

**TOWN OF JONESVILLE, LOUISIANA  
ANNUAL FINANCIAL STATEMENTS**

**AS OF JUNE 30, 2010  
AND FOR THE YEAR THEN ENDED**

**WITH  
INDEPENDENT AUDITOR'S REPORT**

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

Release Date 2/2/11



**SILAS SIMMONS** LLP  
CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS

**TOWN OF JONESVILLE, LOUISIANA**

Annual Financial Statements  
As of and for the Year Ended June 30, 2010  
With Supplemental Information Schedules

**TABLE OF CONTENTS**

	<b>Statement</b>	<b>Page</b>
Independent Auditor's Report-----		1-2
Required Supplemental Information (Part I)		
Management's Discussion and Analysis-----		3-9
<u>Basic Financial Statements</u>		
Government-Wide Financial Statements:		
Statement of Net Assets-----	A	10
Statement of Activities-----	B	11
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet-----	C	12
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets-----	D	13
Statement of Revenues, Expenditures, and Changes in Fund Balances-----	E	14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities-----	F	15
Proprietary Funds:		
Statement of Net Assets-----	G	16
Statement of Revenues, Expenses, and Changes in Net Assets-----	H	17
Statement of Cash Flows-----	I	18
Notes to the Financial Statements-----		19-30
Required Supplemental Information (Part II)		
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund-----		31
Notes to the Required Supplementary Information-----		32

**TOWN OF JONESVILLE, LOUISIANA**

Annual Financial Statements  
As of and for the Year Ended June 30, 2010  
With Supplemental Information Schedules

**TABLE OF CONTENTS**

	Statement	Page
<u>Other Supplemental Information</u>		
General Fund -----		33
Comparative Balance Sheet -----		34
Statement of Revenues, Expenditures, and Changes in Fund Balance -----		35
Statement of Expenditures -----		36-37
Enterprise Fund -----		38
Municipal Utilities System:		
Comparative Balance Sheet -----		39
Comparative Statement of Operating Revenues and Expenses - All Departments -----		40
Comparative Statement of Operating Revenues and Expenses - Electric Department -----		41
Water Department -----		42
Natural Gas Department -----		43
Sewer Department -----		44
Reports on Internal Control and Compliance -----		
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards -----		45-46
Schedules of Findings, Recommendations, and Corrective Actions Planned		
Schedule of Findings and Questioned Costs -----		47
Current Year Findings, Recommendations, and Corrective Action Planned -----		48
Status of Prior Audit Findings -----		49-50



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## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Jonesville, Louisiana, as of and for the year ended June 30, 2010, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Jonesville, Louisiana as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2010, on our consideration of the Town of Jonesville, Louisiana's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 9 and 31 through 32 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Jonesville, Louisiana's financial statements as a whole. The combining and individual fund financial statements, and schedules described in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended for the information of the Mayor, Members of the Board of Aldermen, Management of Town of Jonesville, Louisiana, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Silas Simmons, CPA*

Natchez, Mississippi  
November 29, 2010

**Required Supplemental Information (Part I)**

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

**JUNE 30, 2010**

The management of the Town of Jonesville, Louisiana offers readers of the Town of Jonesville, Louisiana's (Town) financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2010. This management discussion and analysis (MD&A) is designed to provide an objective analysis of the Town's financial activities based on currently known facts, decisions, and conditions. It is intended to provide readers with a broad overview of Town finances. It is also intended to provide readers with an analysis of the Town's short-term and long-term activities based on information presented in the financial report and fiscal policies that have been adopted by the Town. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the Town's financial activity, identify changes in the Town's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

The Town presents its financial statements under the reporting model required by the Governmental Accounting Standards Board Statement No. 34. We encourage readers to consider the information presented here in conjunction with additional information presented throughout this report.

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

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

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

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

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

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

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

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

**JUNE 30, 2010**

**Government-Wide Financial Analysis**

As noted earlier, net assets may, over time, serve as a useful indicator of a government's financial position. At the close of the most recent fiscal year, the Town's assets exceeded its liabilities by \$5,326,981 (net assets); this represents an increase of \$175,599 from last fiscal year. This increase is primarily due to the decrease in utility operating costs. Of this total net asset amount, \$920,152 represents a deficit in unrestricted net assets. The Town's net assets are comprised of \$2,460,674 from governmental activities and \$2,866,307 from business-type activities.

The following is a condensed statement of the Town of Jonesville's net assets as of June 30, 2010 and 2009:

	Governmental Activities		Business-Type Activities		Totals	
	2010	2009	2010	2009	2010	2009
<b>Assets</b>						
Current and other assets	\$ 266,571	\$ 274,600	\$ 1,618,107	\$ 2,047,422	\$ 1,884,678	\$ 2,322,022
Capital assets, net	<u>2,329,587</u>	<u>2,400,250</u>	<u>4,035,055</u>	<u>3,756,328</u>	<u>6,364,642</u>	<u>6,156,578</u>
Total assets	<u>\$ 2,596,158</u>	<u>\$ 2,674,850</u>	<u>\$ 5,653,162</u>	<u>\$ 5,803,750</u>	<u>\$ 8,249,320</u>	<u>\$ 8,478,600</u>
<b>Liabilities</b>						
Other liabilities	\$ 135,484	\$ 103,235	\$ 787,956	\$ 1,082,549	\$ 923,440	\$ 1,185,784
Long-term liabilities	-	-	1,998,899	2,141,434	1,998,899	2,141,434
Total liabilities	<u>\$ 135,484</u>	<u>\$ 103,235</u>	<u>\$ 2,786,855</u>	<u>\$ 3,223,983</u>	<u>\$ 2,922,339</u>	<u>\$ 3,327,218</u>
<b>Net assets</b>						
Invested in capital assets, net	\$ 2,329,587	\$ 2,400,250	\$ 3,719,794	\$ 3,756,328	\$ 6,049,381	\$ 6,156,578
Reserved for debt service	-	-	197,752	194,555	197,752	194,555
Unrestricted	<u>131,087</u>	<u>171,365</u>	<u>(1,051,239)</u>	<u>(1,371,116)</u>	<u>(920,152)</u>	<u>(1,199,751)</u>
Total net assets	<u>\$ 2,460,674</u>	<u>\$ 2,571,615</u>	<u>\$ 2,866,307</u>	<u>\$ 2,579,767</u>	<u>\$ 5,326,981</u>	<u>\$ 5,151,382</u>

By far the largest portion of the Town's net assets (\$6,049,381 or 100%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, Town infrastructure, etc.) less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

The Town has total outstanding debt of \$2,346,434. Of this total outstanding debt, \$315,261 was used to finance capital assets. The remaining debt of \$2,031,173 was not used to finance capital assets. Total liabilities of \$2,924,406 are equal to 55% of the total net assets.

The Town's governmental activities decreased net assets by \$110,941. Business-type activities increased net assets by \$286,540. Transfers from the business-type activities to the governmental activities amounted to \$901,010.



