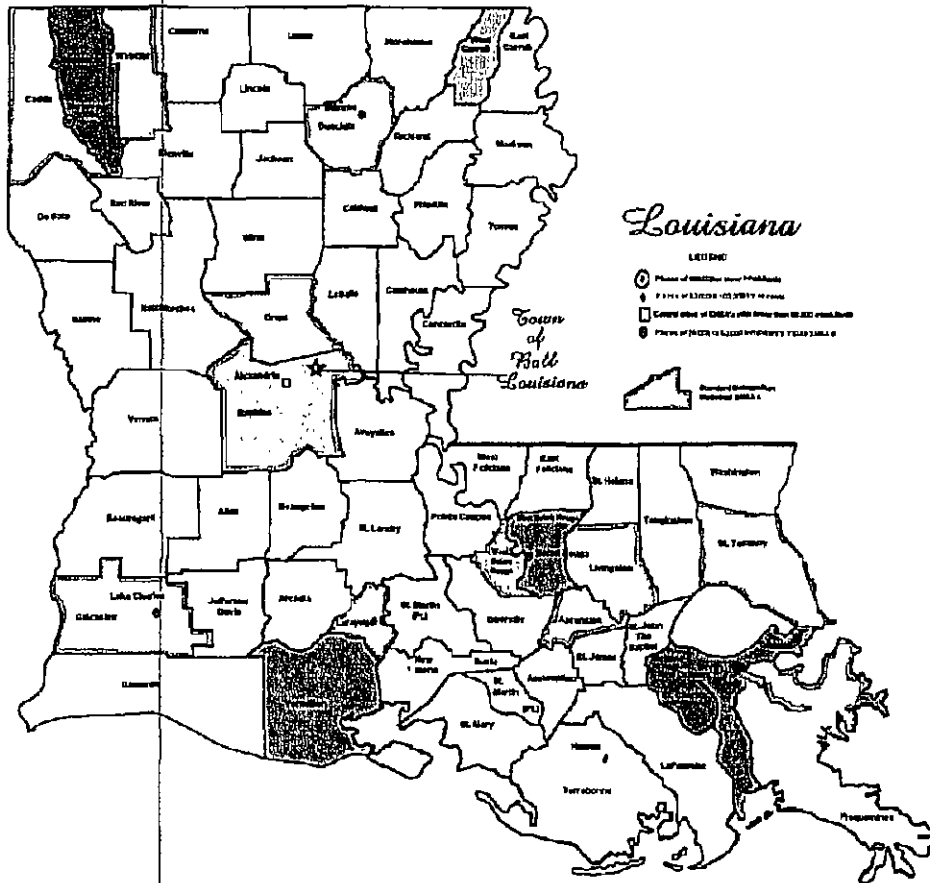


TOWN OF BALL, LOUISIANA**Basic Financial Statements
& Auditor's Report****For The Year Ended
December 31, 2008**

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 8/5/09

TOWN OF BALL, LOUISIANA



* The Town of Ball was incorporated May 31, 1972, under the provisions of the Lawrason Act. The Town operates under a Mayor-Board of Aldermen form of government. The accounting and reporting practices of the Town of Ball conform to generally accepted accounting principles as applicable to governmental units.

**TOWN OF BALL
TABLE OF CONTENTS**

	Page No.
Independent Auditor's Report	1-2
Management's Discussion & Analysis.....	3-7
Basic Financial Statements	
Statement of Net Assets.....	9
Statement of Activities.....	10
Balance Sheet – Governmental Funds.....	11
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets.....	12
Statement of Revenues, Expenditures, & Changes in Fund Balances – Governmental Funds.....	13
Reconciliation of the Statement of Revenues, Expenditures, & Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	14
Statement of Net Assets – Proprietary Fund.....	15
Statement of Revenues, Expenses, & Changes in Net Assets.....	16
Statement of Cash Flows – Proprietary Fund.....	17
Reconciliation of Statement of Cash Flows – Proprietary Fund.....	18
Statement of Fiduciary Net Assets.....	19
Notes to the Basic Financial Statements.....	20-37
Required Supplementary Information (Unaudited)	
Schedule of Revenues, Expenditures & Changes in Fund Balances – Budget vs. Actual – General Fund	39
Schedule of Revenues, Expenditures & Changes in Fund Balances – Budget vs. Actual – Special Revenue Fund.....	40
Other Supplemental Information	
Insurance Schedule.....	42
Other Reports	
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards.....	44-45
Schedule of Findings and Questioned Cost.....	46-47
Management's Corrective Action For Current Year Audit Findings.....	48
Management's Summary of Prior Year Findings.....	49
Graphs.....	50-58

John R. Vercher C.P.A.
jrv@centurytel.net

Jonathan M. Vercher M.S., C.P.A.
jonathanvercher@centurytel.net

JOHN R. VERCHER PC
Certified Public Accountants

P.O. Box 1608
Jena, Louisiana 71342
Tel: (318) 992-6348
Fax: (318) 992-4374

INDEPENDENT AUDITOR'S REPORT

The Honorable Roy Hebron, Mayor
& Members of the Town Council
Ball, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities and the aggregate remaining fund information of Town of Ball, Louisiana, as of and for the year ended December 31, 2008, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Ball, Louisiana's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with 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 opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and the aggregate remaining fund information of Town of Ball, Louisiana, as of December 31, 2008 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 June 11, 2009, on our consideration of the Town of Ball, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Town of Ball, Louisiana's basic financial statements. The graphs, supplemental statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The graphs, supplemental statements and schedules (except for that portion marked "unaudited" which was not audited by us, therefore, we do not express an opinion or any other form of assurance on it) have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

John R. Vercher PC

June 11, 2009
Jena, Louisiana

Town of Ball, Louisiana

PO Box 800

Ball, LA 71405

Telephone: (318) 640-9605

Fax: (318) 641-9847

MANAGEMENTS DISCUSSION AND ANALYSIS

As management of the Town, we offer readers of the Town of Ball's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2008. We encourage readers to consider the information presented here in conjunction with the Town's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Governmental Funds

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$2,165,261 (*net assets*). This is a 6% increase from the previous year.
- The Town had total revenue of \$1,891,311, in which \$1,083,799 came from collection of taxes. This is a \$208,471 or 12% increase from last year's revenues.
- The Town had total expenditures of \$1,728,795. This is a \$327,986 or 23% increase from last year.

Enterprise Funds

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$5,645,268 (*net assets*). This is a \$71,223 or 1% decrease from last year.
- The Town had total revenue of \$1,099,396, including operating revenues of \$896,678 and non-operating revenues of \$202,718. This is a \$145,007 or 15% increase from last year's total revenues.
- The Town had total expenses of \$1,132,028, in which \$1,095,806 was operating expenses and \$36,222 was non-operating expenses. This is a \$34,004 or 3% increase from last year's total expenditures.

MD&A

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements consist of two components: 1) fund financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The Town is a special-purpose entity engaged only in governmental activities. Accordingly, only fund financial statements are presented as the basic financial statements.

Effective, January 1, 2004, the Town adopted Governmental Accounting Standards (GASB) Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments*.

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

USING THIS ANNUAL REPORT

The Town's annual report consists of financial statements that show information about the Town's funds, enterprise funds and governmental funds.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the other information included in this report. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

Reporting the District's Most Significant Funds

The Town's financial statements provide detailed information about the most significant funds. The Town may establish other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other money. The Town's enterprise fund uses the following accounting approach:

All of the Town's services are reported in an enterprise fund. They are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The focus of proprietary funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

MD&A

**Balance Sheet
Governmental Funds**

The following table represents a condensed Comparative Balance Sheet as of December 31, 2008:

Assets	2007	2008	% Change
Current Assets	\$ 1,314,980	\$ 1,495,537	13.7%
Capital Assets, Net	1,270,317	1,276,236	0.5%
Total Assets	2,585,297	2,771,773	7.2%
Liabilities & Net Assets			
Liabilities			
Current Liabilities	134,953	155,552	15.3%
Non-Current Liabilities	414,587	450,960	8.8%
Total Liabilities	549,540	606,512	10.4%
Net Assets			
Invested in Capital Assets, Net of Related Debt	780,046	733,294	-6.0%
Unrestricted	921,467	1,075,453	16.7%
Restricted	334,244	356,514	6.7%
Total Net Assets	2,035,757	2,165,261	6.4%
Total Liabilities & Net Assets	\$ 2,585,297	\$ 2,771,773	7.2%

**Balance Sheet
Enterprise Funds**

The following table represents a condensed Balance Sheet as of December 31, 2008:

Assets	2007	2008	% Change
Current Assets	\$ 160,633	\$ 114,080	-29.0%
Restricted Assets	489,086	556,673	13.8%
Capital Assets, Net	5,867,283	5,757,895	-1.9%
Total Assets	6,517,002	6,428,648	-1.4%
Liabilities & Net Assets			
Liabilities			
Current Liabilities	26,576	36,058	35.7%
Current Liabilities Payable From Restricted Assets	104,413	140,667	34.7%
Non-Current Liabilities	669,522	606,655	-9.4%
Total Liabilities	800,511	783,380	-2.1%
Net Assets			
Invested in Capital Assets, Net of Related Debt	5,152,970	5,097,795	-1.1%
Unrestricted	211,906	416,006	96.3%
Restricted	351,615	131,467	-62.6%
Total Net Assets	5,716,491	5,645,268	-1.2%
Total Liabilities & Net Assets	\$ 6,517,002	\$ 6,428,648	-1.4%

