

**TOWN OF JONESVILLE, LOUISIANA**  
**ANNUAL FINANCIAL STATEMENTS**  
**AS OF JUNE 30, 2007**  
**AND FOR THE YEAR THEN ENDED**  
**With**  
**ACCOUNTANT'S REPORT**

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

Release Date 2/6/08

**TOWN OF JONESVILLE, LOUISIANA**

**Annual Financial Statements  
As of and for the Year Ended June 30, 2007  
With Supplemental Information Schedules**

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**INDEPENDENT AUDITOR'S REPORT**

The Mayor and the Board of Aldermen  
Town of Jonesville  
Jonesville, Louisiana

I have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Town of Jonesville, as of and for the year ended June 30, 2007, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Jonesville's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

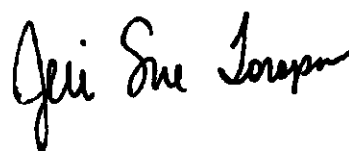
In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Town of Jonesville, as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Town of Jonesville has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as of the fiscal year ended June 30, 2004.

In accordance with *Government Auditing Standards*, I have also issued my report dated December 17, 2007, on my consideration of the Town of Jonesville's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

The management discussion and analysis and budgetary comparison information on pages 3 through 9 and 31 through 32 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Jonesville's basic financial statements. The individual fund statements and schedules described in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information as of and for the year ended June 30, 2007 has been subjected to the auditing procedures applied by me in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Ferriday, Louisiana

December 17, 2007

**Required Supplemental Information (Part I)**

**TOWN OF JONESVILLE, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2007**

The management of the Town of Jonesville, Louisiana offers readers of the Town of Jonesville, Louisiana's (Town) financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2007. This management discussion and analysis (MD&A) is designed to provide an objective analysis of the Town's financial activities based on currently known facts, decisions, and conditions. It is intended to provide readers with a broad overview of Town finances. It is also intended to provide readers with an analysis of the Town's short-term and long-term activities based on information presented in the financial report and fiscal policies that have been adopted by the Town. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the Town's financial activity, identify changes in the Town's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

The Town presents its financial statements under the reporting model required by the Governmental Accounting Standards Board Statement No. 34. This reporting model changed the presentation of financial data, and also the manner in which the information is recorded. We encourage readers to consider the information presented here in conjunction with additional information presented throughout this report.

#### **Overview of the Financial Statements**

This section is intended to serve as an introduction to the Town's financial statements. The Town's basic financial statements consist of the government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information, which is in addition to the basic financial statements.

#### **Government-Wide Financial Statements**

Government-wide financial statements are designed by GASB Statement No. 34 to change the way in which governmental financial statements are presented. It now provides readers with a concise "entity-wide" Statement of Net Assets and Statement of Activities, which seeks to give the user of the financial statements a broad overview of the Town's financial position and results of operations in a manner similar to private sector businesses.

The statement of net assets presents information on all of the Town's assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. The difference between the two is reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town is improving or weakening.

The statement of activities presents information which shows how the government's net assets changed during this fiscal year. All changes in net assets are reported as soon as the underlying event occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g. uncollected taxes).

Each of these reports is broken down between governmental activities and business-type activities. Governmental activities normally are those activities that are supported by taxes, licenses, permits, fines, and intergovernmental revenues; for example, the police and fire departments. Business-type activities are functions that are intended to support their costs through charges for services or fees; such as the Gas, Electric, Water, and Sewer Departments.

**TOWN OF JONESVILLE, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

JUNE 30, 2007

**Government-Wide Financial Analysis**

As noted earlier, net assets may, over time, serve as a useful indicator of a government's financial position. At the close of the most recent fiscal year, the Town's assets exceeded its liabilities by \$4,503,483 (net assets); this represents an increase of \$1,306,035 from last fiscal year. This increase is primarily due to federal grants received during the year. Of this total net asset amount, \$365,900 represents a deficit in unrestricted net assets. The Town's net assets are comprised of \$2,410,284 from governmental activities and \$2,093,199 from business-type activities.

The following is a condensed statement of the Town of Jonesville's net assets as of June 30, 2007 and 2006:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
<b>Assets</b>						
Current and other assets	\$ 238,879	\$ 324,609	\$ 784,274	\$ 874,923	\$ 1,023,153	\$ 1,199,532
Capital assets, net	<u>2,235,742</u>	<u>1,386,931</u>	<u>2,633,641</u>	<u>1,978,836</u>	<u>4,869,383</u>	<u>3,365,767</u>
<b>Total assets</b>	<b><u>\$ 2,474,621</u></b>	<b><u>\$ 1,711,540</u></b>	<b><u>\$ 3,417,915</u></b>	<b><u>\$ 2,853,759</u></b>	<b><u>\$ 5,892,536</u></b>	<b><u>\$ 4,565,299</u></b>
<b>Liabilities</b>						
Other liabilities	\$ 64,337	\$ 75,863	\$ 472,279	\$ 373,285	\$ 536,616	\$ 449,148
Long-term liabilities	-	-	<u>852,437</u>	<u>918,703</u>	<u>852,437</u>	<u>918,703</u>
<b>Total liabilities</b>	<b><u>\$ 64,337</u></b>	<b><u>\$ 75,863</u></b>	<b><u>\$ 1,324,716</u></b>	<b><u>\$ 1,291,988</u></b>	<b><u>\$ 1,389,053</u></b>	<b><u>\$ 1,367,851</u></b>
<b>Net assets</b>						
Invested in capital assets, net	\$ 2,235,742	\$ 1,358,555	\$ 2,633,641	\$ 1,978,836	\$ 4,869,383	\$ 3,337,391
Unrestricted	<u>174,542</u>	<u>277,122</u>	<u>(540,442)</u>	<u>(417,065)</u>	<u>(365,900)</u>	<u>(139,943)</u>
<b>Total net assets</b>	<b><u>\$ 2,410,284</u></b>	<b><u>\$ 1,635,677</u></b>	<b><u>\$ 2,093,199</u></b>	<b><u>\$ 1,561,771</u></b>	<b><u>\$ 4,503,483</u></b>	<b><u>\$ 3,197,448</u></b>

By far the largest portion of the Town's net assets (\$4,869,383 or 100%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, Town infrastructure, etc.) less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

The Town has total outstanding debt of \$926,643. None of this debt was used to finance any of the \$4,869,383 in capital assets. Total liabilities of \$1,389,053 are equal to 30% of the total net assets.

The Town's governmental activities increased net assets by \$774,607. Business-type activities increased net assets by \$531,428. Transfers from the business-type activities to the governmental activities amounted to \$503,196.



**TOWN OF JONESVILLE, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

JUNE 30, 2007

**Government-Wide Financial Analysis (continued)**

The following is a summary of the statement of activities:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
<b>Revenue</b>						
Program revenue	\$ 1,233,488	\$ 499,134	\$ 4,542,975	\$ 4,453,405	\$ 5,776,463	\$ 4,952,539
General revenue and transfers	<u>1,005,700</u>	<u>1,169,935</u>	<u>(499,192)</u>	<u>(696,388)</u>	<u>506,508</u>	<u>473,547</u>
Total revenue and transfers	<u>\$ 2,239,188</u>	<u>\$ 1,669,069</u>	<u>\$ 4,043,783</u>	<u>\$ 3,757,017</u>	<u>\$ 6,282,971</u>	<u>\$ 5,426,086</u>
<b>Expenses</b>						
General and administrative	\$ 332,798	\$ 345,132	\$ -	\$ -	\$ 332,798	\$ 345,132
Public safety - police	513,125	520,049	-	-	513,125	520,049
Public safety - fire	54,998	42,694	-	-	54,998	42,694
Public works - streets	340,769	332,692	-	-	340,769	332,692
Public works - sanitation	185,421	145,361	-	-	185,421	145,361
Recreation	24,863	14,597	-	-	24,863	14,597
Airport	318	7,087	-	-	318	7,087
Industrial	11,032	11,032	-	-	11,032	11,032
Combined utility	-	-	3,434,578	3,895,336	3,434,578	3,895,336
Interest on long-term debt	<u>1,257</u>	<u>2,526</u>	<u>77,777</u>	<u>-</u>	<u>79,034</u>	<u>2,526</u>
Total expenses	<u>\$ 1,464,581</u>	<u>\$ 1,421,170</u>	<u>\$ 3,512,355</u>	<u>\$ 3,895,336</u>	<u>\$ 4,976,936</u>	<u>\$ 5,316,506</u>
Increase (decrease) in net assets	\$ 774,607	\$ 247,899	\$ 531,428	\$ (138,319)	\$ 1,306,035	\$ 109,580
Net assets, beginning	<u>1,635,677</u>	<u>1,387,778</u>	<u>1,561,771</u>	<u>1,700,090</u>	<u>3,197,448</u>	<u>3,087,868</u>
Net assets, ending	<u>\$ 2,410,284</u>	<u>\$ 1,635,677</u>	<u>\$ 2,093,199</u>	<u>\$ 1,561,771</u>	<u>\$ 4,503,483</u>	<u>\$ 3,197,448</u>

**Governmental Activities**

The governmental activities of the Town include General Government, Public Safety, Public Works, Recreation, Airport, Industrial Development, and Payment of Interest on Long-Term Debt. In that revenues normally associated with municipal operations (e.g. sales tax, property tax, franchise fees, license fees, sanitation fees, permits, fines, and operating grants) are insufficient for the funding of these activities, the Town relies on transfers of excess revenue from its enterprise funds to cover the cost of all activities.

