 142,416</u>
Total restricted assets	<u>\$ 161,129</u>	<u>\$ 184,609</u>

TOWN OF JONESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 6 - FIXED ASSETS

The following is a summary of general fixed assets:

	<u>Balance</u> <u>6/30/98</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance</u> <u>6/30/99</u>
Land and buildings	\$ 1,378,699	\$ 14,854	\$	\$ 1,393,553
Machinery and equipment	<u>873,346</u>	<u>36,828</u>	<u> </u>	<u>910,174</u>
Totals	<u>\$ 2,252,045</u>	<u>\$ 51,682</u>	<u>\$ -</u>	<u>\$ 2,303,727</u>

The following is a summary of changes in proprietary fund type property, plant and equipment for fiscal year ended June 30, 1999:

	<u>Balance</u> <u>6/30/98</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance</u> <u>6/30/99</u>
Electric system	\$ 1,185,584	\$ 13,613	\$	\$ 1,199,197
Gas system	341,701			341,701
Water system	1,441,061			1,441,061
Sewer system	1,513,564			1,513,564
Buildings	11,579			11,579
Land	21,612			21,612
Miscellaneous equipment	<u>222,853</u>	<u>15,769</u>	<u> </u>	<u>238,622</u>
Total	\$ 4,737,954	\$ 29,382	\$ -	\$ 4,767,336
Less accumulated depreciation	<u>(2,916,378)</u>	<u>(102,701)</u>	<u> </u>	<u>(3,019,079)</u>
Net	<u>\$ 1,821,576</u>	<u>\$ (73,319)</u>	<u>\$ -</u>	<u>\$ 1,748,257</u>

TOWN OF JONESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 7 - CHANGES IN LONG-TERM DEBT

The following is a summary of debt transactions for the Town for the fiscal year ended June 30, 1999:

	<u>General Obligation Long-Term</u>			<u>Utility</u>	
	<u>Certificate</u>		<u>Capital</u>	<u>Fund</u>	
	<u>of</u>	<u>Note</u>	<u>leases</u>	<u>Notes</u>	<u>Totals</u>
	<u>Indebtedness</u>	<u>payable</u>	<u>payable</u>	<u>payable</u>	
Balances, 6/30/98	\$ 123,713	\$	\$ 67,795	\$ 76,049	\$ 267,557
Proceeds		30,000			30,000
Principal retired	<u>(42,918)</u>	<u>(2,200)</u>	<u>(29,271)</u>	<u>(30,480)</u>	<u>(104,869)</u>
Balances, 6/30/99	<u>\$ 80,795</u>	<u>\$ 27,800</u>	<u>\$ 38,524</u>	<u>\$ 45,569</u>	<u>\$ 192,688</u>

Long-term debt as of June 30, 1999, is comprised of the following:

General Fund

\$340,000 Certificate of Indebtedness, Series 1987, held by Catahoula-LaSalle Bank, dated February 11, 1988. As of March 31, 1994, this Certificate of Indebtedness was restructured to add an additional \$117,000 of principal. Principal installments are payable on December 1 of each year beginning December 1, 1994, and ending December 1, 2001, with an interest rate of 4.5% per annum, payable on December 1 of each year, commencing December 1, 1994.

\$ 80,795

TOWN OF JONESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 7 - CHANGES IN LONG-TERM DEBT

General Fund (continued)

<p>Note to Catahoula-LaSalle to purchase new computer system and software in amount of \$30,000, dated February 24, 1999, payable in monthly installments of \$707.44, commencing on March 10, 1999, and ending on February 10, 2003, with an interest rate of 7.73% per annum.</p>	<p>\$ 27,800</p>
<p>Note to Ford Motor Credit for the lease purchase of a Ford Model 66405 tractor with Alamo Terrain King Model A Boom Mower in the amount of \$35,943, dated June 16, 1995, payable in monthly installments of \$722.31, commencing on June 16, 1995, and ending on May 16, 2000, with an interest rate of 7.90% per annum.</p>	<p>8,309</p>
<p>Note to Ford Motor Credit for the lease purchase of a New Holland 5550 Loader Backhoe in the amount of \$24,360, dated July 31, 1996, payable in monthly installments of \$476.26, commencing on July 31, 1996, and ending on June 30, 2001, with an interest rate of 6.70% per annum.</p>	<p>11,041</p>
<p>Note to Government Capital Corporation for the lease purchase of new computer system in the amount of \$31,654, dated January 5, 1995, payable in monthly installments of \$645.62, commencing on January 5, 1995, and ending on January 5, 2000, with an interest rate of 7.00% per annum.</p>	<p>4,034</p>
<p>Note to Government Capital Corporation for the lease purchase of new computer software in the amount of \$42,527, dated March 22, 1996, payable in monthly installments of \$898.97, commencing March 22, 1996, and ending on February 25, 2001, with an interest rate of 7.655% per annum.</p>	<p>14,655</p>
<p>Note to Waterworld to finance the purchase of Police Department equipment in the amount of \$1,550.88, dated July 22, 1996, payable in monthly installments of \$32.31, commencing on August 22, 1996, and ending on July 22, 2000, with no stated rate of interest.</p>	<p>485</p>

TOWN OF JONESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 7 - CHANGES IN LONG-TERM DEBT

Proprietary Fund

Note to Catahoula-LaSalle Bank to finance sewer improvements in the amount of \$87,848, dated July 31, 1995, payable in monthly installments of \$1,715.16, commencing on September 10, 1995, and ending on September 10, 2000, with an adjustable rate of interest. The interest rate at June 30, 1999, was 6.34% per annum.	\$ 23,351
Note to First National Bank of Commerce to finance the purchase of three new utility trucks in the amount of \$49,019, dated February 12, 1997, payable in monthly installments of \$1,185.23, commencing on March 12, 1991, and ending on February 12, 2001, with an interest rate of 7.50% per annum.	22,218
Total	<u>\$ 192,688</u>