MD&A

**Changes in Fund Balances
Governmental Funds**

The following table reflects the condensed Comparative Statement of Revenues, Expenses, and Changes in Fund Balances for the year ended December 31, 2008:

	<u>2007</u>	<u>2008</u>	<u>% Change</u>
Beginning Fund Balances	\$ 961,664	\$ 1,266,181	31.7%
Total Revenues	1,682,840	1,891,311	12.4%
Total Expenditures	(1,400,809)	(1,728,795)	23.4%
Increase (Decrease) in Fund Balances	<u>282,031</u>	<u>162,516</u>	-42.4%
Transfer	-0-	14,263	100.0%
Prior Period Adjustment	<u>22,486</u>	<u>-0-</u>	-100.0%
Ending Fund Balances	<u>\$ 1,266,181</u>	<u>\$ 1,442,960</u>	14.0%

**Changes in Net Assets
Enterprise Funds**

The following table reflects the condensed Comparative Statement of Revenues, Expenses, and Changes in Net Assets for the year ended December 31, 2008:

	<u>2007</u>	<u>2008</u>	<u>% Change</u>
Beginning Net Assets	\$ 5,854,448	\$ 5,716,491	-2.4%
Operating Revenues	916,083	896,678	-2.1%
Non-Operating Revenues	38,306	202,718	429.2%
Total Revenues	<u>954,389</u>	<u>1,099,396</u>	15.2%
Operating Expenses	1,065,882	1,095,806	2.8%
Non-Operating Expenses	32,142	36,222	12.7%
Total Expenses	<u>1,098,024</u>	<u>1,132,028</u>	3.1%
Transfers	<u>19,517</u>	<u>(14,263)</u>	-173.1%
Increase (Decrease) in Net Assets	<u>(124,118)</u>	<u>(46,895)</u>	62.2%
Prior Period Adjustment	<u>(13,839)</u>	<u>(24,328)</u>	-75.8%
Ending Net Assets	<u>\$ 5,716,491</u>	<u>\$ 5,645,268</u>	-1.2%

MD&A

CAPITAL ASSETS

Capital Assets – Governmental Fund

At December 31, 2008, the Town had \$1,276,236 invested in capital assets, including land, buildings, and equipment.

Capital Assets at Year-End

	2007	2008
Administration	\$ 966,194	\$ 969,874
Police	447,649	520,405
Streets	620,757	803,114
Fire	885,099	891,655
Accumulated Depreciation	(1,649,382)	(1,908,812)
Totals	\$ 1,270,317	\$ 1,276,236

Land in the amount of \$50,000 is not being depreciated.

Capital Assets – Enterprise Fund

At December 31, 2008, the Town had \$2,757,895 invested in capital assets, including the sewer system, machinery, and equipment.

Capital Assets at Year-End

	2007	2008
Sewer System	\$ 10,666,854	\$ 10,862,265
Machinery and Equipment	333,226	342,202
Accumulated Depreciation	(5,132,797)	(5,446,572)
Totals	\$ 5,867,283	\$ 5,757,895

Construction in Progress in the amount of \$143,081 is not being depreciated.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Roy Hebron, Mayor, at the Town of Ball, P.O. Box 800, Ball, Louisiana 71405.

Basic Financial Statements

**Town of Ball
Statement of Net Assets
December 31, 2008**

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash & Cash Equivalents	\$ 428,120	\$ 575,910	\$ 1,004,030
Investments	614,511	-0-	614,511
Receivables	161,051	94,843	255,894
Due From Other Funds	291,855	-0-	291,855
Capital Assets, Net of Depreciation	1,276,236	5,757,895	7,034,131
TOTAL ASSETS	<u>2,771,773</u>	<u>6,428,648</u>	<u>9,200,421</u>
LIABILITIES			
Accounts Payable	17,348	16,063	33,411
Due to Other Funds	35,229	9,674	44,903
Accrued Interest Payable	-0-	25,719	25,719
Deposits	-0-	71,824	71,824
Notes & Bonds Due Within One Year	102,975	53,445	156,420
Notes & Bonds Due in More Than One Year	450,960	606,655	1,057,615
TOTAL LIABILITIES	<u>606,512</u>	<u>783,380</u>	<u>1,389,892</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	733,294	5,097,795	5,831,089
Restricted for Capital Projects	151,241	-0-	151,241
Restricted for Debt Service	205,273	416,006	621,279
Unrestricted	1,075,453	131,467	1,206,920
TOTAL NET ASSETS	<u>\$ 2,165,261</u>	<u>\$ 5,645,268</u>	<u>\$ 7,810,529</u>

The accompanying notes are an integral part of this statement.

Town of Ball
Balance Sheet – Governmental Funds
December 31, 2008

	GENERAL	FIRE FUND	CAPITAL PROJECTS	DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash & Cash Equivalents	\$ 135,683	\$ 176,425	\$ 116,012	\$ -0-	\$ 428,120
Investments	438,756	175,755	-0-	-0-	614,511
Receivables	117,242	11,145	-0-	32,664	161,051
Due From Other Funds	48,790	-0-	35,229	207,836	291,855
TOTAL ASSETS	740,471	363,325	151,241	240,500	1,495,537
LIABILITIES & FUND BALANCES					
LIABILITIES					
Accounts Payable	14,977	2,371	-0-	-0-	17,348
Due To Other Funds	-0-	-0-	-0-	35,229	35,229
TOTAL LIABILITIES	14,977	2,371	-0-	35,229	52,577
FUND BALANCES					
Restricted	-0-	-0-	151,241	205,271	356,512
Unrestricted	725,494	360,954	-0-	-0-	1,086,448
TOTAL FUND BALANCES	725,494	360,954	151,241	205,271	1,442,960
TOTAL LIABILITIES & FUND BALANCES	\$ 740,471	\$ 363,325	\$ 151,241	\$ 240,500	\$ 1,495,537

The accompanying notes are an integral part of this statement.

Town of Ball
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
For the Year Ended December 31, 2008

Fund balances – total governmental funds	\$	1,442,960
--	----	-----------

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Governmental Capital Assets	\$	3,185,048	
Less Accumulated Depreciation		<u>(1,908,812)</u>	
			1,276,236

Long-term liabilities including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds.

General Obligation Debt Payable		<u>(553,935)</u>	<u>(553,935)</u>
---------------------------------	--	------------------	------------------

Net assets of governmental activities	\$	<u>2,165,261</u>
---------------------------------------	----	------------------

The accompanying notes are an integral part of this statement.

Town of Ball
Statement of Revenues, Expenditures, & Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2008

	GENERAL	FIRE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Taxes	\$ 841,853	\$ 156,039	\$ -0-	\$ 85,907	\$ 1,083,799
Licenses & Permits	129,152	-0-	-0-	0	129,152
Intergovernmental	100,188	-0-	-0-	-0-	100,188
Charges for Services	1,037	5,733	-0-	-0-	6,770
Fines	311,250	-0-	-0-	-0-	311,250
Interest	12,339	8,949	2,543	1,563	25,394
Miscellaneous	42,740	170	1,580	816	45,306
Grant Income	-0-	10,937	35,680	-0-	46,617
Loan Proceeds	142,835	-0-	-0-	-0-	142,835
TOTAL REVENUES	1,581,394	181,828	39,803	88,286	1,891,311
EXPENDITURES					
Current:					
General Government	410,728	-0-	1,369	3,250	415,347
Police	457,327	-0-	-0-	-0-	457,327
Highways & Streets	356,266	-0-	-0-	-0-	356,266
Fire	-0-	58,391	-0-	-0-	58,391
Capital Acquisitions	258,793	6,555	57,729	-0-	323,077
Debt Service:					
Principal Retirement	67,329	-0-	-0-	22,834	90,163
Interest & Fiscal Charges	7,585	-0-	-0-	20,639	28,224
TOTAL EXPENDITURES	1,558,028	64,946	59,098	46,723	1,728,795
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	23,366	116,882	(19,295)	41,563	162,516
TRANSFERS	14,263	-0-	-0-	-0-	14,263
NET CHANGE IN FUND BALANCE	37,629	116,882	(19,295)	41,563	176,779
FUND BALANCES - BEGINNING OF YEAR	687,865	244,072	170,536	163,708	1,266,181
FUND BALANCES - END OF YEAR	725,494	360,954	151,241	205,271	1,442,960

The accompanying notes are an integral part of this statement.

Town of Ball
Reconciliation of the Statement of Revenues, Expenditures, & Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2008

Net change in fund balances before prior period adjustments – total governmental funds \$ 176,779

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

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.

Capital Outlay	\$	265,348	
Depreciation Expense		<u>(259,430)</u>	5,918

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The detail of these differences in the treatment of long-term debt and related items is as follows:

Addition of Accrued Vacation		(521)	
Issuance of New Long Term Debt		(142,835)	
Principal Payments		90,163	
Accrued Vacation Paid		<u>-0-</u>	<u>(53,193)</u>

Change in net assets of governmental activities \$ 129,504

The accompanying notes are an integral part of this statement.