**TOWN OF JONESVILLE, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

JUNE 30, 2007

**Government-Wide Financial Analysis (continued)**

**Business-Type Activities**

The business-type activities of the Town are those that charge a fee to customers for the services provided. The Town has one business-type activity, which is accounted for in the enterprise fund. The Town uses the enterprise fund to account for the revenue and expenses related to the provision of electric, water, gas, and sewer services.

The following is a summary of the business-type activities of the Town:

	<u>Operating Revenues Net of Purchases</u>				
	<u>Electric</u>	<u>Water</u>	<u>Gas</u>	<u>Sewer</u>	<u>Total</u>
Fiscal year ended June 30, 2006	\$ 283,811	\$ 260,850	\$ 174,616	\$ 195,245	\$ 914,522
Fiscal year ended June 30, 2007	<u>527,519</u>	<u>261,383</u>	<u>169,777</u>	<u>190,501</u>	<u>1,149,180</u>
Increase (decrease) between years	<u>\$ 243,708</u>	<u>\$ 533</u>	<u>\$ (4,839)</u>	<u>\$ (4,744)</u>	<u>\$ 234,658</u>

	<u>Operating Expenses</u>				
	<u>Electric</u>	<u>Water</u>	<u>Gas</u>	<u>Sewer</u>	<u>Total</u>
Fiscal year ended June 30, 2006	\$ 294,128	\$ 199,983	\$ 115,585	\$ 238,333	\$ 848,029
Fiscal year ended June 30, 2007	<u>359,500</u>	<u>228,152</u>	<u>126,430</u>	<u>231,386</u>	<u>945,468</u>
Increase (decrease) between years	<u>\$ 65,372</u>	<u>\$ 28,169</u>	<u>\$ 10,845</u>	<u>\$ (6,947)</u>	<u>\$ 97,439</u>

	<u>Net Income (Loss) From Operations</u>				
	<u>Electric</u>	<u>Water</u>	<u>Gas</u>	<u>Sewer</u>	<u>Total</u>
Fiscal year ended June 30, 2006	\$ (10,317)	\$ 60,867	\$ 59,031	\$ (43,088)	\$ 66,493
Fiscal year ended June 30, 2007	<u>220,779</u>	<u>38,858</u>	<u>60,863</u>	<u>(36,784)</u>	<u>283,716</u>
Increase (decrease) between years	<u>\$ 231,096</u>	<u>\$ (22,009)</u>	<u>\$ 1,832</u>	<u>\$ 6,304</u>	<u>\$ 217,223</u>

The reasons for major fluctuations noted above are as follows:

Electric operating revenues net of purchases increased by \$243,708 from the prior year due to an increase in profit margin. This increase was due to a decrease in the cost of electricity from the new power purchase contract with Concordia Electric and fuel adjustments passed on to customers during the year.

Water, gas, and sewer operating revenues remained level as did operating expenses during the year. Electric, water, and gas systems had operating income. The sewer system continues to operate at a loss.

**TOWN OF JONESVILLE, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

JUNE 30, 2007

**Fund Financial Statements - Governmental Funds**

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 a particular purpose.

The Town currently only maintains one individual governmental fund type. This fund type is the General Fund. Information is presented separately in the Governmental Funds Balance Sheet (Statement C) and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances (Statement E) for the General Fund, which is considered to be a major fund.

The Town adopts an annual budget for the General Fund. A statement of revenues, expenditures, and changes in fund balance for the General Fund is presented in the Required Supplemental Information (Part II), which compares actual revenues and expenditures to the original budget and amended budget figures.

**Financial Analysis of the Town's Governmental Fund**

The Town of Jonesville's governmental fund (General Fund) reported an ending fund balance of \$174,542, which is a decrease of \$102,580. This decrease was caused by an increase in expenditures during the fiscal year, primarily capital outlays. There was also a significant decrease in transfers from the Town's utility fund. The entire ending fund balance of \$174,542 is unreserved.

**Fund Financial Statements - Proprietary Funds**

The Town maintains one proprietary fund. Proprietary funds are used to report the same functions as business-type activities. The Town uses an enterprise fund (the first type of proprietary fund) to account for its Combined Electric, Water, Gas, and Sewer Operations. This enterprise fund reports the same functions presented as business-type activities in the government-wide financial statements.

**Financial Analysis of the Town's Proprietary Fund**

The Town's proprietary fund shows an increase in ending fund balance of \$531,428 from the prior fiscal year. The operating income of the electric department increased by \$231,096. Capital contributions increased by \$255,328. This increase accounts for the majority of the increase in fund balance. The operating income of the electric, gas, and sewer departments increased by \$231,096, \$1,832, and \$6,304, respectively. The water department decreased by \$22,009.

In that financial statements of enterprise funds are presented on the same basis of accounting as in both the government-wide financial statements and the individual fund statements, all comments and analysis made under business-type activities apply to these funds.

**General Fund Budgetary Highlights**

The original General Fund budget was amended during the fiscal year. Budgeted revenues were increased by \$748,625. Budgeted expenditures were increased by \$774,576. Grant revenues and expenditures were more than originally anticipated.

**TOWN OF JONESVILLE, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2007**

**Fund Financial Statements - Proprietary Funds (continued)**

**General Fund Budgetary Highlights (continued)**

Revenues exceeded the budgeted amounts by \$152,367. Expenditures were \$42,192 higher than provided for in the budget.

The increase in revenues was sufficient to meet the increase in expenditures during the year. The deficiency of revenues over expenditures shows a positive budget variance of \$110,175. Actual transfers from the utility fund were \$159,303 less than projected in the budget. There was an overall final negative budget variance of \$49,128 or 2.14% of the total budgeted expenditures.

**Capital Asset and Debt Administration**

The total investment in net capital assets as of June 30, 2007 is \$4,869,383.

New major capital assets purchased or constructed in fiscal 2007 are:

**Governmental activities:**

1. Police Department building and improvements costing \$83,869. This building and improvements were partially funded by a federal grant.
2. Computer hardware and software upgrade for Town Hall in the amount of \$50,000 funded by a state grant.
3. Airport improvements in the amount of \$842,264. These improvements were funded by federal and state grants.

**Business-type activities:**

4. Water system improvements with a total cost of \$242,249. These improvements were funded by a federal grant.
5. Utility system improvements due to relocation of utilities due to the Black River Bridge construction in the amount of \$318,006. This project was in progress at year end and is being funded by a federal grant.
6. Sewer system improvements with a total cost of \$144,204. These improvements were funded by a federal grant.

**Current Financial Factors**

General fund revenue is expected to remain relatively constant during the upcoming fiscal year.

Electric rates were increased during fiscal year ended June 30, 2008. This increase is expected to raise an additional \$180,000 in revenues per year. Gas sales will move relative to usage and natural gas costs. Water and sewer revenue should remain level for fiscal year ended June 30, 2008.

On November 15, 2007, the Town issued \$1,600,000 in refunding and new issue bonds. These bonds will carry an interest rate of 7.5% and are set to mature on December 1, 2027. The proceeds of these bonds will be used to refinance the note payable at Catahoula-LaSalle Bank and to pay off additional amounts due to Louisiana Electric Power Association.

The increase in electric rates and the refinancing of debt will enable the Town to operate with positive cash flows and provide efficient services for the citizens and customers of the Town.

**TOWN OF JONESVILLE, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2007**

**Fund Financial Statements - Proprietary Funds (continued)**

**Requests for Information**

This financial report is designed to provide a general overview of the Town of Jonesville's finances for all with an interest in the government's operations. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Deborah Savage, Municipal Clerk, Post Office Box 428, Jonesville, Louisiana 71343.

