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**TOWN OF JACKSON, LOUISIANA**

**FINANCIAL REPORT**

**SEPTEMBER 30, 2017**

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Postlethwaite & Netterville

A Professional Accounting Corporation

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**TOWN OF JACKSON, LOUISIANA**

**FINANCIAL REPORT**

**SEPTEMBER 30, 2017**

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## **INDEPENDENT AUDITORS' REPORT**

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Jackson, Louisiana, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Town of Jackson's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of Jackson, Louisiana, as of September 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on page 5 through 11, budgetary comparison information on page 48 through 49, schedule of the proportionate share of net pension liability on page 50, the schedule of contributions to each retirement system on page 51, and the



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notes to required supplementary information on page 52 to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Jackson, Louisiana's basic financial statements. The Schedule of Revenues and Expenses by Activity, the Schedule of Principal Officials and Salaries, and the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer, on page 53, page 54, and page 55, respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Revenues and Expenses by Activities, the Schedule of Principal Officials and Salaries, and the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Revenues and Expenses by Activity, the Schedule of Principal Officials and Salaries, and the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Insurance-in-Force and Public Utility System Operations schedules, on page 56 and pages 57 through 58, respectively, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2018, on our consideration of the Town of Jackson, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Jackson, Louisiana's internal control over financial reporting and compliance.

Baton Rouge, Louisiana  
March 30, 2018

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Jackson, Louisiana, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Town of Jackson, Louisiana's basic financial statements and have issued our report thereon dated March 30, 2018.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of Jackson, Louisiana's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Jackson, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Jackson, Louisiana's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and recommendations to be material weaknesses, noted as items 2017-002 and 2017-003.

*A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompany schedule of findings and recommendations to be significant deficiencies, noted as items 2017-004 and 2017-005.



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### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town of Jackson, Louisiana's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and recommendations as item 2017-001.

### **Town of Jackson, Louisiana's Response to Findings**

The Town of Jackson, Louisiana's response to the findings identified in our audit are described in the accompanying schedule of findings and recommendations. The Town of Jackson, Louisiana's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Postlethwaite & Netterville*

Baton Rouge, Louisiana  
March 30, 2018

**TOWN OF JACKSON, LOUISIANA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**SEPTEMBER 30, 2017**

This section of the Town of Jackson, Louisiana's (the Town) annual financial report presents our discussion and analysis of the Town's financial performance during the fiscal year that ended on September 30, 2017. Please read it in conjunction with the Town's financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

- The Town's assets plus deferred outflows of resources exceeded its liabilities plus deferred inflows of resources at the close of fiscal year 2017 by \$2,639,717. Of this net position, \$3,641,862 is either restricted or invested in capital assets and is unavailable for payment of ongoing obligations. The unrestricted net position reflects a deficit balance of \$1,002,145.
- Expenses exceeded revenues by \$242,445 on the accrual basis for the 2017 fiscal year, representing a decrease in the overall financial condition of the Town.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of four parts—management's discussion and analysis (this section), the basic financial statements, required supplementary information, and an optional section that presents supplemental statements and schedules. The basic financial statements include two kinds of statements that present different views of the Town:

- The first two statements are government-wide financial statements that provide long-term and short-term information about the Town's overall financial status and economic condition.
- The remaining statements are fund financial statements that focus on individual parts of the Town government, reporting the Town's operations in more detail than the government-wide statements.
  - The governmental fund statements tell how general government services like public safety were financed in the short term as well as what remains for future spending.
  - Proprietary fund statements offer *short* and *long-term* financial information about the activities the government operates *like businesses*, such as the water, sewer and gas delivery systems.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

**TOWN OF JACKSON, LOUISIANA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**SEPTEMBER 30, 2017**

Figure A-1  
Major Features of the Town's Government and Fund Financial Statements

	<b><u>Government-wide Statements</u></b>	<b><u>Fund Statements</u></b>	
		<b><u>Governmental Funds</u></b>	<b><u>Proprietary Funds</u></b>
<b><u>Scope</u></b>	Entire Town government (except fiduciary funds)	The activities of the Town that are not proprietary or fiduciary, such as police, fire, and streets	Activities the Town operates similar to private businesses: the water, sewer and gas systems
<b><u>Required financial statements</u></b>	<ul style="list-style-type: none"><li>• Statement of net position</li><li>• Statement of activities</li></ul>	<ul style="list-style-type: none"><li>• Balance Sheet</li><li>• Statement of revenues, expenditures, and changes in fund balances</li></ul>	<ul style="list-style-type: none"><li>• Statement of net position</li><li>• Statement of revenues, expenses, and changes in net position</li><li>• Statement of cash flows</li></ul>
<b><u>Accounting basis and measurements focus</u></b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
<b><u>Type of asset/liability information</u></b>	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
<b><u>Type of inflow/outflow information</u></b>	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

# TOWN OF JACKSON, LOUISIANA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2017

### **Government-wide Statements**

The government-wide statements report information about the Town as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Town's net assets and how they have changed. Net position—the difference between the Town's assets and liabilities - is one way to measure the Town's financial health, or position.

- Over time, increases or decreases in the Town's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Town, one needs to consider additional nonfinancial factors such as changes in the Town's property tax base and the condition of the Town's roads and utilities infrastructure.

The government-wide financial statements of the Town are divided into two categories:

- Governmental activities - most of the Town's basic services are included here, such as the police, fire, public works, parks department, and general administration. Property taxes, sales taxes, franchise fees and interest finance most of these activities.
- Business-type activities - The Town charges fees to customers to help it cover the costs of certain services it provides. The Town's water, gas and sewer systems are included here.

### **Fund Financial Statements**

The fund financial statements provide more detailed information about the Town's most significant funds—not the Town as a whole. Funds are accounting devices that the Town uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law, while others may be required by bond covenants.
- Governmental funds - Most of the Town's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the subsequent page that explains the relationship (or differences) between them.
- Proprietary funds - Services for which the Town charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-and short-term financial information. In fact, the Town's enterprise funds (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.

TOWN OF JACKSON, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2017

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

	Table A-1			
	Town's Net Position			
	Governmental Activities		Business-Type Activities	
	2017	2016	2017	Restated 2016
<b>Assets</b>				
Current and other assets	\$ 191,032	\$ 292,566	\$ 863,945	\$ 1,082,151
Capital assets	869,931	926,798	2,614,434	2,520,512
<b>Total assets</b>	<b>1,060,963</b>	<b>1,219,364</b>	<b>3,478,379</b>	<b>3,602,663</b>
<b>Deferred outflows of resources</b>				
Pension related	202,013	237,180	105,761	132,931
<b>Total assets and deferred outflows of resources</b>	<b>1,262,976</b>	<b>1,456,544</b>	<b>3,584,140</b>	<b>3,735,594</b>
<b>Liabilities</b>				
Current liabilities	(629,458)	(462,005)	812,482	898,461
Long term liabilities	816,505	876,248	1,095,213	936,734
<b>Total liabilities</b>	<b>187,047</b>	<b>414,243</b>	<b>1,907,695</b>	<b>1,835,195</b>
<b>Deferred inflows of resources</b>				
Pension related	61,341	41,625	51,316	18,913
<b>Total liabilities and deferred inflows of resources</b>	<b>248,388</b>	<b>455,868</b>	<b>1,959,011</b>	<b>1,854,108</b>
<b>Net position</b>				
Net investment in capital assets	869,931	926,798	1,951,917	2,007,371
Restricted funds	717,603	671,838	102,411	353,319
Unrestricted (deficit)	(572,946)	(597,960)	(429,199)	(479,204)
<b>Total net position</b>	<b>\$ 1,014,588</b>	<b>\$ 1,000,676</b>	<b>\$ 1,625,129</b>	<b>\$ 1,881,486</b>

TOWN OF JACKSON, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2017

**Changes in net position.** The Town's total change in net position was (\$242,445); \$13,912 from governmental activities and (\$256,357) from business-type activities. The changes in net position result from those activities' revenues falling short of expenses. Table A-2 shows the composition of revenues and summarizes the expenses by function or service area.

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>Revenues</b>				
Program revenues				
Charges for services	\$ 84,825	\$ 41,282	\$ 889,592	\$ 802,022
Operating grants	11,400	50,000	77,473	161,486
General revenues				
Taxes	456,574	385,322	-	-
Licenses and permits	75,479	84,028	-	-
Miscellaneous	200,138	182,045	7,409	994
<b>Total revenues</b>	<b>828,416</b>	<b>742,677</b>	<b>974,474</b>	<b>964,502</b>
<b>Expenses</b>				
General government	579,463	591,483	-	-
Public safety	534,131	542,933	-	-
Recreation	910	1,329	-	-
Services – Utilities	-	-	930,831	834,381
<b>Total expenses</b>	<b>1,114,504</b>	<b>1,135,745</b>	<b>930,831</b>	<b>834,381</b>
<b>Transfers</b>	<b>300,000</b>	<b>360,000</b>	<b>(300,000)</b>	<b>(360,000)</b>
<b>Increase (decrease) in net position</b>	<b>\$ 13,912</b>	<b>\$ (33,068)</b>	<b>\$ (256,357)</b>	<b>\$ (229,879)</b>
Beginning net position	1,000,676	1,033,744	1,881,486	2,076,405
Overstatement of Bonds Payable Balance	-	-	-	34,960
<b>Restated net position</b>	<b>\$ 1,014,588</b>	<b>\$ 1,000,676</b>	<b>\$ 1,625,129</b>	<b>\$ 1,881,486</b>

**TOWN OF JACKSON, LOUISIANA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**SEPTEMBER 30, 2017**

**FINANCIAL ANALYSIS OF THE TOWN'S FUNDS**

As the Town completed the year, its governmental funds reported a combined fund balance of \$820,490, consisting of \$102,887 in the general fund and \$717,603 in the special revenue fund. The \$102,887 in the general fund is unassigned and available for spending. The \$717,603 in the special revenue fund is reserved in order to maintain streets and sidewalks.

**General Fund Budgetary Highlights**

Over the course of the year, the Board of Alderman revised the Town budget. These budget amendments resulted from:

- Increased fines revenue
- Increased grant revenue

Under the revised budget, the general fund also budgeted for additional capital asset expenditures for Town Hall roof repairs and improvements to the fire station.

**CAPITAL ASSETS**

At the end of September 30, 2017, the Town had invested approximately \$3.5 million in a broad range of capital assets, including police and fire equipment, buildings, vehicles, streets, and water and sewer systems. See Table A-3. This amount represents a net increase (including additions and deductions) of \$37,055 or 1.0 percent over last year.

**Table A-3**  
**Town's Capital Assets**  
(net of depreciation)

	<b>Governmental Activities</b>		<b>Business Activities</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Land	\$ 26,000	\$ 26,000	\$ 18,300	\$ 18,300
Buildings	128,094	102,218	9,447	12,276
Other Improvements	413,619	476,758	2,559,850	1,885,273
Equipment	302,218	321,822	26,837	31,513
Construction in Progress	-	-	-	573,150
<b>Total</b>	<b>\$869,931</b>	<b>\$926,798</b>	<b>\$ 2,614,434</b>	<b>\$ 2,520,512</b>

This year's major capital asset additions included:

- The fire station improvements and Town Hall roof improvements totaling \$17,590 and \$16,980, respectively.
- Additional water well costs during fiscal year 2017 which were capitalized in the current year totaling \$262,122.

**TOWN OF JACKSON, LOUISIANA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**SEPTEMBER 30, 2017**

**LONG-TERM LIABILITIES**

The Town's long-term liabilities consists of bonds payable, notes payable, the liability for compensated absences, and its net pension liability. See Table A-4 below.

**Table A-4  
Town's Long-Term Liabilities**

	<b>Governmental Activities</b>		<b>Business Activities</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>Restated 2016</b>
Bonds Payable	\$ -	\$ -	\$ 547,722	\$ 367,014
Notes Payable	-	-	108,520	108,520
Compensated Absences	10,783	8,844	9,803	12,209
Net Pension Liability	805,722	867,404	429,168	448,991
<b>Total</b>	<b>\$ 816,505</b>	<b>\$ 876,248</b>	<b>\$ 1,095,213</b>	<b>\$ 936,734</b>

- In 2015, the Town issued \$800,000 of Utility Revenue Bonds to finance the costs of constructing and acquiring improvements to the Town's water system. In 2016 and 2017, the Town drew down on the debt to fund the Well Water Project. As of September 30, 2017, the bonds payable had a remaining balance of \$547,722.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Town's major sources of revenue for the general fund consists of property taxes, sales tax, utility franchise fees, licenses and permits, and fines. Gas revenue fluctuates according to the Town's cost. Expenses of the utility fund are not expected to increase substantially, except for the costs of gas, which may continue an increasing trend from the past several years.

**CONTACTING THE TOWN'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town's mayor, Charles Coleman, 1610 Charter Street, Jackson, LA 70748, (225) 634-7777.