Town of Ball
Statement of Net Assets
Proprietary Fund
December 31, 2008

	<u>SANITATION</u>	<u>SEWER</u>	<u>TOTAL</u>
ASSETS			
Current Assets			
Cash & Cash Equivalents	\$ 15,062	\$ 4,175	\$ 19,237
Receivables, Net of Allowance	23,489	71,354	94,843
Total Current Assets	<u>38,551</u>	<u>75,529</u>	<u>114,080</u>
Non-Current Assets			
Restricted:			
Cash & Cash Equivalents	24,328	532,345	556,673
Capital Assets:			
Sewer System	-0-	10,510,898	10,510,898
Machinery & Equipment	342,202	351,367	693,569
Less Accumulated Depreciation	(189,277)	(5,257,295)	(5,446,572)
Total Capital Assets, Net of Accum. Depreciation	<u>152,925</u>	<u>5,604,970</u>	<u>5,757,895</u>
Total Non-Current Assets	<u>177,253</u>	<u>6,137,315</u>	<u>6,314,568</u>
TOTAL ASSETS	<u>215,804</u>	<u>6,212,844</u>	<u>6,428,648</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	9,024	7,039	16,063
Notes Payable	13,795	6,200	19,995
Total Current Liabilities	<u>22,819</u>	<u>13,239</u>	<u>36,058</u>
Current Liabilities Payable From Restricted Assets:			
Due to Agency Fund	-0-	9,674	9,674
Customer Deposits	24,328	47,496	71,824
Bonds Payable	-0-	33,450	33,450
Accrued Interest	-0-	25,719	25,719
Total Current Liabilities Payable From Restricted Assets	<u>24,328</u>	<u>116,339</u>	<u>140,667</u>
Non-Current Liabilities			
Notes Payable Vehicles	62,009	3,207	65,216
Bonds Payable	-0-	541,439	541,439
Total Non-Current Liabilities	<u>62,009</u>	<u>544,646</u>	<u>606,655</u>
TOTAL LIABILITIES	<u>109,156</u>	<u>674,224</u>	<u>783,380</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt Restricted for Debt Service	77,121	5,020,674	5,097,795
Unrestricted	-0-	416,006	416,006
	29,527	101,940	131,467
TOTAL NET ASSETS	<u>\$ 106,648</u>	<u>\$ 5,538,620</u>	<u>\$ 5,645,268</u>

The accompanying notes are an integral part of this statement.

Town of Ball
Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Fund
For the Year Ended December 31, 2008

	SANITATION	SEWER	TOTAL
OPERATING REVENUES			
Ad Valorem Taxes	\$ -0-	\$ 107,867	\$ 107,867
Sanitation Charges	335,054	-0-	335,054
Sewer Charges	-0-	393,694	393,694
Deposit/Connection Charges	4,671	11,014	15,685
Penalty Charges	1,787	28,864	30,651
Miscellaneous	2,418	11,309	13,727
TOTAL OPERATING REVENUES	<u>343,930</u>	<u>552,748</u>	<u>896,678</u>
OPERATING EXPENSES			
Payroll & Related Taxes	140,019	129,046	269,065
Insurance	22,562	17,326	39,888
Contract Labor	-0-	2,082	2,082
Legal & Accounting	2,817	4,431	7,248
Repairs & Maintenance	26,316	110,166	136,482
Truck Expense	51,875	29,796	81,671
Office Expense	10,428	6,019	16,447
Retirement	8,798	13,758	22,556
Utilities	267	118,217	118,484
Miscellaneous	6,500	6,957	13,457
Discharge Permits	-0-	3,744	3,744
Dumping Fees	67,306	-0-	67,306
Depreciation	25,700	288,075	313,775
Travel & Seminars	2,784	817	3,601
TOTAL OPERATING EXPENSES	<u>365,372</u>	<u>730,434</u>	<u>1,095,806</u>
OPERATING INCOME (LOSS)	<u>(21,442)</u>	<u>(177,686)</u>	<u>(199,128)</u>
NON-OPERATING REVENUES (EXPENSES)			
Sale of Capital Assets	50,850	-0-	50,850
Interest Income	1,350	11,585	12,935
Interest Expense	(4,436)	(31,786)	(36,222)
Grants & Aids	-0-	138,933	138,933
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>47,764</u>	<u>118,732</u>	<u>166,496</u>
TRANSFERS IN/(OUT)	<u>(48,435)</u>	<u>34,172</u>	<u>(14,263)</u>
CHANGE IN NET ASSETS	<u>(22,113)</u>	<u>(24,782)</u>	<u>(46,895)</u>
PRIOR PERIOD ADJUSTMENTS	<u>(24,328)</u>	<u>-0-</u>	<u>(24,328)</u>
NET ASSETS - BEGINNING OF YEAR	<u>153,089</u>	<u>5,563,402</u>	<u>5,716,491</u>
NET ASSETS - END OF YEAR	<u>\$ 106,648</u>	<u>\$ 5,538,620</u>	<u>\$ 5,645,268</u>

The accompanying notes are an integral part of this statement.

Town of Ball
Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2008

	<u>SANITATION</u>	<u>SEWER</u>	<u>TOTAL</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received From Customers	\$ 375,750	\$ 442,941	\$ 818,691
Cash Received From Ad Valorem Taxes	-0-	150,599	150,599
Cash Paid to Suppliers	(189,899)	(302,215)	(492,114)
Cash Paid to Employees	(148,817)	(142,804)	(291,621)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>37,034</u>	<u>148,521</u>	<u>185,555</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers In/Out	(48,435)	34,172	(14,263)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(48,435)</u>	<u>34,172</u>	<u>(14,263)</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES			
Capital Grants	-0-	138,933	138,933
Sale of Capital Assets	50,850	-0-	50,850
Purchase of Capital Assets	(8,976)	(195,411)	(204,387)
Interest on Bonds Payable Paid	(4,436)	(31,786)	(36,222)
Principal on Bond & Notes Payable	(14,843)	(39,370)	(54,213)
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	<u>22,595</u>	<u>(127,634)</u>	<u>(105,039)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	1,350	11,585	12,935
(Increases)/Decreases of Investments & Restricted Cash	(24,328)	(76,317)	(100,645)
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>(22,978)</u>	<u>(64,732)</u>	<u>(87,710)</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	<u>(11,784)</u>	<u>(9,673)</u>	<u>(21,457)</u>
PRIOR PERIOD ADJUSTMENT	<u>(24,328)</u>	<u>-0-</u>	<u>(24,328)</u>
CASH & CASH EQUIVALENTS – BEGINNING OF YEAR	<u>51,174</u>	<u>13,848</u>	<u>65,022</u>
CASH & CASH EQUIVALENTS – END OF YEAR	<u>\$ 15,062</u>	<u>\$ 4,175</u>	<u>\$ 19,237</u>

The accompanying notes are an integral part of this statement.

Town of Ball
Reconciliation of Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2008

	<u>SANITATION</u>	<u>SEWER</u>	<u>TOTAL</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATION			
OPERATING INCOME (LOSS)	\$ (21,442)	\$ (177,686)	\$ (199,128)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Depreciation	25,700	288,075	313,775
(Increase) Decrease in Accounts Receivable	7,492	(6,724)	768
(Increase) Decrease in Due From	-0-	33,058	33,058
Increase (Decrease) in Accounts Payable	956	(802)	154
Increase (Decrease) in Customers' Deposits	24,328	4,784	29,112
Increase (Decrease) in Accrued Interest	-0-	(1,858)	(1,858)
Increase (Decrease) in Due to Agency	-0-	9,674	9,674
TOTAL ADJUSTMENTS TO OPERATING INCOME (LOSS)	<u>58,476</u>	<u>326,207</u>	<u>384,683</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ <u>37,034</u>	\$ <u>148,521</u>	\$ <u>185,555</u>

The accompanying notes are an integral part of this statement.

Town of Ball
Statement of Fiduciary Net Assets
December 31, 2008

	<u>PAYROLL</u>	<u>AD VALOREM TAX</u>	<u>TOTAL AGENCY FUNDS</u>
ASSETS			
Cash & Cash Equivalents	\$ 118	\$ 246,952	\$ 247,070
Due From Other Funds	-0-	9,674	9,674
TOTAL ASSETS	<u>118</u>	<u>256,626</u>	<u>256,744</u>
LIABILITIES			
Payroll Taxes Payable	118	-0-	118
Due to General Fund	-0-	48,790	48,790
Due to Debt Service	-0-	207,836	207,836
TOTAL LIABILITIES	<u>\$ 118</u>	<u>\$ 256,626</u>	<u>\$ 256,744</u>

The accompanying notes are an integral part of this statement.

**Notes to the Basic
Financial Statements**

TOWN OF BALL, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Ball was incorporated under the provisions of the Lawrason Act. The Town operates under the Mayor-Board of Alderman form of government. The Town provides the following significant services to its residents as provided by its charter: public safety (police and fire), highways and streets, utilities (water, gas and sewer services) and general administrative functions, including coordination of related services with parish, state and federal governing bodies.