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

JUNE 30, 2010

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

The following is a summary of the statement of activities:

	Governmental Activities		Business-Type Activities		Totals	
	2010	2009	2010	2009	2010	2009
Revenue						
Program revenue	\$ 284,269	\$ 574,663	\$ 4,544,162	\$ 5,422,565	\$ 4,828,431	\$ 5,997,228
General revenue and transfers	<u>1,366,500</u>	<u>1,247,505</u>	<u>(897,308)</u>	<u>(771,018)</u>	<u>469,192</u>	<u>476,487</u>
Total revenue and transfers	<u>\$ 1,650,769</u>	<u>\$ 1,822,168</u>	<u>\$ 3,646,854</u>	<u>\$ 4,651,547</u>	<u>\$ 5,297,623</u>	<u>\$ 6,473,715</u>
Expenses						
General and administrative	\$ 343,656	\$ 331,139	\$ -	\$ -	\$ 343,656	\$ 331,139
Public safety - police	668,693	573,373	-	-	668,693	573,373
Public safety - fire	37,333	41,840	-	-	37,333	41,840
Public works - streets	339,713	307,310	-	-	339,713	307,310
Public works - sanitation	317,479	334,828	-	-	317,479	334,828
Recreation	9,787	12,155	-	-	9,787	12,155
Airport	32,125	29,465	-	-	32,125	29,465
Industrial	12,924	11,836	-	-	12,924	11,836
Combined utility	-	-	3,202,133	3,802,283	3,202,133	3,802,283
Interest on long-term debt	-	-	<u>158,181</u>	<u>142,248</u>	<u>158,181</u>	<u>142,248</u>
Total expenses	<u>\$ 1,761,710</u>	<u>\$ 1,641,946</u>	<u>\$ 3,360,314</u>	<u>\$ 3,944,531</u>	<u>\$ 5,122,024</u>	<u>\$ 5,586,477</u>
Increase (decrease) in net assets	<u>\$ (110,941)</u>	<u>\$ 180,222</u>	<u>\$ 286,540</u>	<u>\$ 707,016</u>	<u>\$ 175,599</u>	<u>\$ 887,238</u>
Net assets, beginning	\$ 2,571,615	\$ 2,345,523	\$ 2,579,767	\$ 1,872,751	\$ 5,151,382	\$ 4,218,274
Prior period adjustment	-	<u>45,870</u>	-	-	-	<u>45,870</u>
Net assets, beginning, restated	<u>\$ 2,571,615</u>	<u>\$ 2,391,393</u>	<u>\$ 2,579,767</u>	<u>\$ 1,872,751</u>	<u>\$ 5,151,382</u>	<u>\$ 4,264,144</u>
Net assets, ending	<u>\$ 2,460,674</u>	<u>\$ 2,571,615</u>	<u>\$ 2,866,307</u>	<u>\$ 2,579,767</u>	<u>\$ 5,326,981</u>	<u>\$ 5,151,382</u>

**Governmental Activities**

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

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

JUNE 30, 2010

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

**Business-Type Activities**

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

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

	Operating Revenues Net of Purchases				
	Electric	Water	Gas	Sewer	Total
Fiscal year ended June 30, 2009	\$ 794,071	\$ 291,845	\$ 101,296	\$ 211,054	\$ 1,398,266
Fiscal year ended June 30, 2010	<u>1,128,630</u>	<u>327,406</u>	<u>164,546</u>	<u>254,183</u>	<u>1,874,765</u>
Increase (decrease) from prior year	<u>\$ 334,559</u>	<u>\$ 35,561</u>	<u>\$ 63,250</u>	<u>\$ 43,129</u>	<u>\$ 476,499</u>

	Operating Expenses				
	Electric	Water	Gas	Sewer	Total
Fiscal year ended June 30, 2009	\$ 497,237	\$ 248,359	\$ 122,326	\$ 212,261	\$ 1,080,183
Fiscal year ended June 30, 2010	<u>531,468</u>	<u>244,451</u>	<u>137,224</u>	<u>276,592</u>	<u>1,189,735</u>
Increase (decrease) from prior year	<u>\$ 34,231</u>	<u>\$ (3,908)</u>	<u>\$ 14,898</u>	<u>\$ 64,331</u>	<u>\$ 109,552</u>

	Net Income (Loss) From Operations				
	Electric	Water	Gas	Sewer	Total
Fiscal year ended June 30, 2009	\$ 296,834	\$ 43,486	\$ (21,030)	\$ (1,207)	\$ 318,083
Fiscal year ended June 30, 2010	<u>597,162</u>	<u>82,955</u>	<u>27,322</u>	<u>(22,409)</u>	<u>685,030</u>
Increase (decrease) from prior year	<u>\$ 300,328</u>	<u>\$ 39,469</u>	<u>\$ 48,352</u>	<u>\$ (21,202)</u>	<u>\$ 366,947</u>

The reasons for major fluctuations noted above are as follows:

Electric operating revenues net of purchases increased by \$334,559 from the prior year due to an increase in rates and the effective management of utility costs.

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

**JUNE 30, 2010**

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

**Business-Type Activities (continued)**

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

**Fund Financial Statements - Governmental Funds**

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

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

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

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

The Town of Jonesville's governmental fund (General Fund) reported an ending fund balance of \$131,087, which is a decrease of \$40,278. The decrease is due to the receipt of fewer capital grants in the current year. The entire ending fund balance of \$131,087 is unreserved.

**Fund Financial Statements - Proprietary Funds**

The Town maintains one proprietary fund. Proprietary funds are used to report the same functions as business-type activities. The Town uses an enterprise fund (the first type of proprietary fund) to account for its combined electric, water, gas, and sewer operations. This enterprise fund reports the same functions presented as business-type activities in the government-wide financial statements.

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

The Town's proprietary fund shows an increase in ending fund balance of \$286,540 from the prior fiscal year. The operating income of the electric, water, and gas departments increased by \$300,328, \$39,649, and \$48,352, respectively. The sewer department operating income (loss) decreased by \$21,202. The increase in the fund balance is primarily due to the Town's effective management of utility costs, which resulted in expenses decreasing by \$693,769 during the year.

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

**General Fund Budgetary Highlights**

The original General Fund budget was not amended during the fiscal year.

TOWN OF JONESVILLE, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2010

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

**General Fund Budgetary Highlights (continued)**

Revenues exceeded the budgeted amounts by \$164,759. Expenditures were \$9,553 lower than provided for in the budget. The positive budget variance on revenues was due to tax revenues being higher than expected. Additionally, the positive budget variance on expenditures was due to general government expenditures being lower than anticipated. Actual transfers from the utility fund were \$28,745 less than projected in the budget. There was an overall final positive budget variance of \$145,567 or 9% of the total budgeted expenditures.

**Capital Asset and Debt Administration**

The total investment in net capital assets as of June 30, 2010, is \$6,364,642.

New major capital assets purchased or constructed in fiscal 2010, are:

**Governmental activities:**

1. Street department mower costing \$4,200, purchased with state funds.
2. Street department knuckle-boom truck costing \$28,500, purchased with state funds.

**Business-type activities:**

3. Water system improvements in the amount of \$35,000, purchased with \$35,000 in state grant funds.
4. Water system improvements in the amount of \$243,222, purchased with \$207,760 in state grants and \$35,462 in federal grant funds.

**Current Financial Factors**

The State of the Town of Jonesville. We Are Looking Up.

Over the last eight to ten years, the Town of Jonesville has been dealing with declining revenues and has seen a deterioration of its infrastructure and assets. This has limited its ability to take care of its finances in a timely manner and to make improvements as well as to plan for the future. The following are steps the Town has taken to ensure a positive future:

1. **New Retail Electrical and Water Rates Structure in Place:** After having dealt with financial problems and issues for a number of years, in March of 2009, the Town of Jonesville instituted a new electrical rate structure that is providing the Town with a greater ability to pay its bills. In its April meeting last year, the Town of Jonesville also moved to increase its water rates to bring in an additional eighty thousand (\$80,000) dollars. This move helped to pay for the new water well improvements during the year.
2. **New Davis Water Well:** Approximately \$250,000 was spent on reparations to the water well, which was funded by LCDB grants and an interim loan with the Community Resource Group. The long term objective is to convert this interim loan to a utility revenue bond, which is to be finalized during the 2011 fiscal year. The well has been completed and is on-line for the enjoyment by the local residents.

TOWN OF JONESVILLE, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2010

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

**Current Financial Factors (continued)**

3. **Major Water and Sewer Infrastructure Project:** The Town has been approved for the twenty million dollars (\$20,000,000) USDA infrastructure replacement project which will be implemented throughout the Town. Currently, the Town has major problems with its water and sewer lines and is losing revenues daily because of many water leaks. Additional cost of added sewer repairs and sewer treatment as well as labor cost and expenses make the task even tougher.

With the recent approval for funding of this project completed, it will provide not only water and sewer lines replacement, but will greatly enlarge and update the water storage system and tanks, provide for an updated lagoon waste collection system, and provide standby electrical generators which will power the water wells and sewer pumping stations when electrical power is out. New customer water meters will also be provided in this project.

