CITY OF JENNINGS, LOUISIANA

ANNUAL FINANCIAL REPORT

JUNE 30, 2001

CITY OF JENNINGS, LOUISIANA

ANNUAL FINANCIAL REPORT
JUNE 30, 2001

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(Concluded)

KRIELOW & COMPANY

(A PROFESSIONAL ACCOUNTING CORPORATION)
510 N. CUTTING
P. O. DRAWER 918
JENNINGS, LA 70546
(318) 824-5007

INDEPENDENT AUDITORS' REPORT

The Honorable Gregory N. Marcantel, Mayor
and the Members of the City Council
City of Jennings, Louisiana

We have audited the accompanying primary government financial statements of the City of Jennings, Louisiana, as of and for the year ended June 30, 2001, as listed in the table of contents. These financial statements are the responsibility of the City of Jennings, Louisiana's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

A primary government is a legal entity or political body and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units. In our opinion the primary government financial statements present fairly, in all material respects, the financial position of the primary government of the City of Jennings, Louisiana, as of June 30, 2001, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

However, the primary government financial statements, because they do not include the financial data of component units of the City of Jennings, Louisiana, do not purport to, and do not, present fairly the financial position of the City of Jennings, Louisiana, as of June 30, 2001, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 26, 2001, on our consideration of the City's internal control and compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The combining, individual fund, and account group financial statements and other supplemental information listed in the table of contents is presented for purposes of additional analysis and are not a required part of the financial statements of the City of Jennings, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Krielow & Company
Certified Public Accountants

Jennings, Louisiana
December 26, 2001

WE STATE ON THIS PAGE WHETHER AN AUDIT HAS BEEN MADE OF A SUFFICIENT SCOPE TO ENABLE US TO EXPRESS AN OPINION ON THE ACCOMPANYING FINANCIAL STATEMENTS, OR IF PREPARED WITHOUT AUDIT FROM INFORMATION FURNISHED. THE PUBLICATION OF OUR NAME IN CONNECTION WITH ANY EXCERPT FROM THIS REPORT MAY BE MADE ONLY WITH OUR CONSENT AND IN A FORM APPROVED BY US.

PRIMARY GOVERNMENT FINANCIAL STATEMENTS

(COMBINED STATEMENTS-OVERVIEW)

EXHIBIT A

CITY OF JENNINGS, LOUISIANA

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2001

	GOVERNMENTAL FUND TYPES			PROPRIETARY FUND TYPE	FIDUCIARY FUND TYPE	ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)	
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	ENTERPRISE	AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	JUNE 30, 2001	JUNE 30, 2000 (Restated)
ASSETS:									
Cash	$ 32,765	$ 36,461	$ -	$ 400	$ 728,576	$ -	$ -	$ 798,202	$ 803,321
Investments, at Cost	1,350,000	2,097,290	-	500,000	-	-	-	3,947,290	3,513,795
Receivables:									
Accounts	144,139	4,077	-	101,668	-	-	-	249,884	233,966
Other	171,317	140,371	-	76,035	-	-	-	387,723	354,645
1% Sales Tax	-	18,956	-	-	-	-	-	18,956	19,530
Due from Other Funds	-	460,061	-	238,527	41,918	-	-	740,506	664,434
Inventory, at Cost	41,579	-	-	882	-	-	-	42,461	38,471
Prepaid Insurance	-	-	-	6,261	-	-	-	6,261	6,261
Prepaid Expense	-	-	-	-	-	-	-	-	4,687
Restricted Assets:									
Cash	-	93,571	-	4,589	-	-	-	98,160	24,238
Investments, at Cost	-	-	-	721,004	-	-	-	721,004	850,003
Fixed Assets (Net of Accumulated Depreciation)	-	-	-	9,358,225	-	7,730,292	-	17,088,517	17,058,288
Amount to be Provided for Accumulated Unpaid Leave	-	-	-	-	-	-	67,515	67,515	51,217
Total Assets	$ 1,739,800	$ 2,850,787	$ -	$ 11,007,591	$ 770,494	$ 7,730,292	$ 67,515	$ 24,166,479	$ 23,622,856
LIABILITIES AND FUND EQUITIES:									
Liabilities:									
Accounts Payable	$ 69,566	$ 11,360	$ -	$ 15,701	$ -	$ -	$ -	$ 96,627	$ 188,247
Retainage Payable	-	-	9,933	269,182	-	-	-	279,115	150,000
Accrued Liabilities	-	-	-	17,831	17,374	-	-	35,205	29,660
Employee Withholding	-	-	-	-	54,532	-	-	54,532	55,612
Other	-	-	-	230	-	-	-	230	-
Payable from Restricted Assets: Deposits	-	-	-	144,546	-	-	-	144,546	140,216
Accrued Interest	-	-	-	60,737	-	-	-	60,737	64,948
Due to Other Funds	41,918	-	-	-	698,588	-	-	740,506	664,434
Prepaid Accounts for Customers	-	-	-	2,092	-	-	-	2,092	2,951
Accumulated Unpaid Leave	-	-	-	-	-	-	67,515	67,515	51,217
Current Portion of Bonds Payable	-	-	-	420,000	-	-	-	420,000	400,000
Bonds Payable-Hibernia	-	-	-	985,000	-	-	-	985,000	1,125,000
Bonds Payable-DEQ	-	-	-	4,534,310	-	-	-	4,534,310	4,819,310
Total Liabilities	$ 111,484	$ 11,360	$ 9,933	$ 6,449,629	$ 770,494	$ -	$ 67,515	$ 7,420,415	$ 7,691,595
Fund Equity:									
Contributed Capital	$ -	$ -	$ -	$ 632,229	$ -	$ -	$ -	$ 632,229	$ 632,229
Investment in General Fixed Assets	-	-	-	-	-	7,730,292	-	7,730,292	7,613,213
Retained Earnings:									
Unreserved	-	-	-	3,922,788	-	-	-	3,922,788	3,671,016
Reserved for Deposits	-	-	-	2,945	-	-	-	2,945	3,161
Fund Balance:									
Reserved for Inventory	41,578	-	-	-	-	-	-	41,578	37,501
Reversed for Prepaid Expenses	-	-	-	-	-	-	-	-	4,687
Reserved for Revolving Loan Program	-	93,571	-	-	-	-	-	93,571	153,183
Unreserved-Undesignated	1,586,738	2,745,856	(9,933)	-	-	-	-	4,322,661	3,816,271
Total Fund Equity	$ 1,628,316	$ 2,839,427	$ (9,933)	$ 4,557,962	$ -	$ 7,730,292	$ -	$ 16,746,064	$ 15,931,261
Total Liabilities and Fund Equity	$ 1,739,800	$ 2,850,787	$ -	$ 11,007,591	$ 770,494	$ 7,730,292	$ 67,515	$ 24,166,479	$ 23,622,856

The Accompanying Notes Are An Integral Part of these Financial Statements

EXHIBIT B

CITY OF JENNINGS, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2001

	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS FUND	TOTALS (MEMORANDUM ONLY) JUNE 30, 2001	TOTALS (MEMORANDUM ONLY) JUNE 30, 2000 (Restated)
REVENUES:					
Taxes	$ 2,290,881	$ 2,356,995	$ -	$ 4,647,876	$ 4,438,238
Licenses and Permits	350,998	-	-	350,998	340,040
Intergovernmental Revenues	317,667	399,330	188,713	905,710	589,926
Charges for Services	362,560	2,436	-	364,996	351,732
Fines and Forfeits	76,887	621	-	77,508	72,819
Miscellaneous Revenues	388,170	228,332	-	616,502	724,151
Total Revenues	$ 3,787,163	$ 2,987,714	$ 188,713	$ 6,963,590	$ 6,516,906
EXPENDITURES:					
Current:					
General Government	$ 678,672	$ 136,312	$ -	$ 814,984	$ 939,483
Public Safety	2,364,487	191,914	-	2,556,401	2,653,896
Public Works	92,663	906,312	265,678	1,264,653	947,487
Sanitation	268,670	-	-	268,670	246,624
Culture and Recreation	417,083	534,635	-	951,718	971,613
Other	45,260	-	-	45,260	44,266
Total Expenditures	$ 3,866,835	$ 1,769,173	$ 265,678	$ 5,901,686	$ 5,803,369
Excess (Deficiency) of Revenues over Expenditures	$ (79,672)	$ 1,218,541	$ (76,965)	$ 1,061,904	$ 713,537
OTHER FINANCING SOURCES (USES)					
Transfers In	$ 285,852	$ 75,000	$ 67,032	$ 427,884	$ 274,770
Transfers Out	-	(1,043,620)	-	(1,043,620)	(839,066)
Total Other Financing Sources (Uses)	$ 285,852	$ (968,620)	$ 67,032	$ (615,736)	$ (564,296)
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	$ 206,180	$ 249,921	$ (9,933)	$ 446,168	$ 149,241
Unreserved Fund Balances-Beginning	$ 1,379,948	$ 2,436,323	$ -	$ 3,816,271	$ 3,681,281
Decrease in Reserves	42,188	-	-	42,188	35,273
Reserved for Prepaid Expenses	-	-	-	-	(4,687)
Reserved for Inventory	(41,578)	-	-	(41,578)	(37,501)
(Increase) Decrease in Reserve for Revolving Loan Program	-	59,612	-	59,612	(7,336)
Unreserved Fund Balances-Ending	$ 1,586,738	$ 2,745,856	$ (9,933)	$ 4,322,661	$ 3,816,271

The Accompanying Notes Are An Integral Part Of These Financial Statements

EXHIBIT C

CITY OF JENNINGS, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES-BUDGET (GAAP BASIS) AND ACTUAL
GENERAL AND SPECIAL REVENUE FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	GENERAL FUND			SPECIAL REVENUE FUND TYPES		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:						
Taxes	$ 2,192,047	$ 2,290,881	$ 98,834	$ 2,346,667	$ 2,356,995	$ 10,328
Licenses and Permits	334,000	350,998	16,998	-	-	-
Intergovernmental Revenue	185,112	189,787	4,675	372,000	399,330	27,330
Charges for Services	351,500	362,560	11,060	2,000	2,436	436
Fines and Forfeits	64,500	76,887	12,387	700	621	(79)
Miscellaneous Revenues	525,292	516,050	(9,242)	196,285	228,332	32,047
Total Revenues	$ 3,652,451	$ 3,787,163	$ 134,712	$ 2,917,652	$ 2,987,714	$ 70,062
EXPENDITURES:						
Current:						
General Government	$ 702,210	$ 678,672	$ 23,538	$ 181,465	$ 136,312	$ 45,153
Public Safety	2,499,975	2,364,487	135,488	301,367	191,914	109,453
Public Works	97,040	92,663	4,377	1,032,918	906,312	126,606
Sanitation	264,415	268,670	(4,255)	-	-	-
Culture and Recreation	450,007	417,083	32,924	608,636	534,635	74,001
Other	46,115	45,260	855	-	-	-
Total Expenditures	$ 4,059,762	$ 3,866,835	$ 192,927	$ 2,124,386	$ 1,769,173	$ 355,213
Excess (Deficiency) of Revenues Over Expenditures	$ (407,311)	$ (79,672)	$ 327,639	$ 793,266	$ 1,218,541	$ 425,275
OTHER FINANCING SOURCES (USES):						
Operating Transfers In	$ 285,852	$ 285,852	$ -	$ 75,000	$ 75,000	$ -
Operating Transfers Out	-	-	-	(1,132,356)	(1,043,620)	88,736
Total Other Financing Sources (Uses)	$ 285,852	$ 285,852	$ -	$ (1,057,356)	$ (968,620)	$ 88,736
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	$ (121,459)	$ 206,180	$ 327,639	$ (264,090)	$ 249,921	$ 514,011
Unreserved Fund Balance-Beginning	$ 1,379,948	$ 1,379,948	$ -	$ 2,436,323	$ 2,436,323	$ -
Decrease in Reserves	42,188	42,188	-	-	-	-
Reserve for Inventory	(41,578)	(41,578)	-	-	-	-
Reserve for Prepaid Expenses	-	-	-	-	-	-
(Increase) Decrease in Reserve for Revolving Loan Program	-	-	-	-	59,612	59,612
Unreserved Fund Balance-Ending	$ 1,259,099	$ 1,586,738	$ 327,639	$ 2,172,233	$ 2,745,856	$ 573,623

The Accompanying Notes Are An Integral Part of These Financial Statements.

EXHIBIT D

CITY OF JENNINGS, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
RETAINED EARNINGS AND CONTRIBUTED CAPITAL-ALL PROPRIETARY FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	JUNE 30, 2001	(TOTALS MEMORANDUM ONLY) JUNE 30, 2000.
OPERATING REVENUES:		
Charges for Services-		
Water & Sewer Charges	$ 1,297,995	$ 1,218,012
Water & Sewer Tap Charges	23,673	16,544
Rent & Utility Charges	71,825	67,937
Miscellaneous Revenues	14,031	23,474
Total Operating Revenues	$ 1,407,524	$ 1,325,967
OPERATING EXPENSES:		
Waterworks	$ 741,492	$ 747,452
Sewer Works	128,317	140,394
Sewer Plant	530,268	512,214
Revenue Office	170,136	165,141
Rental Expenses	86,090	81,854
Total Operating Expenses	$ 1,656,303	$ 1,647,055
Operating Income (Loss)	$ (248,779)	$ (321,088)
NONOPERATING REVENUES (EXPENSES)		
Interest Income	$ 90,239	$ 98,792
Interest Expense	(205,536)	(189,699)
Gain (Loss) on Disposition	(104)	(2,164)
Total Nonoperating Revenues (Expenses)	$ (115,401)	$ (93,071)
Income (Loss) Before Operating Transfers	$ (364,180)	$ (414,159)
OPERATING TRANSFERS IN (OUT)		
From Capital Improvements Fund	$ 10,000	$ 230
From 1994 1% Sales Tax Fund	730,736	689,066
To General Fund	(125,000)	(125,000)
Total Operating Transfers in (Out)	$ 615,736	$ 564,296
NET INCOME	$ 251,556	$ 150,137
Decrease in Reserve for Deposits	$ 216	$ 197
Unreserved Retained Earnings, Beginning	3,671,016	3,520,682
Unreserved Retained Earnings, Ending	$ 3,922,788	$ 3,671,016
Contributed Capital, Beginning	$ 632,229	$ 632,229
Contributed Capital, Ending	$ 632,229	$ 632,229

The Accompanying Notes Are An Integral Part of These Financial Statements.

EXHIBIT E

CITY OF JENNINGS, LOUISIANA

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	JUNE 30, 2001	(TOTALS MEMORANDUM ONLY) JUNE 30, 2000
Cash Flows from Operating Activities:		
Operating Income (Loss)	$ (248,779)	$ (321,088)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	343,037	309,291
Net Changes in Assets and Liabilities:		
Decrease (Increase) in Receivables	839	(15,948)
Decrease (Increase) in Inventory	88	(937)
Increase (Decrease) Accounts Payable	(111,917)	(151,974)
Increase in Accrued Payables	3,598	(16,608)
Net Cash Provided (Used) by Operating Activities	$ (13,134)	$ (197,264)
Cash Flows from Non-Capital Financing Activities:		
Increase (Decrease) in Due to Other Funds	$ -	$ -
Operating Transfers In	740,736	689,296
Operating Transfers (Out)	(125,000)	(125,000)
Net Cash Provided (Used) by Non-Capital Financing Activities	$ 615,736	$ 564,296
Cash Flows from Capital and Related Financing Activities:		
Increase in Liabilities Payable from Restricted Assets	$ 4,328	$ 3,408
Increase in Retainage Payable	119,182	103,556
Interest Paid on Bonds	(209,747)	(177,890)
Proceeds from Sale of Assets	6,200	1,428
Acquisition of Fixed Assets	(128,113)	(94,364)
Construction	(134,377)	(1,060,096)
Proceeds from DEQ Loan	-	-
Payments on DEQ Loan	(275,000)	(270,000)
Payments on Bank of New York Loan	(130,000)	(125,000)
Other	-	5
Net Cash (Used) by Capital and Related Financing Activities	$ (747,527)	$ (1,618,953)
Cash Flows from Investing Activities:		
Purchase of Short-Term Investments	$ (82,000)	$ (375,000)
Redemption of Short-Term Investments	175,000	1,340,483
Interest Income	90,240	98,792
Net Cash Provided (Used) by Investing Activities	$ 183,240	$ 1,064,275
Net Increase (Decrease) in Cash and Cash Equivalents	$ 38,315	$ (187,647)
Cash and Cash Equivalents-Beginning of Year	205,201	392,848
Cash and Cash Equivalents-End of Year	$ 243,516	$ 205,201
Cash and Cash Equivalents-End of Year Consist of:		
Unrestricted Cash	$ 400	$ 400
Unrestricted Cash in Clearing Fund	238,527	197,746
Restricted Cash	4,589	7,055
Total	$ 243,516	$ 205,201

Non-Cash Investing, Capital, and Financing Activities:
There were no significant non-cash investing, capital, and financing activities during the reported periods.