The annual requirements to amortize all outstanding debt as of June 30, 1999, including interest payments of \$16,737, are as follows:

<u>Fiscal year ending June 30</u>	<u>General Obligation</u>			<u>Utility Fund</u>	<u>Total</u>
	<u>Certificate of Indebtedness</u>	<u>Notes payable</u>	<u>Capital leases</u>	<u>Notes payable</u>	
2000	\$ 48,500	\$ 8,489	\$ 29,355	\$ 34,805	\$ 121,149
2001	37,717	8,489	13,294	14,627	74,127
2002		8,489			8,489
2003		5,660			5,660
Total	<u>\$ 86,217</u>	<u>\$ 31,127</u>	<u>\$ 42,649</u>	<u>\$ 49,432</u>	<u>\$ 209,425</u>

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

TOWN OF JONESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 8 - SEGMENT INFORMATION FOR ENTERPRISE FUND

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

	June 30, 1999				Total
	Electric utility	Water utility	Gas utility	Sewer service	
Operating revenue	\$2,315,960	\$206,457	\$427,670	\$119,791	\$3,069,878
Purchase of utility	(1,294,769)		(227,364)		(1,522,133)
Operating expenses	(216,997)	(124,970)	(81,632)	(99,981)	(523,580)
Depreciation	(24,957)	(36,889)	(7,534)	(33,322)	(102,702)
Other operating revenue	<u>11,515</u>	<u>1,038</u>	<u>2,150</u>	<u>603</u>	<u>15,306</u>
Operating income (loss)	<u>\$ 790,752</u>	<u>\$ 45,636</u>	<u>\$113,290</u>	<u>\$ (12,909)</u>	<u>\$ 936,769</u>
Operating transfers out					<u>(1,073,161)</u>
Net loss					<u>\$ (136,392)</u>

NOTE 9 - ACCRUED VACATION PAY

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

NOTE 10 - RETIREMENT COMMITMENTS

Police and fire employees of the Town are members of the State retirement system for municipal police and fire employees. Contributions to these systems are made by both employees and the Town as a percentage of salaries. The Town contributed \$5,275 to these systems during the year as its share of the police and fire employees' contributions.

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

TOWN OF JONESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 11 - COMPENSATION OF GOVERNING BOARD

The Governing Board of the Town of Jonesville, Louisiana consists of a Mayor and five Council Members. For the fiscal year ended June 30, 1999, the following compensations were paid:

W. F. "Billy" Edwards, Mayor	\$ 19,208
Gary Odom, Alderman	3,800
Stephen R. Mophett, Alderman	3,800
Terry Russ, Alderman	3,900
Josie Bullitts, Alderwoman	3,800
Loria Hollins, Alderwoman	<u>3,900</u>
 Total	 \$ <u>38,408</u>

NOTE 12 - YEAR 2000

The Year 2000 problem is the result of computer programs being written using two digits (rather than four) to define the applicable year. Any of the Town's programs that have time-sensitive software may recognize a date using "00" as the year 1900 rather than the year 2000, which could result in miscalculations or system failures. No significant amount of resources have been committed to address Year 2000 Issues for computer systems and other electronic equipment.

The following stages have been identified by the Governmental Accounting Standards Board (GASB) Technical Bulletin 98-1 (as revised to recognize the issuance of Technical Bulletin 99-1) as necessary to address Year 2000 Issues for computer systems and other electronic equipment.

Awareness Stage - When the organization establishes a budget and project plan (for example, a timeline or chart noting major tasks and due dates) for dealing with the Year 2000 Issue.

Assessment Stage - When the organization begins the actual process of identifying all of its systems (preparing an inventory) and individual components of the systems. An organization may decide to review all system components for year 2000 compliance or, through a risk analysis, identify only mission-critical systems and equipment - systems and equipment critical to conducting operations - to check for compliance.

TOWN OF JONESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 12 - YEAR 2000

Remediation Stage - When the organization actually makes changes to systems and equipment. This stage deals primarily with the technical issues of converting existing systems, or switching to compliant systems. During this stage, decisions are made on how to make the systems or processes year 2000 compliant, and the required system changes are made.

Validation/Testing Stage - When the organization validates and tests the changes made during the conversion process. The development of test data and test scripts, the running of test scripts, and the review of test results are crucial for this stage of the conversion process to be successful. If the testing results show anomalies, the tested area needs to be corrected and retested.

As of June 30, 1999, the Town has completed the awareness, assessment, remediation, and validation/testing stages. Completion of the various stages of work is not a guarantee that systems and equipment will be year 2000 compliant.

Because of the unprecedented nature of the Year 2000 Issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure the Town is or will be year 2000 ready, that the Town's efforts will be successful in whole or in part, or that parties with which the Town does business will be year 2000 ready.

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

GENERAL FUND

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

TOWN OF JONESVILLE, LOUISIANA
GENERAL FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
ASSETS		
Current assets		
Cash	\$ 36,042	\$ 41,532
Temporary investments (at cost)	80,292	85,214
Receivables (net of allowance for uncollectibles)		
Court fines	11,014	14,561
Franchise tax	3,533	3,520
Other	6,204	24,441
Due from other funds	48,447	-
Due from other governments	<u>34,073</u>	<u>43,841</u>
Total current assets	<u>\$ 219,605</u>	<u>\$ 213,109</u>
Restricted assets		
Building savings	<u>\$ 18,727</u>	<u>\$ 42,193</u>
Total restricted assets	<u>\$ 18,727</u>	<u>\$ 42,193</u>
 Total assets	 <u>\$ 238,332</u>	 <u>\$ 255,302</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 33,603	\$ 68,345
Accrued liabilities	35,147	24,710
Other liabilities	<u>483</u>	<u>1,261</u>
Total liabilities	<u>\$ 69,233</u>	<u>\$ 94,316</u>
Fund balance		
Reserved	\$ 18,727	\$ 42,193
Unreserved	<u>150,372</u>	<u>118,793</u>
Total fund balance	<u>\$ 169,099</u>	<u>\$ 160,986</u>
 Total liabilities and fund balance	 <u>\$ 238,332</u>	 <u>\$ 255,302</u>