4. **Replica of the Troyville Mound:** The Town of Jonesville is taking the lead for the development of a replica of the Great Mound which once stood at a height of 82 feet. Once built, along with a museum which is also in the planning, tourism will become a great piece in the economic growth of the Town of Jonesville.
5. **Catahoula Economic Development Corporation:** The Town of Jonesville is currently taking the lead in re-establishing the Catahoula Economic Development Corporation, a Parish nonprofit organization that was established through a Louisiana legislative act over twenty-one years ago.

The Corporation has been dormant for over twelve years, but with the Town taking an active lead in encouraging other activities, it is now viable to put the program back in action. The Town and Parish do not have a Chamber of Commerce program or any other pro-economic development programs entrusted to prepare for commerce development and growth. As U.S. Highway 84 in Jonesville is currently being developed into four lanes, that development in itself will be a great economic boost for the Town. Thus, the timely reactivation of the Catahoula Economic Development Corporation, while the Town is taking on a new facelift, will help bring economic growth to Jonesville, Catahoula Parish, and the surrounding areas.

6. In its April meeting last year, the Town of Jonesville took steps to establish a Master Plan for the Town of Jonesville to guide the Town for the next several years. This plan, when completed, may in part become a five or ten year strategic plan designed for the future growth of the Town. It will be professionally developed and will have the participation of citizens from various sections of the Town.

In summation, the future looks great for the Town of Jonesville. Although the Town has witnessed some tough times recently, The Town is on the right track to get moving in the right direction.

**Requests for Information**

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

**Basic Financial Statements**

**Government-Wide Financial Statements**

**TOWN OF JONESVILLE, LOUISIANA**

**STATEMENT OF NET ASSETS**

JUNE 30, 2010

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 120,283	\$ 118,735	\$ 239,018
Receivables (net of allowances for uncollectibles)	43,984	755,525	799,509
Internal balances	2,067	(2,067)	-
Restricted assets	100,237	610,471	710,708
Capital assets (net)	2,329,587	4,035,055	6,364,642
Prepaid loan fees (net of amortization)	-	135,443	135,443
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assets	\$ 2,596,158	\$ 5,653,162	\$ 8,249,320
<b><u>LIABILITIES</u></b>			
Accounts, salaries, and other payables	\$ 131,708	\$ 270,831	\$ 402,539
Payable from restricted assets	-	414,590	414,590
Other liabilities	3,776	-	3,776
Bonds payable, due within one year	-	102,535	102,535
Bonds payable, beyond one year	-	1,998,899	1,998,899
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities	\$ 135,484	\$ 2,786,855	\$ 2,922,339
<b><u>NET ASSETS</u></b>			
Invested in capital assets, net of related debt	\$ 2,329,587	\$ 3,719,794	\$ 6,049,381
Reserved for debt service	-	197,752	197,752
Unrestricted	131,087	(1,051,239)	(920,152)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total net assets	\$ 2,460,674	\$ 2,866,307	\$ 5,326,981

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



## TOWN OF JONESVILLE, LOUISIANA

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2010

	Program Revenues			Net (Expenses)/ Revenue	Net (Expenses), Revenues, and Changes		Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Governmental Activities	Business-Type Activities	
<b>GOVERNMENTAL ACTIVITIES</b>							
General government	\$ 343,656	\$ 10,272	\$ -	\$ (333,384)	\$ (333,384)	\$ -	\$ (333,384)
Public safety	668,693	65,602	-	(603,091)	(603,091)	-	(603,091)
Police	37,333	-	-	(37,333)	(37,333)	-	(37,333)
Fire	339,713	4,300	-	(335,413)	(335,413)	-	(335,413)
Public works	317,479	173,377	-	(144,102)	(144,102)	-	(144,102)
Streets	9,787	-	-	(9,787)	(9,787)	-	(9,787)
Sanitation	32,125	-	30,718	(1,407)	(1,407)	-	(1,407)
Recreation	12,924	-	-	(12,924)	(12,924)	-	(12,924)
Airport	1,761,710	253,551	30,718	(1,477,441)	(1,477,441)	-	(1,477,441)
Industrial							
Total governmental activities	\$ 2,242,538	\$ 2,839,700	\$ 157,655	\$ 754,817	\$ -	\$ 754,817	\$ 754,817
<b>BUSINESS-TYPE ACTIVITIES</b>							
Electric	244,451	327,406	329,218	412,173	-	412,173	412,173
Water	596,733	624,055	4,945	32,267	-	32,267	32,267
Gas	276,592	254,183	7,000	(15,409)	-	(15,409)	(15,409)
Sewer	3,360,314	4,045,344	498,818	1,183,848	-	1,183,848	1,183,848
Total business-type activities	\$ 5,122,024	\$ 4,298,892	\$ 529,536	\$ (293,593)	\$ (1,477,441)	\$ 1,183,848	\$ (293,593)
Total							
General Revenues:							
Property taxes	\$ 86,806				\$ 86,806		\$ 86,806
Sales taxes	195,496				195,496		195,496
Franchise taxes	5,563				5,563		5,563
Beer taxes	4,961				4,961		4,961
Occupational licenses	157,769				157,769		157,769
Investment earnings						3,702	3,702
Other general revenues							
Transfers	14,895				14,895		14,895
Total general revenues and transfers	901,010				901,010		901,010
Change in net assets	1,366,500				1,366,500		1,366,500
Net assets - beginning	(110,941)				(110,941)		(110,941)
Net assets - ending	2,571,615				2,571,615		2,571,615
Net assets - ending	2,460,674				2,460,674		2,460,674

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

**Fund Financial Statements**

**Governmental Funds**

TOWN OF JONESVILLE, LOUISIANA

BALANCE SHEET  
GOVERNMENTAL FUNDS

JUNE 30, 2010

	<u>General Fund</u>
<b><u>ASSETS</u></b>	
Cash	\$ 120,283
Receivables (net of allowances for uncollectibles)	26,751
Due from other governments	17,233
Due from other funds	2,067
Restricted cash and cash equivalents	<u>100,237</u>
Total assets	<u>\$ 266,571</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>	
Liabilities:	
Accounts payable	\$ 85,939
Accrued liabilities	25,239
Due to other governments	20,530
Other liabilities	<u>3,776</u>
Total liabilities	<u>\$ 135,484</u>
Fund balances:	
Unreserved, reported in:	
General Fund	<u>\$ 131,087</u>
Total fund balances	<u>\$ 131,087</u>
Total liabilities and fund balances	<u>\$ 266,571</u>

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

TOWN OF JONESVILLE, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS

JUNE 30, 2010

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

Fund Balances, Total Governmental Funds (Statement C)	\$	131,087
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds		<u>2,329,587</u>
Net Assets of Governmental Activities (Statement A)	\$	<u>2,460,674</u>

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

TOWN OF JONESVILLE, LOUISIANA

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

FOR THE YEAR ENDED JUNE 30, 2010

	<u>General Fund</u>
<b><u>REVENUES</u></b>	
Taxes	\$ 86,806
Licenses and permits	157,769
Rentals	10,272
Intergovernmental	236,945
Charges for services	173,377
Fines and forfeitures	65,602
Other	18,988
Total revenues	\$ 749,759
<b><u>EXPENDITURES</u></b>	
General government	\$ 338,117
Public safety:	
Police	647,355
Public works:	
Streets	357,827
Sanitation	298,673
Recreation	6,990
Airport	42,085
Total expenditures	\$ 1,691,047
Excess (deficiency) of revenues over (under) expenditures	\$ (941,288)
<b><u>OTHER FINANCING SOURCES</u></b>	
Transfers in	\$ 901,010
Total other financing sources	\$ 901,010
Net change in fund balance	\$ (40,278)
Fund balances - beginning	171,365
Fund balances - ending	\$ 131,087

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

TOWN OF JONESVILLE, LOUISIANA

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

FOR THE YEAR ENDED JUNE 30, 2010

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

Net Change in Fund Balances, Total Governmental Funds, (Statement E)	\$ (40,278)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	<u>(70,663)</u>
Change in Net Assets of Governmental Activities, (Statement B)	<u>\$ (110,941)</u>

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

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**Proprietary Funds**

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TOWN OF JONESVILLE, LOUISIANA

STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS

JUNE 30, 2010

	<u>Enterprise Fund</u> <u>Utility Fund</u>
<b><u>ASSETS</u></b>	
Current assets	
Cash and cash equivalents	\$ 118,735
Receivables (net of allowances for uncollectibles)	<u>755,525</u>
Total current assets	<u>\$ 874,260</u>
Noncurrent assets	
Restricted assets:	
Cash and cash equivalents	\$ 610,471
Prepaid loan fees (net of amortization)	135,443
Capital assets (net of accumulated depreciation)	<u>4,035,055</u>
Total noncurrent assets	<u>\$ 4,780,969</u>
Total assets	<u>\$ 5,655,229</u>
<b><u>LIABILITIES</u></b>	
Current liabilities	
Accounts payable	\$ 252,127
Accrued liabilities	18,704
Due to other funds	2,067
Current portion of notes payable	<u>102,535</u>
Total current liabilities	<u>\$ 375,433</u>
Current liabilities payable from restricted assets	
Consumer deposits	\$ 169,590
Current portion of notes payable	<u>245,000</u>
Total current liabilities payable from restricted assets	<u>\$ 414,590</u>
Long-term liabilities	
Note payable	<u>\$ 1,998,899</u>
Total long-term liabilities	<u>\$ 1,998,899</u>
Total liabilities	<u>\$ 2,788,922</u>
<b><u>NET ASSETS</u></b>	
Invested in capital assets, net of related debt	\$ 3,719,794
Reserved for debt service	197,752
Unrestricted	<u>(1,051,239)</u>
Total net assets	<u>\$ 2,866,307</u>

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

TOWN OF JONESVILLE, LOUISIANA

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

FOR THE YEAR ENDED JUNE 30, 2010

	<u>Enterprise Fund</u>
	<u>Utility Fund</u>
<b><u>OPERATING REVENUES</u></b>	
Charges for services:	
Electricity sales	\$ 2,754,093
Water sales	301,875
Gas sales	597,021
Sewer charges	242,168
Other operating revenue	<u>150,187</u>
Total operating revenues	\$ <u>4,045,344</u>
<b><u>OPERATING EXPENSES</u></b>	
Personal services	\$ 393,906
Purchase of utilities provided	2,170,579
Materials and supplies	135,595
Repairs and maintenance	56,242
Depreciation	171,886
Utilities and telephone	64,544
Bad debts	44,921
Other operating expenses	<u>322,641</u>
Total operating expenses	\$ <u>3,360,314</u>
Operating Income	\$ <u>685,030</u>
<b>Nonoperating Revenues</b>	
Interest earnings	\$ <u>3,702</u>
Total nonoperating revenues	\$ <u>3,702</u>
Income Before Contributions and Transfers	\$ 688,732
Grant proceeds	498,818
Transfer out	<u>(901,010)</u>
Change in Net Assets	\$ 286,540
Total net assets - beginning	<u>2,579,767</u>
Total net assets - ending	\$ <u>2,866,307</u>

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

TOWN OF JONESVILLE, LOUISIANA

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2010

	<u>Enterprise Fund</u>
	<u>Utility Fund</u>
<b><u>Cash Flows From Operating Activities</u></b>	
Receipts from customers and users	\$ 4,114,928
Payments to suppliers	(2,738,754)
Payments to employees	(396,302)
Net cash provided by operating activities	\$ 979,872
<b><u>Cash Flows From NonCapital Financing Activities</u></b>	
Transfers to other funds	\$ (898,943)
Net cash used for noncapital financing activities	\$ (898,943)
<b><u>Cash Flows From Capital and Related Financing Activities</u></b>	
Proceeds from capital grants	\$ 514,684
Acquisition and construction of capital assets	(963,547)
Proceeds from notes payable	205,000
Principal paid on capital debt	(131,722)
Net cash used for capital and related financing activities	\$ (375,585)
<b><u>Cash Flows From Investing Activities</u></b>	
Interest on temporary investments	\$ 3,702
Net cash provided by investing activities	\$ 3,702
Net decrease in cash and cash equivalents	\$ (290,954)
Cash and cash equivalents, beginning of year	1,020,160
Cash and cash equivalents, end of year	\$ 729,206
<b><u>Reconciliation Of Operating Income To Net Cash Provided By Operating Activities</u></b>	
Operating income	\$ 685,030
<b>Adjustments To Reconcile Operating Income To Net Cash Provided By Operating Activities</b>	
Depreciation	\$ 171,886
Amortization	7,766
Change in assets and liabilities	
(Increase) decrease in:	
Accounts receivable - customers	66,820
Accounts receivable - other	(2,978)
Allowance for uncollectible accounts	48,820
Increase (decrease) in:	
Accounts payable	(818)
Accrued liabilities	(2,396)
Customer deposits	5,742
Total adjustments	\$ 294,842
Net cash provided by operating activities	\$ 979,872

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

**Notes to the Financial Statements**

**TOWN OF JONESVILLE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

## INTRODUCTION

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

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

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the municipality is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, *fiscally independent* means that the municipality may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. *Date of Management's Review*

Management has evaluated subsequent events through November 29, 2010, the date on which the financial statements were available to be issued.

### B. *Government-Wide and Fund Financial Statements*

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

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

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

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

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

TOWN OF JONESVILLE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

The municipality reports the following major governmental fund:

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

The municipality reports the following major proprietary fund:

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

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

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

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

TOWN OF JONESVILLE, LOUISIANA  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

D. *Cash and Cash Equivalents*

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

E. *Receivables and Payables*

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

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

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

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

For the year ended June 30, 2010, taxes of 8.71 mills were levied on property with assessed valuations totaling \$9,869,140, after abatements and exemptions, and were dedicated as follows:

General corporate purposes	8.71 mills
Total taxes levied were	\$ 85,960

**TOWN OF JONESVILLE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

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

**F. Inventories**

For both governmental and proprietary funds, purchase of various operating supplies are regarded as expenditures or expenses at the time purchased, and inventories of such supplies (if any) are not recorded as assets at the close of the fiscal year. For the year ending June 30, 2010, these amounts were considered to be immaterial.

**G. Restricted Assets - Utility Fund**

Restricted assets were applicable to the following at June 30, 2010:

Designated grant and loan deposits	\$ 227,690
Consumer deposits	185,029
Debt service	<u>197,752</u>
 Total restricted assets	 <u>\$ 610,471</u>

**H. Capital Assets**

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

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

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

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

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



TOWN OF JONESVILLE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010

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

**I. *Compensated Absences***

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

**J. *Long-Term Obligations***

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

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

**K. *Fund Equity***

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

**L. *Estimates***

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

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

**Budgets and Budgetary Accounting**

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

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

**TOWN OF JONESVILLE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (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. Budgetary amendments involving the transfer of funds from one department, program, or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Town Council.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budget amounts are as originally adopted, or as amended from time to time by the Town Council.

**NOTE 3 – CASH AND CASH EQUIVALENTS**

At June 30, 2010, the municipality has cash and cash equivalents (book balances) totaling \$949,726 as follows:

	Governmental Activities	Business-Type Activities	Totals
Demand deposits	\$ 189,945	\$ 636,280	\$ 826,225
Interest-bearing savings	-	17,926	17,926
Time deposits	30,000	75,000	105,000
Cash on hand	575	-	575
<b>Total</b>	<b>\$ 220,520</b>	<b>\$ 729,206</b>	<b>\$ 949,726</b>

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

At June 30, 2010, the municipality had \$949,977 in deposits (collected bank balances). These deposits are secured from risk by \$355,000 of federal deposit insurance and \$528,502 of pledged securities held by the custodial banks in the name of the fiscal agent bank (GASB Category 3). Deposits were under collateralized by \$66,475 at June 30, 2010.