The Accompanying Notes Are An Integral Part Of These Financial Statements.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Jennings was incorporated May 2, 1888 and has adopted a Home Rule Charter according to Title 33 of the Louisiana Revised Statutes. The City operates under a Mayor-City Council form of government and provides the following services as authorized by its charter: public safety (police and fire), public works (streets and lighting), sanitation, health, culture-recreation, public improvements, planning and general administrative services.

The accounting and reporting policies of the City of Jennings conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units*, published by the American Institute of Certified Public Accountants. Our examination was also made in accordance with the provisions of *Government Auditing Standards*, promulgated by the United States Comptroller General, as they pertain to financial and compliance audits.

The following is a summary of the more significant accounting policies.

A. BASIS OF PRESENTATION

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

B. REPORTING ENTITY

The financial reporting entity consists of (a) the primary government (City), (b) organizations for which the primary government is financially accountable, and other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

1. Appointing a voting majority of an organization's governing body, and

    a. The ability of the City to impose its will on the organization and/or

    b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.

2. Organizations for which the City does not appoint a voting majority but are fiscally dependent on the City.

(Continued)

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the City has determined that the following component units are part of the reporting entity:

Component Unit	Fiscal Year End	Criteria Used
Industrial Development Board	June 30	1, 1a and 3
City Court and City Marshall	June 30	2 and 3

The City has chosen to issue financial statements of the primary government (City) only; therefore, none of the previously listed component units are included in the accompanying financial statements. Financial statements for these component units can be obtained from the individual component units.

These primary government (City) financial statements include all funds, account groups, and organizations for which the City maintains the accounting records. The Hotel/Motel Tax Fund for which the City budgets the activity and maintains the accounting records is considered part of the primary government (City).

GASB Statement 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (City) financial statements are not a substitute for the reporting entity's financial statements. The City has chosen to issue financial statements of the primary government only. As such, these financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government (City).

Related Organization

Jennings Housing Authority - The Commissioners of the Authority are appointed by the Mayor, but the City does not provide funding, has no obligation for the debt issued by the Authority, and cannot impose its will. This authority has not been included in the reporting entity.

Joint Venture

Jefferson Davis Parish Landfill Commission - A jointly owned commission with the Jefferson Davis Parish Police Jury and the Cities of Welsh and Lake Arthur was formed to provide a solid waste disposal facility for its member-owners (See Note 6). This commission has not been included in the reporting entity.

C. FUND ACCOUNTING

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate.

(Continued)

Government resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled.

The various funds are grouped in the financial statements in this report, into five generic fund types and three broad fund categories as follows:

GOVERNMENTAL FUNDS:

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

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

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

PROPRIETARY FUNDS:

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

FIDUCIARY FUNDS:

Agency Funds - Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

D. FIXED ASSETS AND LONG-TERM LIABILITIES

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

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are not capitalized along with the other general fixed assets. No depreciation has been provided on general-fixed assets.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group. Long-term liabilities expected to be financed from proprietary funds are accounted for on the balance sheet of the respective proprietary fund.

(Continued)

Fixed assets used in proprietary fund type operations are accounted for on the particular fund's balance sheet while depreciation of these fixed assets used by proprietary funds is charged as an expense against their operations.

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

The two account groups are not "funds." They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

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

Buildings & Improvements	25-30 years
Machinery & Equipment	5-15 years
Furniture & Fixtures	5-10 years

E. BASIS OF ACCOUNTING

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

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1)accumulated unpaid vacation, sick pay, and other employee amounts which are not accrued and are immaterial; and (2)principal and interest on general long-term debt which is recognized when due.

All Proprietary Funds are accounted for using the accrual basis of accounting. Their revenue are recognized when they are earned and their expenses are recognized when they are incurred.

F. BUDGETS AND BUDGETARY ACCOUNTING

The City follows these procedures in establishing the budgetary data reflected in these primary government financial statements:

1. The City Clerk prepares an operating departmentalized budget, a pay plan budget, and a capital improvements budget and submits these budgets to the Mayor and City Council no later than fifteen days prior to the beginning of each fiscal year.

2. A summary of the total proposed budgets is published and the public notified that the proposed budgets are available for public inspection. At the same time, a public hearing is called.

(Continued)

3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.

4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.

5. The City Clerk is authorized to transfer budgeted amounts within departments, within any fund except for salary items and capital improvement items which cannot be amended without City Council approval. 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 requires the approval of the City Council.

6. Formal budgetary integration is used as a management control device by all funds during the year.

7. Budgets for all funds, except the Fiduciary Funds which have no adopted budgets, are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts shown on the financial statements were amended by the City Council on December 12, 2000, February 13, 2001 and May 8, 2001.

8. All budgetary appropriations lapse at the end of each fiscal year.

G. CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes only demand deposit accounts (including restricted assets) with financial institutions and amounts due from the clearing fund.

H. INVESTMENTS

Investments are recorded at cost with approximate fair value. Investments are made only in nonnegotiable certificates of deposit and money market type investments with the Louisiana Asset Management Pool (LAMP) and are therefore exempt from the fair value standards as required by *GASB Statement No. 31*. LAMP is an investment pool, administered by the Treasurer of the State of Louisiana, which invests in various types of securities authorized by state statute. The fair value of the investment in the pool is the same as the value of pool shares. There is no involuntary participation in an external investment pool.

I. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund and Special Revenue Funds. Encumbrances outstanding at year end, if any, are reported as reservation of fund balances since they do not constitute expenditures or liabilities.

J. BAD DEBTS

Uncollectible amounts due for customers' utility receivables, since they are immaterial, are recognized as bad debts through a direct write-off at the time information becomes available which would indicate the uncollectability of the particular receivable. If ad valorem taxes become uncollectible, the property involved is seized and sold as of May 31 of the effected fiscal year, and therefore, all material ad valorem taxes are collected as of the end of the current fiscal year.

K. INVENTORY

Special reporting treatments are applied to governmental fund inventories to indicate that they do not represent "available spendable resources," even though they are a component of net current assets. Such amounts are generally offset by fund balance reserve accounts.

Inventory in the General Fund consists of miscellaneous office supplies and merchandise held for resale by the Tupper Store. The inventory of the Tupper Store is valued at Cost. Reported inventory is equally offset by a fund balance reservation. Other inventories in the General and Special Revenue Funds consist of expendable supplies held for consumption. Their cost is recorded as an expenditure at the time the individual inventory items are purchased.

Inventory in the Enterprise Funds consist of trash bags held for sale to general public to assist in the City's garbage collection function. Inventories are priced at the lower of cost (first-in, first-out) or market.

L. COMPARATIVE DATA

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

M. TOTAL COLUMNS ON COMBINED STATEMENTS - OVERVIEW

Total columns on the Combined Statements - Overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

N. COMPENSATED ABSENCES

The City provides leave for vacation, sickness and illness, personal business and as an award in their safety program. Vacation leave is provided for all employees with one or more years of service. It ranges from 10 to 20 days per year depending on length of service. Sickness and illness leave of 5 to 365 days is provided depending on length of service and the department in which the employee serves. Three days of leave is provided for personal business each year and two to four days of leave is awarded to employees annually for safety on their job.

(Continued)

It is the City's policy that leave does not accumulate except the amount earned in the current calendar year. Any leave not utilized by December 31st is lost. The leave accrued as of the end of the fiscal year for governmental employees is reported in the long-term debt account group. The accrued leave for enterprise fund employees is recorded in the appropriate enterprise fund.

O. CAPITALIZATION OF INTEREST COST

FASB Statements No. 34, *Capitalization of Interest Cost*, and No. 62, *Capitalization of Interest Cost in Situations Involving Certain Tax-Exempt Borrowings and Certain Gifts and Grants*, require that interest cost (net of interest earned) during the construction phase of major capital projects be capitalized if financed with restricted tax-exempt debt. The objectives of capitalizing interest are (a)to obtain a measure of acquisition cost that more closely reflects the enterprise's total investment in the asset, and (b)to charge a cost that relates to the acquisition of a resource that will benefit future periods against the revenues of the period benefitted.

The amount of interest cost capitalized on major capital projects acquired/constructed with proceeds of restricted tax-exempt debt includes all interest cost of the borrowing less any interest earned on related interest-bearing investments acquired with proceeds of the related tax-exempt borrowings from the date of the borrowing until the assets are ready for their intended use.

P. PREPAID ITEMS

Prepaid items in the Enterprise Funds consist of unexpired portions of insurance premiums paid by these funds.

Q. RESTRICTED ASSETS

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Also, cash deposited in a special water and sewer deposit account has been restricted to provide for the return of customer utility deposits.

(2) PROPERTY TAXES

A. MILLAGE

Taxes are levied on November 15 and payable by December 31. The Jefferson Davis Parish Sheriff's Office bills and collects the property taxes on behalf of the City. The property tax millage in effect at June 30, 2001 according to Ordinance No. 1414, was as follows:

General Alimony	7.62	Mills
Street Maintenance	8.96	
Library Maintenance	4.01	
Total	20.59	Mills

(Continued)

There are no material taxes receivables as of June 30, 2001 as all taxes have either been collected or properties have been seized and sold.

(3) REQUIRED INDIVIDUAL FUND DISCLOSURES

Generally accepted accounting principles require disclosures, as part of the Combined Statements - Overview, of certain other information concerning individual funds including:

A. Excesses of expenditures and/or expenses and other uses over appropriations in individual funds-

Utility Fund expenses of $1,570,213 exceeded appropriations of $1,536,759.

B. Individual funds with deficit fund balance or retained earnings at June 30, 2001-

Sewer Grant Fund, a capital projects fund, had a deficit fund balance of $9,933.

C. Individual fund interfund receivable and payable balances:
Such balances at June 30, 2001 were-

FUND	INTERFUND RECEIVABLE	INTERFUND PAYABLE
General Fund:	$ -	$ 41,918
Special Revenue Funds:		
Street Fund	44,569	-
Library Fund	50,554	-
Perpetual Care Fund	7,103	-
Capital Improvements Fund	148,925	-
1994 1% Sales Tax Fund	208,910	-
Enterprise Funds:		
Utility Fund	165,134	-
Zigler Complex Fund	73,393	-
Fiduciary Funds:		
Clearing Fund	41,918	698,588
	$ 740,506	$ 740,506

(4) CHANGES IN LONG-TERM DEBT

The following table summarizes the changes in long-term obligations during the year ended June 30, 2001:

	Hibernia Certificate of Indebtedness	DEQ Bond Payable	Accumulated Unpaid Leave	Totals
Balance, June 30, 2000	$ 1,255,000	$ 5,089,310	$ 51,217	$ 6,395,527
Additions	-	-	-	-
Retirements	(130,000)	(275,000)	(51,217)	(456,217)
Balance, June 30, 2001	$ 1,125,000	$ 4,814,310	$ 67,515	$ 6,006,825

(Continued)

On December 1, 1995, the City entered into a loan and pledge agreement with the Department of Environmental Quality (DEQ) of the State of Louisiana and issued a Public Improvement Sales Tax Bond in the total amount of $6,500,000. The bond shall bear interest at a rate of two and forty-five one hundredths percent (2.45%) per annum on the outstanding principal balance. In addition, an administrative fee of one-half of one percent (0.5%) per annum on the outstanding principal balance; for a combine rate of two and ninety-five one hundredths percent (2.95%) per annum on the outstanding principal balance.

This bond was issued to provide funding necessary to construct a new wastewater treatment facility and improve and repair existing lift stations and distribution system.

The project was completed and put into operation in 1998. The final bond proceeds were received and the permanent loan period began and is scheduled to continue through March 1, 2016. During this period, scheduled payments of interest will be due on March 1 and September 1 and principal will be due on March 1 of each year.

The agreement requires the pledge of the revenue derived from the 1994 1% sales tax to insure repayment of the bond and its interest. In addition, the agreement requires that user charges be imposed on the recipients of the wastewater treatment facilities sufficient to operate and maintain the system, including any necessary replacement of portions of the system. The proceeds received from this bond, as well as all future proceeds, were, and will be, deposited into the City's utility fund which is responsible for operating and maintaining the wastewater treatment system. Sales tax revenue sufficient to pay the principal and interest of this bond will be transferred to the utility fund and this fund will be primarily responsible for making payments of interest and principal. As additional security, the agreement requires the establishment of a sinking and reserve fund (Note 8).

The City Council has authorized and issued a Certificate of Indebtedness to Hibernia National Bank in the amount of $1,500,000. The proceeds of this issue were deposited in the Utility Fund and are to be used for constructing and improving the waterworks treatment plant and system of the City. This certificate is secured by and payable solely from a pledge and dedication of the excess of annual revenues of the City above statutory, necessary and usual charges. Hibernia sold this certificate to the Bank of New York.

The certificate shall bear interest at the rate of four and three-fourths percent (4.75%) per annum. Interest shall be due and payable on October 1 and April 1 of each year beginning on October 1, 1998. The principal of the Certificate shall mature serially on April 1 of each year beginning on April 1, 1999. The certificate maybe called for redemption, at par, on or after April 1, 2001.

The annual requirements to amortize all bonds payable as of June 30, 2001, including interest of $1,365,307, are as follows:

Year	Hibernia Certificate of Indebtedness	DEQ Bond Payable	Total Obligations
2001	$ 193,438	$ 422,022	$ 615,460
2002	191,788	418,762	610,550
2003	189,900	420,355	610,255
2004	192,775	421,652	614,427
2005	195,175	422,655	617,830
2006-2010	385,888	1,694,744	2,080,631
2011 to Maturity	-	2,155,465	2,155,465
	$1,348,963	$ 5,955,655	$ 7,304,617

(5) PENSION PLANS

Substantially all employees of the City of Jennings, are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana, Municipal Police Employees Retirement System of Louisiana, Firefighters' Retirement System of Louisiana, or Louisiana State Employees Retirement System. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

A. Municipal Employees Retirement System of Louisiana (System)

Plan Description. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality, except for policemen, firemen and the City Judge, are members of Plan B.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan B, employees who retire at or after age 60 with at least 10 years of creditable service at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2 percent of their final-average monthly salary in excess of $100 for each year of creditable service. Furthermore employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60, with the basic benefit reduced 3 percent for each year retirement precedes age 62, unless he has at least 30 years of creditable service. In any case, monthly retirement benefits paid under Plan B cannot exceed 100 per cent of final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 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 Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

Funding Policy. Under Plan B, members are required by state statute to contribute 5.0 percent of their annual covered salary and the City of Jennings is required to contribute at an actuarially determined rate. The current rate is 3.25 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the City of Jennings are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City of Jennings contributions to the System under Plan B for the years ending June 30, 2001, 2000, and 1999, were $56,488, $57,616, and $45,534, respectively, equal to the required contributions for each year.

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

Plan Description. All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at lease 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified 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 (225) 929-7411.