**TOWN OF JACKSON, LOUISIANA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2017**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 53,867	\$ 203,269	\$ 257,136
Certificates of deposit	48,566	357,682	406,248
Property tax receivable, net	1,649	-	1,649
Accounts receivable, net	-	109,984	109,984
Due from other governmental agencies	61,135	-	61,135
Accrued interest receivable	43	319	362
Other receivables	25,772	-	25,772
Restricted assets:			
Cash and cash equivalents	-	119,467	119,467
Certificates of deposit	-	73,224	73,224
Capital assets:			
Land	26,000	18,300	44,300
Other capital assets, net of depreciation	843,931	2,596,134	3,440,065
<b>TOTAL ASSETS</b>	<b>1,060,963</b>	<b>3,478,379</b>	<b>4,539,342</b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Pension related	202,013	105,761	307,774
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>202,013</b>	<b>105,761</b>	<b>307,774</b>
<b><u>LIABILITIES</u></b>			
Accounts payable	32,516	53,911	86,427
Accrued liabilities	42	-	42
Internal balances	(662,016)	662,016	-
Accrued interest payable	-	6,275	6,275
Customer service meter deposits	-	90,280	90,280
Long-term liabilities:			
Due beyond one year	10,783	666,045	676,828
Net pension liability	805,722	429,168	1,234,890
<b>TOTAL LIABILITIES</b>	<b>187,047</b>	<b>1,907,695</b>	<b>2,094,742</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Pension related	61,341	51,316	112,657
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>61,341</b>	<b>51,316</b>	<b>112,657</b>
<b><u>NET POSITION</u></b>			
Net invested in capital assets	869,931	1,951,917	2,821,848
<b>Restricted for:</b>			
Streets and sidewalks	717,603	-	717,603
Capital improvements	-	1,105	1,105
Debt service	-	65,117	65,117
Customer deposits	-	36,189	36,189
Unrestricted	(572,946)	(429,199)	(1,002,145)
<b>TOTAL NET POSITION</b>	<b>\$ 1,014,588</b>	<b>\$ 1,625,129</b>	<b>\$ 2,639,717</b>

The accompanying notes are an integral part of this statement.

**TOWN OF JACKSON, LOUISIANA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		Total
		Fees, Fines, and Charges for Services	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
<b>Governmental:</b>						
General government	\$ 579,463	\$ -	\$ -	\$ (579,463)	\$ -	\$ (579,463)
Public safety	534,131	84,825	11,400	(437,906)	-	(437,906)
Recreation	910	-	-	(910)	-	(910)
<b>Total governmental activities</b>	<b>1,114,504</b>	<b>84,825</b>	<b>11,400</b>	<b>(1,018,279)</b>	<b>-</b>	<b>(1,018,279)</b>
<b>Business-type:</b>						
Utilities - Gas	226,037	196,747	-	-	(29,290)	(29,290)
Utilities - Water	363,610	364,024	77,473	-	77,887	77,887
Utilities - Sewer	341,183	328,821	-	-	(12,362)	(12,362)
<b>Total business-type activities</b>	<b>930,831</b>	<b>889,592</b>	<b>77,473</b>	<b>-</b>	<b>36,234</b>	<b>36,234</b>
<b>Total Town of Jackson</b>	<b>\$ 2,045,335</b>	<b>\$ 974,417</b>	<b>\$ 88,873</b>	<b>\$ (1,018,279)</b>	<b>\$ 36,234</b>	<b>\$ (982,045)</b>
General Revenues:						
Taxes				456,574	-	456,574
Licenses and permits				75,479	-	75,479
Intergovernmental				4,543	-	4,543
Interest				151	7,409	7,560
Transfers (to)/from other funds				300,000	(300,000)	-
Other				195,444	-	195,444
Total general revenues				1,032,191	(292,591)	739,600
Change in net position				13,912	(256,357)	(242,445)
Net Position - September 30, 2016, as restated				1,000,676	1,881,486	2,882,162
Net Position - September 30, 2017				\$ 1,014,588	\$ 1,625,129	\$ 2,639,717

The accompanying notes are an integral part of this statement.

**TOWN OF JACKSON, LOUISIANA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2017**

	General Fund	Special Revenue Fund	Total
<b><u>ASSETS</u></b>			
Cash	\$ 28,051	\$ 25,816	\$ 53,867
Certificates of deposit	5,786	42,780	48,566
Property taxes receivable, net	1,649	-	1,649
Other accounts receivable	25,772	-	25,772
Due from other governmental agencies	24,727	36,408	61,135
Due from other funds	678,452	629,004	1,307,456
Accrued interest receivable	12	31	43
<b>TOTAL ASSETS</b>	<b>\$ 764,449</b>	<b>\$ 734,039</b>	<b>\$ 1,498,488</b>
<b><u>LIABILITIES</u></b>			
Accounts payable	\$ 32,516	\$ -	\$ 32,516
Accrued liabilities	42	-	42
Due to other funds	629,004	16,436	645,440
	<u>661,562</u>	<u>16,436</u>	<u>677,998</u>
<b><u>FUND BALANCES</u></b>			
Restricted for			
Streets and sidewalks	-	717,603	717,603
Unassigned, reported in			
General fund	102,887	-	102,887
	<u>102,887</u>	<u>717,603</u>	<u>820,490</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 764,449</b>	<b>\$ 734,039</b>	<b>\$ 1,498,488</b>

The accompanying notes are an integral part of this statement.

**TOWN OF JACKSON, LOUISIANA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2017**

Total fund balances - Governmental Funds		\$ 820,490
Cost of capital assets at September 30, 2017	\$ 3,271,810	
Less: accumulated depreciation as of September 30, 2017	<u>(2,401,879)</u>	869,931
Deferred outflows - pension related		202,013
Long-term liabilities at September 30, 2017:		
Compensated absences payable	\$ (10,783)	
Net pension liability	(805,722)	
Deferred inflows - pension related	<u>(61,341)</u>	
		<u>(877,846)</u>
Total net position at September 30, 2017 - Governmental Activities		<u>\$ 1,014,588</u>

The accompanying notes are an integral part of this statement.

**TOWN OF JACKSON, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUND TYPES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
<b><u>REVENUES</u></b>			
Taxes	\$ 207,786	\$ 248,788	\$ 456,574
Licenses and permits	75,479	-	75,479
Intergovernmental revenues	4,543	-	4,543
Fines and forfeitures	84,825	-	84,825
Interest	12	139	151
Grants - other	11,400	-	11,400
Other revenue	189,644	5,800	195,444
Total revenues	<u>573,689</u>	<u>254,727</u>	<u>828,416</u>
<b><u>EXPENDITURES</u></b>			
General government	286,704	208,962	495,666
Public safety	565,921	-	565,921
Recreation	910	-	910
Total expenditures	<u>853,535</u>	<u>208,962</u>	<u>1,062,497</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES UNDER EXPENDITURES</u></b>			
	(279,846)	45,765	(234,081)
<b><u>OTHER FINANCING SOURCES</u></b>			
Transfers in	300,000	-	300,000
Total other financing sources	<u>300,000</u>	<u>-</u>	<u>300,000</u>
<b><u>NET CHANGE IN FUND BALANCES</u></b>	20,154	45,765	65,919
<b><u>FUND BALANCES</u></b>			
Beginning of year	82,733	671,838	754,571
End of year	<u>\$ 102,887</u>	<u>\$ 717,603</u>	<u>\$ 820,490</u>

The accompanying notes are an integral part of this statement.

**TOWN OF JACKSON, LOUISIANA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**SEPTEMBER 30, 2017**

Net change in fund balances - governmental funds	\$	65,919
The change in net position reported for governmental activities in the statement of activities is different because:		
Capital outlay capitalized		111,905
Depreciation expense for the year ended September 30, 2017		(166,115)
Change in compensated absences		(1,941)
Net change in pension liability and deferred inflows/outflows of resources		<u>4,144</u>
Change in net position of governmental activities	<u>\$</u>	<u>13,912</u>

The accompanying notes are an integral part of this statement.

**TOWN OF JACKSON, LOUISIANA**  
**BALANCE SHEET**  
**PROPRIETARY FUND**  
**SEPTEMBER 30, 2017**

**CURRENT ASSETS**

Cash and cash equivalents	\$	203,269
Certificates of deposit		357,682
Accounts receivable, net		109,984
Accrued interest receivable		319
<b>Total current assets</b>		671,254

**RESTRICTED ASSETS**

Cash and cash equivalents		119,467
Certificates of deposit		73,224
<b>Total restricted assets</b>		192,691

**PROPERTY, PLANT, AND EQUIPMENT**

Land		18,300
Buildings		81,409
Improvements and infrastructure		6,546,264
Equipment		102,190
		6,748,163
Less: allowance for depreciation		(4,133,729)
Net property, plant, and equipment		2,614,434
<b>Total Assets</b>		3,478,379

**DEFERRED OUTFLOWS OF RESOURCES**

Pension related		105,761
<b>Total deferred outflows of resources</b>		105,761

**CURRENT LIABILITIES**

Accounts payable		53,911
Accrued interest payable		6,275
Customers' service meter deposits		90,280
Due to other funds		662,016
<b>Total current liabilities</b>		812,482

**LONG-TERM LIABILITIES**

Bonds payable		547,722
Notes payable		108,520
Compensated absences		9,803
Net pension liability		429,168
<b>Total long-term liabilities</b>		1,095,213
<b>Total Liabilities</b>		1,907,695

**DEFERRED INFLOWS OF RESOURCES**

Pension related		51,316
<b>Total deferred inflows of resources</b>		51,316

**NET POSITION**

Net investment in capital assets		1,951,917
Restricted - capital improvements		1,105
Restricted - debt service		65,117
Restricted - customer deposits		36,189
Unrestricted		(429,199)
<b>Total Net Position</b>		\$ 1,625,129

The accompanying notes are an integral part of this statement.

**TOWN OF JACKSON, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

**OPERATING REVENUES**

Gas sales	\$	187,203
Water sales		354,480
Sewerage sales		319,277
Penalties and service charges		28,632
Total operating revenues		889,592

**OPERATING EXPENSES**

Salaries		154,247
Wages		68,648
Audit and accounting		11,667
Depreciation		199,274
Electricity		27,025
Employees' retirement expense		89,077
Gas purchases		60,165
Insurance		81,196
Legal		2,400
Maintenance, repairs, and supplies		118,827
Miscellaneous		32,149
Printing, stationery, and supplies		27,327
Water pumpage charge		684
Truck expense		20,253
Utilities		3,550
Bad debt expense		28,197
Total operating expenses		924,686

**INCOME (LOSS) FROM OPERATIONS**

(35,094)

**NON-OPERATING REVENUES (EXPENSES)**

Interest revenues		7,409
Loss on disposal of assets		(2,490)
Interest expense		(3,655)
Grant revenue		77,473
Total non-operating revenues (expenses)		78,737

**INCOME BEFORE TRANSFERS**

43,643

Operating transfers out		(300,000)
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**CHANGE IN NET POSITION**

(256,357)

Net position - beginning of year, as restated		1,881,486
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Net position - end of year		\$ 1,625,129
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The accompanying notes are an integral part of this statement.

**TOWN OF JACKSON, LOUISIANA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received from customers	\$ 883,648
Cash paid to suppliers for goods and services	(593,097)
Cash paid to employees for services	(185,551)
<b>Net cash provided by operating activities</b>	<u>105,000</u>

**CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES**

Operating transfers out	<u>(300,000)</u>
<b>Net cash used in non-capital financing activities</b>	<u>(300,000)</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Acquisition and construction of capital assets	(295,686)
Proceeds from revenue bonds	180,708
Interest paid on debt	(27)
Proceeds from capital grant	77,473
<b>Net cash used in capital and related financing activities</b>	<u>(37,532)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchases of certificates of deposit	(673)
Interest earned on investments	7,409
<b>Net cash provided by investing activities</b>	<u>6,736</u>

Net decrease in cash and cash equivalents (225,796)

Cash and cash equivalents - beginning of year 548,532

Cash and cash equivalents - end of year \$ 322,736

Cash and cash equivalents as shown on balance sheet under:

Current assets	\$ 203,269
Restricted assets	<u>119,467</u>

\$ 322,736

The accompanying notes are an integral part of this statement.

**TOWN OF JACKSON, LOUISIANA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

**RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS**  
**TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

Income (loss) from operations	\$ (35,094)
Adjustments to reconcile income (loss) from operations to net cash provided by operating activities:	
Depreciation	199,274
Bad debts	28,197
Net change in assets and liabilities:	
Accounts receivable	(35,114)
Deferred outflows of resources	27,170
Accounts payable	(253,028)
Customer service meter deposits	973
Compensated absences	(2,406)
Net pension liability	(19,823)
Deferred inflows of resources	32,403
Due to other funds	162,448
Total adjustments	<u>140,094</u>
Net cash provided by operating activities	<u>\$ 105,000</u>

The accompanying notes are an integral part of this statement.

# TOWN OF JACKSON, LOUISIANA

## NOTES TO FINANCIAL STATEMENTS

### **1. Summary of significant accounting policies**

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

The Town's basic financial statements consist of the government-wide statements and the fund financial statements. The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units and promulgated by the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*. The entity-wide financial statements follow the guidance included in GASB Statement No. 62 – *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Such accounting and reporting procedures conform to the requirements of Louisiana Revised Statute 24:517, to the guidance set forth in the *Louisiana Governmental Accounting Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units* published by the American Institute of Certified Public Accountants.