**Basic Financial Statements**

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**Government-Wide Financial Statements**

## TOWN OF JONESVILLE, LOUISIANA

## STATEMENT OF NET ASSETS

JUNE 30, 2007

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 86,274	\$ 78,395	\$ 164,669
Receivables (net of allowances for uncollectibles)	58,332	536,262	594,594
Restricted assets	94,273	169,617	263,890
Capital assets (net)	<u>2,235,742</u>	<u>2,633,641</u>	<u>4,869,383</u>
Total assets	<u>\$ 2,474,621</u>	<u>\$ 3,417,915</u>	<u>\$ 5,892,536</u>
<b>LIABILITIES</b>			
Accounts, salaries, and other payables	\$ 58,502	\$ 239,218	\$ 297,720
Payable from restricted assets	-	158,855	158,855
Other liabilities	5,835	-	5,835
Note payable, due within one year	-	74,206	74,206
Note payable, beyond one year	<u>-</u>	<u>852,437</u>	<u>852,437</u>
Total liabilities	<u>\$ 64,337</u>	<u>\$ 1,324,716</u>	<u>\$ 1,389,053</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	\$ 2,235,742	\$ 2,633,641	\$ 4,869,383
Unrestricted	<u>174,542</u>	<u>(540,442)</u>	<u>(365,900)</u>
Total net assets	<u>\$ 2,410,284</u>	<u>\$ 2,093,199</u>	<u>\$ 4,503,483</u>

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



TOWN OF JONESVILLE, LOUISIANA  
STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2007

	Program Revenues			Net (Expenses)/ Revenue	Net (Expenses), Revenues, and Changes		Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Governmental Activities	Business-Type Activities	
<b>GOVERNMENTAL ACTIVITIES</b>							
General government	\$ 332,798	\$ 20,105	\$ 1,413	\$ 13,000	\$ (298,280)	\$ -	\$ (298,280)
Public safety	513,125	72,967	3,401	71,250	(365,507)	-	(365,507)
Police	54,998	13,386	7,557	-	(34,055)	-	(34,055)
Fire							
Public works	340,769	7,658	-	-	(333,111)	-	(333,111)
Streets	185,421	165,108	-	-	(20,313)	-	(20,313)
Sanitation	24,863	-	5,000	-	(19,863)	-	(19,863)
Recreation	318	-	852,643	-	852,325	-	852,325
Airport	11,032	-	-	-	(11,032)	-	(11,032)
Industrial	1,257	-	-	-	(1,257)	-	(1,257)
Interest on long-term debt	1,464,581	279,224	12,371	941,893	(231,093)	-	(231,093)
Total governmental activities	\$ 2,282,552	\$ 2,508,331	\$ -	\$ 12,333	\$ 233,112	\$ -	\$ 233,112
<b>BUSINESS-TYPE ACTIVITIES</b>							
Electric	228,152	267,010	-	308,159	347,017	-	347,017
Water	770,265	831,128	-	78,469	139,332	-	139,332
Gas	231,386	194,602	-	347,943	311,159	-	311,159
Sewer	3,512,355	3,796,071	-	746,904	1,030,620	-	1,030,620
Total business-type activities	\$ 4,976,936	\$ 4,075,295	\$ 12,371	\$ 1,688,797	\$ (231,093)	\$ 1,030,620	\$ 1,030,620
Total							
General Revenues:							
Property taxes					\$ 75,661	\$ -	\$ 75,661
Sales taxes					212,267	-	212,267
Franchise taxes					6,486	-	6,486
Beer taxes					5,218	-	5,218
Occupational licenses					154,064	-	154,064
Investment earnings					1,375	4,004	5,379
Other general revenues					47,433	-	47,433
Transfers					503,196	(503,196)	-
Total general revenues and transfers					\$ 1,005,700	\$ (499,192)	\$ 506,508
Change in Net Assets					\$ 774,607	\$ 531,428	\$ 1,306,035
Net assets - beginning					1,635,677	1,561,771	3,197,448
Net assets - ending					\$ 2,410,284	\$ 2,099,199	\$ 4,509,483

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

**Fund Financial Statements**

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**Governmental Funds**

TOWN OF JONESVILLE, LOUISIANA

BALANCE SHEET  
GOVERNMENTAL FUNDS

JUNE 30, 2007

	<u>General Fund</u>
<b><u>ASSETS</u></b>	
Cash	\$ 86,274
Receivables (net of allowances for uncollectibles)	30,379
Due from other governments	27,953
Restricted cash and cash equivalents	<u>94,273</u>
<b>Total assets</b>	<b>\$ <u>238,879</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>	
<b>Liabilities:</b>	
Accounts payable	\$ 24,523
Accrued liabilities	13,449
Due to other governments	20,530
Other liabilities	<u>5,835</u>
<b>Total liabilities</b>	<b>\$ <u>64,337</u></b>
<b>Fund balances:</b>	
Unreserved, reported in:	
General Fund	<u>\$ 174,542</u>
<b>Total fund balances</b>	<b>\$ <u>174,542</u></b>
<b>Total liabilities and fund balances</b>	<b>\$ <u>238,879</u></b>

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

TOWN OF JONESVILLE, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE GOVERNMENT-WIDE FINANCIAL STATEMENT OF NET ASSETS

JUNE 30, 2007

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Fund Balances, Total Governmental Funds (Statement C)	\$ 174,542
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	<u>2,235,742</u>
Net Assets of Governmental Activities (Statement A)	<u>\$ 2,410,284</u>

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

## TOWN OF JONESVILLE, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2007

	<u>General Fund</u>
<b><u>REVENUES</u></b>	
Taxes	\$ 82,147
Licenses and permits	154,064
Rentals	20,105
Intergovernmental	1,179,407
Charges for services	165,108
Fines and forfeitures	72,967
Other	<u>62,194</u>
Total revenues	\$ <u>1,735,992</u>
<b><u>EXPENDITURES</u></b>	
General government	\$ 330,918
Public safety:	
Police	572,926
Fire	25,713
Public works:	
Streets	346,960
Sanitation	171,681
Recreation	21,524
Airport	842,413
Debt service:	
Principal	28,376
Interest	<u>1,257</u>
Total expenditures	\$ <u>2,341,768</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>(605,776)</u>
<b><u>OTHER FINANCING SOURCES</u></b>	
Transfers in	\$ <u>503,196</u>
Total other financing sources	\$ <u>503,196</u>
Net change in fund balance	\$ (102,580)
Fund balances - beginning	<u>277,122</u>
Fund balances - ending	<u>\$ 174,542</u>

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

**TOWN OF JONESVILLE, LOUISIANA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2007**

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total Governmental Funds, Statement E	\$ (102,580)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	848,811
The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	<u>28,376</u>
Change in Net Assets of Governmental Activities, Statement B	<u>\$ 774,607</u>

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

**Proprietary Funds**



TOWN OF JONESVILLE, LOUISIANA

STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS

JUNE 30, 2007

	<u>Enterprise Fund</u>
	<u>Utility Fund</u>
<b><u>ASSETS</u></b>	
Current assets	
Cash and cash equivalents	\$ 78,395
Receivables (net of allowances for uncollectibles)	<u>536,262</u>
Total current assets	<u>\$ 614,657</u>
Noncurrent assets	
Restricted assets:	
Cash and cash equivalents	\$ 169,617
Capital assets (net of accumulated depreciation)	<u>2,633,641</u>
Total noncurrent assets	<u>\$ 2,803,258</u>
Total assets	<u>\$ 3,417,915</u>
<b><u>LIABILITIES</u></b>	
Current liabilities	
Accounts payable	\$ 221,880
Accrued liabilities	17,338
Current portion of note payable	<u>74,206</u>
Total current liabilities	<u>\$ 313,424</u>
Current liabilities payable from restricted assets	
Consumer deposits	<u>\$ 158,855</u>
Total current liabilities payable from restricted assets	<u>\$ 158,855</u>
Long-term liabilities	
Note payable	<u>\$ 852,437</u>
Total long-term liabilities	<u>\$ 852,437</u>
Total liabilities	<u>\$ 1,324,716</u>
<b><u>NET ASSETS</u></b>	
Invested in capital assets, net of related debt	\$ 2,633,641
Unrestricted	<u>(540,442)</u>
Total net assets	<u>\$ 2,093,199</u>

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

TOWN OF JONESVILLE, LOUISIANA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2007