Funding Policy. Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the City of Jennings is required to contribute at an actuarially determined rate. The current rate is 9.0 percent of annual covered payroll. The contribution requirements of plan members and the City of Jennings are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarially valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City of Jennings contributions to the System for the years ended June 30, 2001, 2000, and 1999, were $75,996, $74,174, and $66,980, respectively, equal to the required contributions for each year.

C. Firefighters' Retirement System of Louisiana

Plan Description. Membership in the Louisiana Firefighters' Retirement System is mandatory for all full-time firefighters employed by a municipality, parish, or fire protection district that did not enact an ordinance before January 1, 1980, exempting itself from participation in the System. Employees are eligible to retire at or after age 55 with at least 12 years of creditable service or at or after age 50 with at least 20 years of creditable service. Upon retirement, members are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 percent of their final-average salary for each year of creditable service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary

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over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 (or at or after age 50 with at least 20 years of creditable service at termination) and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Firefighters' Retirement System, Post Office Box 94095, Baton Rouge, Louisiana 70804, or by calling (225) 925-4060.

Funding Policy. Plan members are required by state statute to contribute 8.0 percent of their annual covered salary and the City of Jennings is required to contribute at an actuarially determined rate. The current rate is 9.0 percent of annual covered payroll. The contribution requirements of plan members and the City of Jennings are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City of Jennings' contributions to the System for the year ending June 30, 2001, 2000, and 1999, were $18,251, $16,375, and $16,889, respectively, equal to the required contributions for each year.

D. Louisiana State Employees Retirement System

Plan Description. The City contributes to this plan on behalf of the city judge of the City Court of Jennings (Ward 2). This is a cost-sharing multiple-employer defined benefit pension that provides for retirement and disability benefits and death benefits to plan members and beneficiaries. 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 Louisiana State Employees Retirement System, P.O. Box 44213, Capitol Station, Baton Rouge, Louisiana 70804-4213 or by calling 1-800-256-3000.

Funding Policy. Plan members are required by state statute to contribute 11.5 percent of their annual covered salary and the City of Jennings is required to contribute at an actuarially determined rate. The current rate is 12.4 percent of annual covered payroll. The contribution requirements of plan members and the City of Jennings are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City of Jennings contributions to the System for the years ending June 30, 2001, 2000 and 1999, were $834, $777, and $743, respectively, equal to the required contributions for each year.

(6) LANDFILL JOINT VENTURE

The City is a participant in a joint venture referred to as the Jefferson Davis Parish Sanitary Landfill Commission. This entity was chartered on February 17, 1984. The Commission's purpose is the establishment of a long-term plan for the disposal of solid wastes in Jefferson Davis Parish. According to the charter, each participant in the Commission is responsible for a pro rata share of any operating deficits.

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Likewise, any distributions of surpluses are also shared on a pro rata basis. Each participants pro rata share is based on the number of households within each participant's unit to the total number of households within all participating units. These proportions were determined using the 1980 U. S. Census as follows:

Locality	Number of Households	Percentages
Jennings	4,161	.421196
Welsh	1,167	.118129
Lake Arthur	1,212	.122684
Parish (excluding Jennings, Welsh, Lake Arthur, & Elton)	3,339	.337991
Totals	9,879	1.000000

The Commission consists of six commissioners as follows: two residents of Jennings, one resident of Welsh, one resident of Lake Arthur, and two residents of Jefferson Davis Parish living outside the city limits of the Jennings, Welsh, Lake Arthur and Elton. The Commission members are to be appointed by the governing body of their place of residence.

The Commission has the power and authority to employ personnel, adopt its own budget and enter into agreements necessary for the operation of the Landfill. In certain instances, some agreements must be consented to by all six members of the Commission.

Condensed financial information for the Jefferson Davis Parish Sanitary Landfill as of December 31, 2000 (the latest available audited financial statements) were as follows:

	Total	Jennings (42.1196%)
Total assets	$ 3,806,249	$ 1,603,177
Total liabilities	34,663	14,600
Total Equity	3,771,586	1,588,577
Total liabilities and equity	3,806,249	1,603,177
Total revenues	877,120	369,439
Total expenditures	707,347	297,932
Net increase in fund balance	169,773	71,508

As of December 31, 2000, the Commission had no long-term debt outstanding.

For the year ended June 30, 2001, the City received $126,359 from this Commission as its proportionate distribution, plus $10,000 for economic development.

(7) CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance July 1, 2000	Additions & Transfers In	Deletions & Transfers Out	Balance June 30, 2001
Land	$ 1,231,833	$ 10,000	$ -	$ 1,241,833
Buildings & Improvements	2,961,556	-	-	2,961,556
Machinery & Equipment	3,419,824	549,522	442,442	3,526,904
	$ 7,613,213	$ 559,522	$ 442,442	$ 7,730,293

(8) RESTRICTED ASSETS AND RESERVED RETAINED EARNINGS/FUND BALANCES

At June 30, 2001 restricted assets consisted of the following:

Cash-Water & Sewer Deposit Account	$ 4,589
Investment-Certificate of Deposit, Water & Sewer Deposit Account	137,000
Cash-LCDBG Fund	93,570
Investment, Louisiana Asset Management Pool, Utility Fund	584,004
Total	$ 819,163

The Water and Sewer Deposit account assets, a component of the Utility Fund, are restricted to pay customer deposits in the amount of $144,546 at June 30, 2001. When a customer withdraws from the system, this deposit is refunded less the amount of any charges outstanding against the account. Due to the shortage of restricted assets available to refund customer deposits, $2,945 of retained earnings has been reserved, which represents the excess of customer deposits over assets restricted for that purpose.

The cash in the LCDBG Fund is restricted for the Revolving Loan Program of the City of Jennings. The entire amount of current fund balance has been reserved for these assets to indicate that they are not available or spendable. However, in fiscal 2001, the City received permission to use these funds in connection with a sewer grant received from LCDBG. A portion of the funds were transferred in the current year, and the remaining funds are to be used in the future as the sewer project progresses.

During the fiscal year ended June 30, 1996, the City issued a bond to the Department of Environmental Quality (DEQ) of the State of Louisiana to acquire funds necessary to construct a new wastewater treatment facility. A requirement of the loan and pledge agreement was the establishment of a sinking fund and reserve fund to insure the payment of the bond principal and interest. Since the project was completed in 1998, the permanent loan period has commenced. During this period, the agreement requires that an amount equal to the accrued interest and a prorata portion of the principal maturing must be established in the Sinking Fund until paid. In addition, a sum equal to 25% of the amount established in the Sinking Fund must be established in the Reserve Fund. Based on the current amortization schedule for principal and interest, the City must establish a Sinking Fund in the amount of $142,069 and a reserve fund in the amount of $353,669; for an aggregate required reserve of $494,737. The City has restricted $584,004 of investments that it has with the Louisiana Asset Management Pool (LAMP) to comply with the terms of the agreement. Therefore, as of June 30, 2001, the City has reserved $89,267 more than the amount required.

(Continued)

(9) CASH AND INVESTMENTS

State statues authorized the City to invest in United States bonds, treasury notes, certificates or other obligations of the United States of America, time certificates of deposit of state banks of Louisiana or national banks having their principal office in the State of Louisiana, or any other federally insured investment, and mutual funds regulated by the Investment Act of 1940 which invest in U. S. Treasury Securities.

The City's cash and investments (Certificates of Deposit) as of June 30, 2001 deposited with financial institutions are categorized as follows to give an indication of the level of risk at year-end as follows:

Insured (FDIC)	$ 470,730
Uncollateralized (Fiscal agents' securities are pledged to the City and held by the fiscal agents' third part agent institution)	2,860,125
Total-Bank Balance	$ 3,330,855

As of June 30, 2001, the City had investments with the Louisiana Asset Management Pool (LAMP) totaling $2,471,293, which approximates fair value of the securities.

(10) LITIGATION

The City is involved in law suits for worker's compensation, personal injury and overtime pay for police officers. In the opinion of the City's attorney, these suits are without merit and/or adequately covered by liability insurance presently enforce by the City, except for policy deductibles and overtime claims which are considered to be immaterial.

A law suit for personal injury was filed in which the City was not named as a defendant but includes allegations that the City was at fault. Also, a suit was filed for alleged harassment of a police officer. The City's exposure on these suits is unknown.

(11) OTHER RESERVES AND DESIGNATIONS

The entire fund balance of the LCDBG Fund was reserved. The assets of this fund are controlled by the Division of Administration of the State of Louisiana. The Division must approve any disposition of these assets. In fiscal 2001, the Division of Administration authorized the use of these assets for sewer improvements in connection with an LCDBG Grant.

(Continued)

(12) FIXED ASSETS

A summary of changes in Proprietary Fund Type Fixed Assets follows:

	Balance July 1, 2000	Additions & Transfers In	Deletions & Transfers Out	Balance June 30, 2001
Land	$ 186,607	$ -	$ -	$ 186,607
Sewer Distribution System	6,625,832	119,182	-	6,745,014
Buildings & Improvements	2,154,093	27,814	-	2,181,907
Machinery & Equipment	3,878,702	112,967	28,562	3,963,107
Furniture & Fixtures	36,325	2,527	627	38,225
	$ 12,881,559	$ 262,490	$ 29,189	$ 13,114,860

A summary of proprietary fund type (Utility Fund and Zigler Complex Fund) property, plant and equipment at June 30, 2001 follows:

	Utility Fund	Zigler Complex Fund	Total
Land	$ 186,607	$ -	$ 186,607
Sewer Distribution System	6,745,014	-	6,745,014
Buildings & Improvements	1,743,556	438,351	2,181,907
Machinery & Equipment	3,963,108	-	3,963,108
Furniture & Fixtures	-0-	38,225	38,225
Total	$ 12,638,284	$ 476,576	$ 13,114,861
Less: Accumulated Depreciation	3,442,929	313,707	3,756,636
Net	$ 9,195,356	$ 162,869	$ 9,358,225

Depreciation for the year ended June 30, 2001 was $343,037.

(13) COMPENSATION PAID TO MAYOR AND CITY COUNCIL

Greg Marcantel, Mayor	$ 36,000
Michael Mire	6,000
Clarence Levy, Jr.	6,000
Wilfred A. Menard	6,000
Artie Berry	6,000
Wilbert L. Gilbeaux	6,000
Total	$ 66,000

(14) SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The City maintains two enterprise funds which provide utilities (water and sewer) and an office/apartment complex. Segment information for the year ended June 30, 2001 was as follows:

(Continued)

	Public Utility	Office/ Apartment Complex	Total Enterprise Funds
Operating Revenues	$ 1,334,546	$ 72,975	$ 1,407,521
Depreciation	317,854	25,183	343,037
Operating Income (Loss)	(235,664)	(13,115)	(248,779)
Operating Transfers:			
In	730,736	10,000	740,736
Out	(125,000)	-	(125,000)
Net Income (Loss)	249,253	2,303	251,556
Property, Plant & Equipment:			
Additions & Transfers In	247,343	15,147	262,490
Deletions & Transfers Out	28,562	627	29,189
Net Working Capital	646,195	72,852	719,047
Total Assets	10,770,181	237,410	11,007,591
Total Equity	4,322,241	235,721	4,557,962

(15) FEDERAL GRANT

The City participates in a federally assisted grant programs. These programs are subject to the program compliance audits by the grantors. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City's management feels such disallowances, if any, will be immaterial. During the current fiscal year, expenditures of federal funds did not exceed $300,000, and therefore, the City was not subject to the provisions of the Single Audit Act Amendments of 1996.

(16) CONTRIBUTED CAPITAL

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

(17) ON-BEHALF PAYMENTS FOR SALARIES

During 1996 the City implemented GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*. This standard requires the City to report in the financial statements on-behalf salary payments made by the State of Louisiana to certain groups of city employees. Supplementary salary payments are made by the state directly to certain groups of employees. The City is not legally responsible for these salaries. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contribution made by the state. For 2001, the state paid supplemental salaries to the City's police, firemen and city marshal. On-behalf payments recorded as revenues and expenditures in the general fund financial statements for 2001 totaled $131,700.

(Continued)

(18) NEW REPORTING STANDARD

In June, 1999, the Governmental Accounting Standards Board (GASB) issued Statement 34 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments." This Statement establishes new financial reporting requirements for state and local governments throughout the United States. When implemented, it will require new information and restructure much of the information that governments have presented in the past. Comparability with reports issued in all prior years will be affected. The City is required to implement this standard for the fiscal year ended December 31, 2004. The City has not yet determined the full impact that adoption of GASB Statement 34 will have on the financial statements.

(19) RESTATEMENT

The accompanying financial statements as of June 30, 2000 have been restated to correct the following error in the General Fund:

Accounts receivable-other was increased $101,821, franchise tax revenue was increased $1,624 and beginning fund balance was increased $100,197. These taxes were collected in fiscal 2001 but were actually earned and attributable to fiscal 2000 and earlier years. The error was caused by recording and reporting these taxes in incorrect accounting period.

(20) COMMITMENTS

The City entered into a contract with the Division of Administration of the State of Louisiana for a Louisiana Community Development Block Grant (LCDBG). The grant is for sewer improvements and in the total amount of $547,438. The City is required to match a portion of the grant. It is estimated that the City's portion will amount to $154,136. The State and City expended $188,713 and $67,032, respectively, in fiscal 2001 on the project.

(Concluded)

FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS
AND ACCOUNT GROUPS

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund and to account for the receipt and use or transfer of 86% (changed in fiscal 1994 from 60%) of the proceeds of the City's 1% Sales and Use tax. These taxes are dedicated to: Establishing, acquiring, constructing, improving, operating & maintaining (1) streets, sidewalks, and bridges; (2) drains & drainage facilities; (3) waterwork facilities; (4) sewer & sewerage disposal works; (5) garbage & solid waste facilities; (6) public parks and recreational facilities; (7) fire department stations and equipment, including firetrucks; (8) police department stations and equipment, and furnishings for any of the aforesaid public works, improvements and facilities, including salaries of City employees.