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

**TOWN OF JONESVILLE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

**NOTE 4 - RECEIVABLES**

Class of Receivable	General Fund	Enterprise Fund	Total
<b>Taxes:</b>			
Franchise tax	\$ 3,054	\$ -	\$ 3,054
<b>Intergovernmental:</b>			
State	1,383	42,032	43,415
Parish	15,850	-	15,850
Accounts	66,624	1,026,067	1,092,691
Other	583	3,523	4,106
Allowance for uncollectibles	(43,510)	(316,097)	(359,607)
<b>Total</b>	<u>\$ 43,984</u>	<u>\$ 755,525</u>	<u>\$ 799,509</u>

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

**NOTE 5 - INTERFUND RECEIVABLES/PAYABLES**

There were approximately \$2,067 in interfund receivables and payables at June 30, 2010.

**NOTE 6 - CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended June 30, 2010, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
<b>Capital assets, not being depreciated</b>				
Land	\$ 284,850	\$ -	\$ -	\$ 284,850
Construction in progress	-	38,189	-	38,189
<b>Total capital assets, not         being depreciated</b>	<u>\$ 284,850</u>	<u>\$ 38,189</u>	<u>\$ -</u>	<u>\$ 323,039</u>
<b>Capital assets being depreciated</b>				
Buildings	\$ 918,521	\$ -	\$ -	\$ 918,521
Land improvements	1,360,362	-	-	1,360,362
Machinery and equipment	252,515	4,200	-	256,715
Vehicles	653,021	28,500	-	681,521
<b>Total capital assets being         depreciated</b>	<u>\$ 3,184,419</u>	<u>\$ 32,700</u>	<u>\$ -</u>	<u>\$ 3,217,119</u>
<b>Less accumulated depreciation for:</b>				
Buildings	\$ (384,819)	\$ (19,291)	\$ -	\$ (404,110)
Land improvements	(104,753)	(35,894)	-	(140,647)
Machinery and equipment	(163,160)	(32,306)	-	(195,466)
Vehicles	(416,287)	(54,061)	-	(470,348)
<b>Total accumulated         depreciation</b>	<u>\$ (1,069,019)</u>	<u>\$ (141,552)</u>	<u>\$ -</u>	<u>\$ (1,210,571)</u>

**TOWN OF JONESVILLE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Total capital assets being depreciated, net	\$ 2,115,400	\$ (108,852)	\$ -	\$ 2,006,548
Governmental-type activities capital assets, net	\$ 2,400,250	\$ (70,663)	\$ -	\$ 2,329,587
<u>Business-type activities:</u>				
Capital assets, not being depreciated				
Land	\$ 21,612	\$ -	\$ -	\$ 21,612
Construction in progress	959,085	364,006	(710,134)	612,957
Total capital assets, not being depreciated	\$ 980,697	\$ 364,006	\$ (710,134)	\$ 634,569
Capital assets being depreciated				
Buildings	\$ 11,579	\$ -	\$ -	\$ 11,579
Infrastructure	6,447,341	792,541	-	7,239,882
Machinery, equipment, and vehicles	332,066	4,200	-	336,266
Total capital assets being depreciated	\$ 6,790,986	\$ 796,741	\$ -	\$ 7,587,727
Less accumulated depreciation for:				
Buildings	\$ (11,566)	\$ -	\$ -	\$ (11,566)
Infrastructure	(3,745,527)	(164,332)	-	(3,909,859)
Machinery, equipment, and vehicles	(258,262)	(7,554)	-	(265,816)
Total accumulated depreciation	\$ (4,015,355)	\$ (171,886)	\$ -	\$ (4,187,241)
Total capital assets being depreciated, net	\$ 2,775,631	\$ 624,855	\$ -	\$ 3,400,486
Business-type activities capital assets, net	\$ 3,756,328	\$ 988,861	\$ (710,134)	\$ 4,035,055

Depreciation expense of \$141,552 for the year ended June 30, 2010, was charged to the following governmental functions:

General government	\$ 5,539
Public safety:	
Police	21,338
Fire	37,333
Public works:	
Streets	14,586
Sanitation	18,806
Recreation	2,797
Airport	28,229
Industrial	12,924
Total	<u>\$ 141,552</u>

**TOWN OF JONESVILLE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

**NOTE 7 - CONSTRUCTION COMMITMENTS**

The municipality has active construction projects as of June 30, 2010. At year end, the commitments with contractors are as follows:

Project	Spent to Date	Remaining Commitment
U.S. Highway 84 utility relocation project	\$ 1,300,983	\$ 42,032
Jonesville Airport-Rehabilitate Taxiway project	<u>38,189</u>	<u>6,774</u>
Total	<u>\$ 1,339,172</u>	<u>\$ 48,806</u>

**NOTE 8 - INTERFUND TRANSFERS**

Interfund transfers during the year ended June 30, 2010, were as follows:

\$901,010 was transferred from the Utility Fund to the General Fund.

Transfers are primarily used to move funds from:

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

**NOTE 9 - ACCOUNTS, SALARIES, AND OTHER PAYABLES**

The payables of \$404,606 at June 30, 2010, were as follows:

	General Fund	Enterprise Fund	Total
Accounts	\$ 85,939	\$ 252,127	\$ 338,066
Accrued liabilities	25,239	18,704	43,943
Due to other governments	<u>20,530</u>	<u>-</u>	<u>20,530</u>
Total	<u>\$ 131,708</u>	<u>\$ 270,831</u>	<u>\$ 402,539</u>

**NOTE 10 - LONG-TERM OBLIGATIONS**

The following is a summary of long-term obligation transactions for the year ended June 30, 2010:

	Enterprise Fund		Total
	Bonds Payable	Notes Payable	
Long-term obligations at beginning of year	\$ 1,575,000	\$ 698,156	\$ 2,273,156
Proceeds of Community Resource Group loan	-	205,000	205,000
Repayment of principal	<u>(35,000)</u>	<u>(96,722)</u>	<u>(131,722)</u>
Long-term obligations at end of year	\$ 1,540,000	\$ 806,434	\$ 2,346,434
Less current portion	<u>(40,000)</u>	<u>(307,535)</u>	<u>(347,535)</u>
Long-term portion	<u>\$ 1,500,000</u>	<u>\$ 498,899</u>	<u>\$ 1,998,899</u>

**TOWN OF JONESVILLE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

**NOTE 10 - LONG-TERM OBLIGATIONS (continued)**

Long-term debt as of June 30, 2010, is comprised of the following:

**Enterprise Fund**

Revenue refunding bonds to refinance debt and pay electricity purchases in the amount of \$1,600,000 commencing on November 25, 2007, and payable in annual installments beginning at \$25,000 and increasing annually until maturity on November 1, 2027, with an annual interest rate of 7.5%.	\$	1,540,000
Note payable to provide interim financing in the amount of \$205,000, to Community Resource Group, dated June 17, 2009, with principal and interest due at maturity, on December 17, 2010, with an annual interest rate of 4%. The Town is in the process of finalizing a conversion of this debt to a utility revenue bond in the fiscal year 2011.		205,000
Note payable to pay electricity purchases in the amount of \$600,000, commencing on March 16, 2009, and payable in monthly installments of \$9,942 until maturity on February 26, 2015, with an annual interest rate of 6%.		491,173
United States Department of Agriculture - Rural Development certificate of indebtedness to purchase a bucket truck in the amount of \$120,000, commencing on June 15, 2009, and payable in monthly installments of \$1,245 until maturity on June 15, 2018, with an annual interest rate of 4.5%.		<u>110,261</u>
Total long-term debt	\$	<u>2,346,434</u>

The annual requirements to amortize all outstanding debt as of June 30, 2010, including interest payments, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 347,535	\$ 162,024	\$ 509,559
2012	153,699	140,148	293,847
2013	160,236	130,011	290,247
2014	172,168	119,279	291,447
2015	153,369	107,894	261,263
2016-2020	404,427	442,781	847,208
2021-2025	505,000	269,000	774,000
2026-2028	<u>450,000</u>	<u>50,200</u>	<u>500,200</u>
Totals	<u>\$ 2,346,434</u>	<u>\$ 1,421,337</u>	<u>\$ 3,767,771</u>

**NOTE 11 - SALES AND USE TAX REVENUES**

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

**TOWN OF JONESVILLE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

**NOTE 12 - PENSION PLAN**

All full-time police department employees are required to participate in their respective retirement systems. All employees of the Town participate in the Social Security System. Pertinent information relative to the Police Retirement System is as follows:

Municipal Police Employees Retirement System of Louisiana (System)

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

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

Funding Policy. Plan members are required by state statute to contribute 7.50% of their annual covered salary, and the Town of Jonesville, Louisiana is required to contribute at an actuarially determined rate. The current rate is 15.5% of annual covered payroll. The contribution requirements of plan members and the Town of Jonesville, Louisiana are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of Jonesville, Louisiana's contributions to the System for the years ending June 30, 2010, 2009, and 2008, were \$0, \$0, and \$0, respectively, equal to the required contributions for each year. There were no covered employees during the year ending June 30, 2010.