#### Financial reporting entity

Governmental Accounting Standards Board (GASB) Statement No. 61, Section 2100, *Defining the Financial Reporting Entity*, establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Since the Town is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments, it is considered a primary government under the provisions of this Statement. As used in GASB Statement No. 61, fiscally independent means that the Town may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. Additionally, the Town does not have any component units, which are defined by GASB Statement No. 61 as other legally separate organizations for which the elected officials are financially accountable. There are no other primary governments with which the Town has a significant relationship.

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

#### Basis of Presentation

*Government-wide Statements:* The statement of net position and the statement of activities display information about the Town of Jackson as a whole entity. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between *the governmental and business-type activities* of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions, while business-type activities are financed in whole or in part by fees charged to external parties.

## TOWN OF JACKSON, LOUISIANA

### NOTES TO FINANCIAL STATEMENTS

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

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

*Fund Financial Statements:* The fund financial statements provide information about the Town's funds. Separate statements for each fund category—*governmental and proprietary*—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

The Town reports the following major governmental funds:

- a. General Fund - This is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- b. Special Revenue Fund - This fund accounts for the collection and expenditure of the sales tax received from the East Feliciana Police Jury whose use is restricted to streets and sidewalks within the Town.

The Town reports the following major enterprise fund:

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

#### Measurement Focus, Basis of Accounting

*Government-wide and Proprietary Fund Financial Statements.* The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and employ the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

## TOWN OF JACKSON, LOUISIANA

### NOTES TO FINANCIAL STATEMENTS

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

*Governmental Fund Financial Statements.* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Town considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

#### Budgets and budgetary accounting

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

1. A proposed budget is prepared and submitted to the Mayor and Board of Aldermen prior to the beginning of each fiscal year.
2. The proposed budget is published in the official journal and made available for public inspection. A public hearing is held to obtain taxpayer comments.
3. The budget is adopted through the passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
4. Budgetary amendments involving the transfer of funds from one department, program, or function to another or involving increases in expenditures resulting from revenues exceeding amounts originally estimated require the approval of the Board of Aldermen.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. Budgets for the general, special revenue, and proprietary funds are adopted on bases consistent with accounting principles generally accepted in the United States of America.
7. Louisiana R.S. 39:1310 requires budgets to be amended when revenue collections plus projected revenue collections for the remainder of a year, within a fund, are failing to meet estimated annual budgeted revenues by five percent or more or expenditures plus projected expenditures for the remainder of the year, within a fund, are exceeding estimated budgeted expenditures by five percent or more.

The level of budgetary control is total appropriations. Budgeted amounts included in the financial statements include the original adopted budget, and the final amended budget.

**TOWN OF JACKSON, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

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

Capital assets

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Sewerage system	25 years
Gas plant and structures	25 years
Office equipment	5-10 years
Automotive equipment	3-7 years
Street improvements	10 years
Buildings	40 years
Heavy machinery	10-15 years

All capital assets are stated at historical cost.

The Town maintains a \$500 threshold level for capitalizing assets.

Cash and cash equivalents

Cash and cash equivalents, which include demand deposit accounts, interest-bearing demand deposit accounts, and certificates of deposit, are stated at cost, which approximates market.

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

Accounts receivable

Uncollectible amounts due from customers for utility services are recognized through the establishment of an allowance for bad debts account at the time information becomes available which indicates the collectability of the particular receivable.

Restricted Assets

Based upon certain bond covenants, the Town is required to establish and maintain prescribed amounts of resources (consisting of cash and cash equivalents and certificates of deposits) in special funds that can be used only to service outstanding debt. These assets are classified as restricted assets on the statement of net position because their use is limited. Also included in restricted assets are customer deposits that were paid during the initial account opening.

## TOWN OF JACKSON, LOUISIANA

### NOTES TO FINANCIAL STATEMENTS

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

##### Transfers in and out

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

##### Statements of cash flows

For purposes of the statements of cash flows, the Town considers all highly liquid investments (including restricted assets) with original maturities of three months or less to be cash equivalents.

##### Encumbrances

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

##### Operating vs. non-operating revenue

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principle activity of the fund. Non-operating revenues, such as grant subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

##### Compensated absences

Employees earn vacation leave at various rates depending upon the length of their employment. Amounts of vested or accumulated vacation leave are expected to be liquidated with expendable available financial resources of the general fund and are reported as an expenditure and liability of the fund as the benefits accrue to employees. Vested or accumulated vacation leave of business-type funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

##### Use of Estimates

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

## TOWN OF JACKSON, LOUISIANA

### NOTES TO FINANCIAL STATEMENTS

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

##### Pension Plans

The Town of Jackson is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 8. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions for the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan.

##### Equity Classifications

*Government-wide Statements:* In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

*Fund Financial Statements:* In the fund financial statements, governmental fund equity is classified as fund balance. As such, fund balance of the governmental fund is classified as follows:

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Town, which is the highest level of decision-making authority.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.

**TOWN OF JACKSON, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

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

Equity Classifications (continued)

- e. Unassigned – all other spendable amounts.

When expenditures are incurred for the purposes for which both restricted and unrestricted amounts are available, the Town reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned, or unassigned amounts are available, the Town reduces committed amounts first, followed by assigned amounts, and finally unassigned amounts, as needed, unless the Town has provided otherwise in its committed or assignment actions.

**2. Capital Assets**

Capital assets and depreciation activity as of and for the year ended September 30, 2017, are as follows:

Governmental Activities:

	<u>Land</u>	<u>Buildings</u>	<u>Streets, Sidewalks and Park Improvements</u>	<u>Equipment</u>	<u>Total</u>
Cost of capital assets					
at September 30, 2016	\$ 26,000	\$ 418,367	\$ 1,174,600	\$ 1,733,685	\$3,352,652
Additions	-	34,570	19,967	57,368	111,905
Deletions	-	(2,439)	(475)	(189,833)	(192,747)
Cost of capital assets					
at September 30, 2017	<u>26,000</u>	<u>450,498</u>	<u>1,194,092</u>	<u>1,601,220</u>	<u>3,271,810</u>
Accumulated depreciation					
September 30, 2016	-	316,149	697,842	1,411,863	2,425,854
Additions	-	8,695	83,106	74,314	166,115
Deletions	-	(2,440)	(475)	(187,175)	(190,090)
Accumulated depreciation					
September 30, 2017	<u>-</u>	<u>322,404</u>	<u>780,473</u>	<u>1,299,002</u>	<u>2,401,879</u>
Capital assets, net of accumulated depreciation					
at September 30, 2017	<u>\$ 26,000</u>	<u>\$ 128,094</u>	<u>\$ 413,619</u>	<u>\$ 302,218</u>	<u>\$ 869,931</u>

Depreciation expense of \$166,115 was charged to the general government function in the government-wide financial statements.

**TOWN OF JACKSON, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

2. **Capital Assets** (continued)

Business-type Activities:

	<u>Land</u>	<u>Buildings</u>	<u>Improvements &amp; Infrastructure</u>	<u>Equipment</u>	<u>Construction in Progress</u>	<u>Total</u>
Cost of Capital Assets September 30, 2016	\$ 18,300	\$ 81,409	\$ 5,688,662	\$ 138,837	\$ 573,150	\$ 6,500,358
Reclass	-	-	835,272	-	(835,272)	-
Additions	-	-	29,247	4,317	262,122	295,686
Deletions	-	-	(6,917)	(40,964)	-	(47,881)
Cost of Capital Assets September 30, 2017	<u>18,300</u>	<u>81,409</u>	<u>6,546,264</u>	<u>102,190</u>	<u>-</u>	<u>6,748,163</u>
Accumulated Depreciation September 30, 2016	-	69,133	3,803,389	107,324	-	3,979,846
Additions	-	2,829	189,252	7,193	-	199,274
Deletions	-	-	(6,227)	(39,164)	-	(45,391)
Accumulated Depreciation September 30, 2017	<u>-</u>	<u>71,962</u>	<u>3,986,414</u>	<u>75,353</u>	<u>-</u>	<u>4,133,729</u>
Capital assets, net of accumulated depreciation at September 30, 2017	<u>\$ 18,300</u>	<u>\$ 9,447</u>	<u>\$ 2,559,850</u>	<u>\$ 26,837</u>	<u>\$ -</u>	<u>\$ 2,614,434</u>

**TOWN OF JACKSON, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**3. Governmental Activities Long-term obligations**

Long-term liability activity of governmental activities for the year ended September 30, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Net Pension Liability	\$ 867,404	\$ -	\$ (61,682)	\$ 805,722
Compensated Absences	8,844	1,941	-	10,783
	<u>\$ 876,248</u>	<u>\$ 1,941</u>	<u>\$ (61,682)</u>	<u>\$ 816,505</u>

**4. Business-Type Activities Long-term obligations**

**A. Activities**

Long-term liability activity of business-type activities for the year ended September 30, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Bonds Payable	\$ 367,014	\$ 180,708	\$ -	\$ 547,722
Notes Payable	108,520	-	-	108,520
Compensated Absences	12,209	-	(2,406)	9,803
Net Pension Liability	448,991	-	(19,823)	429,168
	<u>\$ 936,734</u>	<u>\$ 180,708</u>	<u>\$ (22,229)</u>	<u>\$1,095,213</u>

**B. Bonds and Notes Payable**

In February 2015, the Town's Board of Alderman authorized the issuance of Utilities Revenue Bonds to finance the costs of constructing and acquiring improvements to the drinking water portion of the Town's combined utilities systems. The combined revenues of the Town's drinking water, sewerage treatment, and natural gas supply system are pledged in an amount sufficient for the payment of principal and interest as they become due and payable.

Thirty percent of the Series 2016 bonds advance to the Town was forgiven as a debt upon advancement.

Pursuant to that authorization, the Town entered into an agreement with the Louisiana Department of Health and Hospitals (the Department) as part of the Build America Bonds Program whereby the Department purchased up to \$800,000 of debt issued by the Town to fund improvements to the water system. The indebtedness to the Town was evidenced through the 2016 Series Utility Revenue Bonds in the amount of \$800,000.

**TOWN OF JACKSON, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**4. Business-Type Activities Long-term obligations** (continued)

**B. Bonds and Notes Payable** (continued)

Based on an agreement with the Louisiana Department of Transportation and Development (La DOTD) executed in 1987, and pursuant to the provisions of La RS 48:381 (C), the Town owed \$108,520 for its share of a sewer line relocation project. The total project costs were paid by the La DOTD, but the Town was responsible for \$108,520 of the project. As of September 30, 2017, the La DOTD has not requested payment of the balance due.

Bonds and Notes outstanding were as follows at September 30, 2017:

	<u>Date of Issue</u>	<u>Original/Notional Balance</u>	<u>Ending Balance</u>
Utility Revenue Bonds, Series 2016, 2.95%	3/15/2016	\$ 800,000	\$ 547,722
Utility Relation Agreement	1987	108,520	108,520
		<u>\$ 908,520</u>	<u>\$ 656,242</u>

A schedule of annual debt service requirements for the Series 2016 bonds has not been established since advances on the bonds are still occurring and therefore the total debt to be repaid has not been determined.

A schedule of debt service requirements for the Utility Relocation Agreement payables has not been established as there is no agreement that provides for scheduled payments.

**5. Ad valorem taxes**

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

The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of East Feliciana Parish. During the year ended September 30, 2017, taxes of 6.19 mills were levied on property with assessed valuations totaling \$7,270,836 and were dedicated for general purposes.

Ad valorem taxes collected during the year ended September 30, 2017 totaled \$45,006. Of this amount, \$8,714 remained uncollected at September 30, 2017. The Town has a reserve for delinquent property taxes in the amount of \$7,065, therefore the net property tax receivable at September 30, 2017 totaled \$1,649.

**TOWN OF JACKSON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**

**6. Interfund Receivables and Payables**

Interfund receivables and payables at September 30, 2017, were as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General fund	\$ 678,452	\$ 629,004
Proprietary fund	-	662,016
Special Revenue fund	<u>629,004</u>	<u>16,436</u>
	<u>\$ 1,307,456</u>	<u>\$ 1,307,456</u>

**7. Interfund Transfers**

Transfers between funds occur to provide reimbursement of certain operating costs and are not expected to be repaid. Transfers between during the year ended September 30, 2017, were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ 300,000	\$ -
Proprietary fund	-	300,000
	<u>\$ 300,000</u>	<u>\$ 300,000</u>

**TOWN OF JACKSON, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**8. Pension and Retirement Plans**

The Town of Jackson (the Town) is a participating employer in several cost-sharing defined benefit pension plans. These plans are administered by two public employee retirement systems, the Municipal Employees' Retirement System of Louisiana (MERS) and the Municipal Police Employees' Retirement System (MPERS). Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of these plans to the State Legislature. Each system is administered by a separate board of trustees.

