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TOWN OF RINGGOLD  
RINGGOLD, LOUISIANA  
GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999

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 JUL 26 2000

TOWN OF RINGGOLD, LOUISIANA

General Purpose Financial Statements  
As of and for the Year Ended December 31, 1999  
With Supplemental Information Schedules

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TOWN OF RINGGOLD, LOUISIANA  
December 31, 1999

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TOWN OF RINGGOLD, LOUISIANA  
December 31, 1999

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MEMBERS

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SOCIETY OF LOUISIANA  
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## INDEPENDENT AUDITORS' REPORT

The Honorable Robert P. Corley, Mayor  
and the Council Members of the Town Council  
Town of Ringgold, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Ringgold, Louisiana, as of and for the year ended December 31, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the Town of Ringgold, Louisiana's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Ringgold, Louisiana, as of December 31, 1999, and the results of its operations and cash flows of its proprietary fund for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated June 13, 2000 on our consideration of the Town of Ringgold's internal control over financial reporting and 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.

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

*Jamieson, Wise & Martin*

Minden, Louisiana  
June 13, 2000

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## 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 Robert P. Corley, Mayor  
and the Council Members of the Town Council  
Town of Ringgold, Louisiana

We have audited the general purpose financial statements of the Town of Ringgold, Louisiana, as of and for the year ended December 31, 1999, and have issued our report thereon dated June 13, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the Town of Ringgold, Louisiana's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that is required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of noncompliance that we have reported to management of Town of Ringgold, Louisiana in a separate letter dated June 13, 2000.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Town of Ringgold, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components

does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of Town of Ringgold, Louisiana, in a separate letter dated June 13, 2000.

This report is intended solely for the information of management, others within the organization, City Council, 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.

*Jamieson, Wise & Martin*

Minden, Louisiana  
June 13, 2000



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## MANAGEMENT LETTER

The Honorable Robert P. Corley, Mayor  
and the Council Members of the Town Council  
Town of Ringgold, Louisiana

We have audited the financial statements of the Town of Ringgold, Louisiana, as of and for the year ended December 31, 1999, and have issued our report thereon dated June 13, 2000.

In connection with our audit, we made certain observations relative to the records maintained, the accounting procedures in effect, and the overall administration of the financial affairs of the town. As a supplement to the reports, we submit for your consideration pertaining to the following observation which did not meet the criteria of being material to the general purpose financial statements.

*Compliance and internal control considered non-material to general purpose financial statements.*

### 99-1: Local Government Budget Laws

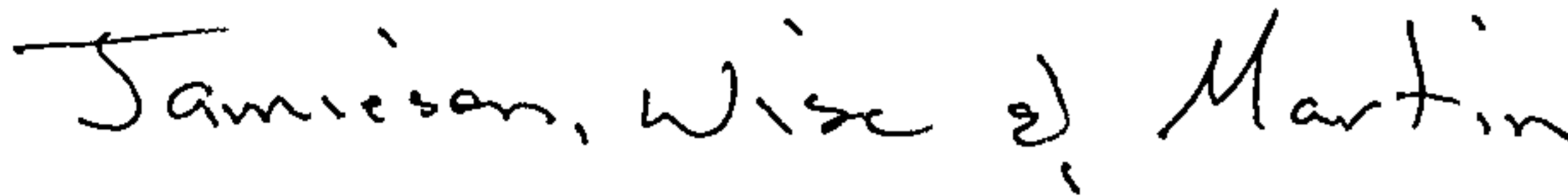
During our audit, we reviewed the budget process of the town. LSA-R.S. 39:1310 concerns budgetary control. The town is to amend the budget in accordance with R.S. 39 whenever there is a variance of 5% (five percent) or more between actual and remaining projections as compared to budget amounts for revenues, expenditures or beginning fund balance. For the year ended December 31, 1999, it was noted that the Town had made efforts to be in compliance with the Local Government Budget Laws, however, during our audit we noted that total expenditures of the General Fund were 52% over the amounts budgeted for total expenditures of the General Fund. In addition, total revenues of the Special Revenues Fund was 20% under the amounts budgeted for the total revenues of the Special Revenue Fund. For good internal control over expenditures and compliance with the state budget laws we recommend the town continue to periodically review the actual revenues, expenditures and beginning fund balances with the original approved budget amounts and make necessary formal budget amendments.