**NOTE 13 - SEGMENT INFORMATION FOR UTILITY FUND**

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

	Electric Utility	Water Utility	Gas Utility	Sewer Service	Total
Operating revenue	\$ 2,754,093	\$ 301,875	\$ 597,021	\$ 242,168	\$ 3,895,157
Purchase of utility	(1,711,070)	-	(459,509)	-	(2,170,579)
Operating expenses	(469,552)	(193,715)	(122,971)	(231,611)	(1,017,849)
Depreciation	(61,916)	(50,736)	(14,253)	(44,981)	(171,886)
Other operating revenue	85,607	25,531	27,034	12,015	150,187
Operating income (loss)	<u>\$ 597,162</u>	<u>\$ 82,955</u>	<u>\$ 27,322</u>	<u>\$ (22,409)</u>	<u>\$ 685,030</u>

**TOWN OF JONESVILLE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

**NOTE 14 - COMPENSATION OF THE GOVERNING BOARD**

The Governing Board of the Town of Jonesville, Louisiana consists of a Mayor and five Council Members. For the fiscal year ended June 30, 2010, the following compensations were paid:

Hiram Evans, Mayor	\$	19,000
Stephen R. Mophett, Council Member		7,300
Josie Bullitts, Council Member		7,400
Loria Hollins, Council Member		7,400
Tommy Branch, Council Member		7,400
Jackie Rouse, Council Member		7,400
Totals	<u>\$</u>	<u>55,900</u>

**NOTE 15 - RISK MANAGEMENT**

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

**NOTE 16 - CONTINGENT LIABILITIES**

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



**Required Supplemental Information (Part II)**

## TOWN OF JONESVILLE, LOUISIANA

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

## GENERAL FUND

YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 80,000	\$ 5,000	\$ 86,806	\$ 81,806
Licenses and permits	100,000	162,000	157,769	(4,231)
Rentals	20,000	10,000	10,272	272
Intergovernmental	275,000	283,000	236,945	(46,055)
Charges for services	200,000	100,000	173,377	73,377
Other	60,000	25,000	84,590	59,590
Total revenues	<u>\$ 735,000</u>	<u>\$ 585,000</u>	<u>\$ 749,759</u>	<u>\$ 164,759</u>
<b>Expenditures</b>				
General government	\$ 367,000	\$ 431,000	\$ 338,117	\$ 92,883
Public safety:				
Police	536,000	625,000	647,355	(22,355)
Public works:				
Streets	347,000	343,500	357,827	(14,327)
Sanitation	325,000	295,000	298,673	(3,673)
Recreation	7,000	4,500	6,990	(2,490)
Airport	5,000	1,600	42,085	(40,485)
Total expenditures	<u>\$ 1,587,000</u>	<u>\$ 1,700,600</u>	<u>\$ 1,691,047</u>	<u>\$ 9,553</u>
Deficiency of revenues over expenditures	<u>\$ (852,000)</u>	<u>\$ (1,115,600)</u>	<u>\$ (941,288)</u>	<u>\$ 174,312</u>
<b>Other Financing Sources (Uses)</b>				
Operating transfers - in	\$ 852,000	\$ 929,755	\$ 901,010	\$ (28,745)
Total other financing sources (uses)	<u>\$ 852,000</u>	<u>\$ 929,755</u>	<u>\$ 901,010</u>	<u>\$ (28,745)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ -	\$ (40,278)	\$ 145,567
Fund balances, beginning of year	171,365	171,365	171,365	-
Fund balances, end of year	<u>\$ 171,365</u>	<u>\$ 171,365</u>	<u>\$ 131,087</u>	<u>\$ 145,567</u>

See Independent Auditor's Report.

**TOWN OF JONESVILLE, LOUISIANA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2010**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

Budgetary Comparison Schedule

1. Basis of Presentation

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

2. Budget Amendments and Revisions

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

**Other Supplemental Information**

**GENERAL FUND**

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

## TOWN OF JONESVILLE, LOUISIANA

## GENERAL FUND

## COMPARATIVE BALANCE SHEET

JUNE 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<b><u>ASSETS</u></b>		
Cash	\$ 120,283	\$ 111,722
Receivables (net of allowance for uncollectibles):		
Court fines	23,114	31,422
Franchise tax	3,055	3,017
Other	582	2,727
Due from other governments	17,233	25,036
Due from other funds	2,067	-
Restricted cash and cash equivalents	<u>100,237</u>	<u>100,676</u>
Total assets	<u>\$ 266,571</u>	<u>\$ 274,600</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 85,939	\$ 51,668
Accrued liabilities	25,239	27,196
Due to other governments	20,530	20,530
Other liabilities	<u>3,776</u>	<u>3,841</u>
Total liabilities	<u>\$ 135,484</u>	<u>\$ 103,235</u>
<b>FUND BALANCE</b>		
Unreserved	<u>\$ 131,087</u>	<u>\$ 171,365</u>
Total fund balance	<u>\$ 131,087</u>	<u>\$ 171,365</u>
Total liabilities and fund balance	<u>\$ 266,571</u>	<u>\$ 274,600</u>

See Independent Auditor's Report.

## TOWN OF JONESVILLE, LOUISIANA

## GENERAL FUND

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

YEAR ENDED JUNE 30, 2010

WITH COMPARATIVE AMOUNTS FOR YEAR ENDED JUNE 30, 2009

	<u>2010</u>	<u>2009</u>
<b><u>REVENUES</u></b>		
Taxes	\$ 86,806	\$ 81,260
Licenses and permits	157,769	152,799
Rentals	10,272	12,595
Intergovernmental	236,945	536,210
Charges for services	173,377	171,198
Fines and forfeitures	65,602	64,759
Other	<u>18,988</u>	<u>29,455</u>
Total revenues	\$ <u>749,759</u>	\$ <u>1,048,276</u>
<b><u>EXPENDITURES</u></b>		
General government	\$ 338,117	\$ 326,067
Public safety:		
Police	647,355	558,106
Fire	-	7,652
Public works:		
Streets	357,827	293,953
Sanitation	298,673	317,606
Recreation	6,990	9,594
Airport	<u>42,085</u>	<u>285,147</u>
Total expenditures	\$ <u>1,691,047</u>	\$ <u>1,798,125</u>
Deficiency of revenues over expenditures	\$ <u>(941,288)</u>	\$ <u>(749,849)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>		
Operating transfers - in	\$ <u>901,010</u>	\$ <u>773,891</u>
Total other financing sources (uses)	\$ <u>901,010</u>	\$ <u>773,891</u>
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (40,278)	\$ 24,042
Fund balances, beginning of year	<u>171,365</u>	<u>147,323</u>
Fund balances, end of year	<u>\$ 131,087</u>	<u>\$ 171,365</u>

See Independent Auditor's Report.