EXHIBIT F-1

CITY OF JENNINGS, LOUISIANA

GENERAL FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2001 AND 2000

	JUNE 30, 2001	JUNE 30, 2000 (Restated)
ASSETS		
ASSETS:		
Cash	$ 32,765	$ 27,238
Investments, at Cost	1,350,000	1,025,000
Accounts Receivables	144,139	143,626
Accounts Receivables-Other	171,317	122,624
Prepaid Expenses	-	4,687
Inventory	41,579	37,501
Due from Other Funds	-	114,597
Total Assets	$ 1,739,800	$ 1,475,273
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Accounts Payable	$ 69,566	$ 53,137
Due to Clearing Fund	41,918	-
Total Liabilities	$ 111,484	$ 53,137
FUND BALANCE:		
Reserved for Prepaid Expenses	$ -	$ 4,687
Reserved for Inventory	41,578	37,501
Unreserved	1,586,738	1,379,948
Total Fund Balance	$ 1,628,316	$ 1,422,136
Total Liabilities and Fund Balance	$ 1,739,800	$ 1,475,273

CITY OF JENNINGS, LOUISIANA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2000

	JUNE 30, 2001			
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	JUNE 30, 2000 ACTUAL (Restated)
REVENUES:				
Taxes-				
Ad Valorem	$ 265,000	$ 289,929	$ 24,929	$ 275,771
1% Sales Tax	1,427,047	1,405,806	(21,241)	1,373,536
Utility Franchise	500,000	595,146	95,146	499,061
Licenses and Permits-				
Occupational Licenses	290,000	295,183	5,183	298,005
Beer & Liquor Licenses	14,000	12,930	(1,070)	14,658
Building Permits	30,000	42,885	12,885	27,377
Intergovernmental Revenue-				
Tobacco Tax	13,777	13,777	-	55,109
Beer Tax	16,000	15,547	(453)	17,434
Grant Revenue	131,335	134,988	3,653	55,319
Supplemental Pay	133,200	127,880	(5,320)	133,950
Payments in Lieu of Taxes	4,000	5,475	1,475	5,481
Fire Protection-Parish	20,000	20,000	-	20,000
Charges for Services	351,500	362,560	11,060	348,972
Fines and Forfeits	64,500	76,887	12,387	72,220
Interest Income	70,000	84,960	14,960	71,161
Rents & Royalties	69,500	71,447	1,947	68,103
Gift Shop Sales	45,000	44,464	(536)	43,310
Museum Fees	13,313	12,009	(1,304)	12,427
DOC Prisoner Program	55,000	61,886	6,886	82,790
Theater Revenue	9,250	9,129	(121)	8,702
Miscellaneous	130,029	104,275	(25,754)	148,742
Total Revenues	$ 3,652,451	$ 3,787,163	$ 134,712	$ 3,632,128
EXPENDITURES:				
Current:				
General Government	$ 702,210	$ 678,672	$ 23,538	$ 693,873
Public Safety	2,499,975	2,364,487	135,488	2,241,009
Public Works	97,040	92,663	4,377	93,224
Sanitation	264,415	268,670	(4,255)	246,624
Culture-Recreation	450,007	417,083	32,924	393,672
Other	46,115	45,260	855	44,266
Total Expenditures	$ 4,059,762	$ 3,866,835	$ 192,927	$ 3,712,668
Excess (Deficiency) of Revenues Over Expenditures	$ (407,311)	$ (79,672)	$ 327,639	$ (80,540)
Other Financing Sources (Uses):				
Operating Transfers in From:				
Utility Fund	$ 285,852	$ 285,852	$ -	$ 125,000
Total Other Financing Sources (Uses)	$ 285,852	$ 285,852	$ -	$ 125,000
Excess (Deficiency) of Revenues And Other Sources Over Expenditures	$ (121,459)	$ 206,180	$ 327,639	$ 44,460
Unreserved Fund Balance-Beginning	$ 1,379,948	$ 1,379,948	$ -	$ 1,342,403
Add:				
Decrease in Reserves	42,188	42,188	-	35,273
Less:				
Reserve for Inventory	(41,578)	(41,578)	-	(37,501)
Reserve for Prepaid Expenses	-	-	-	(4,687)
Unreserved Fund Balance-Ending	$ 1,259,099	$ 1,586,738	$ 327,639	$ 1,379,948

CITY OF JENNINGS, LOUISIANA

GENERAL FUND
STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2000

	JUNE 30, 2001			
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	JUNE 30, 2000 ACTUAL
GENERAL GOVERNMENT:				
LEGAL DEPARTMENT:				
Salaries	$ 93,061	$ 95,400	$ (2,339)	$ 95,560
Employee Benefits	20,980	21,053	(73)	20,401
Office Supplies	3,200	3,484	(284)	1,603
Legal Expense	20,000	10,392	9,608	24,441
Coroner Expense	9,000	12,939	(3,939)	13,137
Audit Fee	795	812	(17)	757
Postage & Freight	210	255	(45)	225
Insurance	2,985	2,957	28	2,989
Utilities	2,000	1,778	222	1,642
Capital Improvements	-	-	-	2,398
Miscellaneous	10,100	11,421	(1,321)	12,428
Total Legal Department	$ 162,331	$ 160,491	$ 1,840	$ 175,581
FINANCE DEPARTMENT:				
Salaries	$ 288,000	$ 280,410	7,590	$ 280,610
Employee Benefits	49,787	48,666	1,121	47,650
Office Supplies	11,500	8,113	3,387	9,649
Repairs & Maintenance	8,000	7,865	135	8,062
Audit Fee	3,180	3,248	(68)	3,030
Tax Roll Expense	6,300	5,760	540	5,593
Postage & Freight	1,200	963	237	992
Travel & Meals	2,000	1,525	475	1,368
Seminars & Workshops	2,500	1,991	509	2,100
LMA Expense	5,000	4,497	503	3,967
Gas & Oil	5,000	5,405	(405)	5,043
Publishing & Printing	6,000	2,472	3,528	3,227
Insurance	17,358	15,955	1,403	15,907
Utilities	5,000	6,414	(1,414)	5,209
Miscellaneous	16,750	13,712	3,038	13,883
Total Finance Department	$ 427,575	$ 406,996	$ 20,579	$ 406,290
ADMINISTRATIVE BUILDING:				
Salaries	$ 20,454	$ 18,907	$ 1,547	$ 18,675
Employees Benefits	4,153	3,794	359	3,658
Repairs & Maintenance	1,800	820	980	2,086
Audit Fee	398	406	(8)	379
Postage & Freight	140	170	(30)	150
Gas & Oil	900	801	99	880
Insurance	3,713	3,457	256	3,630
Utilities	10,000	11,519	(1,519)	9,689
Total Administrative Building	$ 41,558	$ 39,874	$ 1,684	$ 39,147
PUBLIC FACILITIES BUILDING				
Salaries	$ 29,654	$ 31,883	$ (2,229)	$ 28,979
Employee Benefits	4,904	5,093	(189)	4,720
Supplies	100	37	63	61
Repairs & Maintenance	7,000	6,859	141	5,400
Janitorial	1,500	1,067	433	994
Audit Fees	795	812	(17)	757
Postage & Freight	140	170	(30)	150
Insurance	4,653	4,320	333	3,949
Utilities	22,000	21,070	930	17,655
Capital Improvements	-	-	-	10,190
Total Facilities Building	$ 70,746	$ 71,311	$ (565)	$ 72,855
Total General Government	$ 702,210	$ 678,672	$ 23,538	$ 693,873

CITY OF JENNINGS, LOUISIANA

GENERAL FUND
STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
WITH COMPARATIVE AMOUNTS FOR YEAR ENDED JUNE 30, 2000

	JUNE 30, 2001			
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	JUNE 30, 2000 ACTUAL
PUBLIC SAFETY:				
POLICE DEPARTMENT				
Salaries	$ 972,736	$ 910,525	$ 62,211	$ 917,777
Overtime	152,646	167,231	(14,585)	123,905
Employee Benefits	167,525	155,462	12,063	154,609
Office Supplies	15,480	20,836	(5,356)	15,518
Repairs & Maintenance	56,295	77,128	(20,833)	40,825
Audit Fee	2,783	2,843	(60)	2,651
Postage & Freight	830	882	(52)	792
Travel & Meals	10,000	11,245	(1,245)	8,715
Seminars & Workshops	10,000	5,683	4,317	1,273
Gas & Oil	24,000	27,297	(3,297)	24,082
Publishing & Printing	500	850	(350)	876
Insurance	119,156	103,181	15,975	97,776
Utilities	15,000	19,559	(4,559)	15,836
Equipment	62,454	29,365	33,089	24,507
Grant Expenses	8,605	5,007	3,598	2,720
Uniforms & Miscellaneous	135,549	144,480	(8,931)	117,217
Total Police Department	$ 1,753,559	$ 1,681,574	$ 71,985	$ 1,549,079
SAFETY BUILDING:				
Salaries	$ 10,034	$ 7,832	$ 2,202	$ 6,854
Employee Benefits	788	599	189	529
Supplies	1,500	1,305	195	1,524
Repairs & Maintenance	3,500	2,442	1,058	7,293
Audit Fee	795	812	(17)	757
Postage & Freight	140	170	(30)	150
Insurance	4,477	3,880	597	4,058
Utilities	30,000	39,527	(9,527)	29,197
Total Safety Building	$ 51,234	$ 56,567	$ (5,333)	$ 50,362
FIRE DEPARTMENT:				
Salaries	$ 345,438	$ 329,421	$ 16,017	$ 328,493
Overtime	37,450	28,646	8,804	35,834
Employee Benefits	75,755	70,052	5,703	68,949
Supplies	9,250	6,500	2,750	5,153
Repairs & Maintenance	20,000	19,438	562	17,685
Equipment	31,569	22,927	8,642	18,908
Audit Fee	2,650	2,707	(57)	2,525
Postage & Freight	780	777	3	705
Travel & Meals	4,750	2,271	2,479	2,971
Seminars & Workshops	5,500	3,857	1,643	3,142
Gas & Oil	6,500	7,230	(730)	6,926
Insurance	52,991	47,474	5,517	47,410
Utilities	11,500	12,309	(809)	11,095
Rentals	1,500	1,500	-	1,500
Miscellaneous	58,550	36,314	22,236	55,808
Total Fire Department	$ 664,183	$ 591,423	$ 72,760	$ 607,104

CITY OF JENNINGS, LOUISIANA

GENERAL FUND
STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2000

	JUNE 30, 2001			
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	JUNE 30, 2000 ACTUAL
DOG POUND:				
Salaries	$ 18,060	$ 20,263	$ (2,203)	$ 18,444
Employee Benefits	3,768	3,924	(156)	3,739
Supplies	2,500	2,919	(419)	4,292
Repairs & Maintenance	1,000	2,056	(1,056)	2,654
Audit Fee	663	677	(14)	631
Postage & Freight	140	170	(30)	150
Gas & Oil	1,250	1,172	78	1,216
Insurance	1,518	1,309	209	1,443
Miscellaneous	2,100	2,433	(333)	1,895
Total Dog Pound	$ 30,999	$ 34,923	$ (3,924)	$ 34,464
Total Public Safety	$ 2,499,975	$ 2,364,487	$ 135,488	$ 2,241,009
PUBLIC WORKS:				
GARAGE COMPLEX:				
Repairs & Maintenance	$ 4,650	$ 3,105	$ 1,545	$ 6,386
Audit Fee	530	541	(11)	505
Postage & Freight	140	170	(30)	150
Insurance	1,070	1,048	22	1,068
Utilities	90,650	87,799	2,851	85,115
Total Garage Complex	$ 97,040	$ 92,663	$ 4,377	$ 93,224
SANITATION:				
Audit Fee	$ 795	$ 812	$ (17)	$ 757
Postage & Freight	3,485	3,411	74	3,460
Solid Waste Collection & Disposal	256,000	260,317	(4,317)	238,913
Insurance	1,635	1,610	25	1,598
Miscellaneous	2,500	2,520	(20)	1,896
Total Sanitation	$ 264,415	$ 268,670	$ (4,255)	$ 246,624
CULTURE-RECREATION:				
RECREATION:				
Salaries	$ 151,101	$ 133,349	$ 17,752	$ 134,310
Employee Benefits	24,333	23,029	1,304	20,906
Supplies	10,500	9,514	986	9,333
Repairs & Maintenance	36,700	37,714	(1,014)	35,859
Audit Fee	795	812	(17)	757
Postage & Freight	350	625	(275)	375
Gas & Oil	3,200	3,895	(695)	3,800
Insurance	16,437	14,401	2,036	14,754
Utilities	30,100	29,901	199	27,795
Miscellaneous	600	150	450	285
Total Recreation	$ 274,116	$ 253,390	$ 20,726	$ 248,174
TUPPER MUSEUM:				
Salaries	$ 52,397	$ 60,209	$ (7,812)	$ 52,027
Employee Benefits	11,106	11,559	(453)	10,272
Supplies	3,800	1,756	2,044	2,878
Repairs & Maintenance	9,700	4,107	5,593	4,607
Audit Fee	795	812	(17)	757
Postage & Freight	190	279	(89)	224
Insurance	2,731	2,539	192	2,540
Utilities	7,500	9,463	(1,963)	7,681
Seminars & Workshops	300	186	114	308
Travel & Meals	400	415	(15)	146
Miscellaneous	50,700	42,244	8,456	42,414
Total Tupper Museum	$ 139,619	$ 133,569	$ 6,050	$ 123,854

CITY OF JENNINGS, LOUISIANA

GENERAL FUND
STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2000

	JUNE 30, 2001			
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	JUNE 30, 2000 ACTUAL
STRAND THEATER:				
Salaries	$ 2,000	$ 1,429	$ 571	$ 1,853
Employee Benefits	157	112	45	146
Office Supplies	100	151	(51)	43
Repairs & Maintenance	16,800	14,259	2,541	3,833
Insurance	747	740	7	797
Audit Fees	398	406	(8)	379
Utilities	9,000	8,640	360	8,535
Rental	300	500	(200)	-
Movies & Performances	3,000	1,592	1,408	2,462
Advertising	1,000	496	504	500
Purchases	2,000	1,527	473	2,248
Supplies	500	57	443	773
Miscellaneous	270	215	55	75
Total Strand Theater	$ 36,272	$ 30,124	$ 6,148	$ 21,644
Total Culture-Recreation	$ 450,007	$ 417,083	$ 32,924	$ 393,672
OTHER:				
CEMETERY:				
Salaries	$ 29,224	$ 29,204	$ 20	$ 28,823
Employee Benefits	7,001	6,739	262	6,444
Repairs & Maintenance	4,100	3,530	570	3,132
Audit Fee	530	541	(11)	505
Postage & Freight	70	85	(15)	75
Gas & Oil	750	765	(15)	805
Insurance	4,040	3,875	165	4,053
Utilities	400	521	(121)	429
Total Cemetery	$ 46,115	$ 45,260	$ 855	$ 44,266
TOTAL EXPENDITURES	$ 4,059,762	$ 3,866,835	$ 192,927	$ 3,712,668

SPECIAL REVENUE FUNDS

Street Fund - To account for the receipt of 8.96 mill tax and the expenses relating to streets, sidewalks, bridges, tree trimming and other related items.

Library Fund - To account for the receipt of 4.01 mill tax and the expenses of staffing and operating the Jennings Carnegie Public Library.

Perpetual Care Fund - To account for the receipt of funds for perpetual care of cemetery lots sold by the City and the related expenses to provide such care.

Hotel/Motel Tax Fund - To account for the receipt of funds from the hotel/motel room tax in Ward 2 of Jefferson Davis Parish which is to be used for development of culture and tourism. This fund was organized by the Jefferson Davis Police Jury as a special revenue fund for Ward 2. The Police Jury has transferred control of this fund to the City.

LCDBG Fund - To account for the receipt of Louisiana Community Development Block Grant Funds through their economic development program and the subsequent lending of these funds to qualifying local businesses to develop the viable urban community by expanding economic opportunities principally for persons of low and moderate income levels. In fiscal 2001, the Division of Administration of the State of Louisiana gave permission to use the assets in this fund for sewer improvements in connection with a grant received from LCDBG.

Capital Improvements Fund - To account for the receipt of 14% (changed in fiscal 1994 from 40%) of the City's 1% sales tax collections, the receipt of revenue sharing funds received, if any, from the federal and state governments and any other budgeted revenues and the subsequent expenditure of these funds which are dedicated to capital improvements.

1994 1% Sales Tax Fund - To account for the receipt of a 1% sales tax which was authorized in 1994. This tax is to be collected for a period not to exceed twenty-two (22) years. At least $500,000 annually is to be used for acquiring, constructing, extending, improving, maintaining and operating sewage collection and disposal facilities for the City, and/or to pay any bonded or funded indebtedness of the City incurred for sewage collection and disposal facilities. The balance is be to used for street construction and maintenance, drainage, heavy equipment purchases, jail operations, and police pension payments. In 1998, a referendum was approved to expand the authorized uses of excess funds over previous dedication to include acquiring, constructing, improving and/or maintaining the City's waterworks facilities. It further authorized the issuing of any bonded or funded indebtedness to accomplish the expanded purpose.