Each of the Systems issues an annual publicly available financial report that includes financial statements and required supplementary information for the system. These reports may be obtained by writing, calling or downloading the reports as follows:

MERS:  
7937 Office Park Boulevard  
Baton Rouge, Louisiana 70809  
(225) 925-4810  
www.mersla.com

MPERS:  
7722 Office Park Boulevard, Suite 200.  
Baton Rouge, LA 70809  
(225) 929-7411  
www.lampers.org

The Town implemented Government Accounting Standards Board (GASB) Statement 68 on Accounting and Financial Reporting for Pensions and Statement 71 on Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB 68. These standards require the Town to record its proportional share of each of the pension plans Net Pension Liability and report the following disclosures:

**Plan Descriptions:**

**Municipal Employees' Retirement System of Louisiana (MERS)**

The Municipal Employees' Retirement System of Louisiana (MERS) is the administrator of a cost sharing multiple-employer defined benefit pension plan. The System was originally established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana. The System provides retirement benefits to employees of all incorporated villages, towns and cities within the State which do not have their own retirement system and which elect to become members of the System. For the year ended June 30, 2017, there were 84 contributing municipalities in Plan A and 68 in Plan B. The Town of Jackson is a participant in Plan A only.

The following is a description of the plan and its benefits and is provided for general information purposes only.

Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least thirty-five hours per week. Those individuals paid jointly by a participating employer and the parish are not eligible for membership in the System with exceptions as outlined in the statutes.

**TOWN OF JACKSON, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**8. Pension and Retirement Plans** (continued)

**Plan Descriptions:** (continued)

Any member of Plan A who was hired before January 1, 2013 can retire providing the member meets one of the following criteria:

1. Any age with twenty-five (25) or more years of creditable service.
2. Age 60 with a minimum of ten (10) years of creditable service.
3. Any age with five (5) years of creditable service eligible for disability benefits.
4. Survivor's benefits require five (5) years creditable service at death of member.
5. Any age with 20 years of creditable service, exclusive of military service with an actuarially reduced early benefit.

Any member of Plan B who was hired before January 1, 2013 can retire providing the member meets one of the following criteria:

1. Any age with thirty (30) years of creditable service.
2. Age 60 with a minimum of ten (10) or more years of creditable service.
3. Any age with ten (10) years of creditable service eligible for disability benefits.
4. Survivor's benefits require five (5) years creditable service at death of member.

Eligibility for Retirement for Plan A and Plan B members hired on or after January 1, 2013 is as follows:

1. Age 67 with seven (7) or more years of creditable service
2. Age 62 with ten (10) or more years of creditable service
3. Age 55 with thirty (30) or more years of creditable service
4. Any age with twenty five (25) years of creditable service, exclusive of military service and unused side leave.

However, any member retiring under this subsection shall have their benefit actuarially reduced from the earliest age of which the member would be entitled to a vested deferred benefit under any provision of this section, if the member had continued in service to that age.

Generally, the monthly amount of the retirement allowance for any member of Plan A shall consist of an amount equal to three percent of the member's monthly average final compensation multiplied by his years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

Generally, the monthly amount of the retirement allowance for any member of Plan B shall consist of an amount equal to two percent of the member's monthly average final compensation multiplied by his years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

## TOWN OF JACKSON, LOUISIANA

### NOTES TO FINANCIAL STATEMENTS

#### 8. Pension and Retirement Plans (continued)

##### **Plan Descriptions:** (continued)

Upon death of any member of Plan A with five (5) or more years of creditable service, not eligible for retirement, the plan provides for benefits for the surviving spouse and/or minor children as outlined in the statutes. Any member of Plan A who is eligible for normal retirement at time of death and who leaves a surviving spouse will be deemed to have retired and selected Option 2 benefits on behalf of the surviving spouse on the date of death. Such benefits will begin only upon proper application and are paid in lieu of any other survivor benefits. Upon death of any member of Plan B with five (5) or more years of creditable service, not eligible for normal retirement, the plan provides for benefits for the surviving spouse as outlined in the statutes. Any member of Plan B who is eligible for normal retirement at time of death and who leaves a surviving spouse will be deemed to have retired and selected Option 2 benefits on behalf of the surviving spouse on the date of death. Such benefits will begin only upon proper application and are paid in lieu of any other survivor benefits.

In lieu of terminating employment and accepting a service retirement allowance, any member of Plan A or B who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund. Interest is earned when the member has completed DROP participation. Interest earnings are based upon the actual rate of return on the investments identified as DROP funds for the period. In addition, no cost-of-living increases are payable to participants until employment which made them eligible to become members of the System has been terminated for at least one full year. Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the board of trustees. If a participant dies during participation in the DROP, a lump sum equal to the balance in his account shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the DROP fund cease and the person resumes active contributing membership in the System.

For Plan A, a member shall be eligible to retire and receive a disability benefit if he has at least five years of creditable service, is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of forty-five percent of his final average compensation or three percent of his final average compensation multiplied by his years of creditable service whichever is greater or an amount equal to three percent of the member's final average compensation multiplied by his years of creditable service projected to his earliest normal retirement age.

**TOWN OF JACKSON, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**8. Pension and Retirement Plans** (continued)

**Plan Descriptions:** (continued)

For Plan B, a member shall be eligible to retire and receive a disability benefit if he has at least ten years of creditable service; in which he would receive a regular retirement under retirement provisions. A member shall be eligible to retire and receive a disability benefit if he has at least ten years of creditable service, is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan B shall be paid a disability benefit equal to the lesser of thirty percent of his final average compensation or two percent of his final average compensation multiplied by his years of creditable service, whichever is greater; or an amount equal to two percent of the member's final average compensation multiplied by his years of creditable service, projected to his earliest normal retirement age.

**Municipal Police Employees' Retirement System (MPERS)**

The Municipal Police Employees' Retirement System (MPERS) is the administrator of a cost-sharing multiple-employer plan. Membership in the System is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing he or she does not have to pay social security and providing he or she meets the statutory criteria. The System provides retirement benefits for municipal police officers. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date. Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211- 11:2233.

The following is a brief description of the plan and its benefits and is provided for general information purposes only.

Membership Prior to January 1, 2013: A member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years creditable service and is age 55. A member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age with an actuarially reduced benefit. Benefit rates are three and one-third percent of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary. Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from forty to sixty percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives benefits equal to ten percent of the member's average final compensation or \$200.00 per month, whichever is greater.

**TOWN OF JACKSON, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**8. Pension and Retirement Plans** (continued)

**Plan Descriptions:** (continued)

Membership Commencing January 1, 2013: Member eligibility for regular retirement, early retirement, disability and survivor benefits are based on Hazardous Duty and Non Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the Non Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub plans, a member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55. Under the Hazardous and Non Hazardous Duty sub plans, the benefit rates are three percent and two and a half percent, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary. Upon death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from twenty-five to fifty-five percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives ten percent of average final compensation or \$200 per month whichever is greater. If deceased member had less than ten years of service, beneficiary will receive a refund of employee contributions only.

Deferred Retirement Option Plan: A member is eligible to elect to enter the deferred retirement option plan (DROP) when he is eligible for regular retirement based on the members' sub plan participation. Upon filing the application for the program, the employee's active membership in the System is terminated. At the entry date into the DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at date of application. The duration of participation in the DROP is thirty six months or less. If employment is terminated after the three-year period the participant may receive his benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership into the System shall resume and upon later termination, he shall receive additional retirement benefit based on the additional service. For those eligible to enter DROP prior to January 1, 2004, DROP accounts shall earn interest subsequent to the termination of DROP participation at a rate of half of one percentage point below the percentage rate of return of the System's investment portfolio as certified by the actuary on an annual basis but will never lose money. For those eligible to enter DROP subsequent to January 1, 2004, an irrevocable election is made to earn interest based on the System's investment portfolio return or a money market investment return. This could result in a negative earnings rate being applied to the account. If the member elects a money market investment return, the funds are transferred to a government money market account.

**TOWN OF JACKSON, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**8. Pension and Retirement Plans** (continued)

Initial Benefit Option Plan In 1999, the State Legislature authorized the System to establish an Initial Benefit Option program. Initial Benefit Option is available to members who are eligible for regular retirement and have not participated in DROP. The Initial Benefit Option program provides both a one-time single sum payment of up to 36 months of regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest is computed on the balance based on same criteria as DROP.

**Funding Policy**

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee (PRSAC).

Contributions to the plans are required and determined by State statute (which may be amended) and are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended September 30, 2017, for the Town and covered employees were as follows:

	<u>Town</u>	<u>Employees</u>
Municipal Employees' Retirement System Plan A		
Members hired prior to 01/01/2013	24.75%	9.50%
Members hired after 01/01/2013	24.75%	9.50%
Municipal Police Employees' Retirement System		
All employees hired prior to 01/01/2013 and all Hazardous Duty employees hired after 1/01/2013	30.75%	10.00%
Non-Hazardous Duty (hired after 01/01/2013)	30.75%	8.00%
Employees receiving compensation below poverty guidelines of US Department of Health	33.25%	7.50%

The contributions made to the Systems for the past three fiscal years, which equaled the required contributions for each of these years, were as follows:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Municipal Employees' Retirement System Plan A	\$ 85,180	\$ 84,929	\$ 81,456
Municipal Police Employees' Retirement System	\$ 44,531	\$ 34,797	\$ 32,348

**TOWN OF JACKSON, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**8. Pension and Retirement Plans** (continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

The following schedule lists the Town's proportionate share of the Net Pension Liability allocated by each of the pension plans for based on the June 30, 2017 measurement date. The Town uses this measurement to record its Net Pension Liability and associated amounts as of September 30, 2017 in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at June 30, 2017 along with the change compared to the June 30, 2016 rate. The Town's proportion of the Net Pension Liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

	<u>Net Pension Liability at June 30, 2017</u>	<u>Rate at June 30, 2017</u>	<u>Increase (Decrease) on June 30, 2016 Rate</u>
Municipal Employees' Retirement System Plan A	\$ 841,340	0.2011%	-0.0334%
Municipal Police Employees' Retirement System	<u>393,550</u>	0.0451%	0.0072%
	<u>\$ 1,234,890</u>		

The following schedule list each pension plan's recognized pension expense of the Town for the year ended September 30, 2017:

	<u>Pension Expense</u>	<u>Amortization</u>	<u>Total</u>
Municipal Employees' Retirement System Plan A	\$ 117,814	\$ (2,627)	\$ 115,187
Municipal Police Employees' Retirement System	<u>70,402</u>	<u>(1,949)</u>	<u>68,453</u>
	<u>\$ 188,216</u>	<u>\$ (4,576)</u>	<u>\$ 183,640</u>

**TOWN OF JACKSON, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**8. Pension and Retirement Plans** (continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (continued)

At June 30, 2017, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,577	\$ (28,649)
Changes of assumptions	42,071	-
Net difference between projected and actual earnings on pension plan investments	186,885	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	41,059	(84,008)
Employer contributions subsequent to the measurement date	35,182	-
Total	\$ 307,774	\$ (112,657)

Summary totals of deferred outflows of resources and deferred inflows of resources by pension plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Municipal Employees' Retirement System Plan A	\$ 207,333	\$ (100,600)
Municipal Police Employees' Retirement System	100,441	(12,057)
	\$ 307,774	\$ (112,657)

The Town reported a total of \$35,182 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2017 which will be recognized as a reduction in Net Pension Liability in the year ended September 30, 2018. The following schedule list the pension contributions made subsequent to the measurement period for each pension plan:

	Subsequent Contributions
Municipal Employees' Retirement System Plan A	\$ 23,608
Municipal Police Employees' Retirement System	11,574
	\$ 35,182

**TOWN OF JACKSON, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**8. Pension and Retirement Plans** (continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year	MERS	MPERS	Total
2018	\$ 6,440	\$ 25,150	\$ 31,590
2019	32,267	33,157	65,424
2020	36,811	27,736	64,547
2021	7,607	(9,233)	(1,626)
	<u>\$ 83,125</u>	<u>\$ 76,810</u>	<u>\$ 159,935</u>

**Actuarial Assumptions**

A summary of the actuarial methods and assumptions used in determining the total pension liability for each pension plan as of June 30, 2017 are as follows:

Valuation Date	MERS	MPERS								
	June 30, 2017	June 30, 2017								
Actuarial Cost Method	Entry Age Normal Cost	Entry Age Normal cost								
Actuarial Assumptions:										
Expected Remaining Service Lives	3 years	4 years								
Investment Rate of Return	7.40%	7.325% net of investment expenses								
Inflation Rate	2.775%	2.70%								
Mortality	For annuitant and beneficiary mortality tables used were RP-2000 Healthy Annuitant Sex Distinct Mortality Tables set forward 2 years for males and set forward 1 year for females projected to 2028 using scale AA. For employees, the RP-2000 Employees Sex Distinct Table set back 2 years for both males and females. For disable Annuitants, RP-2000 Disable Lives Mortality Table set back 5 years for males and set back 3 years for females.	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2029 by Scale AA (set back 1 year for females) for healthy annuitants and beneficiaries. RP-2000 Disabled Lives Table set back 5 years for males and set back 3 years for females for disabled annuitants. RP-2000 Employee Table set back 4 years for males and 3 years for females for active members.								
Salary Increases	5.00%	<table border="1"> <thead> <tr> <th>Years of Service</th> <th>Salary Growth Rate</th> </tr> </thead> <tbody> <tr> <td>1 - 2</td> <td>9.75%</td> </tr> <tr> <td>3 - 23</td> <td>4.75%</td> </tr> <tr> <td>23 &amp; Over</td> <td>4.25%</td> </tr> </tbody> </table>	Years of Service	Salary Growth Rate	1 - 2	9.75%	3 - 23	4.75%	23 & Over	4.25%
Years of Service	Salary Growth Rate									
1 - 2	9.75%									
3 - 23	4.75%									
23 & Over	4.25%									