The Town applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

The accounting and reporting policies of the Town of Ball conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

Reporting Entity

The Town is governed by an elected mayor and five-member council. As required by generally accepted accounting principles, these financial statements present the Town (the primary government) and its component units, entities for which the government is considered to be financially accountable.

Component units are organizations for which the Town is financially accountable and all other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability exists if the Town appoints a voting majority of an organization's governing board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Town. The Town may be financially accountable for governmental organizations with a separately elected governing board, a governing board appointed by another government, or a jointly appointed board that is fiscally dependent on the Town. The financial statements of the component units may be discretely presented in a separate column from the primary government or blended with the financial statements of the primary government.

The financial statements of the following component units have been "blended" in the accompanying report because (i) their governing boards are substantially the same as the governing body of the Town, and (ii) the component unit provides services entirely or almost entirely to the citizenry.

TOWN OF BALL, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED

The Ball Volunteer Fire Department

The Ball Volunteer Fire Department's board is composed of 7 commissioners, one being the mayor of the town and the remaining commissioners appointed by the mayor and approved by the board of aldermen. The department is thus considered a component unit of the town and the transactions of the Ball Volunteer Fire Department are presented (or blended) in the financial statements as a special revenue fund. The commissioners, their terms of office and salary are as follows:

NAME	TERM OF OFFICE	ADDRESS	SALARY
Roy Hebron	Continuous	PO Box 800, Ball, LA 71405	-0-
Willie Bishop	Continuous	PO Box 800, Ball, LA 71405	-0-
Walt Chance	Continuous	PO Box 800, Ball, LA 71405	-0-
Wade Kilgo	Continuous	PO Box 800, Ball, LA 71405	-0-
Herb Pruett	Continuous	PO Box 800, Ball, LA 71405	-0-
Roland Davis	Continuous	PO Box 800, Ball, LA 71405	-0-
Genny Poteet	Continuous	PO Box 800, Ball, LA 71405	-0-

A. GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The government-wide Statement of Net Assets reports all financial and capital resources of the Town (excluding fiduciary funds). It is displayed in a format of assets less liabilities equals net assets, with the assets and liabilities shown in order of their relative liquidity. Net assets are required to be displayed in three components: 1) invested in capital assets, net of related debt, 2) restricted, and 3) unrestricted. Invested in capital assets, net of related debt is capital assets net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Restricted net assets are those with constraints placed on their use by either: 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation. All net assets not otherwise classified as restricted, are shown as unrestricted. Generally, the Town would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

TOWN OF BALL, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED

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 meetings 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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, & 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 and fiduciary 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.

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.

C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

The financial transactions of the Town are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

TOWN OF BALL, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED

The following fund types are used by the Town:

Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Town:

- **General Fund** is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.
- **Special Revenue Funds** are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- **Debt Service Funds** are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt.
- **Capital Projects Funds** are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds).

Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Town:

- **Enterprise Funds** are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

Operating revenues and expenses have been reported separately from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The primary operating revenue of the enterprise fund is derived from billed revenue. 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 town's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and cash equivalents, as it relates to the cash flow statement, are defined as the operating cash account.

TOWN OF BALL, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED

Fiduciary Funds:

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Town programs. The reporting focus is on net assets and changes in net assets and is reported using accounting principles similar to proprietary funds.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combines) for the determination of major funds. The Town electively added funds, as major funds, which either had debt outstanding or specific community focus.

D. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual:

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

(2) CASH & INVESTMENTS (C.D.'s IN EXCESS OF 90 DAYS):

Deposits

It is the Town's policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The Town's deposits are categorized to give an indication of the level of risk assumed by the Town at year end. The categories are described as follows:

TOWN OF BALL, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED

- *Category 1* – Insured or collateralized with securities held by the Town or by its agent in the Town’s name.
- *Category 2* – Collateralized with securities held by the pledging financial institution’s trust department or agent in the Town’s name.
- *Category 3* – Uncollateralized.

<u>Bank</u>	<u>Bank Balance</u> <u>At 12/31/2008</u>
Capital One Bank	\$ 589,556
Chase Bank	68,267
Red River Bank	898,327
Southern Heritage Bank	369,296
Total	\$ 1,925,446

Amounts on deposit are secured by the following pledges:

<u>Description</u>	<u>JP Morgan Chase Market Value</u>	<u>Capital One Bank Market Value</u>	<u>Southern Heritage Market Value</u>	<u>Red River Bank Market Value</u>	<u>Total Market Value</u>
FDIC (Category 1)	\$ 68,267	\$ 200,000	\$ 299,340	\$ 400,000	\$ 967,607
Securities (Category 2)	-0-	612,228	282,067	847,284	1,741,579
Total	\$ 68,267	\$ 812,228	\$ 581,407	\$ 1,247,284	\$ 2,709,187

(3) RECEIVABLES

A summary of receivables by fund at December 31, 2008 are as follows:

	<u>Capital Projects</u>	<u>Special Revenue</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Sanitation Fund</u>	<u>Sewer Fund</u>
Accounts Receivable	\$ -0-	\$ -0-	\$ 49,206	\$ -0-	\$ 24,725	\$ 49,182
Sales Tax Receivable	-0-	11,145	41,036	-0-	-0-	-0-
Other Taxes Receivable	-0-	-0-	-0-	-0-	-0-	-0-
Ad Valorem Receivable	-0-	-0-	27,000	32,664	-0-	24,631
Allowance for Bad Debts	-0-	-0-	-0-	-0-	(1,236)	(2,459)
Total Receivables	\$ -0-	\$ 11,145	\$ 117,242	\$ 32,664	\$ 23,489	\$ 71,354

The allowance for bad debts for the sewer and sanitation fund has been established at 5% of total accounts receivable. The allowance for bad debts for the general fund, special revenue fund and debt service fund was determined to be immaterial and, therefore, is not presented.

TOWN OF BALL, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED

(4) FIXED ASSETS

Property Enterprise Fund: Plant and Equipment:

A summary of enterprise fund property, plant and equipment at December 31, 2008, is as follows:

	<u>Balance</u> <u>12-31-2007</u>	<u>Additions</u> <u>(Deletions)</u>	<u>Balance</u> <u>12-31-2008</u>
<u>Sewer Fund</u>			
Sewer System *	\$ 10,666,854	\$ 195,411	\$ 10,862,265
Accumulated Depreciation	(4,969,220)	(288,075)	(5,257,295)
Net	<u>5,697,634</u>	<u>(92,664)</u>	<u>5,604,970</u>
<u>Sanitation Fund</u>			
Equipment	333,226	8,976	342,202
Accumulated Depreciation	(163,577)	(25,700)	(189,277)
Net	<u>\$ 169,649</u>	<u>\$ (16,724)</u>	<u>\$ 152,925</u>

* Construction in Progress in the amount of \$143,081 is not being depreciated.

Enterprise fund assets are recorded at cost and depreciated on the straight-line basis using the following useful lives:

Sewer Plant	40 Years
Water Plant	40 Years
Equipment	5-10 Years

Governmental Fund:

A summary of governmental fund depreciable assets at December 31, 2008, is as follows:

	<u>Balance</u> <u>12-31-2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12-31-2008</u>
Administration	\$ 966,194	\$ 3,680	\$ -0-	\$ 969,874
Police	447,649	72,756	-0-	520,405
Streets	620,757	182,357	-0-	803,114
Fire	885,099	6,556	-0-	891,655
Total	<u>2,919,699</u>	<u>265,349</u>	<u>-0-</u>	<u>3,185,048</u>
Accumulated Depreciation	(1,649,382)	(259,430)	-0-	(1,908,812)
Net	<u>\$ 1,270,317</u>	<u>5,919</u>	<u>-0-</u>	<u>\$ 1,276,236</u>

Land in the amount of \$50,000 is not being depreciated.

Government fund assets are recorded at cost and depreciated on the straight-line basis using the following useful lives:

Equipment	5-10 Years
Buildings	40 Years
Land	-0-

TOWN OF BALL, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED

(5) CHANGES IN LONG-TERM DEBT

The following is a summary of bond transactions of the Town for the year ended December 31, 2008:

	Bank One Sewer Fund	92-02 Sewer Fund	Sewer District # 1	Sewer Fund	1997 Sewer Improv.	Total
Bonds Pay 12/31/2007	\$ 114,048	\$ 494,289	\$ 95,865	\$ 95,865	\$ 190,000	\$ 990,067
Additions	-0-	-0-	-0-	-0-	-0-	-0-
Bonds Retired	(13,398)	(20,051)	(3,917)	(3,917)	(15,000)	(56,283)
Bonds Pay 12/31/2008	<u>\$ 100,650</u>	<u>\$ 474,238</u>	<u>\$ 91,948</u>	<u>\$ 91,948</u>	<u>\$ 175,000</u>	<u>\$ 933,784</u>

The following is a summary of notes and other debt transactions of the Town for the year ended December 31, 2008:

	Notes & Debts Payable At 12/31/2007	New Debt	Principal Paid	Notes & Debts Payable At 12/31/2008
2008 Ford F-750 – Street	\$ -0-	\$ 78,837	\$ (8,232)	\$ 70,605
2008 Ford F-250 – Street	-0-	21,000	(1,205)	19,795
John Deer Tractor/Loader – Street	32,962	-0-	(13,656)	19,306
Komatsu Excavator – Street	16,737	-0-	(8,181)	8,556
Lease Ford Motor Credit – Street	2,500	-0-	(2,500)	-0-
2009 Crown Vic – Police	-0-	23,515	(902)	22,613
2008 Crown Vic – Police	-0-	19,483	(5,655)	13,828
2008 Crown Vic – Police	20,373	-0-	(4,785)	15,588
2008 Crown Vic – Police	16,208	-0-	(5,994)	10,214
2005 Crown Vic – Police	9,396	-0-	(5,855)	3,541
2005 Crown Vic – Police	5,954	-0-	(5,954)	-0-
International Chassis – Sanitation	88,944	-0-	(13,140)	75,804
Lease Ford Motor Credit – Sanitation	1,703	-0-	(1,703)	-0-
2005 Chevy 4 x 4 – Sewer	15,330	-0-	(5,922)	9,408
Lease Ford Motor Credit – Admin	4,410	-0-	(4,410)	-0-
Accrued Compensated Absences	10,470	523	-0-	10,993
Total	<u>\$ 224,987</u>	<u>\$ 143,358</u>	<u>\$ (88,094)</u>	<u>\$ 280,251</u>

TOWN OF BALL, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED

Bonds payable at December 31, 2008 are comprised of the following:

*General obligation bonds administered by the debt service fund:

Two 1983 issues of \$150,000 each due in annual installments of \$8,894 for each issue with the last payment due March 9, 2023; interest at 5% per annum.	\$	183,896
---	----	---------

An issue of \$310,000, due in annual installments of \$29,825 increasing to \$30,975 with the last payment due March 1, 2016; interest at 10% per annum.		175,000
--	--	---------

*Revenue bonds and notes administered by the sewer enterprise fund and sanitation fund secured by revenues of the enterprise fund:

\$228,000 sewer revenue bonds due in annual installments of \$20,801.97 to a maturity date of March 9, 2023; interest at 5% per annum.		100,650
--	--	---------

\$771,000 sewer revenue bonds due in annual installments of \$45,713 to a maturity date of March 9, 2023; interest at 5% per annum.		474,238
---	--	---------

Southern Heritage Bank – Sewer lease for a 2005 Chevy 4 x 4 in the amount of \$28,959 payable in 60 monthly installments of \$541.69 beginning in June 2005 and ending June 2010; interest at 4.5%.		9,408
---	--	-------

Ford Motor Credit – Sanitation 2004 F-250 Ford Pickup lease purchase in the amount of \$15,078 payable in 48 monthly installments of \$344.83 beginning in June 2004 and ending in May 2008; interest at 4.7%.		-0-
--	--	-----

Red River Bank – Sanitation note for an International Model 7400 6x4 Chassis in the amount of \$90,000 payable in 72 monthly installments of \$1,462.92 beginning January 2008 and ending December 2013; interest at 5.25%.		75,804
---	--	--------

Notes and other debts payable administered by the general fund and fire fund:

Ford Motor Credit – Administration 2004 Ford Crown Vic lease purchase in the amount of \$19,890 payable in 48 monthly installments of \$449.09 beginning November 2004 and ending October 2008; interest at 4.0%.		-0-
---	--	-----

Southern Heritage Bank – Police lease for a 2005 Ford Crown Vic in the amount of \$22,160 payable in 48 monthly installments of \$506.12 beginning in January 2005 and ending December 2008; interest at 4.5%.		-0-
--	--	-----

TOWN OF BALL, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED

Notes and other debts payable administered by the general fund and fire fund (continued):

Southern Heritage Bank – Police lease purchase for a 2008 Ford Crown Vic in the amount of \$19,483 payable in 36 monthly installments of \$582.59 beginning February 2008 and ending January 2011; interest at 4.78%.	13,828
Southern Heritage Bank – Police lease purchase for a 2009 Ford Crown Vic in the amount of \$23,515 payable in 48 monthly installments of \$533.68 beginning November 2008 and ending October 2012; interest at 4.2%.	22,613
Southern Heritage Bank – Police lease for a 2005 Ford Crown Vic in the amount of \$22,435 payable in 48 monthly installments of \$513.60 beginning in July 2005 and ending July 2009; interest at 4.5%.	3,541
Red River Bank – Police purchase agreement for a 2008 Ford Crown Vic in the amount of \$24,107.08 payable in 48 monthly installments of \$563.36 beginning August 2008 and ending July 2010; interest at 5.6%.	10,214
Red River Bank – Police purchase agreement for a 2008 Ford Crown Vic in the amount of \$25,247.08 payable in 60 monthly installments of \$483.59 beginning December 2008 and ending November 2011; interest at 5.5%.	15,588
Mayor Roy Hebron accrued compensated absences (see note 6).	10,993

Notes and other debts payable administered by the street fund:

Ford Motor Credit – Streets lease purchase for a 2004 Ford F-250 Crew Cab in the amount of \$18,322 payable in 48 monthly installments of \$423 beginning July 2004 and ending June 2008, interest at 5.13%.	-0-
Southern Heritage Bank – Street lease purchase for a 2008 Ford F-250 in the amount of \$21,000 payable in 48 monthly installments of \$478.06 beginning October 2008 and ending September 2012; interest at 4.35%.	19,795
Southern Heritage Bank – Street lease purchase for a 2008 Ford F-70 in the amount of \$78,838 payable in 60 monthly installments of \$1,483.17 beginning June 2008 and ending May 2013; interest at 4.8%.	70,605
Southern Heritage Bank – Street lease purchase for a John Deere Tractor/Loader in the amount of \$54,143.40 payable in 48 monthly installments of \$1,249.78 beginning April 2008 and ending April 2010; interest at 5%.	19,306
Komatsu Financial – Street lease purchase for an International Chassis in the amount of \$24,650 payable in 36 monthly installments of \$730.52 beginning February 2008 and ending January 2010; interest at 4.5%.	8,556

Total

\$ 1,214,035

TOWN OF BALL, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED

Debt service requirements including interest of Town in five year increments:

	<u>Accrued Vacation</u>	<u>Bonds</u>	<u>Notes</u>	<u>Total</u>
2009	\$ 10,993	\$ 109,118	\$ 100,907	\$ 221,018
2010	-	113,103	72,481	185,584
2011	-	111,943	53,396	165,339
2012	-	110,783	44,993	155,776
2013	-	109,613	23,508	133,121
2014-2018	-	425,683	-	425,683
2019-2023	-	317,505	-	317,505
Total	\$ 10,993	\$ 1,297,748	\$ 295,285	\$ 1,604,026

(6) ACCRUED COMPENSATED ABSENCES

On March 21, 2000 the Town adopted ordinance #148/2000 that states the accumulation of leave and/or any other type compensatory time shall not be allowed by any Town employee for any time period, and in no event shall the Town be liable for payment of compensatory or leave time to any employee, who, upon separation from employment has any credited leave for compensatory time which has not been utilized during the applicable time period. The accrued compensated absence below was incurred before the addition of ordinance #148/2000. As of December 31, 2008 the Town owes a balance of \$10,993 to Mayor Hebron for accumulated vacation.

(7) FLOW OF FUNDS; RESTRICTIONS ON USE - ENTERPRISE FUNDS

Sewer System Revenues

Under the terms of the bond indenture on outstanding sewer revenue bonds dated March 9, 1983 and March 9, 1995, all income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from operation of the Sewer System are pledged and dedicated to the retirement of said bonds and are to be set aside into the following special funds:

Out of the revenue, there shall be set aside into a "Sewer Plant and System Revenue Fund" amounts sufficient to provide for the payment of reasonable and necessary expenses of operating and maintaining the system.

Each month there will be set aside into a "Bond and Interest Sinking Fund" an amount constituting 1/12 of the next maturing installment of principal and 1/12 of the next maturing installment of interest on the outstanding bonds. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due and may be used only for such payments. There shall also be set aside into a "Sewer Revenue Bond Reserve Fund" an amount equal to 5% of the amounts paid to the Revenue Fund until such time as there has accumulated in the reserve account an amount equal to the highest combined principal and

TOWN OF BALL, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED

interest requirement in any succeeding fiscal year on the outstanding principal amount of the bond. Such amounts may be used only for the payment of maturing bonds and interest coupons, in the event that sufficient funds are not on deposit in the Bond and Interest Sinking Fund and as to which there would otherwise be default.

Funds will also be set aside into a "Depreciation and Contingency Fund" in the amount of \$285 per month. Money in this fund may be used for making extraordinary repairs or replacements to the system which are necessary to keep the system in operating condition and for which money is not available as a maintenance and operating expense. Money in this fund may also be used to pay principal and interest on the bonds falling due any time there is not sufficient money for payment in the other bond funds.

Funds set aside in the construction accounts are restricted to approved construction activity of the Town's sewer system.

All of the revenues received in any fiscal year and not required to be paid in such fiscal year into any of the above notes funds shall be regarded as surplus and may be used for any lawful corporate purpose.

Reservations of retained earnings have been made for funds in restricted accounts that exceed current interest and principal requirements.