## TOWN OF JONESVILLE, LOUISIANA

## GENERAL FUND

## STATEMENT OF EXPENDITURES

YEAR ENDED JUNE 30, 2010

WITH COMPARATIVE AMOUNTS FOR YEAR ENDED JUNE 30, 2009

	<u>2010</u>	<u>2009</u>
<b><u>GENERAL GOVERNMENT</u></b>		
Personal services	\$ 223,753	\$ 192,570
Materials and supplies	6,213	7,006
Professional services	48,374	62,977
Repairs and maintenance	4,726	8,180
General insurance	19,211	14,810
Miscellaneous	14,646	20,839
Utility/telephone	17,930	15,501
Travel expenses	3,264	4,184
Total general government	<u>\$ 338,117</u>	<u>\$ 326,067</u>
<b><u>PUBLIC SAFETY - POLICE</u></b>		
Personal services	\$ 503,044	\$ 428,901
Materials and supplies	41,654	32,576
Professional services	12,257	17,486
Repairs and maintenance	16,408	16,831
General insurance	17,270	30,297
Miscellaneous	40,352	10,128
Utility/telephone	14,802	17,084
Travel expenses	1,568	530
Capital outlay	-	4,273
Total public safety - police	<u>\$ 647,355</u>	<u>\$ 558,106</u>
<b><u>PUBLIC SAFETY - FIRE</u></b>		
Miscellaneous	\$ -	\$ 7,652
Total public safety - fire	<u>\$ -</u>	<u>\$ 7,652</u>
<b><u>PUBLIC WORKS - STREETS</u></b>		
Personal services	\$ 168,847	\$ 174,584
Materials and supplies	73,144	67,664
Professional services	7,354	2,128
Repairs and maintenance	44,213	19,630
General insurance	15,169	21,908
Miscellaneous	14,318	5,248
Utility/telephone	2,082	2,743
Travel expenses	-	48
Capital outlay	32,700	-
Total public works - streets	<u>\$ 357,827</u>	<u>\$ 293,953</u>

-continued-



## TOWN OF JONESVILLE, LOUISIANA

## GENERAL FUND

## STATEMENT OF EXPENDITURES

YEAR ENDED JUNE 30, 2010

WITH COMPARATIVE AMOUNTS FOR YEAR ENDED JUNE 30, 2009

	<u>2010</u>	<u>2009</u>
<b><u>PUBLIC WORKS - SANITATION</u></b>		
Personal services	\$ -	\$ 13,562
Garbage contract	291,758	295,766
Materials and supplies	2,815	8,097
Repairs and maintenance	-	120
Miscellaneous	4,100	52
Utility/telephone	-	9
Total public works - sanitation	<u>\$ 298,673</u>	<u>\$ 317,606</u>
<b><u>RECREATION</u></b>		
Materials and supplies	\$ 1,642	\$ 267
Repairs and maintenance	667	2,604
Miscellaneous	2,320	3,179
Utility/telephone	<u>2,361</u>	<u>3,544</u>
Total recreation	<u>\$ 6,990</u>	<u>\$ 9,594</u>
<b><u>AIRPORT</u></b>		
Materials and supplies	\$ -	\$ 131
Professional fees	866	108
Repairs and maintenance	119	131
General insurance	2,140	2,141
Miscellaneous	561	890
Utilities and telephone	210	165
Travel expenses	-	48
Capital outlay	<u>38,189</u>	<u>281,533</u>
Total airport	<u>\$ 42,085</u>	<u>\$ 285,147</u>
Total expenditures - all departments	<u>\$ 1,691,047</u>	<u>\$ 1,798,125</u>

See Independent Auditor's Report.

**ENTERPRISE FUND**

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

## TOWN OF JONESVILLE, LOUISIANA

ENTERPRISE FUND  
MUNICIPAL UTILITIES SYSTEM

## COMPARATIVE BALANCE SHEET

JUNE 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 118,735	\$ 131,917
Accounts receivable, net of allowance for uncollectible accounts (\$316,098 in 2010 and \$267,278 in 2009)	755,525	884,053
Total current assets	<u>\$ 874,260</u>	<u>\$ 1,015,970</u>
<b>Restricted assets</b>		
Cash - utility relocation	\$ 50,136	\$ 400,532
Cash - USDA bucket truck & CCR	155	117,700
Cash - consumer deposits	92,518	83,033
Cash - water well	415	-
Cash - water well reserve - loan proceeds	170,549	-
Cash - LGAP water well	6,436	-
Temporary investments at cost - consumer deposits	92,510	92,423
Cash - debt service	197,752	194,555
Total restricted assets	<u>\$ 610,471</u>	<u>\$ 888,243</u>
Plant and equipment, at cost, net of accumulated depreciation (\$4,187,241 in 2010 and \$4,015,356 in 2009)	<u>\$ 4,035,055</u>	<u>\$ 3,756,328</u>
Prepaid loan fees, net of amortization	<u>\$ 135,443</u>	<u>\$ 143,209</u>
Total assets	<u>\$ 5,655,229</u>	<u>\$ 5,803,750</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
<b>Current liabilities (payable from current assets)</b>		
Accounts payable	\$ 252,127	\$ 765,879
Accrued liabilities	18,704	21,100
Due to other funds	2,067	-
Current portion of notes payable	102,535	86,983
Total current liabilities (payable from current assets)	<u>\$ 375,433</u>	<u>\$ 873,962</u>
<b>Current liabilities (payable from restricted assets)</b>		
Consumer deposits	\$ 169,590	\$ 163,848
Current portion of note payable	245,000	44,739
Total current liabilities (payable from restricted assets)	<u>\$ 414,590</u>	<u>\$ 208,587</u>
<b>Long-term liabilities</b>		
Note payable	\$ 1,998,899	\$ 2,141,434
Total long-term liabilities	<u>\$ 1,998,899</u>	<u>\$ 2,141,434</u>
Total liabilities	<u>\$ 2,788,922</u>	<u>\$ 3,223,983</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	\$ 3,719,794	\$ 3,636,328
Restricted for debt service	197,752	194,555
Unrestricted	(1,051,239)	(1,251,116)
Total net assets	<u>\$ 2,866,307</u>	<u>\$ 2,579,767</u>
Total liabilities and net assets	<u>\$ 5,655,229</u>	<u>\$ 5,803,750</u>

See Independent Auditor's Report.

## TOWN OF JONESVILLE, LOUISIANA

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

YEARS ENDED JUNE 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<b><u>OPERATING REVENUES</u></b>		
Charges for services		
Utility sales and fees	\$ 3,895,157	\$ 4,159,980
Other operating revenues	<u>150,187</u>	<u>102,634</u>
Total operating revenues	<u>\$ 4,045,344</u>	<u>\$ 4,262,614</u>
<b><u>OPERATING EXPENSES</u></b>		
Personal services	\$ 393,906	\$ 361,062
Purchase of utilities provided	2,170,579	2,864,348
Materials and supplies	135,595	160,994
Repairs and maintenance	56,242	66,610
Depreciation	171,886	138,338
Utilities and telephone	64,544	74,804
Bad debts	44,921	39,583
Other operating expenses	<u>322,641</u>	<u>238,792</u>
Total operating expenses	<u>\$ 3,360,314</u>	<u>\$ 3,944,531</u>
Operating income	<u>\$ 685,030</u>	<u>\$ 318,083</u>

See Independent Auditor's Report.

## TOWN OF JONESVILLE, LOUISIANA

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

YEARS ENDED JUNE 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<b><u>OPERATING REVENUES</u></b>		
Charges for services		
Electricity sales and fees	\$ 2,754,093	\$ 3,020,338
Other operating revenues	<u>85,607</u>	<u>70,817</u>
Total operating revenues	<u>\$ 2,839,700</u>	<u>\$ 3,091,155</u>
<b><u>OPERATING EXPENSES</u></b>		
Personal services	\$ 144,818	\$ 150,843
Purchase of electricity	1,711,070	2,297,084
Materials and supplies	46,440	72,010
Repairs and maintenance	24,332	16,269
Depreciation	61,916	21,895
Utilities and telephone	12,799	19,418
Bad debts	27,828	24,524
Other operating expenses	<u>213,335</u>	<u>192,278</u>
Total operating expenses	<u>\$ 2,242,538</u>	<u>\$ 2,794,321</u>
Operating income	<u>\$ 597,162</u>	<u>\$ 296,834</u>

See Independent Auditor's Report.