	<u>Enterprise Fund</u> <u>Utility Fund</u>
<b><u>OPERATING REVENUES</u></b>	
Charges for services:	
Electricity sales	\$ 2,450,571
Water sales	261,383
Gas sales	813,612
Sewer charges	190,501
Other operating revenue	<u>80,004</u>
Total operating revenues	<u>\$ 3,796,071</u>
<b><u>OPERATING EXPENSES</u></b>	
Personal services	\$ 374,742
Purchase of utilities provided	2,566,887
Materials and supplies	101,909
Repairs and maintenance	35,233
Depreciation	107,840
Utilities and telephone	59,261
Bad debts	96,329
Other operating expenses	<u>170,154</u>
Total operating expenses	<u>\$ 3,512,355</u>
Operating Income	<u>\$ 283,716</u>
<b>Nonoperating Revenues</b>	
Interest earnings	<u>\$ 4,004</u>
Total nonoperating revenues	<u>\$ 4,004</u>
<b>Income Before Contributions and Transfers</b>	<u>\$ 287,720</u>
Capital contributions	746,904
Transfer out	<u>(503,196)</u>
<b>Change in Net Assets</b>	<u>\$ 531,428</u>
Total net assets - beginning	<u>1,561,771</u>
Total net assets - ending	<u>\$ 2,093,199</u>

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

TOWN OF JONESVILLE, LOUISIANA

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2007

	<u>Enterprise Fund</u> <u>Utility Fund</u>
<b><u>Cash Flows From Operating Activities</u></b>	
Receipts from customers and users	\$ 3,792,894
Payments to suppliers	(2,840,941)
Payments to employees	(369,824)
Net cash provided by operating activities	<u>\$ 582,129</u>
<b><u>Cash Flows From NonCapital Financing Activities</u></b>	
Transfers to other funds	\$ (503,196)
Net cash used for noncapital financing activities	<u>\$ (503,196)</u>
<b><u>Cash Flows From Capital and Related Financing Activities</u></b>	
Capital contributions	\$ 746,904
Acquisition and construction of capital assets	(762,645)
Principal paid on capital debt	(61,089)
Net cash used for capital and related financing activities	<u>\$ (76,830)</u>
<b><u>Cash Flows From Investing Activities</u></b>	
Interest on temporary investments	\$ 4,004
Net cash provided by investing activities	<u>\$ 4,004</u>
Net increase in cash and cash equivalents	\$ 6,107
Cash and cash equivalents, beginning of year	<u>241,905</u>
Cash and cash equivalents, end of year	<u>\$ 248,012</u>
<b><u>Reconciliation Of Operating Income To Net Cash Provided By(Used For) Operating Activities</u></b>	
Operating income	\$ 283,716
<b>Adjustments To Reconcile Operating Income To Net Cash Provided By Operating Activities</b>	
Depreciation	\$ 107,840
Change in assets and liabilities	
(Increase) decrease in:	
Accounts receivable - customers	(7,209)
Allowance for uncollectible accounts	103,965
Increase (decrease) in:	
Accounts payable	84,867
Accrued liabilities	4,918
Customer deposits	4,032
Total adjustments	<u>\$ 298,413</u>
Net cash provided by operating activities	<u>\$ 582,129</u>

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

**Notes to the Financial Statements**

**TOWN OF JONESVILLE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

**INTRODUCTION**

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

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

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the municipality is considered a primary government, since it 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. As used in GASB Statement No. 14, fiscally independent means that the municipality 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.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. *Government-Wide and Fund Financial Statements***

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**B. *Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

TOWN OF JONESVILLE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. *Measurement Focus, Basis of Accounting, and Financial Statement Presentation* (continued)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The municipality reports the following major governmental fund:

The General Fund is the municipality's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The municipality reports the following major proprietary fund:

The Utility Fund is used to account for the provision of gas, electric, and water utilities, as well as sewer services to residents of the Town and some residents of the Parish. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing, and related debt service and billing and collection.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

**TOWN OF JONESVILLE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal on-going operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the municipality's policy to use restricted resources first, then unrestricted resources as they are needed.

**C. Cash and Cash Equivalents**

The municipality's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of six months or less from the date of acquisition. State law and the municipality's investment policy allow the municipality to invest in collateralized certificates of deposit, government-backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government-backed securities.

**D. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

All trade and property tax receivables are shown net of an allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes and customer's utility receivables are recognized through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable.

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

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

For the year ended June 30, 2007, taxes of 8.71 mills were levied on property with assessed valuations totaling \$8,686,682, after abatements and exemptions and were dedicated as follows:

General corporate purposes	8.71 mills
Total taxes levied were	\$ 75,661

**TOWN OF JONESVILLE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. Inventories**

For both governmental and proprietary funds, purchase of various operating supplies are regarded as expenditures or expenses at the time purchased, and inventories of such supplies (if any) are not recorded as assets at the close of the fiscal year. For the year ending June 30, 2007, these amounts were considered to be immaterial.

**F. Restricted Assets - Utility Fund**

Restricted assets were applicable to the following at June 30, 2007:

Consumer deposits	\$ <u>169,617</u>
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**G. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The municipality maintains a threshold level of \$2,500 or more for capitalizing capital assets used in the governmental funds.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
<b>Governmental activities:</b>	
Land improvements	30 years
Buildings	40 years
Vehicles	5 - 15 years
Machinery and equipment	5 - 15 years
<b>Business-type activities/Enterprise Fund:</b>	
Buildings	25 years
Infrastructure	20 - 50 years
Machinery and equipment	10 - 20 years
Vehicles	5 years



**TOWN OF JONESVILLE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**H. *Compensated Absences***

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

**I. *Long-Term Obligations***

In the government-wide financial statements, and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**J. *Fund Equity***

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**K. *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, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Budgets and Budgetary Accounting**

The Town follows procedures established by Louisiana Revised Statute in the preparation and adoption of its annual operating budgets as follows:

1. The Town Clerk prepares a proposed budget and submits same to the Mayor and Town Council no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.

**TOWN OF JONESVILLE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)**

4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program, or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Town Council.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budget amounts are as originally adopted, or as amended from time to time by the Town Council.

**NOTE 3 - CASH AND CASH EQUIVALENTS**

At June 30, 2007, the municipality has cash and cash equivalents (book balances) totaling \$428,559 as follows:

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Totals</u>
Demand deposits	\$ 85,699	\$ 155,893	\$ 241,592
Interest-bearing savings	64,273	17,119	81,392
Time deposits	30,000	75,000	105,000
Cash on hand	<u>575</u>	<u>-</u>	<u>575</u>
<b>Total</b>	<b><u>\$ 180,547</u></b>	<b><u>\$ 248,012</u></b>	<b><u>\$ 428,559</u></b>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2007, the municipality has \$542,503 in deposits (collected bank balances). These deposits are secured from risk by \$200,000 of federal deposit insurance and \$1,035,000 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

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

**TOWN OF JONESVILLE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

**NOTE 4 - RECEIVABLES**

Class of Receivable	General Fund	Enterprise Fund	Total
Taxes:			
Franchise tax	\$ 3,271	\$ -	\$ 3,271
Intergovernmental:			
State	2,206	-	2,206
Parish	25,747	-	25,747
Accounts	62,498	726,334	788,832
Other	703	1,746	2,449
Allowance for uncollectibles	(36,093)	(191,818)	(227,911)
Total	<u>\$ 58,332</u>	<u>\$ 536,262</u>	<u>\$ 594,594</u>

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

**NOTE 5 - INTERFUND RECEIVABLES/PAYABLES**

There were no interfund receivables or payables at June 30, 2007.

**NOTE 6 - CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended June 30, 2007, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated				
Land	\$ 284,850	\$ -	\$ -	\$ 284,850
Construction in progress	81,324	842,264	923,588	-
Total capital assets, not being depreciated	<u>\$ 366,174</u>	<u>\$ 842,264</u>	<u>\$ 923,588</u>	<u>\$ 284,850</u>
Capital assets being depreciated				
Buildings	\$ 834,652	\$ 83,869	\$ -	\$ 918,521
Land improvements	98,169	934,789	-	1,032,958
Machinery and equipment	214,822	13,940	6,059	222,703
Vehicles	573,442	3,250	-	576,692
Total capital assets being depreciated	<u>\$ 1,721,085</u>	<u>\$ 1,035,848</u>	<u>\$ 6,059</u>	<u>\$ 2,750,874</u>
Less accumulated depreciation for:				
Buildings	\$ (328,694)	\$ (17,543)	\$ -	\$ (346,237)
Land improvements	(49,304)	(2,760)	-	(52,064)
Machinery and equipment	(75,415)	(27,023)	6,059	(96,379)
Vehicles	(246,915)	(58,387)	-	(305,302)
Total accumulated depreciation	<u>\$ (700,328)</u>	<u>\$ (105,713)</u>	<u>\$ 6,059</u>	<u>\$ (799,982)</u>