**TOWN OF JACKSON, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**8. Pension and Retirement Plans (continued)**

**Actuarial Assumptions (continued)**

<b>Cost of Living Adjustments</b>	<b>MERS</b>	<b>MPERS</b>
	<p>The System is authorized under state law to grant a cost of living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows the System to grant an additional cost of living increase to all retirees and beneficiaries who are age sixty-five and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.</p>	<p>The Board of Trustees is authorized to provide annual cost-of-living adjustments computed on the amount of the current regular retirement, disability, beneficiary or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility.</p> <p>No regular retiree, survivor or beneficiary shall be eligible to receive a cost-of-living adjustment until benefits have been received at least one full fiscal year and the payment of such COLA, when authorized, shall not be effective until the lapse of at least one-half of the fiscal year.</p> <p>Members who elect early retirement are not eligible for a cost of living adjustment until they reach regular retirement age.</p>

**TOWN OF JACKSON, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**8. Pension and Retirement Plans (continued)**

**Actuarial Assumptions (continued)**

The following schedule list the methods used by each of the retirement systems in determining the long term rate of return on pension plan investments:

MERS	MPERS
<p>The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.775% and an adjustment for the effect of rebalancing /diversification. The resulting expected long-term rates of return is 7.40% for the year ended June 30, 2017.</p>	<p>The forecasted long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.70 % and an adjustment for the effect of rebalancing/diversification. The resulting forecasted long term rate of return is 7.325% for the year ended June 30, 2017.</p>

The following table provides a summary of the best estimates of arithmetic/geometric real rates of return for each major asset class included in each of the Retirement Systems target asset allocations as of June 30, 2017:

Asset class	Target Allocation		Long-Term Expected Real Rate of Return	
	MERS	MPERS	MERS	MPERS
Public equity	50.0%	-	2.30%	-
Equity	-	53.0%	-	3.66%
Public fixed income	35.0%	-	1.60%	-
Fixed income	-	21.0%	-	.52%
Alternatives	15.0%	20.0%	0.70%	1.10%
Other	-	6.0%	-	.16%
Total	100.0%	100.0%	4.60%	5.44%
Inflation			2.60%	2.75%
Expected arithmetic nominal return			7.20%	8.19%

**TOWN OF JACKSON, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**8. Pension and Retirement Plans** (continued)

**Discount Rate**

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for MERS and MPERS was 7.40% and 7.325%, respectively for the year ended June 30, 2017.

**Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following table presents the Town's proportionate share of the Net Pension Liability (NPL) using the discount rate of each Retirement System as well as what the Town's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the Retirement Systems:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
MERS			
Rates	6.40%	7.40%	8.40%
Town Jackson's Share of NPL	\$ 1,072,147	\$ 841,340	\$ 644,468
MPERS			
Rates	6.325%	7.325%	8.325%
Town of Jackson's Share of NPL	\$ 543,727	\$ 393,550	\$ 267,562

**Payables to the Pension Plan**

The Town recorded accrued liabilities to each of the Retirement Systems for the year ended June 30, 2017 mainly due to the accrual for payroll at the end of each of the fiscal years. The amounts due are included in liabilities under the amounts reported as accounts, salaries and other payables. There are no accrued liabilities owed to MERS or MPERS at June 30, 2017.

**TOWN OF JACKSON, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**9. Segments of Enterprise Activities**

Gas, water, and sewerage services are provided by the Town and are financed by user charges. The significant financial data for the year ended September 30, 2017, for these three services are as follows:

	<u>Gas</u>		<u>Water</u>		<u>Sewer</u>		<u>Total</u>
Operating revenues	\$ 187,203	\$	354,480	\$	319,277	\$	860,960
Operating expenses	225,437		359,355		339,893		924,686
Depreciation	953		56,250		142,071		199,274
Income (loss) before transfers	(28,145)		84,137		(12,348)		43,643
Change in net position	(28,145)		84,137		(312,438)		(256,357)
Property, plant and equipment additions	3,028		286,712		5,946		295,686

**10. Accounts Receivables and Due from other Governments**

Accounts receivable and due from other governments consists of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts are based upon historical trends, period aging and prior write-offs of similar accounts receivable, receivables balances, property tax, sales tax, and franchise tax collections. Accounts receivable and due from other governments for the Town at September 30, 2017 were as follows:

**Governmental Activities:**

	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Other</u>	<u>Total</u>
General	\$ 1,649	\$ 24,727	\$ 25,784	\$ 52,160
Special Revenue	-	36,408	-	36,408
Total	<u>\$ 1,649</u>	<u>\$ 61,135</u>	<u>\$ 25,784</u>	<u>\$ 88,568</u>

**Business-type Activities:**

	<u>Proprietary Fund</u>
Accounts receivable	\$ 126,488
Allowance for uncollectible accounts	( 16,504)
Total	<u>\$ 109,984</u>

**TOWN OF JACKSON, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**11. Sales Taxes**

Streets and sidewalks

The Town receives 14.6863% of a one cent East Feliciana Parish sales tax collected on sales occurring within the Parish boundaries. These proceeds are restricted to the construction and general maintenance of streets and sidewalks in the Town of Jackson. The Town recognized \$248,788 of sales tax revenue during the year ended September 30, 2017. This tax expires December 31, 2024.

General fund

The Town receives 9.06% of a one cent East Feliciana Parish sales tax collected on sales occurring within the Parish boundaries. These proceeds are available for any lawful purpose of operating a municipality. The Town recognized \$153,520 of sales tax revenue during the year ended September 30, 2017. The tax expires December 31, 2024.

**12. Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of the failure of a financial institution, a government will be unable to recover its deposits. The Town does not have a deposit policy for custodial credit risk. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. The Town's bank balances (as opposed to the carrying amount below) totaled \$935,769. Of the bank balance, \$250,000 was secured by federal depository insurance for all time and savings accounts and \$250,000 for all interest bearing and noninterest bearing accounts, while \$435,769 was collateralized by securities held by the bank's agent in the Town's name. Therefore, the Town did not have any deposits that were exposed to custodial credit risk.

At September 30, 2017, the carrying amounts of the Town's bank deposits totaled \$856,075.

**13. Prior Period Adjustment**

**a. Restatement of Net Position**

The Business Type Activities Net Position was restated for September 30, 2016 for an adjustment to correct the amount drawn down on the revenue bonds payable. The net effect to the Business Type Activities Net Position is as follows:

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
Total Net Position, September 30, 2016	\$ 1,000,676	\$ 1,846,526	\$ 2,847,202
Correct Bonds Payable drawn down during fiscal year 2016	<u>-</u>	<u>34,960</u>	<u>34,960</u>
Total Net Position, September 30, 2016, Restated	<u>\$ 1,000,676</u>	<u>\$ 1,881,486</u>	<u>\$ 2,882,162</u>

**TOWN OF JACKSON, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**13. Prior Period Adjustment** (continued)

**b. Restatement of Fund Financial Statements**

	<u>Proprietary Fund</u>
Total Net Position, September 30, 2016	\$ 1,846,526
Correct Bonds Payable drawn down during fiscal year 2016	<u>34,960</u>
Total Net Position, September 30, 2016, Restated	<u>\$ 1,881,486</u>

**14. Disaggregation of Accounts Payable and Accrued Liabilities**

Accounts and other payables as of September 30, 2017 were as follows:

	<u>Governmental Fund</u>	<u>Proprietary Fund</u>
Vendors	\$ 32,516	\$ 53,911
Garnishments	42	-
Accrued interest	-	6,275
Customer service meter deposits	-	<u>90,280</u>
Total fund encumbrances	<u>\$ 32,558</u>	<u>\$ 150,466</u>

**15. Tax Revenues Abated**

The Louisiana Industrial Ad Valorem Tax Exemption program (Louisiana Administrative Code, Title 13, Chapter 5) is a state incentive program which abates, up to ten years, local ad valorem taxes on a manufacturer's new investment and annual capitalized additions related to the manufacturing site. Applications to exempt qualified property for five years are approved by the Board of Commerce and Industry. The exemption may be renewed for an additional five years. For the fiscal year ending September 30, 2017, \$31,324 in Town of Jackson ad valorem tax revenues were abated by the state of Louisiana through the Louisiana Industrial Ad Valorem Tax Exemption Program.

**REQUIRED SUPPLEMENTAL INFORMATION**

**TOWN OF JACKSON, LOUISIANA**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**YEAR ENDED SEPTEMBER 30, 2017**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b><u>REVENUES</u></b>				
Ad valorem taxes	\$ 45,000	\$ 50,000	\$ 54,266	\$ 4,266
Sales tax	140,000	140,000	153,520	13,520
Licenses and permits	80,000	80,000	75,479	(4,521)
Intergovernmental revenues:				
Beer taxes	-	2,160	4,543	2,383
Fines and forfeitures	35,000	70,000	84,825	14,825
Other	140,000	157,400	201,056	43,656
Total revenues	<u>440,000</u>	<u>499,560</u>	<u>573,689</u>	<u>74,129</u>
<b><u>EXPENDITURES</u></b>				
Current operating expenditures:				
General government	268,714	286,520	286,704	(184)
Public safety	560,974	533,165	565,921	(32,756)
Recreation	2,000	2,000	910	1,090
Total expenditures	<u>831,688</u>	<u>821,685</u>	<u>853,535</u>	<u>(31,850)</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	(391,688)	(322,125)	(279,846)	42,279
<b><u>OTHER FINANCING SOURCES</u></b>				
Operating transfers in	370,000	322,000	300,000	(22,000)
Total other financing sources	<u>370,000</u>	<u>322,000</u>	<u>300,000</u>	<u>(22,000)</u>
<b><u>NET CHANGE IN FUND BALANCES</u></b>				
	(21,688)	(125)	20,154	20,279
<b><u>FUND BALANCES</u></b>				
Beginning of year	<u>82,733</u>	<u>82,733</u>	<u>82,733</u>	<u>-</u>
End of year	<u>\$ 61,045</u>	<u>\$ 82,608</u>	<u>\$ 102,887</u>	<u>\$ 20,279</u>

**TOWN OF JACKSON, LOUISIANA**  
**BUDGETARY COMPARISON SCHEDULE**  
**SPECIAL REVENUE FUND**  
**YEAR ENDED SEPTEMBER 30, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b><u>REVENUES</u></b>				
Taxes	\$ 225,000	\$ 225,000	\$ 248,788	\$ 23,788
Interest revenue	700	700	139	(561)
Other revenue	5,800	5,800	5,800	-
Total revenues	<u>231,500</u>	<u>231,500</u>	<u>254,727</u>	<u>23,227</u>
<b><u>EXPENDITURES</u></b>				
Current operating expenditures:				
General government	214,500	203,000	208,962	(5,962)
Total expenditures	<u>214,500</u>	<u>203,000</u>	<u>208,962</u>	<u>(5,962)</u>
<b><u>EXCESS OF REVENUES OVER EXPENDITURES</u></b>				
	<u>17,000</u>	<u>28,500</u>	<u>45,765</u>	<u>17,265</u>
<b><u>NET CHANGE IN FUND BALANCES</u></b>				
	<u>17,000</u>	<u>28,500</u>	<u>45,765</u>	<u>17,265</u>
<b><u>FUND BALANCES</u></b>				
Beginning of year	<u>671,838</u>	<u>671,838</u>	<u>671,838</u>	<u>-</u>
End of year	<u>\$ 688,838</u>	<u>\$ 700,338</u>	<u>\$ 717,603</u>	<u>\$ 17,265</u>

**Town of Jackson**  
**Schedule of the Proportionate Share of the Net Pension Liability**  
**Cost Sharing Plans Only**  
**For the Year Ended September 30, 2017 (\*)**

<u>Pension Plan</u>	<u>Year</u>	<u>Employer's Proportion of the Net Pension Liability (Asset)</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered-Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
<b>Municipal Employees' Retirement System of Louisiana</b>						
	2017	0.2011%	\$ 841,340	\$ 365,291	230.3205%	62.49%
	2016	0.2345%	961,025	418,542	229.6126%	62.11%
	2015	0.2390%	853,753	407,919	209.2947%	66.18%
	2014	0.2303%	590,980	403,456	146.4794%	73.99%
<b>Municipal Police Employees' Retirement System</b>						
	2017	0.0451%	393,550	135,073	291.3610%	70.08%
	2016	0.0379%	355,370	106,207	334.6013%	66.04%
	2015	0.0400%	313,343	106,994	292.8603%	70.73%
	2014	0.4064%	254,272	106,682	238.3457%	75.10%