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

TOWN OF JONESVILLE, LOUISIANA
 GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 YEAR ENDED JUNE 30, 1999
 WITH COMPARATIVE AMOUNTS
 FOR YEAR ENDED JUNE 30, 1998

	<u>1999</u>	<u>1998</u>
Revenues		
Taxes		
Ad valorem, including penalties and interest	\$ 67,144	\$ 65,838
Franchise	<u>7,073</u>	<u>6,990</u>
Total taxes	<u>\$ 74,217</u>	<u>\$ 72,828</u>
Licenses and permits		
Occupational licenses	\$ 106,235	\$ 100,859
Other permits	<u>1,025</u>	<u>289</u>
Total licenses and permits	<u>\$ 107,260</u>	<u>\$ 101,148</u>
Intergovernmental revenue		
Beer taxes	\$ 8,126	\$ 7,475
Tobacco taxes	13,916	13,816
Video Draw Poker taxes	26,169	23,924
Sanitation sales taxes	119,200	112,825
State fire insurance premiums	6,359	6,030
Hard surface road tax	<u>50,570</u>	<u>47,865</u>
Total intergovernmental revenue	<u>\$ 224,340</u>	<u>\$ 211,935</u>
Fines and forfeits	<u>\$ 35,584</u>	<u>\$ 47,566</u>
Charges for services		
Garbage collection fees	\$ 60,694	\$ 61,984
Jail inmate housing	<u>95,417</u>	<u>69,885</u>
Total charges for services	<u>\$ 156,111</u>	<u>\$ 131,869</u>
Miscellaneous		
Building rents	\$ 19,008	\$ 16,422
Interest earned	6,912	6,759
Note proceeds	30,000	-
Other	<u>24,017</u>	<u>21,897</u>
Total miscellaneous	<u>\$ 79,937</u>	<u>\$ 45,078</u>
Total revenues	<u>\$ 677,449</u>	<u>\$ 610,424</u>

-continued-

TOWN OF JONESVILLE, LOUISIANA
 GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 YEAR ENDED JUNE 30, 1999
 WITH COMPARATIVE AMOUNTS
 FOR YEAR ENDED JUNE 30, 1998

	<u>1999</u>	<u>1998</u>
Expenditures		
Current		
General government	\$ 534,711	\$ 517,500
Public safety		
Police	586,965	560,235
Fire	33,055	44,355
Highways and streets	389,347	395,745
Sanitation	75,610	132,698
Industrial	18,142	1,245
Airport	96	2,870
Activity and rentals	7,561	2,769
Recreation	12,872	15,001
Total expenditures	<u>\$ 1,658,359</u>	<u>\$ 1,672,418</u>
Excess of revenues (expenditures)	\$ (980,910)	\$ (1,061,994)
Other financing sources (uses)		
Operating transfers from		
Utility Fund	1,073,160	760,767
Operating transfers to		
Debt Service Fund	<u>(84,137)</u>	<u>(83,396)</u>
Excess of revenue and other sources (expenditures and other uses)	\$ 8,113	\$ (384,623)
Fund balance, beginning	<u>160,986</u>	<u>545,609</u>
Fund balance, ending	<u>\$ 169,099</u>	<u>\$ 160,986</u>

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

TOWN OF JONESVILLE, LOUISIANA
GENERAL FUND
STATEMENT OF EXPENDITURES
YEAR ENDED JUNE 30, 1999
WITH COMPARATIVE AMOUNTS
FOR YEAR ENDED JUNE 30, 1998

	1999	1998
General government		
Salaries	\$ 246,877	\$ 245,815
Payroll taxes	20,616	17,272
Employee benefits and insurance	93,786	107,280
Office supplies	7,256	8,714
Computer expense	2,792	1,705
Audit and accounting	7,750	8,250
Legal and consultant fees	24,970	29,504
Repairs and maintenance	12,792	5,313
General insurance	34,068	18,247
Miscellaneous	24,840	26,918
Utilities and telephone	32,790	36,631
Travel and meetings	9,376	11,661
Capital outlay - equipment	16,798	190
Total general government	\$ 534,711	\$ 517,500
 Public safety - police		
Salaries	\$ 342,285	\$ 350,469
Payroll taxes	26,862	27,769
Police retirement	4,522	3,225
Employee benefits and insurance	78,131	74,977
Uniform allowance	7,668	4,565
Office and other supplies	4,350	8,898
Legal and consultant fees	-	1,516
Prisoners' meals and jail supplies	40,503	32,055
Insurance	24,792	9,589
Gas and oil	8,428	9,445
Utilities and telephone	10,437	9,433
Repairs and maintenance	18,423	6,885
Miscellaneous	7,375	11,788
Travel and meetings	667	1,306
Capital outlay - equipment	12,522	8,315
Total public safety - police	\$ 586,965	\$ 560,235

-continued-

TOWN OF JONESVILLE, LOUISIANA
 GENERAL FUND
 STATEMENT OF EXPENDITURES
 YEAR ENDED JUNE 30, 1999
 WITH COMPARATIVE AMOUNTS
 FOR YEAR ENDED JUNE 30, 1998