EXHIBIT G-1

CITY OF JENNINGS, LOUISIANA

SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2001
WITH COMPARATIVE TOTALS FOR JUNE 30, 2000

	STREET FUND	LIBRARY FUND	PERPETUAL CARE FUND	HOTEL/MOTEL TAX FUND	LCDBG FUND	CAPITAL IMPROVEMENTS FUND	1994 1% SALES TAX FUND	TOTALS JUNE 30, 2001	TOTALS JUNE 30, 2000
ASSETS:									
UNRESTRICTED ASSETS:									
Cash	$ -	$ 131	$ -	$ 36,330	$ -	$ -	$ -	$ 36,461	$ 39,581
Accounts Receivable	2,817	1,260	-	-	-	-	-	4,077	-
Investments, at Cost	515,000	350,000	170,000	212,290	-	400,000	450,000	2,097,290	1,888,794
1% Sales Tax Receivable	-	-	-	-	-	18,956	-	18,956	19,530
Other Receivable	-	-	-	4,967	-	-	135,404	140,371	143,819
Due from Other Funds	44,569	50,554	7,103	-	-	148,925	208,910	460,061	352,091
Total Unrestricted Assets	$ 562,386	$ 401,945	$ 177,103	$ 253,587	$ -	$ 567,881	$ 794,314	$ 2,757,216	$ 2,443,815
RESTRICTED ASSETS:									
Cash	$ -	$ -	$ -	$ -	$ 93,571	$ -	$ -	$ 93,571	$ 17,183
Investments, at Cost	-	-	-	-	-	-	-	-	136,000
Total Restricted Assets	$ -	$ -	$ -	$ -	$ 93,571	$ -	$ -	$ 93,571	$ 153,183
Total Assets	$ 562,386	$ 401,945	$ 177,103	$ 253,587	$ 93,571	$ 567,881	$ 794,314	$ 2,850,787	$ 2,596,998
LIABILITIES AND FUND BALANCE:									
LIABILITIES:									
Accounts Payable	$ 7,204	$ 1,758	$ -	$ 400	$ -	$ 1,115	$ 883	$ 11,360	$ 7,492
Total Liabilities	$ 7,204	$ 1,758	$ -	$ 400	$ -	$ 1,115	$ 883	$ 11,360	$ 7,492
FUND BALANCE:									
Reserved for Revolving Loan Program	$ -	$ -	$ -	$ -	93,571	$ -	$ -	$ 93,571	$ 153,183
Unreserved	555,182	400,187	177,103	253,187	-	566,766	793,431	2,745,856	2,436,323
Total Fund Balance	$ 555,182	$ 400,187	$ 177,103	$ 253,187	$ 93,571	$ 566,766	$ 793,431	$ 2,839,427	$ 2,589,506
Total Liabilities and Fund Balance	$ 562,386	$ 401,945	$ 177,103	$ 253,587	$ 93,571	$ 567,881	$ 794,314	$ 2,850,787	$ 2,596,998

EXHIBIT G-2

CITY OF JENNINGS, LOUISIANA

SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
WITH COMPARATIVE TOTALS FOR JUNE 30, 2000

	STREET FUND	LIBRARY FUND	PERPETUAL CARE FUND	HOTEL/MOTEL TAX FUND	LCDBG FUND	CAPITAL IMPROVEMENTS FUND	1994 1% SALES TAX FUND	TOTALS JUNE 30, 2001	TOTALS JUNE 30, 2000
REVENUES:									
Taxes	$ 340,913	$ 152,572	$ -	$ -	$ -	$ 228,852	$ 1,634,658	$ 2,356,995	$ 2,289,870
Intergovernmental Revenue	-	-	-	178,128	-	174,763	46,439	399,330	302,633
Charges for Services	-	2,436	-	-	-	-	-	2,436	2,760
Income from State Grants	-	11,435	-	-	-	-	-	11,435	11,522
Fines and Forfeits	-	621	-	-	-	-	-	621	599
Miscellaneous Revenue	7,939	65,692	5,500	500	-	3,465	-	83,096	155,663
Interest Income	32,413	21,209	-	10,664	7,420	29,483	32,612	133,801	121,731
Total Revenues	$ 381,265	$ 253,965	$ 5,500	$ 189,292	$ 7,420	$ 436,563	$ 1,713,709	$ 2,987,714	$ 2,884,778
EXPENDITURES:									
General Government	$ -	$ -	$ 271	$ -	$ -	$ 126,091	$ 9,950	$ 136,312	$ 245,610
Public Works	464,177	-	-	-	-	23,890	418,245	906,312	854,263
Public Safety	-	-	-	-	-	54,983	136,931	191,914	412,887
Culture and Recreation	-	218,313	-	129,872	-	186,450	-	534,635	577,941
Total Expenditures	$ 464,177	$ 218,313	$ 271	$ 129,872	$ -	$ 391,414	$ 565,126	$ 1,769,173	$ 2,090,701
Excess (Deficiency) of Revenues Over Expenditures	$ (82,912)	$ 35,652	$ 5,229	$ 59,420	$ 7,420	$ 45,149	$ 1,148,583	$ 1,218,541	$ 794,077
Other Financing Sources (Uses):									
Transfers In	$ 75,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 75,000	$ 149,770
Transfers Out	-	-	-	-	(67,032)	(10,000)	(966,588)	(1,043,620)	(839,066)
Total Other Financing Sources (Uses)	$ 75,000	$ -	$ -	$ -	$ (67,032)	$ (10,000)	$ (966,588)	$ (968,620)	$ (689,296)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	$ (7,912)	$ 35,652	$ 5,229	$ 59,420	$ (59,612)	$ 35,149	$ 181,995	$ 249,921	$ 104,781
Unreserved Fund Balance-Beginning	$ 563,094	$ 364,535	$ 171,874	$ 193,767	$ -	$ 531,617	$ 611,436	$ 2,436,323	$ 2,338,878
(Increase) Decrease in Reserve for Loan Program	-	-	-	-	59,612	-	-	59,612	(7,336)
Unreserved Fund Balance-Ending	$ 555,182	$ 400,187	$ 177,103	$ 253,187	$ -	$ 566,766	$ 793,431	$ 2,745,856	$ 2,436,323

EXHIBIT G-3

CITY OF JENNINGS, LOUISIANA

STREET FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2001 AND 2000

	JUNE 30, 2001	JUNE 30, 2000
ASSETS		
Investment, At Cost	$ 515,000	$ 490,000
Accounts Receivable	2,817	-
Due From Clearing Fund	44,569	77,236
Total Assets	$ 562,386	$ 567,236
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Accounts Payable	$ 7,204	$ 4,142
Total Liabilities	$ 7,204	$ 4,142
FUND BALANCE:		
Unreserved	$ 555,182	$ 563,094
Total Liabilities and Fund Balance	$ 562,386	$ 567,236

EXHIBIT G-4

CITY OF JENNINGS, LOUISIANA

STREET FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE-BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2000

	JUNE 30, 2001			
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	JUNE 30, 2000 ACTUAL
REVENUES:				
Taxes	$ 315,000	$ 340,913	$ 25,913	$ 324,202
Miscellaneous Revenues	7,200	7,939	739	10,767
Interest Income	28,000	32,413	4,413	26,382
Total Revenues	$ 350,200	$ 381,265	$ 31,065	$ 361,351
EXPENDITURES:				
Public Works:				
Salaries	$ 231,942	$ 208,225	$ 23,717	$ 201,058
Employee Benefits	50,188	44,336	5,852	41,059
Supplies	2,100	1,719	381	1,906
Repairs & Maintenance	140,600	129,863	10,737	115,108
Engineer Retainer	2,400	2,400	-	2,400
Audit Fee	1,193	1,218	(25)	1,136
Postage & Freight	730	785	(55)	693
Gas & Oil	10,000	11,733	(1,733)	11,065
Insurance	51,115	43,994	7,121	45,448
Equipment	2,000	783	1,217	-
Land Purchase	4,000	3,724	276	-
Tax Roll Expense	7,000	6,772	228	6,564
CDL Expense	250	110	140	125
Miscellaneous	9,400	8,515	885	6,600
Total Expenditures	$ 512,918	$ 464,177	$ 48,741	$ 433,162
Excess of (Deficiency) Revenues Over Expenditures	$ (162,718)	$ (82,912)	$ 79,806	$ (71,811)
OTHER FINANCING SOURCES:				
Transfers from 1994 1% Sales Tax	$ 75,000	$ 75,000	$ -	$ 150,000
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	$ (87,718)	$ (7,912)	$ 79,806	$ 78,189
Unreserved Fund Balance-Beginning	$ 563,094	$ 563,094	$ -	$ 484,905
Unreserved Fund Balance-Ending	$ 475,376	$ 555,182	$ 79,806	$ 563,094

EXHIBIT G-5

CITY OF JENNINGS, LOUISIANA

LIBRARY FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2001 AND 2000

	JUNE 30, 2001	JUNE 30, 2000
ASSETS		
Cash	$ 131	$ 131
Investment, At Cost	350,000	300,000
Accounts Receivable	1,260	-
Due From Clearing Fund	50,554	65,757
Total Assets	$ 401,945	$ 365,888
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Accounts Payable	$ 1,758	$ 1,353
Total Liabilities	$ 1,758	$ 1,353
FUND BALANCE:		
Unreserved	$ 400,187	$ 364,535
Total Liabilities and Fund Balance	$ 401,945	$ 365,888

CITY OF JENNINGS, LOUISIANA

LIBRARY FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE-BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2000

	JUNE 30, 2001			
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	JUNE 30, 2000 ACTUAL
REVENUES:				
Taxes	$ 140,000	$ 152,572	$ 12,572	$ 144,933
Charges for Services	2,000	2,436	436	2,760
Fines & Forfeits	700	621	(79)	599
Miscellaneous Revenue	41,900	65,692	23,792	113,268
Grant Revenue	11,435	11,435	-	11,522
Interest Income	18,000	21,209	3,209	16,860
Total Revenues	$ 214,035	$ 253,965	$ 39,930	$ 289,942
EXPENDITURES:				
Culture & Recreation:				
Salaries	$ 77,745	$ 74,661	$ 3,084	$ 73,242
Employee Benefits	13,469	13,526	(57)	12,515
Books	17,000	17,247	(247)	17,096
Office Supplies & Equipment	2,500	2,177	323	2,102
New Equipment	3,500	78	3,422	2,416
Repairs & Maintenance	105,100	80,069	25,031	9,842
Audit Fee	1,193	1,218	(25)	1,136
Postage & Freight	690	842	(152)	686
Legal Fees	-	-	-	432
Insurance	4,465	4,434	31	4,625
Utilities	7,000	7,484	(484)	6,667
Seminars & Workshops	300	480	(180)	146
Tax Roll Expense	3,400	3,036	364	2,979
Land Purchase	-	-	-	10,350
State Aid Grant Expense	11,435	9,049	2,386	10,631
Miscellaneous	7,044	4,012	3,032	7,678
Total Expenditures	$ 254,841	$ 218,313	$ 36,528	$ 162,543
Excess of (Deficiency) Revenues Over Expenditures	$ (40,806)	$ 35,652	$ 76,458	$ 127,399
Unreserved Fund Balance-Beginning	$ 364,535	$ 364,535	$ -	$ 237,136
Unreserved Fund Balance-Ending	$ 323,729	$ 400,187	$ 76,458	$ 364,535

EXHIBIT G-7

CITY OF JENNINGS, LOUISIANA

PERPETUAL CARE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2001 AND 2000

	JUNE 30, 2001	JUNE 30, 2000
ASSETS		
Investment, At Cost	$ 170,000	$ 167,000
Due From Clearing Fund	7,103	4,874
Total Assets	$ 177,103	$ 171,874
LIABILITIES AND FUND BALANCE		
FUND BALANCE:		
Unreserved	$ 177,103	$ 171,874
Total Liabilities and Fund Balance	$ 177,103	$ 171,874

EXHIBIT G-8

CITY OF JENNINGS, LOUISIANA

PERPETUAL CARE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE-BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2000

	JUNE 30, 2001			
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	JUNE 30, 2000 ACTUAL
REVENUES:				
Receipts for Perpetual Care	$ 7,000	$ 5,500	$ (1,500)	$ 7,200
EXPENDITURES:				
Audit Expense	$ 265	$ 271	$ (6)	$ 252
Excess of Revenues over Expenditures	$ 6,735	$ 5,229	$ (1,506)	$ 6,948
Unreserved Fund Balance-Beginning	$ 171,874	$ 171,874	$ -	$ 164,926
Unreserved Fund Balance-Ending	$ 178,609	$ 177,103	$ (1,506)	$ 171,874

EXHIBIT G-9

CITY OF JENNINGS, LOUISIANA

HOTEL/MOTEL TAX FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2001 AND 2000

	JUNE 30, 2001	JUNE 30, 2000
ASSETS		
Cash	$ 36,330	$ 39,450
Accounts Receivable	4,967	4,317
Investments	212,290	150,000
Total Assets	$ 253,587	$ 193,767
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Accounts Payable	$ 400	$ -
Total Liabilities	$ 400	$ -
FUND BALANCE:		
Unreserved	$ 253,187	$ 193,767
Total Fund Balance	$ 253,187	$ 193,767
Total Liabilities and Fund Balance	$ 253,587	$ 193,767

CITY OF JENNINGS, LOUISIANA

HOTEL/MOTEL TAX FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE-BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2000

	JUNE 30, 2001			
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	JUNE 30, 2000 ACTUAL
REVENUES:				
Intergovernmental Revenue	$ 150,000	$ 178,128	$ 28,128	$ 156,664
Interest Income	8,000	10,664	2,664	6,531
Miscellaneous Revenue	500	500	-	8,553
Total Revenues	$ 158,500	$ 189,292	$ 30,792	$ 171,748
EXPENDITURES:				
Culture & Recreation:				
Advertising & Promotional	$ 100,000	$ 96,676	$ 3,324	$ 63,377
Salaries	8,000	8,000	-	8,000
Casual Labor	3,600	3,600	-	3,600
Supplies	500	665	(165)	471
Postage & Freight	2,000	1,734	266	2,000
Audit Expense	795	937	(142)	757
Insurance	1,250	1,261	(11)	1,245
Utilities	800	673	127	702
Park Beautification	7,500	8,333	(833)	-
Tour Guides	-	-	-	10,100
Miscellaneous	10,000	7,993	2,007	8,758
Total Expenditures	$ 134,445	$ 129,872	$ 4,573	$ 99,010
Excess (Deficiency) of Revenues Over Expenditures	$ 24,055	$ 59,420	$ 35,365	$ 72,738
Unreserved Fund Balance-Beginning	$ 193,767	$ 193,767	$ -	$ 121,029
Unreserved Fund Balance-Ending	$ 217,822	$ 253,187	$ 35,365	$ 193,767

EXHIBIT G-11

CITY OF JENNINGS, LOUISIANA

LCDBG FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2001 AND 2000

	JUNE 30, 2001	JUNE 30, 2000
ASSETS		
RESTRICTED ASSETS:		
Cash in Bank	$ 93,571	$ 17,183
Investments	-	136,000
Total Assets	$ 93,571	$ 153,183
LIABILITIES AND FUND BALANCE		
FUND BALANCE:		
Reserved for Revolving Loan Program	$ 93,571	$ 153,183
Total Liabilities and Fund Balance	$ 93,571	$ 153,183

EXHIBIT G-12

CITY OF JENNINGS, LOUISIANA

LCDBG FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE-BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2000

	JUNE 30, 2001			
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	JUNE 30, 2000 ACTUAL
REVENUES:				
Interest Income	$ 7,000	$ 7,420	$ 420	$ 7,336
EXPENDITURES:				
Total Expenditures	$ -	$ -	$ -	$ -
Excess (Deficiency) of Revenues Over Expenditures	$ 7,000	$ 7,420	$ 420	$ 7,336
OTHER FINANCING (USES):				
Transfer to Capital Projects Fund	$ (153,225)	$ (67,032)	$ (86,193)	$ -
Total Other Financing Uses	$ (153,225)	$ (67,032)	$ (86,193)	$ -
Excess (Deficiency) of Revenues Over Expenditures & Other Uses	$ (146,225)	$ (59,612)	$ 86,613	$ -
Unreserved Fund Balance-Beginning	$ -	$ -	$ -	$ -
Decrease (Increase) in Reserve for Revolving Loan Program	$ -	$ 59,612	$ 59,612	$ (7,336)
Unreserved Fund Balance-Ending	$ (146,225)	$ -	$ 146,225	$ -