**TOWN OF JONESVILLE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

**NOTE 6 - CAPITAL ASSETS (continued)**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Total capital assets being depreciated, net	\$ <u>1,020,757</u>	\$ <u>930,135</u>	\$ <u>-</u>	\$ <u>1,950,892</u>
Governmental-type activities capital assets, net	\$ <u>1,386,931</u>	\$ <u>1,772,399</u>	\$ <u>923,588</u>	\$ <u>2,235,742</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated				
Land	\$ 21,612	\$ -	\$ -	\$ 21,612
Construction in progress	<u>30,003</u>	<u>-</u>	<u>30,003</u>	<u>-</u>
Total capital assets, not being depreciated	\$ <u>51,615</u>	\$ <u>-</u>	\$ <u>30,003</u>	\$ <u>21,612</u>
Capital assets being depreciated				
Buildings	\$ 11,579	\$ -	\$ -	\$ 11,579
Infrastructure	5,321,971	755,233	-	6,077,204
Machinery, equipment, and vehicles	<u>238,481</u>	<u>37,415</u>	<u>-</u>	<u>275,896</u>
Total capital assets being depreciated	\$ <u>5,572,031</u>	\$ <u>792,648</u>	\$ <u>-</u>	\$ <u>6,364,679</u>
Less accumulated depreciation for:				
Buildings	\$ (11,566)	\$ -	\$ -	\$ (11,566)
Infrastructure	(3,421,597)	(93,222)	-	(3,514,819)
Machinery, equipment, and vehicles	<u>(211,647)</u>	<u>(14,618)</u>	<u>-</u>	<u>(226,265)</u>
Total accumulated depreciation	\$ <u>(3,644,810)</u>	\$ <u>(107,840)</u>	\$ <u>-</u>	\$ <u>(3,752,650)</u>
Total capital assets being depreciated, net	\$ <u>1,927,221</u>	\$ <u>684,808</u>	\$ <u>-</u>	\$ <u>2,612,029</u>
Business-type activities capital assets, net	\$ <u>1,978,836</u>	\$ <u>684,808</u>	\$ <u>30,003</u>	\$ <u>2,633,641</u>

Depreciation expense of \$105,713 for the year ended June 30, 2007, was charged to the following governmental functions:

General government	\$ 5,466
Public safety:	
Police	28,186
Fire	29,285
Public works:	
Streets	11,378
Sanitation	16,858
Recreation	3,339
Airport	169
Industrial	<u>11,032</u>
Total	<u>\$ 105,713</u>

**TOWN OF JONESVILLE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

**NOTE 7 - INTERFUND TRANSFERS**

Interfund transfers during the year ended June 30, 2007, were as follows:

\$503,196 was transferred from the Utility Fund to the General Fund.

Transfers are primarily used to move funds from:

- The Proprietary Funds to the General Fund to cover expenses of general operations.

**NOTE 8 - ACCOUNTS, SALARIES, AND OTHER PAYABLES**

The payables of \$297,720 at June 30, 2007 were as follows:

	General Fund	Enterprise Fund	Total
Accounts	\$ 24,523	\$ 221,880	\$ 246,403
Accrued liabilities	13,449	17,338	30,787
Due to other governments	20,530	-	20,530
Total	<u>\$ 58,502</u>	<u>\$ 239,218</u>	<u>\$ 297,720</u>

**NOTE 9 - LONG-TERM OBLIGATIONS**

The following is a summary of long-term obligation transactions for the year ended June 30, 2007:

	Enterprise Fund Note Payable
Long-term obligations at beginning of year	\$ 987,732
Repayment of note principle	<u>(61,089)</u>
Long-term obligations at end of year	\$ 926,643
Less current portion	<u>(74,206)</u>
Long-term portion	<u>\$ 852,437</u>

Long-term debt as of June 30, 2007, is comprised of the following:

**Enterprise Fund**

Note payable to Catahoula-LaSalle Bank to refinance electricity purchases in the amount of \$1,000,000 commencing on May 2, 2006, and payable in monthly installments of \$12,138 until maturity on May 2, 2016, with an annual interest rate of 8.0%.

\$ 926,643

**TOWN OF JONESVILLE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

**NOTE 9 - LONG-TERM OBLIGATIONS (continued)**

The annual requirements to amortize all outstanding debt as of June 30, 2007, including interest payments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 74,206	\$ 71,450	\$ 145,656
2009	80,365	65,291	145,656
2010	87,036	58,620	145,656
2011	94,259	51,397	145,656
2012	102,083	43,573	145,656
2013-2016	<u>488,694</u>	<u>82,232</u>	<u>570,926</u>
Totals	<u>\$ 926,643</u>	<u>\$ 372,563</u>	<u>\$ 1,299,206</u>

The note payable was refinanced December 1, 2007. See Note 16, Subsequent Events.

**NOTE 10 - SALES AND USE TAX REVENUES**

The Town of Jonesville, Louisiana receives hard surface road tax and sanitation tax from Catahoula Parish.

**NOTE 11 - PENSION PLAN**

All full-time police and fire department employees are required to participate in their respective retirement systems. The Town currently has no full-time fire department employees. All employees of the Town participate in the Social Security System. Pertinent information relative to the Police Retirement System is as follows:

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

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

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

**TOWN OF JONESVILLE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

**NOTE 11 - PENSION PLAN (continued)**

Funding Policy. Plan members are required by state statute to contribute 7.50% of their annual covered salary, and the Town of Jonesville, Louisiana is required to contribute at an actuarially determined rate. The current rate is 15.5% of annual covered payroll. The contribution requirements of plan members and the Town of Jonesville, Louisiana are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of Jonesville, Louisiana's contributions to the System for the years ending June 30, 2007, 2006, and 2005 were \$0, \$0, and \$6,488, respectively, equal to the required contributions for each year. There were no covered employees during the year ending June 30, 2007.

**NOTE 12 - SEGMENT INFORMATION FOR UTILITY FUND**

The Enterprise Fund operated by the Town provides electric, gas, water, and sewer utility services. The following is a summary of segment information for Enterprise Funds:

	<u>Electric Utility</u>	<u>Water Utility</u>	<u>Gas Utility</u>	<u>Sewer Service</u>	<u>Total</u>
Operating revenue	\$ 2,450,571	\$ 261,383	\$ 813,612	\$ 190,501	\$ 3,716,067
Purchase of utility	(1,923,052)	-	(643,835)	-	(2,566,887)
Operating expenses	(345,359)	(188,665)	(111,734)	(191,870)	(837,628)
Depreciation	(14,141)	(39,487)	(14,696)	(39,516)	(107,840)
Other operating revenue	<u>52,760</u>	<u>5,627</u>	<u>17,516</u>	<u>4,101</u>	<u>80,004</u>
Operating income (loss)	\$ <u>220,779</u>	\$ <u>38,858</u>	\$ <u>60,863</u>	\$ <u>(36,784)</u>	\$ <u>283,716</u>
Interest earnings					<u>4,004</u>
Income before contributions and transfers					<u>\$ 287,720</u>

**NOTE 13 - COMPENSATION OF THE GOVERNING BOARD**

The Governing Board of the Town of Jonesville, Louisiana consists of a Mayor and five Council Members. For the fiscal year ended June 30, 2007, the following compensations were paid:

Hiram Evans, Mayor	\$ 9,500
Stephen R. Mophett, Council Member	7,500
Josie Bullitts, Council Member	7,500
Loria Hollins, Council Member	7,400
Tommy Branch, Council Member	7,500
Jackie Rouse, Council Member	3,800
Totals	<u>\$ 43,200</u>

**TOWN OF JONESVILLE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

**NOTE 14 - RISK MANAGEMENT**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town carries commercial insurance for these risks. Settled claims resulting from these insured risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**NOTE 15 - CONTINGENT LIABILITIES**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

**NOTE 16 - SUBSEQUENT EVENTS**

On November 15, 2007 the Town of Jonesville issued the Taxable Utility Revenue Refunding Bonds, Series 2007 in the amount of \$1,600,000 at an interest rate of 7.5% and maturing on December 1, 2027. These bonds were issued to refinance the current debt owed to Catahoula LaSalle Bank and to pay off other debts owed by the Town.