	1999	1998
Public safety - fire		
Salaries	\$ 14,321	\$ 26,094
Payroll taxes	409	1,433
Fire fighters' retirement	753	1,516
Employee benefits and insurance	240	5,083
Utilities and telephone	902	1,543
Insurance	6,147	2,920
Supplies	2,938	2,063
Repairs and maintenance	3,804	3,283
Miscellaneous	518	420
Capital outlay - equipment	3,023	-
Total public safety - fire	\$ 33,055	\$ 44,355
Highways and streets		
Salaries	\$ 227,339	\$ 224,837
Payroll taxes	20,905	16,733
Employee benefits and insurance	75,593	75,618
Insurance	6,722	7,100
Gas and oil	10,527	12,042
Supplies	25,064	34,913
Repairs and maintenance	14,368	20,478
Utilities and telephone	3,555	2,704
Miscellaneous	789	1,320
Capital outlay - equipment	4,485	-
Total highways and streets	\$ 389,347	\$ 395,745
Sanitation		
Salaries	\$ 44,820	\$ 13,565
Payroll taxes	4,431	890
Employee benefits and insurance	7,216	1,389
Insurance	-	5,123
Gas and oil	3,190	1,521
Supplies	7,512	14,192
Repairs and maintenance	7,722	10,015
Garbage contract	-	85,503
Miscellaneous	719	500
Total sanitation	\$ 75,610	\$ 132,698

-continued-

TOWN OF JONESVILLE, LOUISIANA
 GENERAL FUND
 STATEMENT OF EXPENDITURES
 YEAR ENDED JUNE 30, 1999
 WITH COMPARATIVE AMOUNTS
 FOR YEAR ENDED JUNE 30, 1998

	<u>1999</u>	<u>1998</u>
Industrial		
Repairs and maintenance	\$ 2,548	\$ 150
Other	740	1,095
Capital outlay - improvements	<u>14,854</u>	<u>-</u>
Total industrial	<u>\$ 18,142</u>	<u>\$ 1,245</u>
Airport		
Insurance	\$ -	\$ 2,348
Repairs and maintenance	-	81
Other	<u>96</u>	<u>441</u>
Total airport	<u>\$ 96</u>	<u>\$ 2,870</u>
Activity and rentals		
Supplies	\$ 684	\$ 537
Utilities and telephone	-	1,709
Repairs and maintenance	6,667	523
	<u>210</u>	<u>-</u>
Total activity and rentals	<u>\$ 7,561</u>	<u>\$ 2,769</u>
Recreation		
Supplies	\$ 6,858	\$ 5,277
Repairs and maintenance	1,206	1,208
Insurance	649	4,127
Utilities and telephone	4,009	3,535
Miscellaneous expense	<u>150</u>	<u>854</u>
Total recreation	<u>\$ 12,872</u>	<u>\$ 15,001</u>
Total expenditures	<u>\$ 1,658,359</u>	<u>\$ 1,672,418</u>

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

SPECIAL REVENUE FUNDS

LCDBG Housing Rehabilitation Fund - To account for housing rehabilitation financed by a Federal Grant. Total grant amount is \$49,930.

TOWN OF JONESVILLE, LOUISIANA
SPECIAL REVENUE FUND
LCDBG HOUSING REHABILITATION FUND
BALANCE SHEET
JUNE 30, 1999
WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 1998

	1999	1998
ASSETS		
Cash	\$ _____ -	\$ _____ 65
Total assets	\$ _____ -	\$ _____ 65
LIABILITIES AND FUND BALANCE		
Liabilities	\$ _____ -	\$ _____ -
Fund balance Reserved	\$ _____ -	\$ _____ 65
Total liabilities and fund balance	\$ _____ -	\$ _____ 65

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

TOWN OF JONESVILLE, LOUISIANA
SPECIAL REVENUE FUND
LCDBG HOUSING REHABILITATION FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE
YEAR ENDED JUNE 30, 1999
WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 1998

	<u>1999</u>	<u>1998</u>
Revenues		
Intergovernmental - LCDBG	\$ <u>12,235</u>	\$ <u>37,695</u>
Total revenues	\$ <u>12,235</u>	\$ <u>37,695</u>
Expenditures		
Administration	\$ -	\$ 11,925
Rehabilitation loans and grants	<u>12,300</u>	<u>25,705</u>
Total expenditures	\$ <u>12,300</u>	\$ <u>37,630</u>
Excess of revenues (expenditures)	\$ (65)	\$ 65
Fund balance, beginning	<u>65</u>	<u>-</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ 65</u>

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

DEBT SERVICE FUNDS

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

TOWN OF JONESVILLE, LOUISIANA
 DEBT SERVICE FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE
 YEAR ENDED JUNE 30, 1999
 WITH COMPARATIVE AMOUNTS
 FOR YEAR ENDED JUNE 30, 1998

	<u>1999</u>	<u>1998</u>
Revenues	\$ -	\$ -
Expenditures		
Debt Service		
Principal retirements	\$ 73,818	\$ 70,070
Interest and fiscal fees	<u>10,319</u>	<u>13,326</u>
Total expenditures	<u>\$ 84,137</u>	<u>\$ 83,396</u>
Excess of revenues (expenditures)	\$ (84,137)	\$ (83,396)
Other financing sources		
Operating transfers from General Fund	<u>84,137</u>	<u>83,396</u>
Excess of revenues and other sources (expenditures)	\$ -	\$ -
Fund balance - beginning	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>

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

CAPITAL PROJECTS FUND

Rural Development New Shop Grant - To account for the construction of Water System Improvements financed by a state grant.

TOWN OF JONESVILLE, LOUISIANA
CAPITAL PROJECTS FUND
NEW SHOP FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
ASSETS		
Temporary investments	\$ <u> -</u>	\$ <u> 491</u>
Total assets	\$ <u> -</u>	\$ <u> 491</u>
LIABILITIES AND FUND BALANCE		
Fund balance Restricted	\$ <u> -</u>	\$ <u> 491</u>
Total liabilities and fund balance	\$ <u> -</u>	\$ <u> 491</u>

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

TOWN OF JONESVILLE, LOUISIANA
CAPITAL PROJECTS FUND
NEW SHOP FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 1999
WITH COMPARATIVE AMOUNTS FOR YEAR ENDED JUNE 30, 1998