*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

(\*) The amounts presented have a measurement date of the June 30th for year listed

**Town of Jackson**  
**Schedule of Contributions to Each Retirement System**  
**Cost Sharing Plans Only**  
**For the Year Ended September 30, 2017**

<u>Pension Plan:</u>	<u>Year</u>	<u>Contractually Required Contribution<sup>1</sup></u>	<u>Contributions in Relation to Contractually Required Contribution<sup>2</sup></u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll<sup>3</sup></u>	<u>Contributions as a % of Covered Employee Payroll</u>
<b>Municipal Employees' Retirement System of Louisiana</b>						
	2017	\$ 85,180	\$ 85,180	-	\$ 366,032	23.27%
	2016	84,929	84,929	-	415,659	20.43%
	2015	81,456	81,456	-	411,288	19.81%
	2014	75,864	75,864	-	403,658	18.79%
<b>Municipal Police Employees' Retirement System</b>						
	2017	44,531	44,531	-	141,441	31.48%
	2016	34,797	34,797	-	115,383	30.16%
	2015	32,348	32,348	-	104,275	31.02%
	2014	32,965	32,965	-	106,032	31.09%

*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

**For reference only:**

<sup>1</sup> Employer contribution rate multiplied by employer's covered employee payroll

<sup>2</sup> Actual employer contributions remitted to Retirement Systems

<sup>3</sup> Employer's covered employee payroll amount for each of the fiscal year ended September 30

**TOWN OF JACKSON, LOUISIANA**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

**Changes of Benefit Terms include:**

Municipal Employee's Retirement System

- No Changes

Municipal Police Employee's Retirement System

- No Changes

**Changes of Assumptions:**

Municipal Employee's Retirement System

- Inflation rate decreased 0.10% to 2.775%
- Discount rate decreased 0.10% to 7.4%
- Employee mortality table used for 6/30/17 calculation was the RP-2000 Employees Sex Distinct Table

Municipal Police Employee's Retirement System

- Inflation rate decreased 0.05% to 2.70%
- Discount rate decreased 0.175% to 7.325%

**SUPPLEMENTARY INFORMATION**

**TOWN OF JACKSON, LOUISIANA**  
**SCHEDULE OF REVENUES AND EXPENSES BY ACTIVITY - BUDGET (GAAP BASIS) AND ACTUAL**  
**ENTERPRISE FUNDS - PUBLIC UTILITY REVENUE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Gas	Water	Sewerage	Actual Total	Budget Total	Variance Favorable (Unfavorable)
<b><u>OPERATING REVENUES</u></b>						
Sales	\$ 187,203	\$ 354,480	\$ 319,277	\$ 860,960	\$ 840,000	\$ 20,960
Penalties and service charges	9,544	9,544	9,544	28,632	20,000	8,632
Total operating revenues	<u>196,747</u>	<u>364,024</u>	<u>328,821</u>	<u>889,592</u>	<u>860,000</u>	<u>29,592</u>
<b><u>OPERATING EXPENSES</u></b>						
Salaries	75,575	39,622	39,050	154,247	164,000	9,753
Wages	3,958	21,443	43,247	68,648	72,100	3,452
Audit and accounting	11,667	-	-	11,667	13,000	1,333
Depreciation	953	56,250	142,071	199,274	200,000	726
Electricity	-	25,372	1,653	27,025	30,000	2,975
Employees' retirement	7,074	7,074	74,929	89,077	36,000	(53,077)
Engineering fees	-	-	-	-	12,000	12,000
Gas purchases	60,165	-	-	60,165	55,000	(5,165)
Insurance	14,952	51,970	14,274	81,196	90,000	8,804
Legal	800	800	800	2,400	2,000	(400)
Maintenance, repairs, supplies	6,888	107,305	4,634	118,827	70,000	(48,827)
Miscellaneous	12,848	9,783	9,517	32,149	20,730	(11,419)
Printing, stationery, supplies	143	27,184	-	27,327	25,000	(2,327)
Water pumpage charge	-	684	-	684	-	(684)
Truck expense	20,233	10	10	20,253	15,000	(5,253)
Utilities	782	2,459	309	3,550	2,500	(1,050)
Bad debt expense	9,399	9,399	9,399	28,197	-	(28,197)
Total operating expenses	<u>225,437</u>	<u>359,355</u>	<u>339,893</u>	<u>924,686</u>	<u>807,330</u>	<u>(117,356)</u>
<b><u>INCOME (LOSS)</u></b>						
<b><u>FROM OPERATIONS</u></b>	<u>(28,690)</u>	<u>4,669</u>	<u>(11,072)</u>	<u>(35,094)</u>	<u>52,670</u>	<u>(87,764)</u>
<b><u>NON-OPERATING</u></b>						
<b><u>REVENUES (EXPENSES)</u></b>						
Interest revenues	1,145	6,250	14	7,409	7,500	(91)
Loss on disposal of assets	(600)	(600)	(1,290)	(2,490)	-	(2,490)
Interest expense	-	(3,655)	-	(3,655)	(14,000)	10,345
Grant revenue	-	77,473	-	77,473	35,000	42,473
Total non-operating	<u>545</u>	<u>79,468</u>	<u>(1,276)</u>	<u>78,737</u>	<u>28,500</u>	<u>50,237</u>
Income (loss) before transfers	(28,145)	84,137	(12,348)	43,643	81,170	(37,527)
Operating transfers out	-	-	(300,000)	(300,000)	(322,000)	22,000
<b><u>CHANGE IN NET POSITION</u></b>	<u>\$ (28,145)</u>	<u>\$ 84,137</u>	<u>\$ (312,348)</u>	<u>\$ (256,357)</u>	<u>\$ (240,830)</u>	<u>\$ (15,527)</u>

**TOWN OF JACKSON, LOUISIANA**  
**SCHEDULE OF PRINCIPAL OFFICIALS AND SALARIES**  
**YEAR ENDED SEPTEMBER 30, 2017**

**Mayor:**

Charles Coleman	\$ 14,400
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**Aldermen:**

Michael Harrell	3,600
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Donald Havard	4,800
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James Foreman	3,600
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Jim Mack Parker	3,600
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Rafe Stewart	<u>3,600</u>
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	<u>\$ 33,600</u>
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**TOWN OF JACKSON, LOUISIANA**

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER  
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER  
SEPTEMBER 30, 2017**

Agency Head Name/Title: Charles E. Coleman/Mayor

<b><u>Purpose</u></b>	<b><u>Amount</u></b>
Salary	\$ 14,400
Benefits - cell phone	1,005
	<u>15,405</u>

**STATISTICAL DATA**

**TOWN OF JACKSON, LOUISIANA**

**INSURANCE-IN-FORCE**

**SEPTEMBER 30, 2017**

**(Without audit)**

<u>Policy</u>	<u>Name of Insurer</u>	<u>Expiration Date</u>	<u>Coverage Limits</u>
Fire and Extended Coverage Building and Contents	Employers' Mutual	02-01-2018	\$ 405,056
Public Official Bond	Dart Insurance Agency	08-30-2018	65,000
Automobile Liability	Louisiana Risk Management	02-01-2018	500,000
General Liability	Louisiana Risk Management	02-01-2018	500,000
Police Professional Liability	Louisiana Risk Management	02-01-2018	500,000
Public Officials Errors and Omissions	Louisiana Risk Management	02-01-2018	500,000
Worker's Compensation	Louisiana Risk Management	01-01-2018	Statutory
Auto Physical Damage	ESSEX	02-01-2018	299,790
Equipment	Employers Mutual	02-01-2018	216,715

**TOWN OF JACKSON, LOUISIANA**

**PUBLIC UTILITY SYSTEM OPERATIONS**

**SEPTEMBER 30, 2017**

**(Without Audit)**

Statistics on System Operations

- (a) As of September 30, 2017, there were 324 and 751 metered customers for the gas and water systems, respectively. There were no unmetered customers for either the gas or water systems at September 30, 2017.
- (b) The following rate schedules were in effect during the fiscal year for gas and water:

1. Gas:	<u>Rate per 1,000 Cubic Feet</u>
Minimum charge	\$ 12.00
First 1,000 cubic feet or less	15.00 + amount above \$5.00 MCF
Over 1,000 cubic feet	10.00 + amount above \$5.00 MCF

2. Water:	<u>Rate per 1,000 Gallons</u>
First 2,000 gallons or less	\$ 12.50 flat rate
Next 13,000 gallons/Mgal	4.25

- (c) Average monthly billing per customer was:

Residential	
1. Gas	<u>\$ 32.99</u>
2. Water	<u>\$ 29.89</u>
Commercial	
1. Gas	<u>\$ 123.45</u>
2. Water	<u>\$ 98.70</u>

**TOWN OF JACKSON, LOUISIANA**

**PUBLIC UTILITY SYSTEM OPERATIONS**

**SEPTEMBER 30, 2017**

**(Without Audit)**

Variance Between Gas Purchased and Sold

<u>Year Ended</u>	<u>Gas Purchased MCF's</u>	<u>Gas Billed MCF's</u>	<u>Leakage Variance MCF's</u>	<u>Percent of Gas Purchased</u>
09/30/17	16,241	11,005	5,236	32.2
09/30/16	17,522	14,938	2,584	14.7
09/30/15	21,357	18,086	3,271	15.3
09/30/14	22,401	20,570	1,831	8.2
09/30/13	20,891	18,441	2,450	11.7
09/30/12	17,215	15,822	1,393	8.1
09/30/11	21,755	19,284	2,471	11.4
09/30/10	25,512	22,443	3,069	12.0
09/30/09	20,666	19,730	936	4.5
09/30/08	21,453	18,983	2,470	11.5
09/30/07	23,835	20,538	3,297	13.8
09/30/06	22,418	20,748	1,670	7.4
09/30/05	21,248	21,000	248	1.2
09/30/04	24,449	24,762	-	0.0
09/30/03	28,184	26,562	1,622	5.8
09/30/02	26,944	24,219	2,725	10.1
09/30/01	31,101	31,502	-	0.0
09/30/00	25,608	28,220	-	0.0

**TOWN OF JACKSON, LOUISIANA**  
**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**  
**September 30, 2017**

**A. SUMMARY OF AUDIT RESULTS**

*Financial Statements*

Type of auditors' report issued:	Unmodified	
Internal Control over Financial Reporting:		
• Material weakness(es) identified?	___ x ___	yes      ___ no
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	___ x ___	yes      ___ none reported
Noncompliance material to financial statements noted?	___ x ___	yes      ___ no

**B. FINDINGS-FINANCIAL STATEMENTS AUDIT**

2017-001 Oversight of Citation Books

*Criteria:* The Town's Police Department does not have procedures in place that would constitute strict oversight of citation books.

*Condition:* Louisiana Revised Statute 32:398.1(B) requires strict oversight of citation books that includes procedures for issuance and tracking of all citations.

*Effect:* The absence of strict oversight of citation books is a violation of Louisiana Revised Statute 32:398.1(B).

*Cause:* There is no monitoring of the numerical sequence of citations or accounting for citations that are missing.

*Recommendation:* The Town's Police Department should adopt procedures to maintain strict oversight of citation books, including issuance and tracking of all citations. Procedures should also be adopted for citations that are spoiled, and also citations that are turned over to the Parish Police Department in order to maintain proper tracking of all citations.

*Repeat Finding:* Yes.

*View of Responsible Official:*

We concur with the findings and will adopt specific procedures that will allow us to have strict oversight of the citation books, issuance and tracking of all citations. Ticket books will be logged in upon issuance to each officer and tickets will be tracked by numerical sequence, whether issued or voided.

**TOWN OF JACKSON, LOUISIANA**  
**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**  
**September 30, 2017**

**B. FINDINGS-FINANCIAL STATEMENTS AUDIT** (continued)

2017-002 Internal Control over Financial Reporting

*Criteria:* Internal controls over financial reporting consists of policies and procedures related to an entity's ability to initiate, record, process, and report financial data consistent with the assertions embodied in the financial statements and in accordance with generally accepted accounting principles (GAAP).

*Condition:* General ledger accounts were not accurately reconciled to the subsidiary records.

*Effect:* Significant adjustments were made to reconcile the general ledger to supporting schedules.

*Cause:* The Town does not have a documented policy to ensure that accurate closing procedures take place.

*Recommendation:* The Town should establish procedures to ensure that the general ledger is closed accurately at year end.

*Repeat Finding:* No.

*View of Responsible Official:*

Managements concurs with the audit findings and will began working on documenting year-end closing procedures. These procedures will list all areas to be addressed to ensure an accurate and timely closeout.

2017-003 Interfund Receivables and Payables

*Criteria:* The Town should review the balance of the interfund receivables and payables on an annual basis to determine if repayment can be expected. Governmental accounting standards stipulate that if repayment is not expected within a reasonable time period, the interfund balances should be reduced and the amount that is not expected to be repaid should be reported as a transfer from the fund that made the loan to the fund that received the loan.