At December 31, 2008 restricted assets were applicable to the following:

	<u>Sanitation</u>	<u>Sewer</u>	<u>Total</u>
Bond Reserve Account	\$ -0-	\$ 78,245	\$ 78,245
Depreciation Account	-0-	78,277	78,277
Sinking Fund	-0-	227,607	227,607
Reserve CD	-0-	101,478	101,478
Customer Deposit Savings	24,328	46,738	71,066
Total	<u>\$ 24,328</u>	<u>\$ 532,345</u>	<u>\$ 556,673</u>

(8) TAXES

Ad Valorem Taxes

For the year ended December 31, 2008, 17.11 mills were levied on property with assessed valuations totaling \$12,844,534 and were dedicated as follows:

General Corporate Purposes	5.48 mills
Debt Service	3.13 mills
Sewer Revenue Bonds	5.00 mills
Debt Service	3.50 mills
Total	<u>17.11 mills</u>

TOWN OF BALL, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED

Total taxes levied after exemptions were \$219,771. Property taxes attach as an enforceable lien on property as of January 1. The Town of Ball bills and collects its own property taxes which are payable on December 31. Property tax revenues are recognized as revenues in the year in which they are levied.

Sales Taxes

The Town has a 1 ½ cent sales tax dedicated as follows:

Police	22%
Streets	44%
Fire Department	34%
Total	100%

The Town has a 2 cent sales tax dedicated as follows:

Administration	5% of total
Administration	30% remaining
Police	40% remaining
Streets	15% remaining
Fire Department	15% remaining
Total	100% remaining

(9) USE OF ESTIMATES

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

(10) BUDGETS & BUDGETARY ACCOUNTING

A.) The Town follows these procedures in establishing the budgetary data in these financial statements:

1. The town clerk prepares a proposed budget for the General and Fire Funds and submits same to the Mayor and Board of Aldermen prior to the beginning of each year.
2. A summary of the proposed budget is published and a public hearing is held.
3. 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 year for which the budget is being adopted.
4. All budgetary appropriations lapse at the end of each fiscal year.

TOWN OF BALL, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED

5. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Aldermen. The budget for the General Fund was amended for the year ended December 31, 2008.

B.) Capital project budgets are prepared on a "Project Wide" basis which may extend beyond one year. Therefore, a budgetary comparison is not presented.

(11) INTERFUND RECEIVABLES & PAYABLES:

	2008	
	Interfund Receivables	Interfund Payables
General Fund	\$ 48,790	\$ -0-
Debt Service Funds	207,836	35,229
Ad Valorem Tax Agency Fund	9,674	256,626
Sewer Fund	-0-	9,674
Capital Projects	35,229	-0-
Total	\$ 301,529	\$ 301,529

Amounts from the Agency Fund were not disbursed as of year end.

(12) ELECTED OFFICIALS SALARIES:

Name	Date of Service	Position	Annual Salary
Roy Hebron	01/01/2007 – 12/31/2010	Mayor	\$ 63,666
Martin Covington	01/01/2007 – 03/01/2008	Police Chief	6,680
Clifford Clark, Jr.	03/04/2008 – 07/08/2008	Police Chief	16,877
Jay Barber	07/15/2008 – 12/31/2010	Police Chief	21,713
Willie Bishop	01/01/2007 – 12/31/2010	Alderman	3,900
Curtis Robertson	01/01/2007 – 12/31/2010	Alderman	3,800
Bryan Adams	01/01/2007 – 12/31/2010	Alderman	3,900
Jerry Giddings	01/01/2007 – 12/31/2010	Alderman	3,900
Genny Poteet	01/01/2007 – 12/31/2010	Alderman	\$ 3,900

(13) RETIREMENT SYSTEMS:

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

TOWN OF BALL, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED

A: Municipal Employees Retirement System of Louisiana (System)

Plan Description. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. [All employees of the municipality are members of (Plan A) (Plan B)]. [or some employees of the municipality are members of Plan A and some are members of Plan B.]

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. [Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. [Under Plan B, employees who retire at or after age 60 with at least 10 years of creditable service at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2 percent of their final-average monthly salary in excess of \$100 for each year of creditable service.]

Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60, with the basic benefit reduced 3 percent for each year retirement precedes age 62, unless he has at least 30 years of creditable service. In any case, monthly retirement benefits paid under Plan B cannot exceed 100 percent of final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (504) 925-4810.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.25% of their annual covered salary and the Town of Ball is required to contribute at an actuarially determined rate of annual covered payroll. The rate for the Town for the year ending December 31, 2008 was 13.50%. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town of Ball are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the

TOWN OF BALL, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED

valuation for the prior fiscal year. [The Town of Ball contributions to the System under Plan A for the year ending December 31, 2008, was \$50,233, equal to the required contributions for each year.]

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

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

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

Funding Policy. Plan members are required by state statute to contribute 7.5% of their annual covered salary and the Town of Ball is required to contribute at an actuarially determined rate of annual covered payroll. The rate for the Town at January 1, 2008 was 13.75% and changed to 9.5% on July 1, 2008. The contribution requirement of plan members and the Town of Ball are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of Ball contributions to the System for the year ending December 31, 2008 was \$14,379, equal to the required contributions for each year.

TOWN OF BALL, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED

(14) AGENCY FUND

The Agency Fund is used to collect ad valorem taxes assessed by the Town and pay payroll taxes. Below is a summary of transaction activity in the fund during the year:

	<u>Payroll Agency Fund</u>	<u>Ad Valorem Tax Agency Fund</u>
Cash Balance 12/31/2007	\$ 6,258	\$ 271,564
Deposits	173,091	226,031
Expenses	(56)	(8,266)
Transfers To General Fund	-0-	(34,241)
Transfers To Sewer Fund & Debt Service	-0-	(208,135)
Payroll & Taxes	(179,175)	-0-
Cash Balance 12/31/2008	<u>\$ 118</u>	<u>\$ 246,953</u>

(15) CONTINGENCIES & SUBSEQUENT EVENTS

The Town of Ball has one pending case. An individual acquired a final judgment against the Town of Ball for damages allegedly sustained as a result of a sewer problem. The Town received indemnification from Risk Management Insurance in the amount of \$91,110.55, but voted not to appropriate the money for the payment of judgment. The Town appealed the judgment, but lost reversal of the judgment in 2009. The Town will have to pay the \$91,110.55 and possibly judicial interest.

During 2009 FEMA officials began reviewing records related to FEMA grants received by the Town in 2009. The review could result in the Town repaying some grant money to FEMA.

(16) TRANSFERS BETWEEN FUNDS

	<u>Transfer To</u>	<u>Transfer In</u>
General	\$ (41,587)	\$ 55,850
Sanitation	(55,850)	7,415
Sewer	-0-	34,172
Total	<u>\$ (97,437)</u>	<u>\$ 97,437</u>

Transfers were made from the General, Sanitation, and Sewer Funds to cover expenses.

(17) PRIOR PERIOD ADJUSTMENT

A prior period adjustment was made to the Sanitation Fund in the amount of \$24,328. This adjustment was made to book a deposit liability for the Sanitation Fund that had been omitted.

**Required Supplementary
Information
(Unaudited)**

Town of Ball
General Fund
Schedule of Revenues, Expenditures, & Changes in Fund Balances
Budget and Actual on a Budgetary Basis
For the Year Ended December 31, 2008
(Unaudited)

	BUDGETED AMOUNTS		ACTUAL GENERAL	FAVORABLE (UNFAVORABLE) VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 777,289	\$ 991,000	\$ 841,853	\$ (149,147)
Licenses & Permits	90,403	-	129,152	129,152
Intergovernmental	97,143	-	100,188	100,188
Charges for Services	1,775	-	1,037	1,037
Fines	265,900	470,000	311,250	(158,750)
Interest	1,429	-	12,339	12,339
Miscellaneous	1,800	-	42,740	42,740
Grant Income	-	-	-	-
Loan Proceeds	-	-	142,835	142,835
TOTAL REVENUES	<u>1,235,739</u>	<u>1,461,000</u>	<u>1,581,394</u>	<u>120,394</u>
EXPENDITURES				
Current:				
General Government	387,591	458,500	415,219	43,281
Police	440,144	547,400	489,633	57,767
Highways & Streets	408,004	538,100	394,383	143,717
Capital Outlay	-	124,000	258,793	(134,793)
TOTAL EXPENDITURES	<u>1,235,739</u>	<u>1,668,000</u>	<u>1,558,028</u>	<u>109,972</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ -0-	\$ (207,000)	\$ 23,366	\$ 230,366
TRANSFERS			14,263	
NET CHANGE IN FUND BALANCE			37,629	
FUND BALANCES - BEGINNING OF YEAR			687,865	
FUND BALANCES - END OF YEAR			<u>725,494</u>	<u>\$</u>

The notes to the financial statements are an integral part of this statement.