	<u>1999</u>	<u>1998</u>
Revenues		
Intergovernmental		
Interest earned	\$ -	\$ 348
Total revenues	\$ -	\$ 348
Expenditures		
Capital outlay - Water System Improvements	\$ 491	\$ 25,895
Total expenditures	\$ 491	\$ 25,895
Excess of revenues (expenditures)	\$ (491)	\$ (25,547)
Fund balance, beginning	<u>491</u>	<u>26,038</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ 491</u>

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

ENTERPRISE FUND

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

TOWN OF JONESVILLE, LOUISIANA
 ENTERPRISE FUND
 MUNICIPAL UTILITIES SYSTEM
 COMPARATIVE BALANCE SHEET
 JUNE 30, 1999 AND 1998

	1999	1998
ASSETS		
Current assets		
Cash	\$ -	\$ 14,790
Temporary investments at cost	129,578	122,843
Accounts receivable, net of allowance for uncollectible accounts, (\$3,000 in 1999; \$3,000 in 1998)	544,857	593,867
Total current assets	\$ 674,435	\$ 731,500
Restricted assets - consumer deposits		
Cash	\$ 52,206	\$ 52,569
Temporary investments at cost	90,196	89,847
Total restricted assets	\$ 142,402	\$ 142,416
Plant and equipment, at cost, net of accumulated depreciation (\$3,019,079-1999; \$2,916,378-1998)	\$ 1,748,257	\$ 1,821,576
Total assets	\$ 2,565,094	\$ 2,695,492
LIABILITIES AND FUND EQUITY		
Liabilities		
Current liabilities (payable from current assets)		
Bank overdrafts	\$ 13,892	\$ -
Accounts payable	263,493	288,508
Accrued liabilities	20,428	19,856
Due to General Fund	48,447	-
Current portion of note payable	32,667	30,525
Total current liabilities (payable from current assets)	\$ 378,927	\$ 338,889
Current liabilities (payable from restricted assets)		
Consumer deposits	\$ 141,642	\$ 143,064
Total current liabilities	\$ 520,569	\$ 481,953
Long-term liabilities		
Note payable	\$ 12,902	\$ 45,524
Total liabilities	\$ 533,471	\$ 527,477
Fund equity		
Contributed capital	\$ 1,619,687	\$ 1,619,687
Retained earnings - unreserved	411,936	548,328
Total fund equity	\$ 2,031,623	\$ 2,168,015
Total liabilities and fund equity	\$ 2,565,094	\$ 2,695,492

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

TOWN OF JONESVILLE, LOUISIANA
ENTERPRISE FUND
MUNICIPAL UTILITIES SYSTEM
COMPARATIVE STATEMENT OF OPERATING REVENUES AND EXPENSES
ALL DEPARTMENTS
YEARS ENDED JUNE 30, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
Operating revenues		
Charges for services	\$ 3,069,878	\$ 3,156,866
Other operating revenues	<u>15,306</u>	<u>63,066</u>
Total operating revenues	<u>\$ 3,085,184</u>	<u>\$ 3,219,932</u>
Operating expenses		
Personal services	\$ 260,948	\$ 282,393
Purchase of utilities provided	1,522,133	1,606,172
Materials and supplies	100,030	85,674
Depreciation	102,701	105,034
Utilities and telephone	60,972	51,966
Bad debts	36,505	54,978
Other operating expense	<u>65,126</u>	<u>90,465</u>
Total operating expenses	<u>\$ 2,148,415</u>	<u>\$ 2,276,682</u>
Operating income	<u>\$ 936,769</u>	<u>\$ 943,250</u>

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

TOWN OF JONESVILLE, LOUISIANA
ENTERPRISE FUND
MUNICIPAL UTILITIES SYSTEM
COMPARATIVE STATEMENT OF OPERATING REVENUES AND EXPENSES
ELECTRIC DEPARTMENT
YEARS ENDED JUNE 30, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
Operating revenues		
Charges for services		
Electricity sales and fees	\$ 2,315,960	\$ 2,291,030
Other operating revenues	<u>11,515</u>	<u>45,769</u>
Total operating revenues	<u>\$ 2,327,475</u>	<u>\$ 2,336,799</u>
Operating expenses		
Personal services	\$ 117,528	\$ 136,661
Purchase of electricity	1,294,769	1,284,279
Materials and supplies	33,059	29,317
Depreciation	24,957	27,098
Utilities and telephone	8,913	6,750
Bad debts	27,533	40,134
Other operating expenses	<u>29,964</u>	<u>28,983</u>
Total operating expenses	<u>\$ 1,536,723</u>	<u>\$ 1,553,222</u>
Operating income	<u>\$ 790,752</u>	<u>\$ 783,577</u>

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

TOWN OF JONESVILLE, LOUISIANA
 ENTERPRISE FUND
 MUNICIPAL UTILITIES SYSTEM
 COMPARATIVE STATEMENT OF OPERATING REVENUES AND EXPENSES
 WATER DEPARTMENT
 YEARS ENDED JUNE 30, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
Operating revenues		
Charges for services		
Water sales and fees	\$ 206,457	\$ 196,187
Other operating revenues	<u>1,038</u>	<u>3,919</u>
Total operating revenues	<u>\$ 207,495</u>	<u>\$ 200,106</u>
Operating expenses		
Personal services	\$ 51,796	\$ 64,829
Materials and supplies	18,556	25,925
Depreciation	36,889	38,934
Utilities and telephone	36,600	31,054
Bad debts	2,446	3,299
Other operating expenses	<u>15,572</u>	<u>25,074</u>
Total operating expenses	<u>\$ 161,859</u>	<u>\$ 189,115</u>
Operating income	<u>\$ 45,636</u>	<u>\$ 10,991</u>