*Condition:* When a particular fund borrows funds from another fund, an interfund payable results in the fund that borrowed the funds and an interfund receivable results in the fund that paid out the funds. Over time, these interfund receivables and payables can grow. The Town has not addressed the issue of paying down these interfund payables. The Police Jury has a \$629,004 interfund payable recorded in the General Fund that was borrowed from the Special Revenue Fund that may be a violation of the resolution passing the tax.

*Effect:* Significant interfund balances has accumulated over the years.

*Cause:* The Town does not have procedures in place to address the interfund receivables and payables in certain funds.

**TOWN OF JACKSON, LOUISIANA**  
**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**  
**September 30, 2017**

**B. FINDINGS-FINANCIAL STATEMENTS AUDIT** (continued)

2017-003 Interfund Receivables and Payables (continued)

*Recommendation:* The Town should address the repayment of interfund receivables and payables. Interfund receivables and payables balances in each fund, should be reviewed by management on a monthly basis to determine if repayment is expected in a reasonable time period. If repayment cannot be expected, the interfund balances should be reduced and the amount that is not expected to be repaid should be reported as a transfer from the fund that made the loan to the fund that received the loan.

*Repeat Finding:* No.

*View of Responsible Official:*

The Town is aware of the intercompany borrowings between funds as the borrowings were necessary to operate certain funds. The Town concurs with the finding and will develop procedures to address the repayment of interfund receivables and payables.

2017-004 Review and Approval of Pay Changes

*Criteria:* An effective system of internal control should include procedures for a review of all changes in employees' pay information entered in the payroll system.

*Condition:* The Town Treasurer enters all approved pay changes in the payroll records and there is no subsequent review performed to verify that the changes are entered correctly.

*Effect:* There could be errors made in the entering of pay changes made in the payroll system.

*Cause:* There is no established procedure for the review of pay changes made to the payroll records.

*Recommendation:* The Town should perform a review of all employee pay rates to determine that employees are being paid at the approved rate. Additionally, the Town should establish procedures for the review of payroll changes by someone not responsible for the function. Employees' pay files should contain documentation for all approved pay increases.

*Repeat Finding:* No.

*View of Responsible Official:*

Managements concurs with the audit findings and will implement the above recommendation.

**TOWN OF JACKSON, LOUISIANA**  
**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**  
**September 30, 2017**

**B. FINDINGS-FINANCIAL STATEMENTS AUDIT** (continued)

2017-005 Enhancement of Policies and Procedures and Internal Controls

*Criteria:* A system of internal controls should be established to ensure accurate financial reporting and to safeguard assets. Features of internal controls should include fully documented policies and procedures, adequate segregation of duties, oversight, and monthly reporting. Internal controls must be monitored and updated periodically to ensure they are current and relevant.

*Condition:* The Town has established a system of internal controls. However, in performing the Statewide Agreed-Upon Procedures in connection with our audit as required and enumerated by the Louisiana Legislative Auditor, we noted certain aspects of the internal control system could be enhanced. Areas that could benefit from enhancement include the updating of written policies and procedures and other updates to otherwise strengthen internal controls.

*Effect:* Internal controls are not as strong as they could be.

*Cause:* Processes, policies and procedures should be revisited periodically.

*Recommendation:* We recommend the following enhancements for certain operational and financial areas that were addressed in performing the procedures:

Policies and procedures:

- Budgeting – including preparing, adopting, monitoring, and amending the budget
- Purchasing – including (1) how purchases are initiated; (2) how vendors are added to the vendor list. (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law or state purchasing rules and regulations; and (5) documentation required to be maintained for all bids and price quotes.
- Disbursements – including processing, reviewing, and approving
- Receipts – including receiving, recording, and preparing deposits
- Contracting – establishing the types of goods\services that require written contracts, when legal review is required, the level of approval, and a more formal monitoring process
- Payroll – including payroll processing, and reviewing and approving time and attendance records, including leave and overtime worked
- Credit Cards – including how cards are controlled, allowable business uses, documentation requirements, required approvers, and monitoring card usage
- Travel and expense reimbursement – including allowable expenses, dollar thresholds by category of expense, documentation requirements, and required approvers
- Ethics violations - clarifying the prohibitions and the legal source therefore La Revised Statute (42:1111-1121)
- Debt Service – including EMMA requirements, debt service payment requirements, and debt service reserve requirements.

**TOWN OF JACKSON, LOUISIANA**  
**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**  
**September 30, 2017**

**B. FINDINGS-FINANCIAL STATEMENTS AUDIT** (continued)

2017-005 Enhancement of Policies and Procedures and Internal Controls (continued)

Internal Reporting:

- Monthly financial reporting – Include the general fund and other major funds' revenues and expenditures (compared to budget) in the reporting process to the Board.

*Repeat Finding:* No.

*View of Responsible Official:*

Managements concurs with the audit findings and will implement the above recommendations.

**TOWN OF JACKSON, LOUISIANA**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**September 30, 2017**

**B. FINDINGS-FINANCIAL STATEMENTS AUDIT**

2016-001 Oversight of Citation Books

*Criteria:* The Town's Police Department does not have procedures in place that would constitute strict oversight of citation books.

*Condition:* Louisiana Revised Statute 32:398.1(B) requires strict oversight of citation books that includes procedures for issuance and tracking of all citations.

*Effect:* The absence of strict oversight of citation books is a violation of Louisiana Revised Statute 32:398.1(B).

*Cause:* There is no monitoring of the numerical sequence of citations or accounting for citations that are missing.

*Recommendation:* The Town's Police Department should adopt procedures to maintain strict oversight of citation books, including issuance and tracking of all citations. Procedures should also be adopted for citations that are spoiled, and also citations that are turned over to the Parish Police Department in order to maintain proper tracking of all citations.

*Repeat Finding:* Yes.

*View of Responsible Official:*

We concur with the findings and will adopt specific procedures that will allow us to have strict oversight of the citation books, issuance and tracking of all citations. Ticket books will be logged in upon issuance to each officer and tickets will be tracked by numerical sequence, whether issued or voided.

*Current Status:* The finding has not been resolved and it is repeated in the current year's schedule of findings and recommendations. See finding 2017-001.

## TOWN OF JACKSON

P.O. BOX 1150  
1610 CHARTER STREET  
JACKSON, LOUISIANA 70748  
(225) 634-7777  
FAX (225) 634-2233

### CORRECTIVE ACTION PLAN

March 30, 2018

Town of Jackson, Louisiana respectfully submits the following corrective action plan for the year ended September 30, 2017.

Name and address of independent public accounting firm:

Postlethwaite & Netterville, APAC  
8550 United Plaza Blvd.  
Suite 1001  
Baton Rouge, LA 70809

Audit Period: October 1, 2016 to September 30, 2017

The findings from the schedule of findings and recommendations are discussed below. The findings are numbered consistently with the numbers assigned in the schedule of findings and recommendations.

#### **FINDINGS – SCHEDULE OF FINDINGS AND RECOMMENDATIONS**

##### **2017-001 Oversight of Citation Books**

*Recommendation:* The Town's Police Department should adopt procedures to maintain strict oversight of citation books, including issuance and tracking of all citations. Procedures should also be adopted for citations that are spoiled, and also citations that are turned over to the Parish Police Department in order to maintain proper tracking of all citations.

*Planned Corrective Action:*

We concur with the findings and will adopt specific procedures that will allow us to have strict oversight of the citation books, issuance and tracking of all citations. Ticket books will be logged in upon issuance to each officer and tickets will be tracked by numerical sequence, whether issued or voided.

*Anticipated Completion Date:* June 30, 2018

*Responsible Contact Person:* John Mark Dousay, Police Chief

*"This institution is an equal opportunity provider."*

2017-002 Internal Control over Financial Reporting

*Recommendation:* The Town should establish procedures to ensure that the general ledger is closed accurately at year end.

*Planned Corrective Action:*

Managements concurs with the audit findings and will began working on documenting year-end closing procedures. These procedures will list all areas to be addressed to ensure an accurate and timely closeout.

Anticipated Completion Date: September 30, 2018

Responsible Contact Person: Holli Gilmore, Secretary/Treasurer

2017-003 Interfund Receivables and Payables

*Recommendation:* The Town should address the repayment of interfund receivables and payables. Interfund receivables and payables balances in each fund, should be reviewed by management on a monthly basis to determine if repayment is expected in a reasonable time period. If repayment cannot be expected, the interfund balances should be reduced and the amount that is not expected to be repaid should be reported as a transfer from the fund that made the loan to the fund that received the loan.

*Planned Corrective Action:*

The Town is aware of the intercompany borrowings between funds as the borrowings were necessary to operate certain funds. The Town concurs with the finding and will develop procedures to address the repayment of interfund receivables and payables.

Anticipated Completion Date: September 30, 2018

Responsible Contact Person: Holli Gilmore, Secretary/Treasurer

2017-004 Review and Approval of Pay Changes

*Recommendation:* The Town should perform a review of all employee pay rates to determine that employees are being paid at the approved rate. Additionally, the Town should establish procedures for the review of payroll changes by someone not responsible for the function. Employees pay files should contain documentation for all approved pay increases.

*Planned Corrective Action:*

Managements concurs with the audit findings and will implement the above recommendation.

Anticipated Completion Date: June 30, 2018

Responsible Contact Person: Charles Coleman, Mayor

2017-005 Enhancement of Policies and Procedures and Internal Controls

*Recommendation:* We recommend the following enhancements for certain operational and financial areas that were addressed in performing the procedures:

Policies and procedures:

- Budgeting – including preparing, adopting, monitoring, and amending the budget
- Purchasing – including (1) how purchases are initiated; (2) how vendors are added to the vendor list. (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law or state purchasing rules and regulations; and (5) documentation required to be maintained for all bids and price quotes.
- Disbursements – including processing, reviewing, and approving
- Receipts – including receiving, recording, and preparing deposits
- Contracting – establish the types of goods\services that require written contracts, when legal review is required, the level of approval, and a more formal monitoring process
- Payroll – including payroll processing, and reviewing and approving time and attendance records, including leave and overtime worked
- Credit Cards – how cards or controlled, allowable business uses, documentation requirements, required approvers, and monitoring card usage
- Travel and expense reimbursement – including allowable expenses, dollar thresholds by category of expense, documentation requirements, and required approvers
- Ethics violations - clarify the prohibitions and the legal source therefore La Revised Statute (42:1111-1121)
- Debt Service – EMMA requirements, debt service payment requirements, and debt service reserve requirements.

Internal Reporting:

- Monthly financial reporting – In addition to the general fund, include other major funds' revenues and expenditures (compared to budget) in the reporting process to the Board.

Anticipated Completion Date: September 30, 2018

Responsible Contact Person: Holli Gilmore, Secretary/Treasurer

If there are questions regarding this plan, please call Holli Gilmore at (225) 634-7777.

Sincerely,

Holli E. Gilmore  
Hollie Gilmore,  
Secretary/Treasurer

**TOWN OF JACKSON, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES**

**FOR THE TWELVE MONTH PERIOD ENDED SEPTEMBER 30, 2017**



Postlethwaite & Netterville

A Professional Accounting Corporation

[www.pncpa.com](http://www.pncpa.com)



Postlethwaite & Netterville

Independent Accountants' Report  
On Applying Agreed-Upon Procedures  
For the Year Ended 2017

The Members of the  
Town of Jackson, Louisiana  
And the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Town of Jackson, Louisiana (the Town) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period October 1, 2016 through September 30, 2017. The Town's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read "*no exception noted*". If not, then a description of the exception ensues.

***Written Policies and Procedures***

---

1. Obtain the Town's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the Town does not have any written policies and procedures), as applicable:

a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

*The Town does not have a written policy over budgeting which addresses preparing, adopting, monitoring, and amending the budget.*

b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law or state purchasing rules and regulations; and (5) documentation required to be maintained for all bids and price quotes.

*The Town does not have a written policy over purchasing which addresses (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law or state purchasing rules and regulations; or (5) documentation required to be maintained for all bids and price quotes.*



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- c) **Disbursements**, including processing, reviewing, and approving.

*The Town's Disbursement Policy does not address the controls that are in place for initiation of disbursements.*

- d) **Receipts**, including receiving, recording, and preparing deposits.

*The Town does not have a written policy over receipts which addresses receiving, recording, or preparing deposits.*

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

*The Town does not have a written policy over payroll/personnel which addresses payroll processing, reviewing and approving time and attendance records, or leave and overtime worked.*

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review (4) approval process, and (5) monitoring process

*The Town does not have a written policy over contracting which addresses types of services requiring written contracts, standard terms and conditions, legal review, approval process, and monitoring process.*

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage

*The Town does not have a written policy over credit cards which addresses how cards are controlled, allowable business uses, documentation requirements, required approvers, and monitoring of card usage.*

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

*The Town does not have a written policy over travel and expense reimbursement which addresses allowable expenses, dollar thresholds by category of expense, documentation requirements, and required approvers.*

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees including elected officials annually attest through signature verification that they have read the Town's ethics policy.