EXHIBIT G-13

CITY OF JENNINGS, LOUISIANA

CAPITAL IMPROVEMENTS FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2001 AND 2000

	JUNE 30, 2001	JUNE 30, 2000
ASSETS		
Investments, at Cost	$ 400,000	$ 431,794
1% Sales Tax Receivable	18,956	19,530
Due from Clearing Fund	148,925	82,290
Total Assets	$ 567,881	$ 533,614
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Accounts Payable	$ 1,115	$ 1,997
Total Liabilities	$ 1,115	$ 1,997
FUND BALANCE:		
Unreserved	$ 566,766	$ 531,617
Total Fund Balance	$ 566,766	$ 531,617
Total Liabilities and Fund Balance	$ 567,881	$ 533,614

EXHIBIT G-14
(Continued)

CITY OF JENNINGS, LOUISIANA

CAPITAL IMPROVEMENTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE-BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2000

	JUNE 30, 2001			
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	JUNE 30, 2000 ACTUAL
REVENUES:				
Taxes-1% Sales Tax	$ 232,310	$ 228,852	$ (3,458)	$ 223,598
Intergovernmental Revenue-				
State Revenue Sharing	40,000	38,404	(1,596)	40,670
Landfill Revenue	136,000	136,359	359	105,299
Grant Revenue			-	-
Miscellaneous	3,250	3,465	215	15,875
Interest Income	30,000	29,483	(517)	31,280
Total Revenues	$ 441,560	$ 436,563	$ (4,997)	$ 416,722
EXPENDITURES:				
General Government:				
Dog Pound Shelter	$ -	$ -	$ -	$ 99,583
Economic Development Commission	40,000	30,000	10,000	30,000
IMCAL Dues	1,700	1,696	4	1,696
Repairs-Safety Building	17,000	7,087	9,913	6,728
Repairs-Garment Factory	10,000	9,499	501	-
Goodreaux Building	-	-	-	5,817
Sidewalk Repairs	40,000	30,834	9,166	45,437
J.D. Civil Air Patrol	5,000	5,000	-	5,000
Neighborhood Watch Equipment	500	-	500	783
Southside Development Grant	40,000	40,186	(186)	40,000
Computer	-	-	-	8,270
Equipment	15,000	-	15,000	-
Copier	2,000	1,789	211	2,044
Total General Government	$ 171,200	$ 126,091	$ 45,109	$ 245,358
Public Works:				
Equipment & Equipment Renovation	$ 15,000	$ 17,276	$ (2,276)	$ 11,114
Street Improvements	10,000	6,614	3,386	2,551
Total Public Works	$ 25,000	$ 23,890	$ 1,110	$ 13,665
Culture and Recreation:				
Council on Aging	$ 10,000	$ 10,000	$ -	$ 10,000
Zigler Museum	5,000	5,000	-	5,000
Pool Repairs	12,000	14,816	(2,816)	87,121
Pioneer Park Building	10,000	8,050	1,950	1,887
I-10 Park	25,000	19,021	5,979	33,574
Jeff Davis Arts Council	2,000	2,000	-	2,000
Jeff Davis Parish Health Unit	2,750	2,750	-	2,750
Christmas Lights	12,000	11,596	404	9,460
Park Renovations & Improvements	47,000	48,989	(1,989)	34,836
Fireworks	14,000	14,895	(895)	14,070
Tree Planting	600	600	-	600
Tupper Museum	12,000	-	12,000	20,600
Recreation	67,000	48,733	18,267	45,318
Total Culture and Recreation	$ 219,350	$ 186,450	$ 32,900	$ 267,216

CITY OF JENNINGS, LOUISIANA

CAPITAL IMPROVEMENTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2000

	JUNE 30, 2001			
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	JUNE 30, 2000 ACTUAL
Public Safety:				
Equipment-Fire Department	$ 45,000	$ 15,742	$ 29,258	$ 7,272
Capital Improvements-Police Department	13,000	11,241	1,759	14,424
Special Program-Police Department	1,167	167	1,000	-
Equipment-Police Department	41,700	27,833	13,867	17,663
Total Public Safety	$ 100,867	$ 54,983	$ 45,884	$ 39,359
Total Expenditures	$ 516,417	$ 391,414	$ 125,003	$ 565,598
Excess (Deficiency) of Revenues over Expenditures	$ (74,857)	$ 45,149	$ 120,006	$ (148,876)
Other Financing Uses:				
Transfer to Zigler Complex Fund	$ (10,000)	$ (10,000)	$ -	$ -
Transfer (to) from Utility Fund	-	-	-	(230)
Total Other Financing Uses	$ (10,000)	$ (10,000)	$ -	$ (230)
Excess (Deficiency) of Revenues over Expenditures and Other Financing Uses	$ (84,857)	$ 35,149	$ 120,006	$ (149,106)
Unreserved Fund Balance-Beginning	$ 531,617	$ 531,617	$ -	$ 680,723
Unreserved Fund Balance-Ending	$ 446,760	$ 566,766	$ 120,006	$ 531,617

EXHIBIT G-15

CITY OF JENNINGS, LOUISIANA

1994 1% SALES TAX FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2001 AND 2000

	JUNE 30, 2001	JUNE 30, 2000
ASSETS		
Investment, at Cost	$ 450,000	$ 350,000
Accounts Receivable	135,404	139,502
Due from Clearing Fund	208,910	121,934
Total Assets	$ 794,314	$ 611,436
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Accounts Payable	$ 883	$ -
Total Liabilities	$ 883	$ -
FUND BALANCE:		
Unreserved	$ 793,431	$ 611,436
Total Fund Balance	$ 793,431	$ 611,436
Total Liabilities and Fund Balance	$ 794,314	$ 611,436

CITY OF JENNINGS, LOUISIANA

1994 1% SALES TAX FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE-BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2000

	JUNE 30, 2001			
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	JUNE 30, 2000 ACTUAL
REVENUES:				
Taxes-1% Sales Tax	$ 1,659,357	$ 1,634,658	$ (24,699)	$ 1,597,137
Intergovernmental Revenue	46,000	46,439	439	-
Interest Income	34,000	32,612	(1,388)	33,342
Total Revenues	$ 1,739,357	$ 1,713,709	$ (25,648)	$ 1,630,479
EXPENDITURES:				
Public Works:				
Street Improvements	$ 300,000	$ 297,438	$ 2,562	$ 284,958
Drainage Projects	195,000	120,807	74,193	122,478
Total Public Works	$ 495,000	$ 418,245	$ 76,755	$ 407,436
Culture and Recreation:				
Vehicles	$ -	$ -	$ -	$ 49,172
Total Culture and Recreation	$ -	$ -	$ -	$ 49,172
Public Safety				
Vehicles	$ 150,500	$ 136,930	$ 13,570	$ 47,929
Equipment	50,000	1	49,999	325,599
Total Public Safety	$ 200,500	$ 136,931	$ 63,569	$ 373,528
General Government:				
Vehicles	$ 10,000	$ 9,950	$ 50	$ -
Total General Government	$ 10,000	$ 9,950	$ 50	$ -
Total Expenditures	$ 705,500	$ 565,126	$ 140,374	$ 830,136
Excess (Deficiency) of Revenues over Expenditures	$ 1,033,857	$ 1,148,583	$ 114,726	$ 800,343
Other Financing Uses:				
Transfer to Street Department	$ (75,000)	$ (75,000)	$ -	$ (150,000)
Transfer to General Fund	(160,852)	(160,852)	-	-
Transfer to Utility Fund	(733,279)	(730,736)	(2,543)	(689,066)
Total Other Financing Uses	$ (969,131)	$ (966,588)	$ (2,543)	$ (839,066)
Excess (Deficiency) of Revenues over Expenditures and Other Financing Uses	$ 64,726	$ 181,995	$ 117,269	$ (38,723)
Unreserved Fund Balance-Beginning	$ 611,436	$ 611,436	$ -	$ 650,159
Unreserved Fund Balance-Ending	$ 676,162	$ 793,431	$ 117,269	$ 611,436

CAPITAL PROJECTS FUND

Sewer Grant - To account for receipts from Louisiana Community Development Block Grant (LCDBG) and matching amounts to be provided by City, and the expenditure of these funds to accomplish the sewer enhancement project.

EXHIBIT H-1

CITY OF JENNINGS, LOUISIANA

SEWER GRANT
COMPARATIVE BALANCE SHEET
JUNE 30, 2001

	JUNE 30, 2001
ASSETS	
Due from LCDBG Fund	$ -
Due from Other Governments	-
Total Assets	$ -
LIABILITIES AND FUND BALANCE	
LIABILITIES:	
Accounts Payable	$ -
Contracts Payable	-
Retainage Payable	9,933
Total Liabilities	$ 9,933
FUND BALANCE:	
Unreserved (Deficit)	(9,933)
Total Liabilities and Fund Balance	$ -

EXHIBIT H-2

CITY OF JENNINGS, LOUISIANA

SEWER GRANT
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND BALANCE-BUDGET (GAAP BASIS) AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2001

	PROJECT AUTHORIZATION	PRIOR YEAR	CURRENT YEAR	TOTAL TO DATE
REVENUES:				
Intergovernmental-Federal LCDBG Grant	$ 547,438	$ -	$ 188,713	$ 188,713
EXPENDITURES:				
Capital Outlays	701,574	-	265,678	265,678
(Deficiency) of Revenues over Expenditures	$ (154,136)	$ -	$ (76,965)	$ (76,965)
OTHER FINANCING SOURCES:				
Operating Transfer in From:				
LCDBG Fund	154,136		67,032	67,032
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	$ -	$ -	$ (9,933)	$ (9,933)
Unreserved Fund Balance-Beginning			-	
Unreserved Fund Balance-Ending (Deficit)			$ (9,933)	

ENTERPRISE FUNDS

Utility Fund - To account for the provision of water and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, billing and collection.

Zigler Complex Fund - To account for the rent property owned by the City including the Zigler Office Building, the Zigler Annex and the Zigler Apartments. This fund includes the collection of rent along with the related expenses, including utilities, maintenance, janitorial service, etc.

EXHIBIT I-1

CITY OF JENNINGS, LOUISIANA

ENTERPRISE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2001
WITH COMPARATIVE TOTALS FOR JUNE 30, 2000

	UTILITY FUND	ZIGLER COMPLEX FUND	TOTALS JUNE 30, 2001	TOTALS JUNE 30, 2000
ASSETS				
UNRESTRICTED				
Cash	$ 400	$ -	$ 400	$ 400
Investments, at Cost	500,000	-	500,000	600,001
Receivables:				
Accounts	101,668	-	101,668	90,340
Other	76,035	-	76,035	88,202
Prepaid Insurance	5,113	1,148	6,261	6,261
Inventory	882	-	882	970
Due from Clearing Fund	165,134	73,393	238,527	197,746
Total Unrestricted Assets	$ 849,232	$ 74,541	$ 923,773	$ 983,920
RESTRICTED:				
Cash	$ 4,589	$ -	$ 4,589	$ 7,055
Investments, at Cost	721,004	-	721,004	714,003
Total Restricted Assets	$ 725,593	$ -	$ 725,593	$ 721,058
PROPERTY, PLANT AND EQUIPMENT:				
Land	$ 186,607	$ -	$ 186,607	$ 186,607
Building and Improvements	1,743,556	438,351	2,181,907	2,154,093
Machinery and Equipment	3,963,108	-	3,963,108	3,878,702
Furniture and Fixtures	-	38,225	38,225	36,325
Sewer Plant Distribution System	6,745,014	-	6,745,014	6,625,832
Accumulated Depreciation	(3,442,929)	(313,707)	(3,756,636)	(3,436,484)
Construction in Progress	-	-	-	-
Net Property, Plant and Equipment	$ 9,195,356	$ 162,869	$ 9,358,225	$ 9,445,075
Total Assets	$ 10,770,181	$ 237,410	$ 11,007,591	$ 11,150,053
LIABILITIES AND FUND EQUITY				
LIABILITIES:				
Current Liabilities (Payable from Current Assets):				
Accounts Payable	$ 15,312	$ 389	$ 15,701	$ 127,618
Retainage Payable	269,182	-	269,182	150,000
Accrued Liabilities	17,831	-	17,831	13,604
Lessee Deposits	-	1,300	1,300	1,476
Other	230	-	230	-
Current Portion of Bonds Payable	140,000	-	140,000	130,000
Prepaid Accounts	792	-	792	1,475
Total Current Liabilities (Payable from Current Assets)	$ 443,347	$ 1,689	$ 445,036	$ 424,173
Current Liabilities (Payable from Restricted Assets):				
Deposits	$ 144,546	$ -	$ 144,546	$ 140,216
Current Portion of Bonds Payable	280,000	-	280,000	270,000
Accrued Interest	60,737	-	60,737	64,948
Total Current Liabilities (Payable from Restricted Assets)	$ 485,283	$ -	$ 485,283	$ 475,164
Long-Term Liabilities:				
Bonds Payable-Bank of New York	$ 985,000	$ -	$ 985,000	$ 1,125,000
Bonds Payable-DEQ	4,534,310	-	4,534,310	4,819,310
Total Long-Term Liabilities	$ 5,519,310	$ -	$ 5,519,310	$ 5,944,310
Total Liabilities	$ 6,447,940	$ 1,689	$ 6,449,629	$ 6,843,647
FUND EQUITY:				
Contributed Capital	$ 632,229	$ -	$ 632,229	$ 632,229
Retained Earnings:				
Reserved for Deposits	2,945	-	2,945	3,161
Unreserved	3,687,067	235,721	3,922,788	3,671,016
Total Fund Equity	$ 4,322,241	$ 235,721	$ 4,557,962	$ 4,306,406
Total Liabilities and Fund Equity	$ 10,770,181	$ 237,410	$ 11,007,591	$ 11,150,053

EXHIBIT I-2

CITY OF JENNINGS, LOUISIANA

ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN RETAINED EARNINGS AND CONTRIBUTED CAPITAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
WITH COMPARATIVE TOTALS FOR FISCAL YEAR ENDED JUNE 30, 2000

	UTILITY FUND	ZIGLER COMPLEX FUND	TOTALS JUNE 30, 2001	TOTALS JUNE 30, 2000
OPERATING REVENUES:				
Charges for Services:				
Water & Sewer Charges	$ 1,297,995	$ -	$ 1,297,995	$ 1,218,012
Water & Sewer Tap Charges	23,673	-	23,673	16,544
Rent & Utility Charges	-	71,825	71,825	67,937
Miscellaneous Revenue	12,881	1,150	14,031	23,474
Total Operating Revenues	$ 1,334,549	$ 72,975	$ 1,407,524	$ 1,325,967
OPERATING EXPENSES:				
Waterworks	$ 741,492	$ -	$ 741,492	$ 747,452
Sewer Works	128,317	-	128,317	140,394
Sewer Plant	530,268	-	530,268	512,214
Revenue Office	170,136	-	170,136	165,141
Rental Expenses	-	86,090	86,090	81,854
Total Operating Expenses	$ 1,570,213	$ 86,090	$ 1,656,303	$ 1,647,055
Operating Income (Loss)	$ (235,664)	$ (13,115)	$ (248,779)	$ (321,088)
NONOPERATING REVENUES (EXPENSES)				
Interest Income	$ 84,821	$ 5,418	$ 90,239	$ 98,792
Interest Expense	(205,536)	-	(205,536)	(189,699)
Gain (Loss) on Disposition	(104)	-	(104)	(2,164)
Total Nonoperating Revenue (Expenses)	$ (120,819)	$ 5,418	$ (115,401)	$ (93,071)
Income Before Operating Transfers	$ (356,483)	$ (7,697)	$ (364,180)	$ (414,159)
OPERATING TRANSFERS IN (OUT)				
Capital Improvement Fund	$ -	$ 10,000	$ 10,000	$ 230
1994 1% Sales Tax Fund	730,736	-	730,736	689,066
General Fund	(125,000)	-	(125,000)	(125,000)
Total Operating Transfers In (Out)	$ 605,736	$ 10,000	$ 615,736	$ 564,296
Net Income (Loss)	$ 249,253	$ 2,303	$ 251,556	$ 150,137
Decrease in Reserve for Deposits	$ 216	$ -	$ 216	$ 197
Unreserved Retained Earnings, Beginning	$ 3,437,598	$ 233,418	$ 3,671,016	$ 3,520,682
Unreserved Retained Earnings, Ending	$ 3,687,067	$ 235,721	$ 3,922,788	$ 3,671,016
Contributed Capital, Beginning	$ 632,229	$ -	$ 632,229	$ 632,229
Contributed Capital, Ending	$ 632,229	$ -	$ 632,229	$ 632,229