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

TOWN OF JONESVILLE, LOUISIANA
ENTERPRISE FUND
MUNICIPAL UTILITIES SYSTEM
COMPARATIVE STATEMENT OF OPERATING REVENUES AND EXPENSES
NATURAL GAS DEPARTMENT
YEARS ENDED JUNE 30, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
Operating revenues		
Charges for services		
Natural gas sales and fees	\$ 427,670	\$ 548,487
Other operating revenues	<u>2,150</u>	<u>10,957</u>
Total operating revenues	<u>\$ 429,820</u>	<u>\$ 559,444</u>
Operating expenses		
Personal services	\$ 40,094	\$ 37,341
Purchase of natural gas	227,364	321,893
Materials and supplies	8,141	10,866
Depreciation	7,534	6,161
Utilities and telephone	2,019	1,138
Bad debts	5,098	9,346
Other operating expenses	<u>26,280</u>	<u>26,224</u>
Total operating expenses	<u>\$ 316,530</u>	<u>\$ 412,969</u>
Operating income	<u>\$ 113,290</u>	<u>\$ 146,475</u>

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

TOWN OF JONESVILLE, LOUISIANA
ENTERPRISE FUND
MUNICIPAL UTILITIES SYSTEM
COMPARATIVE STATEMENT OF OPERATING REVENUES AND EXPENSES
SEWER DEPARTMENT
YEARS ENDED JUNE 30, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
Operating revenues		
Charges for services		
Sewer charges and fees	\$ 119,791	\$ 121,162
Other operating revenues	<u>603</u>	<u>2,421</u>
Total operating revenues	<u>\$ 120,394</u>	<u>\$ 123,583</u>
Operating expenses		
Personal services	\$ 51,530	\$ 43,562
Materials and supplies	12,066	19,566
Depreciation	33,322	32,841
Utilities and telephone	13,440	13,024
Bad debts	1,428	2,199
Other operating expenses	<u>21,517</u>	<u>10,184</u>
Total operating expenses	<u>\$ 133,303</u>	<u>\$ 121,376</u>
Operating income	<u>\$ (12,909)</u>	<u>\$ 2,207</u>

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

GENERAL FIXED ASSET ACCOUNT GROUP

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

TOWN OF JONESVILLE, LOUISIANA
COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS - BY SOURCE
JUNE 30, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
General fixed assets		
Land and buildings	\$ 1,393,553	\$ 1,378,699
Machinery and equipment	<u>910,174</u>	<u>873,346</u>
Total general fixed assets	<u>\$ 2,303,727</u>	<u>\$ 2,252,045</u>
Investment in general fixed assets from		
General Fund	\$ 2,183,027	\$ 2,131,345
Donations from other governments	<u>120,700</u>	<u>120,700</u>
Total investment in general fixed assets	<u>\$ 2,303,727</u>	<u>\$ 2,252,045</u>

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

TOWN OF JONESVILLE, LOUISIANA
SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY
JUNE 30, 1999

<u>Function and Activity</u>	<u>Total</u>	<u>Land and buildings</u>	<u>Machinery and equipment</u>
General government			
Financial administration	\$ 447,436	\$ 242,144	\$ 205,292
Public safety			
Police protection	311,752	56,889	254,863
Fire protection	200,852	17,981	182,871
Streets	131,547	8,207	123,340
Sanitation	135,568	8,207	127,361
Industrial development	850,015	850,015	-
Airport	82,252	82,252	-
Recreation	107,635	92,738	14,897
Activity center	<u>36,670</u>	<u>35,120</u>	<u>1,550</u>
Totals	<u>\$ 2,303,727</u>	<u>\$ 1,393,553</u>	<u>\$ 910,174</u>

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

TOWN OF JONESVILLE, LOUISIANA
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
YEAR ENDED JUNE 30, 1999

	General fixed assets <u>7/1/98</u>	<u>Additions</u>	<u>Dispositions</u>	General fixed assets <u>6/30/99</u>
General government				
Financial administration	\$ 430,638	\$ 16,798	\$	\$ 447,436
Public safety				
Police protection	299,230	12,522		311,752
Fire protection	197,829	3,023		200,852
Streets	127,062	4,485		131,547
Sanitation	135,568			135,568
Industrial development	835,161	14,854		850,015
Airport	82,252			82,252
Recreation	107,635			107,635
Activity center	<u>36,670</u>	<u> </u>	<u> </u>	<u>36,670</u>
Totals	<u>\$ 2,252,045</u>	<u>\$ 51,682</u>	<u>\$ -</u>	<u>\$ 2,303,727</u>

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

GENERAL LONG-TERM DEBT ACCOUNT GROUP

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

TOWN OF JONESVILLE, LOUISIANA
STATEMENT OF GENERAL LONG-TERM DEBT
JUNE 30, 1999
WITH COMPARATIVE TOTALS FOR JUNE 30, 1998

	Certificates of Indebtedness <u>Series 1987</u>	Notes payable	Capital leases	<u>Totals</u>	
				<u>1999</u>	<u>1998</u>
Amount available and to be provided for the retirement of general long-term debt					
Amount necessary to be provided from					
General Fund Revenues	\$ <u>80,795</u>	\$ <u>27,800</u>	\$ <u>38,524</u>	\$ <u>147,119</u>	\$ <u>191,508</u>
Total available and to be provided	\$ <u>80,795</u>	\$ <u>27,800</u>	\$ <u>38,524</u>	\$ <u>147,119</u>	\$ <u>191,508</u>
General long-term debt					
Installment payable Certificate of Indebtedness	\$ 80,795	\$	\$	\$ 80,795	\$123,713
Notes payable		27,800		27,800	-
Capital leases payable			<u>38,524</u>	<u>38,524</u>	<u>67,795</u>
Total general long-term debt	\$ <u>80,795</u>	\$ <u>27,800</u>	\$ <u>38,524</u>	\$ <u>147,119</u>	\$ <u>191,508</u>

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TOWN OF JONESVILLE, LOUISIANA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 1999

Federal Grantor/Pass- Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	<u>Revenues</u>	<u>Expenditures</u>
U. S. Department of Housing and Urban Development					
Pass-Through State Department of Community Development					
Community Development Block-Grant States Program	14.219	101-6052	\$ 49,930	\$ 12,235	\$ 12,300
Total U. S. Department of Housing and Urban Development				\$ 12,235	\$ 12,300
Total Federal Financial Assistance				\$ 12,235	\$ 12,300