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*The Town does not have a written policy over Ethics which addresses (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, or (4) requirement that all employees including elected officials annually attest through signature verification that they have read the Town's ethics policy.*

- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

*The Town does not have a written policy regarding debt service which addresses debt issuance approval, EMMA reporting requirements, debt reserve requirements, or debt service requirements.*

***Board (or Finance Committee, if applicable)***

---

- 2. Obtain and review the board/committee minutes for the fiscal period, and:
  - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

*No exceptions noted.*

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and other major funds. If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

*The minutes did not include monthly budget-to-actual comparisons of the Town's General Fund or other major funds.*

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

*No exceptions noted.*

***Bank Reconciliations***

---

- 3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

*No exceptions noted.*

- 4. Using the listing provided by management, select all of the Town's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:



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- a) Bank reconciliations have been prepared;

*Six (6) bank accounts were selected for testing. Bank reconciliation was not prepared for (1) month for the Reserve cash account.*

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation;

*Of the (65) bank reconciliations obtained, 12 bank reconciliations did not have any documentation evidencing the review.*

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

*All 65 bank reconciliations obtained for testing had outstanding items older than 6 months, for which there was no documentation reflecting management researching those reconciling items.*

### **Collections**

---

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

*A listing of (1) cash collection location was provided. No exceptions noted.*

6. Using the listing provided by management, select all of the Town's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**

- a. Obtain existing documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is 1) bonded, 2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by a board member or an outside party) and 3) not required to share the same cash register or drawer.

*Of the (3) employees responsible for collecting cash at (1) location, (2) employees are also responsible for depositing cash in the bank. (1) of the (3) employees is also responsible for recording the related transaction and reconciling the related bank account.*

- b. Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the Town has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash location selected.

*The Town does not have written documentation of a formal process to reconcile cash collections by a person not responsible for cash collections.*

- c. Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
- Using Town collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day.

*(2) of the (2) cash collections tested were not deposited within one day of collection; both were deposited within 4 days of collection.*

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

*No exceptions noted.*

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the Town has a process specifically defined (identified as such by the Town) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation of receipt number sequences, reasonableness of cash collections based on licenses issued) by a person who is not responsible for collections.

*The Town does not have a process specifically defined to determine completeness of all collections, for each revenue source and agency fund additions.*

### ***Disbursements – General***

---

8. Obtain a listing of Town disbursements from management or, alternately, obtain the general ledger and sort/filter for Town disbursements. Obtain management's representation that the listing or general ledger population is complete.

*No exception noted.*

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the Town had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:



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- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

*Of the 25 disbursements tested, no disbursements were initiated using a requisition/purchased order system.*

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

*Of the 25 disbursements tested, no disbursements had approved purchase orders.*

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order (P.O.), or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

*Of the 25 disbursements selected, all 25 disbursements agreed to an approved invoice; however, no disbursements had approved purchase orders or receiving reports.*

10. Using Town documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the Town's purchasing/disbursement system.

*The individuals responsible for processing payments are also able to add vendors to the Town's purchasing/disbursement system.*

11. Using Town documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

*The individual responsible for recording purchase also has signatory authority; however, dual signatures are required.*

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review Town documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

*No exceptions noted.*

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

*The Town does not use a signature stamp or machine; all signatures are manual. No exceptions noted.*



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*Credit Cards/Debit Cards/Fuel Cards/P-Cards*

---

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

*No exceptions noted. A listing of 4 credit cards was provided.*

15. Using the listing prepared by management, randomly select ten cards (or at least one-third if the Town has less than ten cards that were used during the fiscal period. Obtain the monthly statements, or combined statements with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

*No exceptions noted.*

- b) Report whether finance charges and/or late fees were assessed on the selected statements.

*No finance charges or late fees were assessed on selected statements.*

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the cards selected (i.e. each of the cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased).

*One (1) out of (10) transactions selected for testing did not have an original itemized receipt.*

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

*Eight (8) out of (10) transactions selected for testing did not have a documented business/public purpose.*

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

*The Town does not have a written policy which addresses credit card purchases.*



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- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the Town's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

*The Town does not have a written policy which addresses purchasing/disbursements.*

- c) For each transaction, compare the Town's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

*Eight (8) out of (10) transactions selected for testing did not have a documented business/public purpose. Two (2) of the (10) transactions selected for testing had no exceptions noted.*

### ***Travel and Expense Reimbursement***

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- 17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

*Not applicable as the Town had no travel and expense reimbursements during the specified testing period.*

- 18. Obtain the Town's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (GSA) and report any rates that exceed the GSA rates.

*Not applicable as the Town had no travel and expense reimbursements during the specified testing period.*

- 19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the Town does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

*Not applicable as the Town had no travel and expense reimbursements during the specified testing period.*



b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased.
- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance).

*Not applicable as the Town had no travel and expense reimbursements during the specified testing period.*

c) Compare the Town's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

*Not applicable as the Town had no travel and expense reimbursements during the specified testing period.*

d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*Not applicable as the Town had no travel and expense reimbursements during the specified testing period.*

### **Contracts**

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20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

*The Town did not provide a contract listing. However, (2) contracts were determined to be in existence by procedures performed during the audit engagement.*

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner or the Louisiana Legislative Auditor). Obtain the related contracts and paid invoices and:

a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

*No exceptions noted.*



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- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code (bid law) and:

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the Town complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder).

*No exceptions noted.*

- If no, obtain supporting contract documentation and report whether the Town solicited quotes as a best practice.

*Not applicable.*

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

*Not applicable. The Town had no contract amendments.*

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

*No exceptions noted.*

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law.

*No exceptions noted.*

### ***Payroll and Personnel***

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22. Obtain a listing of employees with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees, obtain their personnel files, and:

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

*One (1) of the (5) employees selected for testing was not paid in accordance with the employee's approved rate of pay.*

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

*All four (4) employees tested who received a pay increase during the period had no approved pay rate change form.*



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23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, select 25 employees and:

- a) Report whether all selected employees documented their daily attendance and leave (e.g., vacation, sick, compensatory).

*One (1) out of (25) employees selected did not complete a timesheet for the selected period.*

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees.

*Two (2) out of (25) employees selected did not have a timesheet approved by a supervisor.*

- c) Report whether there is written documentation that the Town maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

*No exceptions noted.*

24. Obtain from management a list of those employees that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

*Two (2) of the (2) termination payments tested were made in accordance with policies; however, no management approval was documented.*

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

*Based on testing of retirement contributions (payment and reporting), there were no exceptions noted.*

*Based on testing of payroll taxes, the results are as follows:*

*For state payroll tax, (3) of the (4) quarters reported on, reports were not submitted timely; and (4) of the (12) monthly payments submitted were not submitted by the due date.*

*For state unemployment tax, (2) of the (4) payments and reportings were not submitted timely.*

*For federal payroll taxes, of the (4) quarters reported on, reports were not submitted timely.*

### ***Ethics***

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26. Using the five selected employees from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the Town maintained documentation to demonstrate that required annual ethics training was completed.



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*Of the (5) selected employees, there was no documentation of ethics compliance and no ethics training was completed.*

27. Inquire of management whether any alleged ethics violations were reported to the Town during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the Town's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

*No exceptions noted.*

#### ***Debt Service***

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28. If debt was issued during the fiscal period, obtain supporting documentation from the Town, and report whether State Bond Commission approval was obtained.

*No exceptions noted.*

29. If the Town had outstanding debt during the fiscal period, obtain supporting documentation from the Town and report whether the Town made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

*No exceptions noted.*

30. If the Town had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

*Not applicable.*

#### ***Other***

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31. Inquire of management whether the Town had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the Town reported the misappropriation to the legislative auditor and the district attorney of the parish in which the Town is domiciled.

*No exceptions noted.*

32. Observe and report whether the Town has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at [www.la.gov/hotline](http://www.la.gov/hotline)) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

*No exceptions noted.*



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33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

*No exceptions noted.*

***Corrective Action***

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34. Obtain management's response and corrective action plan for any exceptions noted in the above agreed-upon procedures. *See the attached Corrective Action Plan.*

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Sincerely,

*Postlethwaite & Netterville*

March 30, 2018

## TOWN OF JACKSON

P.O. BOX 1150

### CORRECTIVE ACTION PLAN

1610 CHARTER STREET  
JACKSON, LOUISIANA 70748

(225) 634-7777

## STATE LEGISLATIVE AUDITOR AGREED UPON PROCEDURES

March 30, 2018

Town of Jackson, Louisiana respectfully submits the following corrective action plan for the year ended September 30, 2017.

Name and address of independent public accounting firm:

Postlethwaite & Netterville, APAC  
8550 United Plaza Blvd.  
Suite 1001  
Baton Rouge, LA 70809

Period: October 1, 2016 to September 30, 2017

### **Written Policies and Procedures**

The Town of Jackson, Louisiana (Town) will establish written policies and procedures as recommended in the Schedule of Findings and Recommendations in the September 30, 2017 Financial Report for budgeting, purchasing, disbursements, receipts, payroll/personnel, contracting, credit cards, travel and expense reimbursement, ethics, and debt service.

### **Board**

The Town will include the general fund and other major funds' revenue and expenditures (compared to budget) in the reporting process to the Board.

### **Bank Reconciliations**

The Town will prepare Bank reconciliation for all bank accounts monthly, review of the reconciliations will be evidenced by signature or initial, and will investigate any outstanding items older than 6 months.

### **Cash Collections**

The Town will establish mitigating controls for collection processes that are not able to be segregated. The Town will also establish written procedures to establish that cash deposits are made within one day of collection.

*"This institution is an equal opportunity provider."*

**Disbursements**

The exceptions noted for this area will be addressed in the established written policies and procedures for purchasing and disbursements recommended in the Schedule of Findings and Recommendations in the September 30, 2017 Financial Report.

**Credit Cards**

The exceptions noted for this area will be addressed in the established written policies and procedures for purchasing and disbursements recommended in the Schedule of Findings and Recommendations in the September 30, 2017 Financial Report.

**Payroll and Personnel**

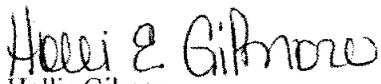
The exceptions noted for this area will be addressed in the established written policies and procedures for purchasing and disbursements recommended in the Schedule of Findings and Recommendations in the September 30, 2017 Financial Report.

**Ethics**

The exceptions noted for this area will be addressed in the established written policies and procedures for purchasing and disbursements recommended in the Schedule of Findings and Recommendations in the September 30, 2017 Financial Report.

If there are questions regarding this plan, please call Holli Gilmore at (225) 634-7777.

Sincerely,

  
Hollie Gilmore,  
Secretary/Treasurer

**TOWN OF JACKSON, LOUISIANA**  
**REPORT TO MANAGEMENT**

**SEPTEMBER 30, 2017**



**P&N**

Postlethwaite & Netterville

A Professional Accounting Corporation

[www.pncpa.com](http://www.pncpa.com)

TOWN OF JACKSON, LOUISIANA

REPORT TO MANAGEMENT

SEPTEMBER 30, 2017

March 30, 2018

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

In planning and performing our audit of the financial statements of the Town of Jackson, Louisiana (the Town) for the year ended September 30, 2017, we considered the Town's internal controls and compliance with laws and regulations having a material effect on financial reporting in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure or on compliance.

However, during our audit, we became aware of the following matters that are opportunities for improving financial reporting, refining policies and procedures and enhancing compliance with laws and regulations. The following paragraphs summarize our comments and suggestions regarding those matters. This letter does not affect our report dated March 30, 2018 on the financial statements of the Town.

**2017-1**

**Capitalization Threshold**

**Condition:**

During our audit, we noted the Town's policy for the capitalization of property and equipment purchases begins with any asset purchases over \$500.

**Recommendation:**

The State of Louisiana recommends that government agencies use a capitalization threshold of \$5,000. We recommend that the Town increase its capitalization threshold to this recommended amount to decrease the cost and effort of tracking insignificant asset purchase items.

*Management's  
Response:*

*The Town will implement the recommendation above in the September 30, 2018 period.*

**2017-2**

**Documentation of Process Reviews**

**Condition:**

Town management has communicated to us that there are controls in place for the review of journal entries. We corroborated that the controls were in place during our audit procedures. However, we noted that this review is not evidenced by the signing or initialing the documents or utilizing any form of documentation of review.

**Recommendation:**

We recommend that the review of journal entries be evidenced on the document itself or the use of an end of month/quarter checklist indicating the date of the review and the person that performed the review.

*Management's  
Response:*

*We concur with the recommendation above.*



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2017-3

Cash Outstanding Items

Condition:

During our audit procedures, we noted several bank accounts had reconciling items that had been outstanding in excess of six months.

Recommendation:

We recommend that management investigate and resolve these outstanding reconciling items.

*Management's*

*Response:*

*Management agrees with the recommendation and will investigate the matter and will resolve the outstanding items.*

We have discussed these comments and suggestions with management, and we would be pleased to discuss them in further detail at your convenience. We would welcome any opportunity to perform any additional study of these matters or to assist you in implementing the recommendations. We would also like to thank the Town staff for their cooperation with us during the performance of the audit.

This letter is intended solely for the information and use of the Town of Jackson, Louisiana, management of the Town of Jackson, Louisiana, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

*Postlethwaite & Netterville*