EXHIBIT I-3

CITY OF JENNINGS, LOUISIANA

ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	UTILITY FUND	ZIGLER COMPLEX FUND	TOTALS JUNE 30, 2001	TOTALS JUNE 30, 2000
Cash Flows from Operating Activities:				
Operating Income (Loss)	$ (235,664)	$ (13,115)	$ (248,779)	$ (321,088)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	317,854	25,183	343,037	309,291
Net Changes in Assets and Liabilities:				
Decrease (Increase) in Receivables	839	-	839	(15,948)
Decrease (Increase) in Inventory	88	-	88	(937)
Increase (Decrease) Accounts Payable	(112,260)	343	(111,917)	(151,974)
Increase (Decrease) in Accrued Payables	3,774	(176)	3,598	(16,608)
Net Cash Provided (Used) by Operating Activities	$ (25,369)	$ 12,235	$ (13,134)	$ (197,264)
Cash Flows from Non-Capital Financing Activities:				
Increase in Due from Other Funds	$ -	$ -	$ -	$ -
Operating Transfers In	730,736	10,000	740,736	689,296
Operating Transfers (Out)	(125,000)	-	(125,000)	(125,000)
Net Cash Provided (Used) by Non-Capital Financing Activities	$ 605,736	$ 10,000	$ 615,736	$ 564,296
Cash Flows from Capital and Related Financing Activities:				
Increase in Liabilities Payable from Restricted Assets	$ 4,328	$ -	$ 4,328	$ 3,408
Increase in Retainage Payable	119,182	-	119,182	103,556
Proceeds from Sale of Assets	6,200	-	6,200	1,428
Interest Paid on Bonds	(209,747)	-	(209,747)	(177,890)
Acquisition of Fixed Assets	(112,966)	(15,147)	(128,113)	(94,364)
Construction	(134,377)	-	(134,377)	(1,060,096)
Proceeds from Hibernia Loan	-	-	-	-
Proceeds from DEQ Loan	-	-	-	-
Payments on DEQ Loan	(275,000)	-	(275,000)	(270,000)
Payments on Hibernia Loan	(130,000)	-	(130,000)	(125,000)
Other	-	-	-	5
Net Cash (Used) by Capital and Related Financing Activities	$ (732,380)	$ (15,147)	$ (747,527)	$ (1,618,953)
Cash Flows from Investing Activities:				
Purchase of Short-Term Investments	$ (82,000)	$ -	$ (82,000)	$ (375,000)
Redemption of Short-Term Investments	175,000	-	175,000	1,340,483
Interest Income	84,821	5,419	90,240	98,792
Net Cash Provided (Used) by Investing Activities	$ 177,821	$ 5,419	$ 183,240	$ 1,064,275
Net Increase (Decrease) in Cash and Cash Equivalents	$ 25,808	$ 12,507	$ 38,315	$ (187,647)
Cash and Cash Equivalents-Beginning of Year	144,315	60,886	205,201	392,848
Cash and Cash Equivalents-End of Year	$ 170,123	$ 73,393	$ 243,516	$ 205,201
Cash and Cash Equivalents-End of Year Consist of:				
Unrestricted Cash	$ 400	$ -	$ 400	$ 400
Unrestricted Cash in Clearing Fund	165,134	73,393	238,527	197,746
Restricted Cash	4,589	-	4,589	7,055
Total	$ 170,123	$ 73,393	$ 243,516	$ 205,201

Non-Cash Investing, Capital, and Financing Activities:
There were no significant non-cash investing, capital, and financing activities during the reported periods.

EXHIBIT I-4

CITY OF JENNINGS, LOUISIANA

UTILITY FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2001 AND 2000

	JUNE 30, 2001	JUNE 30, 2000
ASSETS		
UNRESTRICTED ASSETS:		
Cash	$ 400	$ 400
Investments, at Cost	500,000	600,001
Receivables:		
Accounts	101,668	90,340
Unbilled Receivable	72,545	66,939
Other	3,490	21,263
Inventory	882	970
Prepaid Insurance	5,113	5,113
Due from Clearing Fund	165,134	136,860
Total Unrestricted Assets	$ 849,232	$ 921,886
RESTRICTED ASSETS:		
Cash:		
Water & Sewer Deposits	$ 4,589	$ 7,055
Investments, at Cost	721,004	714,003
Total Restricted Assets	$ 725,593	$ 721,058
PROPERTY, PLANT AND EQUIPMENT:		
Land	$ 186,607	$ 186,607
Building and Improvements	1,743,556	1,728,361
Machinery and Equipment	3,963,108	3,878,702
Sewer Plant Distribution System	6,745,014	6,625,832
Accumulated Depreciation	(3,442,929)	(3,147,333)
Construction in Progress	-	-
Net Property, Plant and Equipment	$ 9,195,356	$ 9,272,169
Total Assets	$ 10,770,181	$ 10,915,113
LIABILITIES AND FUND EQUITY		
CURRENT LIABILITIES (PAYABLE FROM CURRENT ASSETS):		
Accounts Payable	$ 15,312	$ 127,572
Retainage Payable	269,182	150,000
Accrued Liabilities	17,831	13,604
Current Portion of Bonds Payable	140,000	130,000
Other	230	-
Prepaid Accounts for Customers	792	1,475
Total Current Liabilities (Payable from Current Assets)	$ 443,347	$ 422,651
CURRENT LIABILITIES (PAYABLE FROM RESTRICTED ASSETS):		
Customer Deposits	$ 144,546	$ 140,216
Current Portion of Bonds Payable	280,000	270,000
Accrued Interest	60,737	64,948
Total Current Liabilities (Payable from Restricted Assets)	$ 485,283	$ 475,164
LONG-TERM LIABILITIES:		
Bonds Payable-Bank of New York	$ 985,000	$ 1,125,000
Bonds Payable-DEQ	4,534,310	4,819,310
Total Long-Term Liabilities	$ 5,519,310	$ 5,944,310
Total Liabilities	$ 6,447,940	$ 6,842,125
FUND EQUITY:		
Contributed Capital	$ 632,229	$ 632,229
Retained Earnings:		
Reserved for Deposits	2,945	3,161
Unreserved	3,687,067	3,437,598
Total Fund Equity	$ 4,322,241	$ 4,072,988
Total Liabilities and Fund Equity	$ 10,770,181	$ 10,915,113

CITY OF JENNINGS, LOUISIANA

UTILITY FUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNING AND CONTRIBUTED CAPITAL-BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
WITH COMPARATIVE TOTALS FOR FISCAL YEAR ENDED JUNE 30, 2000

	JUNE 30, 2001			
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	JUNE 30, 2000 ACTUAL
OPERATING REVENUES:				
Charges for Services:				
Water & Sewer Charges	$ 1,212,500	$ 1,297,995	$ 85,495	$ 1,218,012
Water & Sewer Tap Charges	20,000	23,673	3,673	16,544
Sale of Trash Bags	4,000	2,707	(1,293)	2,952
Miscellaneous Revenue	12,950	10,174	(2,776)	19,279
Total Operating Revenues	$ 1,249,450	$ 1,334,549	$ 85,099	$ 1,256,787
OPERATING EXPENSES:				
Water Works Department:				
Salaries	$ 252,846	$ 226,648	$ 26,198	$ 226,806
Overtime	5,250	10,881	(5,631)	7,179
Employee Benefits	53,164	51,593	1,571	46,964
Supplies	119,000	129,995	(10,995)	195,210
Repairs & Maintenance	56,000	60,333	(4,333)	48,566
Engineer Retainer	1,800	1,800	-	2,032
Audit Fee	2,783	2,842	(59)	2,651
Postage & Freight	640	614	26	549
Travel & Meals	500	34	466	82
Seminars & Workshops	1,000	1,038	(38)	293
Gas & Oil	6,000	6,963	(963)	5,987
Insurance	34,304	32,090	2,214	34,268
Utilities	85,000	102,957	(17,957)	76,164
Miscellaneous	6,210	4,274	1,936	3,264
New Equipment	3,000	1,352	1,648	13,599
Depreciation	83,000	108,078	(25,078)	83,838
Total Water Works Department	$ 710,497	$ 741,492	$ (30,995)	$ 747,452
Sewer Works Department:				
Salaries	$ 76,836	$ 43,580	$ 33,256	$ 63,382
Overtime	2,750	3,530	(780)	1,768
Employee Benefits	16,178	10,018	6,160	13,912
Supplies	3,000	1,744	1,256	2,435
Sewer Rehabilitation	27,000	21,519	5,481	17,095
Repairs & Maintenance	31,000	31,649	(649)	23,919
Audit Fees	1,193	1,218	(25)	1,136
Postage & Freight	280	340	(60)	300
Gas & Oil	3,000	2,780	220	2,860
Insurance	9,011	6,231	2,780	8,038
Depreciation	5,250	5,250	-	5,250
Miscellaneous	650	458	192	299
Total Sewer Works Department	$ 176,148	$ 128,317	$ 47,831	$ 140,394

CITY OF JENNINGS, LOUISIANA

UTILITY FUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNING AND CONTRIBUTED CAPITAL-BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2000

	JUNE 30, 2001			
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	JUNE 30, 2000 ACTUAL
Sewer Plant:				
Salaries	$ 52,229	$ 52,875	$ (646)	$ 47,508
Overtime	3,000	4,848	(1,848)	9,140
Employee Benefits	11,872	12,199	(327)	10,686
Supplies	11,100	15,820	(4,720)	8,338
Repairs & Maintenance	60,000	84,786	(24,786)	108,361
Engineer Retainer & Fees	4,800	7,258	(2,458)	10,295
Audit Fees	1,193	1,218	(25)	1,136
Postage & Freight	410	272	138	248
Insurance	14,608	14,064	544	13,903
Utilities	100,000	107,478	(7,478)	83,585
Miscellaneous	37,900	30,005	7,895	31,652
Right of Way	900	485	415	485
Vehicle Expense	500	238	262	474
Depreciation	180,000	198,722	(18,722)	186,403
Total Sewer Plant	$ 478,512	$ 530,268	$ (51,756)	$ 512,214
Revenue Office:				
Salaries	$ 106,973	$ 102,834	$ 4,139	$ 101,464
Overtime	500	571	(71)	142
Employee Benefits	21,170	22,093	(923)	20,195
Supplies	4,300	4,988	(688)	5,427
Repairs & Maintenance	6,800	7,631	(831)	6,338
Audit Fee	1,193	1,218	(25)	1,136
Postage & Freight	7,155	8,155	(1,000)	8,193
Gas & Oil	1,500	1,515	(15)	1,430
Insurance	8,411	7,695	716	8,352
Utilities	1,000	564	436	560
Trash Bags	7,000	6,060	940	5,208
Miscellaneous	2,000	1,008	992	512
Depreciation	3,600	5,804	(2,204)	6,184
Total Revenue Office	$ 171,602	$ 170,136	$ 1,466	$ 165,141
Total Operating Expenses	$ 1,536,759	$ 1,570,213	$ (33,454)	$ 1,565,201
Operating Income (Loss)	$ (287,309)	$ (235,664)	$ 51,645	$ (308,414)
NONOPERATING REVENUES (EXPENSES):				
Interest Income	$ 73,000	$ 84,821	$ 11,821	$ 95,364
Interest Expense	(205,549)	(205,536)	13	$ (189,699)
Gain (Loss) on Disposition	-	(104)	(104)	(2,150)
Total Nonoperating Revenues (Loss)	$ (132,549)	$ (120,819)	$ 11,730	$ (96,485)
Income Before Operating Transfers	$ (419,858)	$ (356,483)	$ 63,375	$ (404,899)
OPERATING TRANSFERS IN (OUT):				
From Capital Improvement Fund	$ -	$ -	$ -	$ 230
From LCDBG Revolving Loan	153,225	-	(153,225)	-
From 1994 1% Sales Tax Fund	733,279	730,736	(2,543)	689,066
To General Fund	(125,000)	(125,000)	-	(125,000)
Total Operating Transfers In (Out)	$ 761,504	$ 605,736	$ (155,768)	$ 564,296
Net Income (Loss)	$ 341,646	$ 249,253	$ (92,393)	$ 159,397

CITY OF JENNINGS, LOUISIANA

UTILITY FUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNING AND CONTRIBUTED CAPITAL-BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2000

	JUNE 30, 2001			
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	JUNE 30, 2000 ACTUAL
Decrease in Reserve for Deposits	$ -	$ 216	$ 216	$ 197
Unreserved Retained Earnings, Beginning	3,437,598	3,437,598	-	3,278,004
Unreserved Retained Earnings, Ending	$ 3,779,244	$ 3,687,067	$ (92,177)	$ 3,437,598
Contributed Capital, Beginning	$ 632,229	$ 632,229	$ -	$ 632,229
Capital Grants			-	-
Government's Contribution			-	-
Contributed Capital, Ending	$ 632,229	$ 632,229	$ -	$ 632,229

CITY OF JENNINGS, LOUISIANA

UTILITY FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	JUNE 30, 2001	JUNE 30, 2000
Cash Flows from Operating Activities:		
Operating Income (Loss)	$ (235,664)	$ (308,414)
Adjustments to Reconcile Operation Income to Net Cash Provided by Operating Activities:		
Depreciation	317,854	281,676
Decrease (Increase) in Receivables	839	(15,948)
Decrease (Increase) in Inventory	88	(937)
Increase (Decrease) in Accounts Payable	(112,260)	(151,977)
Increase in Accrued Payables	3,774	(16,508)
Net Cash Provided by Operating Activities	$ (25,369)	$ (212,108)
Cash Flows from Non-Capital Financing Activities:		
Decrease (Increase) in Due from Other Funds	$ -	$ -
Operating Transfers In	730,736	689,296
Operating Transfers (Out)	(125,000)	(125,000)
Net Cash Provided (Used) by Non-Capital Financing Activities	$ 605,736	$ 564,296
Cash Flows from Capital and Related Financing Activities:		
Increase in Liabilities Payable from Restricted Assets	$ 4,328	$ 3,408
Increase in Retainage Payable	119,182	103,556
Interest Paid on Bonds	(209,747)	(177,890)
Proceeds from Sale of Assets	6,200	1,428
Acquisition of Fixed Assets	(112,966)	(94,112)
Construction	(134,377)	(1,060,096)
Proceeds from Hibernia Loan	-	-
Proceeds from DEQ Loan	-	-
Payments on DEQ Loan	(275,000)	(270,000)
Payments on Hibernia Loan	(130,000)	(125,000)
Other	-	5
Net Cash Provided (Used) by Capital and Related Financing Activities	$ (732,380)	$ (1,618,701)
Cash Flows from Investing Activities:		
Purchase of Short-Term Investments	$ (82,000)	$ (375,000)
Redemption of Short-Term Investments	175,000	1,340,483
Interest Income	84,821	95,364
Net Cash Provided (Used) by Investing Activities	$ 177,821	$ 1,060,847
Net Increase (Decrease) in Cash and Cash Equivalents	$ 25,808	$ (205,667)
Cash and Cash Equivalents-Beginning of Year	144,315	349,982
Cash and Cash Equivalents-End of Year	$ 170,123	$ 144,315
Cash and Cash Equivalents-End of Year Consist of:		
Unrestricted Cash	$ 400	$ 400
Unrestricted Cash in Clearing Fund	165,134	136,860
Restricted Cash	4,589	7,055
Total	$ 170,123	$ 144,315

Non-Cash Investing, Capital, and Financing Activities:
There were no significant non-cash investing, capital, and financing activities during the reported periods.