**Required Supplemental Information (Part II)**

## TOWN OF JONESVILLE, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL

## GENERAL FUND

YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 80,000	\$ 79,242	\$ 82,147	\$ 2,905
Licenses and permits	145,000	147,463	154,064	6,601
Rentals	25,000	21,520	20,105	(1,415)
Intergovernmental	345,000	360,565	1,179,407	818,842
Charges for services	165,000	166,156	165,108	(1,048)
Other	75,000	808,679	135,161	(673,518)
<b>Total revenues</b>	<u>\$ 835,000</u>	<u>\$ 1,583,625</u>	<u>\$ 1,735,992</u>	<u>\$ 152,367</u>
<b>Expenditures</b>				
General government	\$ 385,000	\$ 317,671	\$ 330,918	\$ (13,247)
Public safety:				
Police	549,000	564,188	572,926	(8,738)
Fire	56,000	19,328	25,713	(6,385)
Public works:				
Streets	353,000	369,727	346,960	22,767
Sanitation	141,000	145,192	171,681	(26,489)
Recreation	6,714	6,295	21,524	(15,229)
Airport	5,000	847,889	842,413	5,476
Debt service:				
Principal	28,376	28,376	28,376	-
Interest	910	910	1,257	(347)
<b>Total expenditures</b>	<u>\$ 1,525,000</u>	<u>\$ 2,299,576</u>	<u>\$ 2,341,768</u>	<u>\$ (42,192)</u>
Deficiency of revenues over expenditures	<u>\$ (690,000)</u>	<u>\$ (715,951)</u>	<u>\$ (605,776)</u>	<u>\$ 110,175</u>
<b>Other Financing Sources (Uses)</b>				
Operating transfers - in	<u>\$ 690,000</u>	<u>\$ 662,499</u>	<u>\$ 503,196</u>	<u>\$ (159,303)</u>
Total other financing sources (uses)	<u>\$ 690,000</u>	<u>\$ 662,499</u>	<u>\$ 503,196</u>	<u>\$ (159,303)</u>
Excess of revenues and other financing sources over expenditures and other financing uses	\$ -	\$ (53,452)	\$ (102,580)	\$ (49,128)
Fund balances, beginning of year	<u>277,122</u>	<u>277,122</u>	<u>277,122</u>	<u>-</u>
Fund balances, end of year	<u>\$ 277,122</u>	<u>\$ 223,670</u>	<u>\$ 174,542</u>	<u>\$ (49,128)</u>

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

**TOWN OF JONESVILLE, LOUISIANA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2007**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

**Budgetary Comparison Schedule**

**1. Basis of Presentation**

The Budgetary Comparison Schedule presents the original legally adopted budget, the final legally adopted budget, the actual data on the GAAP basis, and variances between the final budget and the actual data.

**2. Budget Amendments and Revisions**

The budget is adopted by the Town Council. Amendments can be made on the approval of the Town Council. A budgetary comparison is presented for the General Fund and each major special revenue fund consistent with accounting principles generally accepted in the United States of America. There were no major special revenue funds.

**Other Supplemental Information**

**GENERAL FUND**

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

**TOWN OF JONESVILLE, LOUISIANA**  
**GENERAL FUND**  
**COMPARATIVE BALANCE SHEET**  
**JUNE 30, 2007 AND 2006**

	2007	2006
<b><u>ASSETS</u></b>		
Cash	\$ 86,274	\$ 153,165
Receivables (net of allowance for uncollectibles):		
Court fines	26,405	39,686
Franchise tax	3,271	3,296
Other	703	893
Due from other governments	27,953	57,993
Restricted investments (at cost)	94,273	69,576
 Total assets	 \$ 238,879	 \$ 324,609
 <b><u>LIABILITIES AND FUND BALANCE</u></b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 24,523	\$ 29,864
Accrued liabilities	13,449	13,771
Due to other governments	20,530	-
Other liabilities	5,835	3,852
 Total liabilities	 \$ 64,337	 \$ 47,487
 <b>FUND BALANCE</b>		
Unreserved	\$ 174,542	\$ 277,122
 Total fund balance	 \$ 174,542	 \$ 277,122
 Total liabilities and fund balance	 \$ 238,879	 \$ 324,609

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

## TOWN OF JONESVILLE, LOUISIANA

## GENERAL FUND

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2007  
WITH COMPARATIVE AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	<u>2007</u>	<u>2006</u>
<b><u>REVENUES</u></b>		
Taxes	\$ 82,147	\$ 80,756
Licenses and permits	154,064	143,897
Rentals	20,105	19,560
Intergovernmental	1,179,407	304,299
Charges for services	165,108	166,888
Fines and forfeitures	72,967	66,689
Other	<u>62,194</u>	<u>186,978</u>
Total revenues	<u>\$ 1,735,992</u>	<u>\$ 969,067</u>
<b><u>EXPENDITURES</u></b>		
General government	\$ 330,918	\$ 338,665
Public safety:		
Police	572,926	513,414
Fire	25,713	107,232
Public works:		
Streets	346,960	331,075
Sanitation	171,681	128,763
Recreation	21,524	10,480
Airport	842,413	87,764
Debt service:		
Principal	28,376	26,760
Interest	<u>1,257</u>	<u>2,526</u>
Total expenditures	<u>\$ 2,341,768</u>	<u>\$ 1,546,679</u>
Deficiency of revenues over expenditures	<u>\$ (605,776)</u>	<u>\$ (577,612)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>		
Operating transfers - in	<u>\$ 503,196</u>	<u>\$ 700,002</u>
Total other financing sources (uses)	<u>\$ 503,196</u>	<u>\$ 700,002</u>
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (102,580)	\$ 122,390
Fund balances, beginning of year	<u>277,122</u>	<u>154,732</u>
Fund balances, end of year	<u>\$ 174,542</u>	<u>\$ 277,122</u>

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

## TOWN OF JONESVILLE, LOUISIANA

## GENERAL FUND

## STATEMENT OF EXPENDITURES

YEAR ENDED JUNE 30, 2007

WITH COMPARATIVE AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	<u>2007</u>	<u>2006</u>
<b><u>GENERAL GOVERNMENT</u></b>		
Personal services	\$ 225,271	\$ 221,651
Materials and supplies	6,985	8,493
Professional services	31,867	54,172
Repairs and maintenance	6,045	14,478
General insurance	4,721	10,719
Miscellaneous	35,284	14,435
Utility/telephone	12,948	12,941
Travel expenses	4,211	1,776
Capital outlay	3,586	-
Total general government	<u>\$ 330,918</u>	<u>\$ 338,665</u>
<b><u>PUBLIC SAFETY - POLICE</u></b>		
Personal services	\$ 361,599	\$ 380,765
Materials and supplies	36,466	27,317
Professional services	9,272	750
Repairs and maintenance	19,467	21,080
General insurance	20,612	24,923
Miscellaneous	24,071	17,284
Utility/telephone	11,056	11,938
Travel expenses	2,396	3,754
Capital outlay	87,987	25,603
Total public safety - police	<u>\$ 572,926</u>	<u>\$ 513,414</u>
<b><u>PUBLIC SAFETY - FIRE</u></b>		
Personal services	\$ 9,145	\$ 8,791
Materials and supplies	4,553	4,337
Professional services	850	474
Repairs and maintenance	1,770	1,204
General insurance	6,387	10,521
Miscellaneous	86	530
Utility/telephone	2,922	-
Capital outlay	-	81,375
Total public safety - fire	<u>\$ 25,713</u>	<u>\$ 107,232</u>

-continued-



## TOWN OF JONESVILLE, LOUISIANA

## GENERAL FUND

## STATEMENT OF EXPENDITURES

YEAR ENDED JUNE 30, 2007

WITH COMPARATIVE AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	<u>2007</u>	<u>2006</u>
<b><u>PUBLIC WORKS - STREETS</u></b>		
Personal services	\$ 228,271	\$ 222,224
Materials and supplies	42,325	47,482
Professional services	790	775
Repairs and maintenance	22,318	20,244
General insurance	9,995	11,058
Miscellaneous	22,752	19,956
Utility/telephone	2,523	2,507
Travel expenses	417	329
Capital outlay	17,569	6,500
Total public works - streets	<u>\$ 346,960</u>	<u>\$ 331,075</u>
<b><u>PUBLIC WORKS - SANITATION</u></b>		
Personal services	\$ 103,509	\$ 73,595
Materials and supplies	36,874	32,419
Professional services	750	750
Repairs and maintenance	4,224	6,455
General insurance	12,443	12,626
Miscellaneous	2,076	1,810
Utility/telephone	1,051	1,108
Bad debts	7,636	-
Capital outlay	3,118	-
Total public works - sanitation	<u>\$ 171,681</u>	<u>\$ 128,763</u>
<b><u>RECREATION</u></b>		
Materials and supplies	\$ 399	\$ -
Repairs and maintenance	568	5,177
Miscellaneous	16,383	487
Utility/telephone	4,174	4,816
Total recreation	<u>\$ 21,524</u>	<u>\$ 10,480</u>
<b><u>AIRPORT</u></b>		
Repairs and maintenance	\$ 149	\$ 6,440
Capital outlay	842,264	81,324
Total airport	<u>\$ 842,413</u>	<u>\$ 87,764</u>
<b><u>DEBT SERVICE</u></b>		
Principal	\$ 28,376	\$ 26,760
Interest	1,257	2,526
Total debt service	<u>\$ 29,633</u>	<u>\$ 29,286</u>
Total expenditures - all departments	<u>\$ 2,341,768</u>	<u>\$ 1,546,679</u>