## TOWN OF JONESVILLE, LOUISIANA

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

YEARS ENDED JUNE 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<b><u>OPERATING REVENUES</u></b>		
Charges for services		
Water sales and fees	\$ 301,875	\$ 284,661
Other operating revenues	<u>25,531</u>	<u>7,184</u>
Total operating revenues	\$ <u>327,406</u>	\$ <u>291,845</u>
<b><u>OPERATING EXPENSES</u></b>		
Personal services	\$ 71,585	\$ 83,666
Materials and supplies	38,726	40,234
Repairs and maintenance	16,052	20,070
Depreciation	50,736	53,384
Utilities and telephone	29,645	32,679
Bad debts	4,399	3,872
Other operating expenses	<u>33,308</u>	<u>14,454</u>
Total operating expenses	\$ <u>244,451</u>	\$ <u>248,359</u>
Operating income	\$ <u>82,955</u>	\$ <u>43,486</u>

See Independent Auditor's Report.

## TOWN OF JONESVILLE, LOUISIANA

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

YEARS ENDED JUNE 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<b><u>OPERATING REVENUES</u></b>		
Charges for services		
Natural gas sales and fees	\$ 597,021	\$ 648,033
Other operating revenues	<u>27,034</u>	<u>20,527</u>
Total operating revenues	\$ <u>624,055</u>	\$ <u>668,560</u>
<b><u>OPERATING EXPENSES</u></b>		
Personal services	\$ 53,043	\$ 48,161
Purchase of natural gas	459,509	567,264
Materials and supplies	9,629	18,236
Repairs and maintenance	7,749	13,442
Depreciation	14,253	14,182
Utilities and telephone	3,999	5,055
Bad debts	8,788	7,745
Other operating expenses	<u>39,763</u>	<u>15,505</u>
Total operating expenses	\$ <u>596,733</u>	\$ <u>689,590</u>
Operating loss	\$ <u>27,322</u>	\$ <u>(21,030)</u>

See Independent Auditor's Report.

## TOWN OF JONESVILLE, LOUISIANA

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

YEARS ENDED JUNE 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<b><u>OPERATING REVENUES</u></b>		
Charges for services		
Sewer charges and fees	\$ 242,168	\$ 206,948
Other operating revenues	<u>12,015</u>	<u>4,106</u>
Total operating revenues	\$ <u>254,183</u>	\$ <u>211,054</u>
<b><u>OPERATING EXPENSES</u></b>		
Personal services	\$ 124,460	\$ 78,392
Materials and supplies	40,800	30,514
Repairs and maintenance	8,109	16,829
Depreciation	44,981	48,877
Utilities and telephone	18,101	17,652
Bad debts	3,906	3,442
Other operating expenses	<u>36,235</u>	<u>16,555</u>
Total operating expenses	\$ <u>276,592</u>	\$ <u>212,261</u>
Operating loss	\$ <u>(22,409)</u>	\$ <u>(1,207)</u>

See Independent Auditor's Report



**Reports on Internal Control and Compliance**



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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Jonesville, Louisiana, as of and for the year ended June 30, 2010, which collectively comprise Town of Jonesville, Louisiana's basic financial statements, and have issued our report thereon dated November 29, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control described in the accompanying schedule of findings as item 2010-2 to be a material weakness.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Jonesville, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as Item 2010-1.

The Town of Jonesville, Louisiana's response to the findings identified in our audit is described in the accompanying schedule of findings. We did not audit the Town of Jonesville, Louisiana's response and accordingly, we express no opinion on it.

This report is intended for the information of the Mayor, Town Aldermen, Management of the Town of Jonesville, Louisiana, the Legislative Auditor of the State of Louisiana, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Silas Simmons, LLP*

Natchez, Mississippi  
November 29, 2010

**Schedules of Findings, Recommendations, and Corrective Actions Planned**

**TOWN OF JONESVILLE, LOUISIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

**SECTION 1: SUMMARY OF AUDITOR'S RESULTS**

Financial Statements:

- |  |             |
|--|-------------|
| 1. Type of auditor's report issued on the financial statements:                              | Unqualified |
| 2. Internal control over financial reporting:  |             |
| a. Material weakness(es) identified?   | Yes         |
| b. Significant deficiency(ies) identified that are not considered to be material weaknesses? | No          |
| 3. Material noncompliance relating to the financial statements?                              | Yes         |

TOWN OF JONESVILLE, LOUISIANA

CURRENT YEAR FINDINGS, RECOMMENDATIONS, AND CORRECTIVE ACTION PLANNED  
FOR THE YEAR ENDED JUNE 30, 2010

<u>Reference No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
Section I - Internal Control and Compliance Material to the Financial Statements:				
2010-1	Under state law, the Town's deposits must be secured by federal deposit insurance and pledged securities with a combined market value equal to the amounts on deposit at all times. The Town's deposits exceeded the required market value of FDIC and pledged securities by \$66,475. This is a violation of Louisiana Statute.	We recommend the Town continue working with the bank to keep them informed of deposit levels. Also, we recommend the Town review statements periodically and follow up with the bank if noncompliance with collateral requirements is noted.	Deborah Savage Town Clerk	June 30, 2011
2010-2	The Town's internal control structure does not include the necessary resources to create financial statements according to GASB 34. Instead, the organization relies on its auditors to create the financial statements at year end, as most municipalities do. This is primarily due to the limited physical and financial resources that are necessary to devote to this function.	We recommend that the Town continues to be involved in financial reporting matters as much as possible and continue working with auditors to allow for a more effective use of time during period close and financial statement preparation.	Deborah Savage Town Clerk	June 30, 2011

Section II - Internal Control and Compliance Material to Federal Awards:

N/A

Section III - Management Letter:

No management letter issued.

TOWN OF JONESVILLE, LOUISIANA

Status of Prior Audit Findings  
For the Year Ended June 30, 2010

<u>Reference No.</u>	<u>Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Action/Partial Corrective Action Taken</u>
Section I - Internal Control and Compliance Material to the Financial Statements				
2009-1	2009	The Town's audited financial statements were not compiled and submitted to the Legislative Auditor's office by the statutory date of December 31, 2009. The Town was unable to compile complete and accurate records in time to be delivered by the statutory deadline.  We recommend the Town work diligently to make records available in a timely manner.	Yes	The 2010 report was issued on time.
2009-2	2009	Under state law, the Town's deposits must be secured by federal deposit insurance and pledged securities with a combined market value equal to the amounts on deposit at all times. The Town's deposits exceeded the required market value of FDIC and pledged securities by \$131,350. This is a violation of Louisiana Statute.  We recommend the Town continue working with the bank to keep them informed of deposit levels. Also, we recommend the Town review statements periodically and follow up with the bank if noncompliance with collateral requirements is noted.	No	This is a repeat finding, see 2010-1.
2009-3	2009	The Town's internal control structure does not include the necessary resources to create financial statements according to GASB 34. Instead, the organization relies on its auditors to create the financial statements at year end, as most municipalities do. This is primarily due to the limited physical and financial resources that are necessary to devote to this function.  We recommend that the Town continues to be involved in financial reporting matters as much as possible and continue working with auditors to allow for a more effective use of time during period close and financial statement preparation.	No	This is a repeat finding, see 2010-2.

TOWN OF JONESVILLE, LOUISIANA

Status of Prior Audit Findings  
For the Year Ended June 30, 2010

Reference No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Action/Partial Corrective Action Taken
Section I - Internal Control and Compliance Material to the Financial Statements: (continued)				
2009-4	2009	During the audit, it was noted that some of the Town's bank accounts had not been reconciled in a timely manner.  We recommend the Town continue working diligently at this, using current resources, or hire additional help if it is feasible to do so.	Yes	Effective for the year ended 6/30/10, the Town reconciles the bank accounts in a timely fashion.
2009-5	2009	The Town of Jonesville's General Fund's expenditures exceeded its budgeted amount by 20%. The budgeted amount of expenditures was \$1,504,000 and the actual expenditures was \$1,798,125. Louisiana Revised Statute 39:1311 requires that the expenditures not exceed the budget by more than 5%.  We recommend that the Town of Jonesville closely monitor the expenditures during the year so that expenditures do not exceed the budget by more than 5%.	Yes	Effective for the year ended 6/30/10, the Town's General Fund's expenditures did not exceed budgeted amounts.

Section II - Internal Control and Compliance Material to Federal Awards:

N/A

Section III - Management Letter:

None issued