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

ADDITIONAL REPORTS

SILAS M. SIMMONS & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

209 N. COMMERCE STREET

P.O. Box 1027

NATCHEZ, MISSISSIPPI 39121

SILAS M. SIMMONS, C.P.A. - 1932-1985
 FRANK L. BYARS, C.P.A. - 1945-1971
 LAMAR G. ROGERS, C.P.A. - RETIRED
 C. WESLEY CALDWELL, C.P.A. - RETIRED
 JOHN M. MARCHBANKS, C.P.A. - RETIRED
 ROBERT C. GARDNER, C.P.A. - RETIRED

BILL RUSH MOSBY, JR., C.P.A.
 THOMAS F. HEARD, C.P.A.
 CHARLES W. CALDWELL, JR., C.P.A.
 BENNETT M. JEANSONNE, C.P.A.
 WILLIAM WES GORE, C.P.A.

VIRGINIA C. BLACKWOOD, C.P.A.
 PATRICIA G. DAVIS, C.P.A.
 MADELYN A. LECKIE, C.P.A., C.B.A.
 SIM McRAF MOSBY, C.P.A.
 MICHAEL T. NUNNERY, C.P.A.
 DENISE H. SEALE, C.P.A.
 ANDREW S. BISSONNETTE, C.P.A.
 DONNA VEGAS CALLAWAY, C.P.A.

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

ESTABLISHED 1932

MEMBER OF
 AMERICAN INSTITUTE OF CPAs
 PRIVATE COMPANIES
 PRACTICE SECTION
 MISSISSIPPI SOCIETY OF CPAs
 LOUISIANA SOCIETY OF CPAs

TELEPHONE 601-442-7411
 FAX PHONE 601-442-8551

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

We have audited the general purpose financial statements of Town of Jonesville, Louisiana, as of and for the year ended June 30, 1999, and have issued our report thereon dated November 11, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Town of Jonesville, Louisiana's general purpose 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 one instance of noncompliance that is required to be reported under Government Auditing Standards which is described in the accompanying Schedule of Findings as item number 99-2. We also noted certain immaterial instances of noncompliance that we have reported to management of Town of Jonesville, Louisiana, in a separate letter dated November 11, 1999.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Jonesville, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. 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 Town of Jonesville, Louisiana's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. Reportable conditions are described in the accompanying schedule of findings as item numbers 99-1 through 99-8.

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 general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider item numbers 99-1 through 99-8 to be material weaknesses. We also noted other matters involving the internal control over financial reporting that we have reported to management of Town of Jonesville, Louisiana, in a separate letter dated November 11, 1999.

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

Silas M. Sumner & Company, LLP

Natchez, Mississippi
November 11, 1999

TOWN OF JONESVILLE, LOUISIANA
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 1999

99-1 Finding

From our understanding of the Town's internal control structure, we have determined that the small size of the town and its limited number of personnel do not allow for the adequate segregation of duties among employees. This is a continuing comment from prior years. In the past we have recommended that the Board continue to insist on accurate monthly financial reports to help offset this problem. It is our understanding that the monthly financial reporting has not reached a level that would allow the Board to have a sufficient knowledge of the Town's current financial position.

Recommendation

We do not believe that it would be cost effective for the Town to hire the additional staff required to resolve this problem. We believe that the Town has taken steps to offset this problem by approving certain transactions at Board meetings and requiring dual signatures on all checks. The Board should also take the steps necessary to obtain accurate monthly financial reports, including detailed general ledgers and budget comparisons.

99-2 Finding

The Town has not maintained adequate subsidiary records documenting the historical cost of fixed assets. An inventory has not been taken in several years, and computer listings are incomplete. This is a continuing comment from prior years. No actions were taken during the current fiscal year to correct this problem.

Recommendation

An accurate record of general fixed assets is required by law. A plan should be implemented to complete the physical inventory and obtain actual or estimated historical cost amounts for all fixed assets, including land and buildings, belonging to the Town of Jonesville, Louisiana.

99-5 Finding

In the prior year we found that the utility accounts receivables subsidiary system had been incorrectly aging past due accounts. There were numerous delinquent and inactive accounts that were shown as current in the Aged Accounts Receivable Report. The effect had been that bad debts were being carried in the system over a three year period and were not shown as current. The only way to identify these accounts was to manually review the subsidiary listing and research individual accounts. This was still a problem during the current fiscal year ending June 30, 1999.

Recommendation

The accounts receivable subsidiary was transferred to the new system in August 1999. All bad debts were identified and charged to expense as of June 30, 1998 and June 30, 1999. We believe that the new system should handle the accounts receivable correctly, although there may be some short-term problems as the staff becomes familiar with the new system. We recommend that the Board monitor the staff's progress.

99-6 Finding

We found that the general ledgers were out of balance as of June 30, 1999. General Fund debits exceeded credits by \$30,593.90. Utility Fund credits exceeded debits by \$33,016.19. We believe that these problems were caused by software failures. The system allowed entries to be made to more than one fund at the same time, thus creating the situation where debits did not equal credits within a given fund.

Recommendation

The new computer system and software should solve this problem by not allowing cross fund transactions to be posted. We recommend that management review all general ledgers monthly in order to identify and resolve posting errors as they occur.

99-7 Finding

We found that subsidiary ledgers are not being reconciled to the general ledger. Accounts receivable, other receivables, accounts payable and customer deposit subsidiary ledgers were not reconciled to general ledger control accounts. Because these ledgers were not being reconciled, all were out of balance with the general ledger control accounts.

Recommendation

Subsidiary ledgers should be reconciled to the general ledger monthly. Errors, if any, should be corrected at that time. We recommend that the Town Clerk review monthly reconcilements.