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

**ENTERPRISE FUND**

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

## TOWN OF JONESVILLE, LOUISIANA

ENTERPRISE FUND  
MUNICIPAL UTILITIES SYSTEM

## COMPARATIVE BALANCE SHEET

JUNE 30, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 78,395	\$ 82,990
Accounts receivable, net of allowance for uncollectible accounts (\$191,818 in 2007 and \$87,853 in 2006)	<u>536,262</u>	<u>633,018</u>
Total current assets	<u>\$ 614,657</u>	<u>\$ 716,008</u>
Restricted assets - consumer deposits		
Cash	\$ 77,498	\$ 66,966
Temporary investments at cost	<u>92,119</u>	<u>91,949</u>
Total restricted assets	<u>\$ 169,617</u>	<u>\$ 158,915</u>
Plant and equipment, at cost, net of accumulated depreciation (\$3,752,650 in 2007 and \$3,644,810 in 2006)	<u>\$ 2,633,641</u>	<u>\$ 1,978,836</u>
Total assets	<u>\$ 3,417,915</u>	<u>\$ 2,853,759</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>LIABILITIES</b>		
Current liabilities (payable from current assets)		
Accounts payable	\$ 221,880	\$ 137,013
Accrued liabilities	17,338	12,420
Current portion of note payable	<u>74,206</u>	<u>69,029</u>
Total current liabilities (payable from current assets)	<u>\$ 313,424</u>	<u>\$ 218,462</u>
Current liabilities (payable from restricted assets)		
Consumer deposits	<u>\$ 158,855</u>	<u>\$ 154,823</u>
Total current liabilities (payable from restricted assets)	<u>\$ 158,855</u>	<u>\$ 154,823</u>
Long-term liabilities		
Note payable	<u>\$ 852,437</u>	<u>\$ 918,703</u>
Total long-term liabilities	<u>\$ 852,437</u>	<u>\$ 918,703</u>
Total liabilities	<u>\$ 1,324,716</u>	<u>\$ 1,291,988</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	\$ 2,633,641	\$ 1,978,836
Unrestricted	<u>(540,442)</u>	<u>(417,065)</u>
Total net assets	<u>\$ 2,093,199</u>	<u>\$ 1,561,771</u>
Total liabilities and net assets	<u>\$ 3,417,915</u>	<u>\$ 2,853,759</u>

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

## TOWN OF JONESVILLE, LOUISIANA

ENTERPRISE FUND  
MUNICIPAL UTILITIES SYSTEMCOMPARATIVE STATEMENT OF OPERATING REVENUES AND EXPENSES  
ALL DEPARTMENTS

YEARS ENDED JUNE 30, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<b><u>OPERATING REVENUES</u></b>		
Charges for services		
Utility sales and fees	\$ 3,716,067	\$ 3,896,301
Other operating revenues	<u>80,004</u>	<u>65,528</u>
Total operating revenues	<u>\$ 3,796,071</u>	<u>\$ 3,961,829</u>
<b><u>OPERATING EXPENSES</u></b>		
Personal services	\$ 374,742	\$ 362,507
Purchase of utilities provided	2,566,887	3,047,307
Materials and supplies	101,909	126,235
Repairs and maintenance	35,233	74,059
Depreciation	107,840	93,999
Utilities and telephone	59,261	58,847
Bad debts	96,329	-
Other operating expenses	<u>170,154</u>	<u>132,382</u>
Total operating expenses	<u>\$ 3,512,355</u>	<u>\$ 3,895,336</u>
Operating income	<u>\$ 283,716</u>	<u>\$ 66,493</u>

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

## TOWN OF JONESVILLE, LOUISIANA

ENTERPRISE FUND  
MUNICIPAL UTILITIES SYSTEMCOMPARATIVE STATEMENT OF OPERATING REVENUES AND EXPENSES  
ELECTRIC DEPARTMENT

YEARS ENDED JUNE 30, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<b><u>OPERATING REVENUES</u></b>		
Charges for services		
Electricity sales and fees	\$ 2,450,571	\$ 2,496,765
Other operating revenues	<u>52,760</u>	<u>41,991</u>
Total operating revenues	<u>\$ 2,503,331</u>	<u>\$ 2,538,756</u>
<b><u>OPERATING EXPENSES</u></b>		
Personal services	\$ 103,201	\$ 126,782
Purchase of electricity	1,923,052	2,254,945
Materials and supplies	35,293	44,402
Repairs and maintenance	9,663	18,042
Depreciation	14,141	12,955
Utilities and telephone	15,218	10,689
Bad debts	58,070	-
Other operating expenses	<u>123,914</u>	<u>81,258</u>
Total operating expenses	<u>\$ 2,282,552</u>	<u>\$ 2,549,073</u>
Operating income (loss)	<u>\$ 220,779</u>	<u>\$ (10,317)</u>

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

## TOWN OF JONESVILLE, LOUISIANA

ENTERPRISE FUND  
MUNICIPAL UTILITIES SYSTEMCOMPARATIVE STATEMENT OF OPERATING REVENUES AND EXPENSES  
WATER DEPARTMENT

YEARS ENDED JUNE 30, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<b><u>OPERATING REVENUES</u></b>		
Charges for services		
Water sales and fees	\$ 261,383	\$ 256,536
Other operating revenues	<u>5,627</u>	<u>4,314</u>
Total operating revenues	<u>\$ 267,010</u>	<u>\$ 260,850</u>
<b><u>OPERATING EXPENSES</u></b>		
Personal services	\$ 80,489	\$ 75,178
Materials and supplies	44,657	36,937
Repairs and maintenance	1,751	10,302
Depreciation	39,487	31,225
Utilities and telephone	27,343	29,265
Bad debts	20,554	-
Other operating expenses	<u>13,871</u>	<u>17,076</u>
Total operating expenses	<u>\$ 228,152</u>	<u>\$ 199,983</u>
Operating income	<u>\$ 38,858</u>	<u>\$ 60,867</u>

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

## TOWN OF JONESVILLE, LOUISIANA

ENTERPRISE FUND  
MUNICIPAL UTILITIES SYSTEMCOMPARATIVE STATEMENT OF OPERATING REVENUES AND EXPENSES  
NATURAL GAS DEPARTMENT

YEARS ENDED JUNE 30, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<b><u>OPERATING REVENUES</u></b>		
Charges for services		
Natural gas sales and fees	\$ 813,612	\$ 950,984
Other operating revenues	<u>17,516</u>	<u>15,994</u>
Total operating revenues	<u>\$ 831,128</u>	<u>\$ 966,978</u>
<b><u>OPERATING EXPENSES</u></b>		
Personal services	\$ 61,686	\$ 55,314
Purchase of natural gas	643,835	792,362
Materials and supplies	9,344	14,536
Repairs and maintenance	7,365	8,544
Depreciation	14,696	13,064
Utilities and telephone	3,562	4,276
Bad debts	9,996	-
Other operating expenses	<u>19,781</u>	<u>19,851</u>
Total operating expenses	<u>\$ 770,265</u>	<u>\$ 907,947</u>
Operating income	<u>\$ 60,863</u>	<u>\$ 59,031</u>

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

## TOWN OF JONESVILLE, LOUISIANA

ENTERPRISE FUND  
MUNICIPAL UTILITIES SYSTEMCOMPARATIVE STATEMENT OF OPERATING REVENUES AND EXPENSES  
SEWER DEPARTMENT

YEARS ENDED JUNE 30, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<b><u>OPERATING REVENUES</u></b>		
Charges for services		
Sewer charges and fees	\$ 190,501	\$ 192,016
Other operating revenues	<u>4,101</u>	<u>3,229</u>
Total operating revenues	<u>\$ 194,602</u>	<u>\$ 195,245</u>
<b><u>OPERATING EXPENSES</u></b>		
Personal services	\$ 129,366	\$ 105,233
Materials and supplies	12,615	30,360
Repairs and maintenance	16,454	37,171
Depreciation	39,516	36,755
Utilities and telephone	13,138	14,617
Bad debts	7,709	-
Other operating expenses	<u>12,588</u>	<u>14,197</u>
Total operating expenses	<u>\$ 231,386</u>	<u>\$ 238,333</u>
Operating loss	<u>\$ (36,784)</u>	<u>\$ (43,088)</u>

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



**Reports on Internal Control and Compliance**

**JERI SUE TOSSPON, CPA, LLC**

Certified Public Accountant  
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**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.**

The Mayor and the Board of Aldermen  
Town of Jonesville  
Jonesville, Louisiana

I have audited the financial statement of the Town of Jonesville as of and for the year ended June 30, 2007, and have issued my report thereon dated December 17, 2007. I conducted my 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.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Town of Jonesville's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Town of Jonesville's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Town of Jonesville's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Town of Jonesville's financial statements that is more than inconsequential will not be prevented or detected by the Town of Jonesville's internal control.