EXHIBIT I-7

CITY OF JENNINGS, LOUISIANA

ZIGLER COMPLEX FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2001 AND 2000

	JUNE 30, 2001	JUNE 30, 2000
ASSETS		
CURRENT ASSETS:		
Due from Clearing Fund	$ 73,393	$ 60,886
Prepaid Insurance	1,148	1,148
Total Current Assets	$ 74,541	$ 62,034
PROPERTY, PLANT AND EQUIPMENT:		
Building and Improvements	$ 438,351	$ 425,732
Furniture and Fixtures	38,225	36,325
	$ 476,576	$ 462,057
Less: Accumulated Depreciation	(313,707)	(289,151)
Net Property, Plant and Equipment	$ 162,869	$ 172,906
Total Assets	$ 237,410	$ 234,940
LIABILITIES AND FUND EQUITY		
LIABILITIES:		
Accounts Payable	$ 389	$ 46
Lessee Deposits	1,300	1,476
Total Liabilities	$ 1,689	$ 1,522
FUND EQUITY:		
Retained Earnings:		
Unreserved	$ 235,721	$ 233,418
Total Liabilities and Fund Equity	$ 237,410	$ 234,940

CITY OF JENNINGS, LOUISIANA

ZIGLER COMPLEX FUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNING AND CONTRIBUTED CAPITAL-BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
WITH COMPARATIVE TOTALS FOR FISCAL YEAR ENDED JUNE 30, 2000

	JUNE 30, 2001			
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	JUNE 30, 2000 ACTUAL
OPERATING REVENUES:				
Rent & Utility Charges	$ 60,000	$ 71,825	$ 11,825	$ 67,937
Miscellaneous Revenue	800	1,150	350	1,243
Total Operating Revenues	$ 60,800	$ 72,975	$ 12,175	$ 69,180
OPERATING EXPENSES:				
Rental Expenses:				
Salaries	$ 14,072	$ 11,724	$ 2,348	$ 11,356
Employee Benefits	610	415	195	391
Supplies	-	6	(6)	-
Repairs & Maintenance	16,000	18,123	(2,123)	15,727
Depreciation	28,000	25,183	2,817	27,615
Audit Expense	795	812	(17)	757
Insurance	4,969	4,111	858	4,316
Utilities	23,000	25,461	(2,461)	21,450
Miscellaneous	410	255	155	242
Total Operating Expenses	$ 87,856	$ 86,090	$ 1,766	$ 81,854
Operating Income (Loss)	$ (27,056)	$ (13,115)	$ 13,941	$ (12,674)
NONOPERATING REVENUE (EXPENSE):				
Interest Income	$ 5,800	$ 5,418	$ (382)	$ 3,428
Gain (Loss) on Disposition of Equipment	-	-	-	(14)
Total Nonoperating Revenue	$ 5,800	$ 5,418	$ (382)	$ 3,414
Income (Loss) Before Operating Transfers	$ (21,256)	$ (7,697)	$ 13,559	$ (9,260)
OPERATING TRANSFERS IN (OUT):				
From Capital Improvement Fund	$ 10,000	$ 10,000	$ -	$ -
Net Income (Loss)	$ (11,256)	$ 2,303	$ 13,559	$ (9,260)
Unreserved Retained Earnings, Beginning	$ 233,418	$ 233,418	$ -	$ 242,678
Unreserved Retained Earnings, Ending	$ 222,162	$ 235,721	$ 13,559	$ 233,418

CITY OF JENNINGS, LOUISIANA

ZIGLER COMPLEX FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	JUNE 30, 2001	JUNE 30, 2000
Cash Flows from Operating Activities:		
Operating (Loss)	$ (13,115)	$ (12,674)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	25,183	27,615
Net Changes in Assets and Liabilities:		
Increase (Decrease) in Accounts Payable	343	3
Increase (Decrease) in Accrued Payable	(176)	(100)
Net Cash Provided by Operating Activities	$ 12,235	$ 14,844
Cash Flows from Non-Capital Financing Activities:		
Operating Transfers In	$ 10,000	$ -
Net Cash Provided (Used) by Non-Capital Financing Activities	$ 10,000	$ -
Cash Flows from Capital and Related Financing Activities:		
Acquisition of Fixed Assets	$ (15,147)	$ (252)
Other	-	-
Net Cash (Used) by Capital and Related Financing Activities	$ (15,147)	$ (252)
Cash Flows from Investing Activities:		
Interest Income	$ 5,419	$ 3,428
Net Cash Provided by Investing Activities	$ 5,419	$ 3,428
Net Increase (Decrease) in Cash and Cash Equivalents	$ 12,507	$ 18,020
Cash and Cash Equivalents-Beginning of Year	60,886	42,866
Cash and Cash Equivalents-End of Year	$ 73,393	$ 60,886
Cash and Cash Equivalents-End of Year Consist of:		
Unrestricted Cash in Clearing Fund	$ 73,393	$ 60,886

Non-Cash Investing, Capital, and Financing Activities:
There were no significant non-cash investing, capital, and financing activities during the reported periods.

FIDUCIARY FUNDS

Clearing Fund - To account for the City's funds in its "Clearing Fund" bank account. This fund receives and disburses all of the City's money, and charges or credits the appropriate fund.

EXHIBIT J-1

CITY OF JENNINGS, LOUISIANA

CLEARING FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2001 AND 2000

	JUNE 30, 2001	JUNE 30, 2000
ASSETS		
Cash	$ 728,576	$ 736,102
Due from General Fund	41,918	-
TOTAL ASSETS	$ 770,494	$ 736,102
LIABILITIES		
LIABILITIES:		
Accrued Taxes	$ 17,374	$ 16,056
Employee Withholding	54,532	55,612
Due to Capital Improvements Fund	148,925	82,290
Due to General Fund	-	114,597
Due to Utility Fund	165,134	136,860
Due to Library Fund	50,554	65,757
Due to Street Fund	44,569	77,236
Due to Perpetual Care Fund	7,103	4,874
Due to 1994 1% Sales Tax Fund	208,910	121,934
Due to Zigler Complex Fund	73,393	60,886
TOTAL LIABILITIES	$ 770,494	$ 736,102

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets not used in Proprietary Fund operations.

EXHIBIT K-1

CITY OF JENNINGS, LOUISIANA

STATEMENT OF GENERAL FIXED ASSETS
JUNE 30, 2001
WITH COMPARATIVE TOTALS FOR JUNE 30, 2000

	JUNE 30, 2001	JUNE 30, 2000
GENERAL FIXED ASSETS, AT COST:		
Land	$ 1,241,833	$ 1,231,833
Buildings & Improvements	2,961,556	2,961,556
Machinery & Equipment	3,526,903	3,419,824
Total General Fixed Assets	$ 7,730,292	$ 7,613,213
INVESTMENT IN GENERAL FIXED ASSETS:		
Property Acquired Prior to 7/1/86*	$ 4,117,573	$ 4,121,184
Property Acquired After 7/1/86 From:		
General Fund Revenues	729,974	700,570
Special Revenue Fund Revenues	2,837,502	2,752,701
Other Sources	2,050	-
Donations	43,193	38,758
Total Investment in General Fixed Assets	$ 7,730,292	$ 7,613,213

* Records reflecting source from which assets were acquired were not maintained prior to 7/1/86.

EXHIBIT K-2

CITY OF JENNINGS, LOUISIANA

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND DEPARTMENT
FOR THE YEAR ENDED JUNE 30, 2001

	GENERAL FIXED ASSETS 07/01/00	ADDITIONS & TRANSFERS IN	DELETIONS & TRANSFERS OUT	GENERAL FIXED ASSETS 06/30/01
GENERAL GOVERNMENT:				
Legal Department	$ 63,261	$ 12,948	$ 15,486	$ 60,723
Finance Department & Administrative Building	1,152,717	14,915	10,192	1,157,440
Total General Government	$ 1,215,978	$ 27,863	$ 25,678	$ 1,218,163
PUBLIC SAFETY:				
Police Department	$ 1,568,300	$ 154,250	$ 93,423	$ 1,629,127
Fire Department	1,605,689	356,084	312,522	1,649,251
Total Public Safety	$ 3,173,989	$ 510,334	$ 405,945	$ 3,278,378
PUBLIC WORKS:	$ 847,064	$ 2,802	$ 2,040	$ 847,826
SANITATION:	57,000	-	-	57,000
CULTURE-RECREATION:	1,775,876	6,876	8,780	1,773,972
CEMETERY:	241,424	625	-	242,049
LIBRARY:	301,882	11,022	-	312,904
TOTALS	$ 7,613,213	$ 559,522	$ 442,443	$ 7,730,292

GENERAL LONG-TERM DEBT ACCOUNT GROUP

To account for unmatured principal amounts on general long-term debt expected to be financed from governmental type funds. Payments of maturing bond obligations, including interest, are accounted for in the Debt Service Funds. Also, to account for unpaid leave due to employees of governmental type funds.

EXHIBIT L

CITY OF JENNINGS, LOUISIANA

STATEMENT OF GENERAL LONG-TERM DEBT
JUNE 30, 2001
WITH COMPARATIVE TOTALS FOR JUNE 30, 2000

	JUNE 30, 2001	JUNE 30, 2000
AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT:		
Amount to be Provided for Accumulated Unpaid Leave	$ 67,515	$ 51,217
Total Available and to be Provided	$ 67,515	$ 51,217
GENERAL LONG-TERM DEBT PAYABLE:		
Accumulated Unpaid Leave	$ 67,515	$ 51,217
Total General Long-Term Debt Payable	$ 67,515	$ 51,217

OTHER SUPPLEMENTARY INFORMATION

CITY OF JENNINGS, LOUISIANA

COMBINED SCHEDULE OF INVESTMENTS-BY FUND

JUNE 30, 2001

	MATURITY DATE	INTEREST RATE	TOTAL BOOK VALUE
GENERAL FUND:			
Louisiana Asset Mgmt. Pool (LAMPS)	Variable	Variable	$ 700,000
Certificates of Deposit	9/28/2001	4.25%	650,000
Total General Fund Investments			$ 1,350,000
SPECIAL REVENUE FUNDS:			
STREET FUND:			
Certificates of Deposit	9/28/2001	4.25%	$ 340,000
Louisiana Asset Mgmt. Pool (LAMPS)	Variable	Variable	175,000
Total Street Fund Investments			$ 515,000
LIBRARY FUND:			
Certificates of Deposit	9/28/2001	4.25%	$ 300,000
Louisiana Asset Mgmt. Pool (LAMPS)	Variable	Variable	50,000
Total Library Fund Investments			350,000
PERPETUAL CARE FUND:			
Certificates of Deposit	9/28/2001	4.25%	$ 170,000
CAPITAL IMPROVEMENTS FUND:			
Louisiana Asset Mgmt. Pool (LAMPS)	Variable	Variable	$ 300,000
Certificates of Deposit	9/28/2001	4.25%	100,000
Total Capital Improvements Fund Investments			$ 400,000
Hotel/Motel Tax Fund			
Louisiana Asset Mgmt. Pool (LAMPS)	Variable	Variable	$ 212,290
1994 1% SALES TAX FUND:			
Louisiana Asset Mgmt. Pool (LAMPS)	Variable	Variable	$ 450,000
Total Special Revenue Fund Investments			$ 2,097,290
ENTERPRISE FUNDS:			
UTILITY FUND:			
Louisiana Asset Mgmt. Pool (LAMPS)	Variable	Variable	$ 584,004
Certificates of Deposit	7/26/2001	3.96%	637,000
Total Utility Fund			$ 1,221,004
Total Investments-All Funds			$ 4,668,294

CITY OF JENNINGS, LOUISIANA
INSURANCE SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2000

COMPANY	POLICY #	TYPE OF COVERAGE	POLICY LIMITS	DEDUCTIBLES	TERM OF COVERAGE
Allstate Insurance Group	AS-049465163	Boiler and Machinery	1,000,000	2,500	03/01/01 to 03/01/02
LA Municipal Risk Management Agency	ACCT# 0348	Standard Automobile			
		Liability	500,000	N/A	03/01/01 to 03/01/02
		Hired Auto	No Limit	N/A	03/01/01 to 03/01/02
		Non-Owner Liability	500,000	N/A	03/01/01 to 03/01/02
		Tax	N/A	N/A	N/A
Travelers Property Casualty	QT-660-337K3071-TIL-00	Fire Equipment	1,545,822	1,000	09/25/00 to 09/25/01
		Leased Equipment	100,000	500	09/25/00 to 09/25/01
Hartford Steam Boiler	CS19599169	Computer Equipment	143,000	1,000	03/01/01 to 03/01/02
Allstate Insurance Group	49-465163	Fire & Extended Coverage With 90% Co-Insurance Clause	76,679	1,000	03/01/01 to 03/01/02
		Crime Coverage	100,000		
LA Municipal Risk Management Agency	LML 348 ACCT.# 0194	General Liability	500/500,000	N/A	03/01/01to 03/01/02
		Medical Payments	1,000/10,000	N/A	
		Fire Legal Liability	50,000	N/A	
		Law Enforcement Officers Comprehensive Liability	500,000	5,000	03/01/01 to 03/01/02
		Public Officials E & O Coverage	500,000	5,000	03/01/01 to 03/01/02
LA Municipal Risk Management Agency	WC-0238	Workman's Compensation	100/500,000	N/A	03/01/01 to 03/01/02
Western Surty Company	52935403	Notary Bond	5,000	N/A	08/01/99 to 08/01/04
The Hartford	01BPEAK2075	Fidelity Bond			
		Employee Dishonesty	100,000	None	03/01/01 to 03/01/02
		Forgery or Alteration	100,000	None	03/01/01 to 03/01/02
Nationwide Life Ins.	509-4951515	Accidental Death & Medical for Volunteer Policemen			
		Life-Per Policeman	12,500	None	12/24/00 to 12/24/01
		Medical Per Policeman	25,000	None	12/24/00 to 12/24/01

OTHER REPORTS

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

To the Mayor and City Council
City of Jennings, Louisiana

We have audited the primary government financial statements of the City of Jennings, Louisiana, as of and for the year ended June 30, 2001, and have issued our report thereon dated December 26, 2001. We conducted our audit in accordance with generally accepted auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City of Jennings primary government's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying corrective action plan for current year audit findings as item 2001-1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Jennings' internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the primary government financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the primary government financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the Mayor, City Council, management, the Legislative Auditor, and federal and state grantor agencies. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Krielow & Company
Certified Public Accountants

Jennings, Louisiana
December 26, 2001

CITY OF JENNINGS, LOUISIANA
Jennings, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2001

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken (Yes, No, Partially)	Planned Corrective Action/Partial Corrective Action Taken

No prior year audit findings.

CITY OF JENNINGS, LOUISIANA
Jennings, Louisiana

Corrective Action Plan for Current Year Audit Findings
For the Year Ended June 30, 2001

Ref No.	Description of Finding	Corrective Action Planned	Name(s) of Contact Person	Anticipated Completion Date
2001-1	The Tourist Commission approved six grants totaling $36,875 for various festivals held in the parish. The funds were provided to other governmental and non-profit organizations. The commission did not execute a joint service agreement with these organizations to stipulate the services to be provided or the expenditures that would be allowed. Article 7, Section 14(A) of the Louisiana Constitution prohibits the donation of public funds to or for any person, association, or corporation, public or private. However, Section 14(C) provides that a political subdivision may engage in cooperative endeavors with any public or private association, corporation, or individual for a public purpose.	The Tourist Commission director will inform the Commission of their responsibility to execute cooperative agreements with organizations that are provided public funds to insure that they are expended for a public purpose.	Jack Giovo	Immediately