Town of Ball
Special Revenue Fund
Schedule of Revenues, Expenditures, & Changes in Fund Balances
Budget and Actual on a Budgetary Basis
For the Year Ended December 31, 2008
(Unaudited)

	BUDGETED AMOUNTS		ACTUAL FIRE	FAVORABLE (UNFAVORABLE) VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 96,284	\$ 96,284	\$ 156,039	\$ 59,755
Charges For Services	5,205	5,205	5,733	528
Interest	636	636	8,949	8,313
Miscellaneous	-0-	-0-	170	170
Grant Income	-0-	-0-	10,937	10,937
TOTAL REVENUES	<u>102,125</u>	<u>102,125</u>	<u>181,828</u>	<u>79,703</u>
EXPENDITURES				
Fire Expense	102,125	102,125	64,946	37,149
TOTAL EXPENDITURES	<u>102,125</u>	<u>102,125</u>	<u>64,946</u>	<u>37,149</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ -0-	\$ -0-	116,882	\$ 116,852
FUND BALANCES - BEGINNING OF YEAR			244,072	
FUND BALANCES - END OF YEAR			<u>360,954</u>	

The notes to the financial statements are an integral part of this statement.

**Other Supplemental
Information**

**Town of Ball
Insurance Schedule
(Unaudited)**

Description	Coverage	Amount	Expiration Date
Town Hall and Contents	Fire and Lighting, Ext. Coverage Vandalism and Malicious Mischief	\$515,000	8-2-09
Employees	Workmen's Compensation	\$100,000 – Statutory	12-31-09
Surety Bonds	Honesty Blanket Position	\$10,000	12-12-09
Surety Bonds	Tax Collector and Fire Chief	\$5,000	11-2-09
Joint Project for Improvement of Gravel Streets	Bodily Injury	\$1,100	5-1-09
	Property Damage	\$1,100	5-1-09
General Liability	Bodily Injury	\$500,000	5-1-09
General Liability	Property Damage	\$500,000	5-1-09
Automobile Liability	Bodily Injury	\$500,000	5-1-09
Surety	Position Bond - Clerk	\$70,000	10-31-09
Equipment Shop and Office	Property Damage	\$65,000	8-2-09
Fire Department	Property Damage	\$40,000	5-1-09
Senior Citizen Building	Liability	\$136,000	8-2-09

Other Reports

John R. Vercher C.P.A.
jrv@centurytel.net

Jonathan M. Vercher M.S., C.P.A.
jonathanvercher@centurytel.net

JOHN R. VERCHER PC
Certified Public Accountants

P.O. Box 1608
Jena, Louisiana 71342
Tel: (318) 992-6348
Fax: (318) 992-4374

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

The Honorable Roy Hebron, Mayor
& Members of the Town Council
Ball, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities and the aggregate remaining fund information of Town of Ball, Louisiana, as of and for the year ended December 31, 2008 which collectively comprise the Town of Ball, Louisiana's basic financial statements and have issued our report thereon dated June 11, 2009. 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 the Town of Ball's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Ball's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Ball's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the Town of Ball's internal control. We consider the deficiencies below and described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting.

2008-I-1 Ad Valorem Tax Agency Fund

MEMBER
— AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS —
SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described above is not a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Ball'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

This report is intended solely for the information and use of the audit committee, management, federal awarding agencies and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a public document and its distribution is not limited.

John R. Vercher PC

Jena, Louisiana

June 11, 2009

**TOWN OF BALL
BALL, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Year Ended December 31, 2008**

We have audited the financial statements of the Town of Ball, Louisiana, as of and for the year ended December 31, 2008 and have issued our report thereon dated June 11, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Our audit of the financial statements as of December 31, 2008 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses Yes No Other Conditions Yes No

Compliance

Compliance Material to Financial Statements Yes No

b. Federal Awards (Not Applicable)

Internal Control

Material Weaknesses Yes No Other Conditions Yes No

Type of Opinion On Compliance Unqualified Qualified
For Major Programs Disclaimer Adverse

Are the findings required to be reported in accordance with Circular A-133, Section .510(a)?

Yes No

c. Identification Of Major Programs:

CFDA Number (s)	Name Of Federal Program (or Cluster)
-----------------	--------------------------------------

Dollar threshold used to distinguish between Type A and Type B Programs: \$

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133? Yes No

**TOWN OF BALL
BALL, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)
For the Year Ended December 31, 2008**

Section II Financial Statement Findings Required To Be Reported In Accordance With GAGAS

No items to report.

Section III – Internal Control

2008-I-1 Ad Valorem Tax Agency Fund

Description of Finding: The Town does not disburse its ad valorem taxes from its Ad Valorem Tax Agency Fund in a timely manner to the various funds to which the taxes are dedicated. Also, the Town pays for projects and expenses of the various funds and it is necessary to determine and/or allocate these expenditures to the various funds to which it applies at year end. This allocation process is subject to errors and miscalculations that could result in dedicated funds being spent in areas or on projects that the funds were not intended or dedicated.

Criteria: Dedicated ad valorem taxes are required to be applied or spent in the dedicated funds or on approved expenditures. Not doing so, would result in compliance violations.

Cause of Condition: Not distributing the taxes to the various funds in a timely manner.

Effect of Condition: Not distributing ad valorem taxes could result in the Town misspending dedicated ad valorem taxes which would result in compliance findings.

Recommendation: The Town should distribute all taxes from the Tax Agency Fund to the various funds in a timely manner. No purchases of supplies or expenditures on projects should be made directly from the Ad Valorem Tax Agency Fund.

Section IV Federal Awards Findings and Questioned Costs

Not applicable.

TOWN OF BALL
BALL, LOUISIANA
DECEMBER 31, 2008

MANAGEMENT'S CORRECTIVE ACTION
FOR CURRENT YEAR AUDIT FINDINGS

CURRENT YEAR FINDINGS

	DESCRIPTION OF FINDINGS	CORRECTIVE ACTION PLANNED	CONTACT PERSON	ANTICIPATED COMPLETION DATE
2008-I-1	Ad Valorem Tax Agency Fund	The Town will begin distributing ad valorem taxes from the Tax Agency Fund in a timely manner and discontinue making expenditures for projects and equipment of various funds.	Roy Hebron	12/31/09

**TOWN OF BALL
BALL, LOUISIANA**

**MANAGEMENT'S SUMMARY
OF PRIOR YEAR FINDINGS**

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana 70804-9397

The management of the Town of Ball, Louisiana has provided the following action summaries relating to audit findings brought to their attention as a result of their financial audit for the year ended December 31, 2007.

PRIOR YEAR FINDINGS

2007-C-1 Flowers Purchased With Public Funds (Resolved)

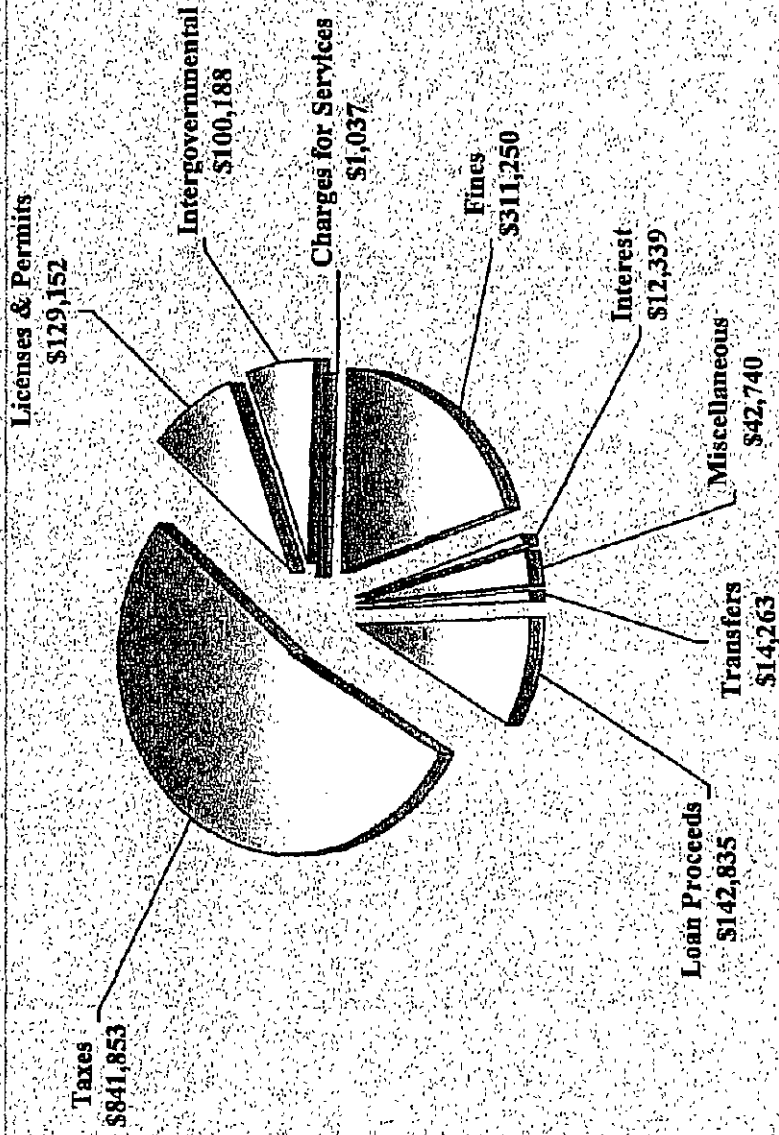
Finding: During the testing of expenditures, it was discovered that the Town had purchased sympathy flowers. Attorney General Opinion 1940-1942, Page 3882 states that State Boards or other agencies may not purchase floral offerings with public funds.