99-8

Finding

During our audit we made 30 adjusting journal entries to the Utility Fund and 39 to the General Fund. The majority of these entries were to correct posting errors or make reclassifications.

Recommendation

We recommend that the Town Clerk review the detailed general ledger monthly. By doing this, errors can be corrected in a timely manner. We also believe that the Town's chart of accounts should be streamlined. At the present there are numerous duplications and similar account classifications that have made posting unduly complex. These accounts should be deleted.

SILAS M. SIMMONS & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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C. WESLEY CALDWELL, C.P.A. - RETIRED
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MANAGEMENT REPORT

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

We have audited the general purpose financial statements of the Town of Jonesville, Louisiana, for the year ended June 30, 1999, and have issued our report thereon dated November 11, 1999.

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

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

CURRENT YEAR FINDINGS

1. Finding

During our current and prior year audits, we found that the fines receivable contain a number of old accounts which appear to be uncollectible. These amounts have accumulated over a number of years. Because of the nature of these receivables, we don't believe that they can be written off.

Recommendation

We have recommended to management that a reserve account be established to account for the estimated amount of uncollectible fines. We also believe that the Town should develop and implement procedures for disposing of old fines receivable.

2. Finding

Payroll tax reports were not filed in a timely manner. Federal Forms 941 and state unemployment reports for the 1st and 2nd quarters of 1999 were filed late. We believe that errors in the payroll system and the former payroll clerk leaving March 31, 1999 contributed heavily to this problem.

Recommendation

All payroll reports have been filed as of the date of this report. The Town began using the new payroll system beginning with the first payroll in July 1999. We reviewed payrolls produced by the new system. We noted no problems. The new system should help solve the problems. We recommend that management closely monitor payrolls and payroll reporting until such time that they are satisfied that the system is performing.

3. Finding

We noted the following discrepancies involving the former payroll clerk's compensation and payroll deductions during the fiscal year ended June 30, 1999:

	<u>Amount withheld</u>		<u>Amount paid on employee's behalf</u>		<u>Variance</u>
Credit Union deductions	\$ 112.00	\$	256.00	\$	144.00
Life insurance withheld	\$ 100.13	\$	205.13		105.00
FICA & Medicare	\$ 1,124.57	\$	1,274.50		149.93
Extra check written 10/26/98 for unused vacation in violation of Town policy					<u>390.00</u>
Total variance				\$	<u>788.93</u>

Recommendation

We recommend that the Town pursue the appropriate course of action after consulting legal counsel.

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

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

Silas M. Summons & Company, LLP

Natchez, Mississippi
November 11, 1999



TOWN OF JONESVILLE

Village - December 16, 1903 • Town - October 18, 1916

MAYOR
WILLIAM F. "BILLY" EDWARDS

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November 11, 1999

MANAGEMENT'S CORRECTIVE ACTION PLAN

Office of Legislative Auditor
State of Louisiana
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

The Town of Jonesville, Louisiana has prepared and hereby submits the following corrective action plan for the findings included in the audit of its general purpose financial statements for the year ended June 30, 1999, as reported by Silas M. Simmons & Company, LLP, in its reports dated November 11, 1999.

REPORT ON COMPLIANCE AND INTERNAL CONTROL

Finding 99-1:

Inadequate segregation of duties among employees.

Corrective Action Plan:

Management is aware of the problem with segregation of duties and will continue to develop and implement control procedures to offset this inherent problem associated with being a small entity.

Finding 99-2:

Subsidiary records documenting the historical costs of fixed assets have not been maintained, and a complete inventory has not been taken in several years.

Corrective Action Plan:

Management plans to research Town records for historical cost information and intends on starting and completing an inventory of its fixed assets in the near future.

Finding 99-3:

Computer hardware and software problems.

Corrective Action Plan:

The new computer system is now on line. The Board will monitor the staff's progress.

Finding 99-4:

Town's plan to assess its risks associated with the year 2000.

Corrective Action Plan:

The Town believes that it has dealt with its major risks associated with the year 2000 by implementing a year 2000 compliant computer system and by contacting its major vendors. All systems will be backed up on December 31, 1999.

Finding 99-5:

Errors in the accounts receivable subsidiary system have caused old accounts receivable to be carried as current.

Corrective Action Plan:

The new accounts receivable package is in place. The Board will monitor the staff's progress.

Finding 99-6:

General ledgers are out of balance.

Corrective Action Plan:

The new computer systems were brought on-line after the end of the fiscal year. Management will review all general ledgers monthly to identify and resolve problems as they occur.

Finding 99-7:

Subsidiary ledgers are not being reconciled to the general ledger control accounts.

Corrective Action Plan:

Management will review all reconcilements monthly and will resolve differences as they occur.

Finding 99-8:

Numerous adjusting journal entries were made during the audit due to posting errors and misclassifications.

Corrective Action Plan:

Management will review the detailed general ledgers monthly to identify and correct posting errors and misclassifications in a timely manner. Management will also eliminate some unneeded accounts from the Chart of Accounts.

MANAGEMENT REPORT

Finding 1:

Fines receivable contain a number of old uncollectible accounts.

Corrective Action Plan:

Management agrees with the auditor's recommendations and will develop and establish procedures to deal with this problem.

Finding 2:

Payroll tax reports have not been filed in a timely manner.

Corrective Action Plan:

Management feels that the new payroll system will help correct this problem. Also the new payroll clerk is now more comfortable with her new duties. Management will monitor payroll over the next year to insure that all tax reports have been timely filed.

Finding 3:

Various discrepancies were found involving the former payroll clerk's compensation and payroll deductions.

Corrective Action Plan:

The Town will pursue the proper course of action after consulting legal counsel.

The management of the Town of Jonesville, Louisiana believes that the above corrective action plan will help resolve the findings contained with its audited general purpose financial statements for the fiscal year ended June 30, 1999. Should you have any questions or require additional information, please contact us. Thank you for your consideration in these matters.

Sincerely,

Town of Jonesville, Louisiana