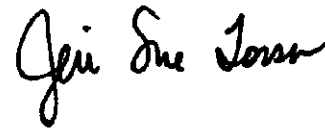
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Town of Jonesville's internal control.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Jonesville's financial statements are free of material misstatement, I 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 on my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance and other matters that are required to be reported under *Government Auditing Standards*. However, I noted certain additional matters that I reported to management of the Town of Jonesville in a separate letter dated December 17, 2007.

This report is intended solely for the information and use of the management, Mayor and Board of Aldermen, Legislative Auditor and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:413, this document may be distributed by the Legislative Auditor as a public document.



Ferriday, Louisiana  
December 17, 2007

**TOWN OF JONESVILLE, LOUISIANA  
SCHEDULE OF PRIOR YEAR'S FINDINGS AND  
AUDITEES CORRECTIVE ACTION  
FOR THE YEAR ENDED JUNE 30, 2006**

**Reportable Conditions not Considered to be a Material Weakness**

**2006-1      Finding**

From my understanding of the Town's internal control structure, I have determined that there is not a sufficient system of checks and balances involved in the utility billing and collection system to ensure that correct amounts are being recorded in the general ledger and to keep the risk of error to a low level.

**Recommendation**

The Town should implement more effective controls over the postings made by the utility billing system and ensure that those postings are being made correctly. Daily deposits of receipts needs to be enforced. Oversight and reconciliation of the utility system to the general ledger needs to be done on a daily basis.

**Auditees Corrective Action**

Management is aware of the problem and will work with their computer and accounting consultants to develop a system that accomplishes this purpose. Grant funds are available to upgrade their utility accounting system and will be used to do this as soon as possible.

**Subsequent Findings**

The Town of Jonesville installed a new computerized utility billing system this fiscal year. The new system interfaces directly with the general ledger. This update is providing better information transfer, control and reporting.

**Reports Required under the Single Audit Act**

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

The Mayor and Board of Aldermen  
The Town of Jonesville  
Jonesville, Louisiana

**Compliance**

I have audited the compliance of the Town of Jonesville, Louisiana, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2007. The Town's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Town's management. My responsibility is to express an opinion on the Town's compliance based on my audit.

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

In my opinion, the Town of Jonesville, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

**Internal Control Over Compliance**

The management of the Town, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and

grants applicable to federal programs. In planning and performing my audit, I considered the Town's internal control over compliance with requirements that could have a direct and material effect over a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Town's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

My consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies involving the internal control over compliance and its operation that I consider to be material weaknesses, as defined above.

#### **Schedule of Expenditures of Federal Awards**

I have audited the general purpose financial statements of the Town of Jonesville as of and for the year ended June 30, 2007 and have issued my report thereon dated December 17, 2007. My audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements of the Town. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and, in my opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as whole.

This report is intended solely for the information and use of the management, others within the organization, members of the Board of Aldermen, the Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:413, this document may be distributed by the Legislative Auditor as a public document.

A handwritten signature in cursive script, reading "Ji Sue Lemp".

December 17, 2007



**TOWN OF JONESVILLE, LOUISIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

**Summary of Audit Results**

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the Town of Jonesville.
2. No reportable conditions were disclosed during the audit of the general purpose financial statements.
3. No instances of noncompliance material to the general purpose financial statements of the Town of Jonesville were disclosed during the audit.
4. No reportable conditions were disclosed during the audit of the major federal award programs were reported.
5. The auditor's report on compliance for the major federal award programs for the Town of Jonesville expresses an unqualified opinion on all major federal programs.
6. No audit findings relative to the major federal award programs for the Town of Jonesville are reported in this Schedule.
7. The programs tested as major programs included:  
  
Federal Aviation Administration, Airport Improvements Program, CFDA 20-106  
Department of Agriculture, Community Facilities Grant, CFDA 10-766
8. The threshold for distinguishing between Types A and B programs was \$300,000.
9. The Town of Jonesville was not determined to be a low-risk auditee.

**TOWN OF JONESVILLE, LOUISIANA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

Federal Grantor/Pass Through Grantor Program Title	Federal CFDA Number	Program Amount	Expenditures
<u>United States Department of Agriculture</u> Water and Waste Disposal Systems for Rural Communities - LCDBG 615289	10.760	\$ 169,249	\$ 169,249
<u>United States Department of Agriculture</u> Water and Waste Disposal Systems for Rural Communities - LCDBG 635400	10.760	144,204	144,204
<u>United States Department of Agriculture</u> Community Facilities Program	10.766	71,250	58,869
<u>Federal Aviation Administration</u> Airport Improvements Program Runway Rehabilitation Overlay Grant 3-22-087-001-2006	20.106	447,601	447,601
<u>Department of Homeland Security</u> Hazard Mitigation Grant Program Disaster No. 1668	97.039	2,622	2,622
<u>Delta Regional Authority</u> Delta Regional Authority 2006 Emergency Water System Improvements	90.201	73,000	73,000
			<u>\$ 895,545</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

**TOWN OF JONESVILLE, LOUISIANA****NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2007****NOTE 1 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Town of Jonesville and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the basic financial statements.

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To the Mayor and Board of Aldermen  
Town of Jonesville  
Jonesville, Louisiana

I have audited the financial statements of the Town of Jonesville, as of June 30, 2007 and for the year then ended, and have issued my reports dated December 17, 2007. As a part of my examination, I made a study and evaluation of the Town's system of internal accounting control to the extent I considered necessary to evaluate the system as required by generally accepted auditing standards. Under these standards, the purposes of such evaluation are to establish a basis for reliance on the system of internal accounting control in determining the nature, timing, and extent of other auditing procedures that are necessary for expressing an opinion on the financial statements and to assist the auditor in planning and performing his examination of the financial statements. My study was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole.

The management of the Town is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Because of inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

My study and evaluation made for the limited purposes described in the first paragraph would not necessarily disclose all material weaknesses in the system. Accordingly, I do not express an opinion on the system of internal accounting control of the Town taken in as a whole. However, my study and evaluation disclosed no condition that I believed to be a material weakness.

My comments on specific financial and accounting matters and recommendations developed during my examination which do not represent material weaknesses, are detailed below.

## **CURRENT YEAR**

**2007-1 Improving Accounts Receivable Collections** - The new utility accounting system revealed that the amounts of utility billings that may not be collected is in excess of \$190,000 as of year end. The town needs to consider action to attempt to collect some of these amounts to improve cash flow and stabilize their utility funds.

**Management Response** - *The Mayor and administrative staff are addressing the issue of bad debts, and direct steps will be taken. Through the Town's accounting consultant, a plan to reduce the outstanding indebtedness on accounts receivable will be developed in 45 days.*

**2007-2 Grant Overpayment** - It appears that an overpayment on a grant from the State of Louisiana, Department of Highways, used for airport improvements, was received in this fiscal year. The Town needs to confer with its engineer and the state agency who made the grant to see how this should be handled. This has been included as an account payable in the financial statements.

**Management Response** - *The Mayor and administrative staff will be contacting the State of Louisiana on how to handle this matter.*

## **PREVIOUS YEAR**

**2006-1 Budget Variance** - The actual financial results of the fiscal year ended June 30, 2006 varied from the final budget approved by the Town by more than 5%, which is in violation of the Local Government Budget Act. Actual revenues exceeded budget amounts by 12%, whereas actual expenditures were within budgetary guidelines.

It is recommended that budget compliance be more closely monitored and amendments made to ensure that final results are within the 5% variance limits to enable the Town to more effectively use the budget as a management tool.

**Management Response** - *We had overlooked this. Management will exercise more oversight on the budget in the future.*

**Subsequent Findings** - Revenues and other sources and expenditures and other uses were both within 5% this fiscal year.

**2006-2 Dual Office Holding** - It appears that a Town Alderperson is also serving on the Board of the Fire District. This would be a violation of Louisiana Revised Statute 42:61 which prohibits dual office holding.

**Management Response** - *The Mayor will speak to the Fire District Board and the Alderperson. The alderperson will be asked to resign from the Fire District Board.*

Subsequent Findings - The Town of Jonesville provided a copy of an attorney general opinion that this is not in violation of the dual office holding statues. Also, the Fire District became a separate operating and reporting entity as of July 1, 2007. This item is no longer a finding here.

This report is intended for the use of the Town's management and others within the organization.

I thank all the personnel at the Town for their cooperation during my examination.

*Qi Sue Lorn*

Ferriday, Louisiana  
December 17, 2007