Town's Corrective Action: The Town discontinued purchasing floral offerings and reimbursed the Town for the expenditure.

Graphs

**Town of Ball
Louisiana**

General Fund Revenues



**Town of Ball
Louisiana**

General Fund Expenditures

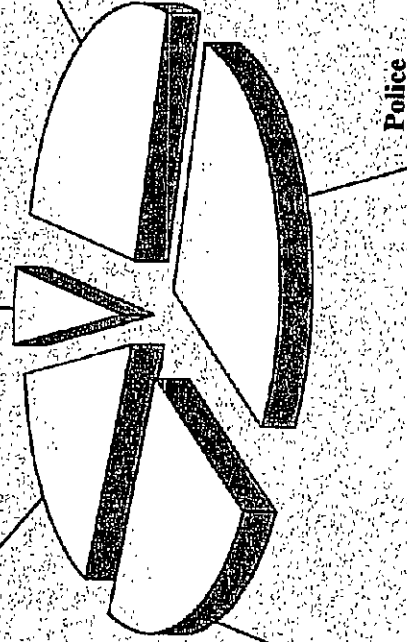
**Debt Service
\$74,914**

**Capital Acquisitions
\$258,793**

**General Government
\$410,728**

**Highways & Streets
\$356,266**

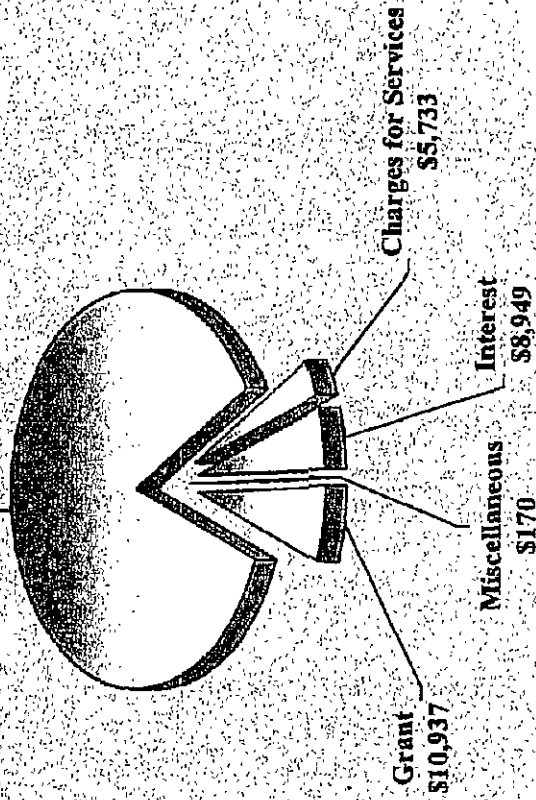
**Police
\$457,327**



**Town of Ball
Louisiana**

Fire Fund Revenues

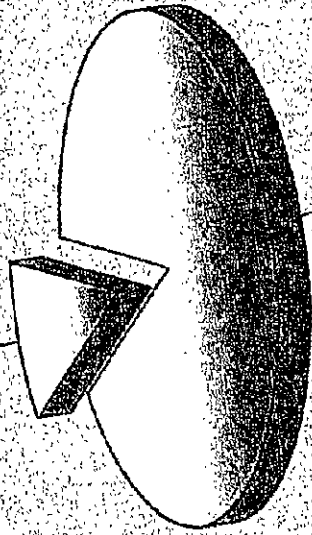
**Taxes
\$156,039**



**Town of Ball
Louisiana**

Fire Fund Expenditures

**Capital Acquisitions
\$6,555**

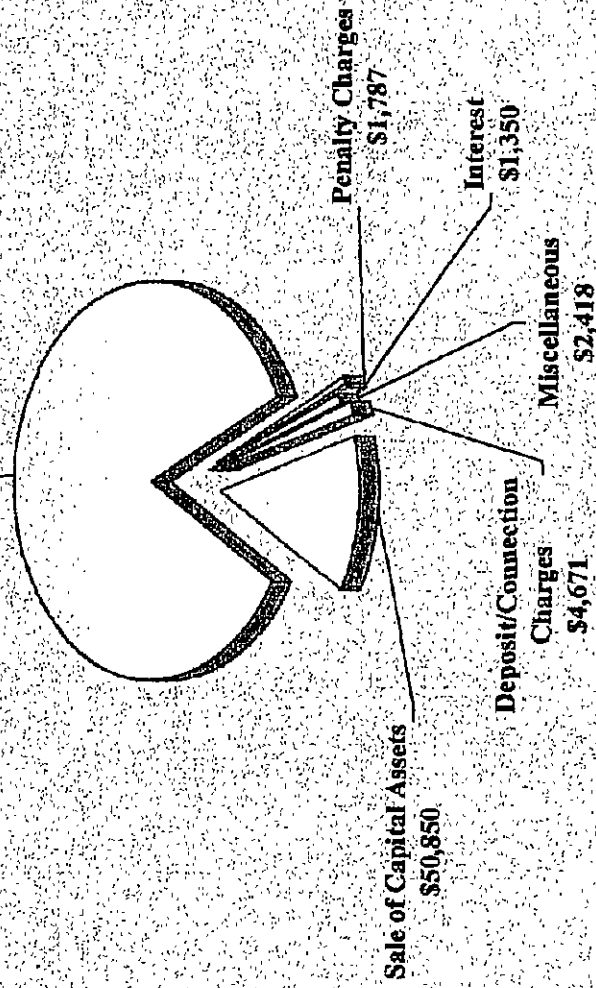


**Fire
\$58,391**

**Town of Ball
Louisiana**

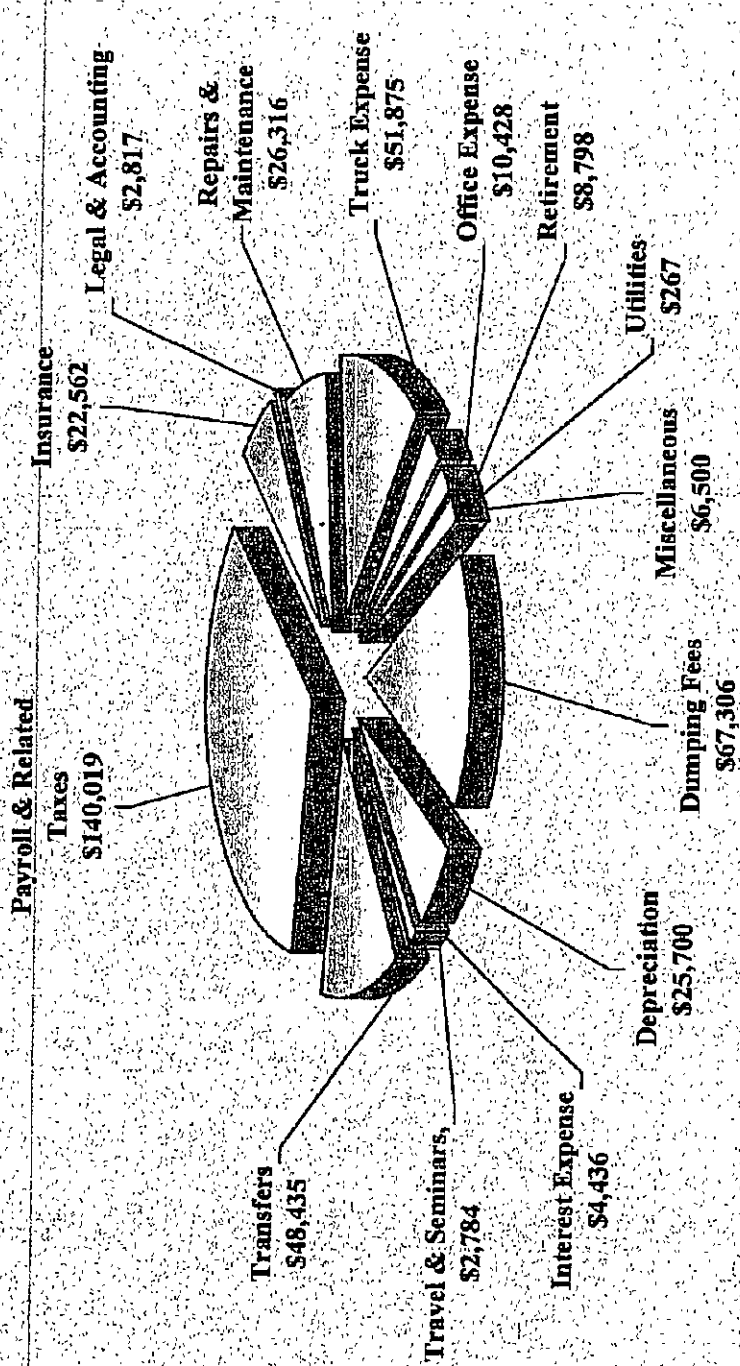
Sanitation Revenues

**Sanitation Charges
\$335,054**



**Town of Ball
Louisiana**

Sanitation Expenses



**Town of Ball
Louisiana**

Sewer Expenses