99-2: Sale of property of municipality

Per Louisiana Revised Statute (R.S.) 33:4712, a municipality may sell movable property having an appraised value of \$5,000 or less at private sale provided that notice of the resolution and proposed sale shall be published once at least fifteen days prior to the date of the sale in the official journal of the municipality. The bids received for sale of surplus property were opened on June 10, 1999. However, we noted that the publication of notice of the sale was not published until June 10, June 17, and June 24, 1999, which was on and after the actual date the bids received were opened.

Prior audit findings have been addressed by the town management unless included in the above comments. Should you have any questions concerning the contents of this letter or if we can be of any additional service, please contact us at your convenience.

Very truly yours,

A handwritten signature in cursive script that reads "Jamieson, Wise & Martin". The signature is written in black ink and is positioned above the typed name of the firm.

Jamieson, Wise & Martin  
June 13, 2000

**GENERAL PURPOSE FINANCIAL STATEMENTS  
(COMBINED STATEMENTS-OVERVIEW)**

TOWN OF RINGGOLD  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 December 31, 1999

ASSETS	Governmental Fund Types			Proprietary Fund Type	Account Group		Total (Memorandum Only)
	General	Special Revenue	Capital Projects	Enterprise Fund	General Fixed Assets		
Cash	\$ 22,263	38,429	68	33,648	-	-	94,408
Investments	130,153	128,862	-	9,590	-	-	268,605
Receivables -							
Taxes	13,513	-	-	9,725	-	-	23,238
Water and sewer	-	-	-	31,342	-	-	31,342
Due from other governments	24,007	-	88,655	-	-	-	112,662
Restricted assets -							
Cash	-	-	-	176,239	-	-	176,239
Meter deposits	-	-	-	3,690	-	-	3,690
Investments - meter deposits	-	-	-	30,699	-	-	30,699
Land	-	-	-	-	29,713	-	29,713
Buildings	-	-	-	-	61,119	-	61,119
Improvements other than buildings	-	-	-	-	760,973	-	760,973
Equipment	-	-	-	-	141,155	-	141,155
Proprietary funds -							
Property, plant and equipment	-	-	-	3,153,008	-	-	3,153,008
Accumulated depreciation	-	-	-	(791,819)	-	-	(791,819)
Construction in progress	-	-	-	136,134	-	-	136,134
Total assets	\$ 189,936	167,291	88,723	2,792,256	992,960	-	4,231,166

The accompanying notes are an integral part of these financial statements.

TOWN OF RINGGOLD  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 December 31, 1999

	Governmental Fund Types			Proprietary Fund Type	Account Group		Total (Memorandum Only)
	General	Special Revenue	Capital Projects		Enterprise Fund	General Fixed Assets	
<b>LIABILITIES AND FUND EQUITY</b>							
Liabilities:							
Accounts payable and accrued expenses	\$ 17,812	-	78,173	6,538	-	-	102,523
Retainage payable	-	-	10,482	-	-	-	10,482
Payable from restricted assets -							
Customers' deposits	-	-	-	21,311	-	-	21,311
Interest payable	-	-	-	79,103	-	-	79,103
Revenue bonds payable	-	-	-	12,607	-	-	12,607
Revenue bonds payable	-	-	-	1,251,843	-	-	1,251,843
Total liabilities	<u>17,812</u>	-	<u>88,655</u>	<u>1,371,402</u>	-	-	<u>1,477,869</u>
Fund equity:							
Contributed capital	-	-	-	1,919,278	-	-	1,919,278
Investment in general fixed assets	-	-	-	-	992,960	-	992,960
Retained earnings (deficit):							
Reserved for:							
Water revenue bond retirement	-	-	-	69,458	-	-	69,458
Sewer revenue bond retirement	-	-	-	15,071	-	-	15,071
Unreserved (deficit)	-	-	-	(582,953)	-	-	(582,953)
Fund balances (deficit):							
Unreserved:							
Designated for capital projects	-	-	68	-	-	-	68
Undesignated	<u>172,124</u>	<u>167,291</u>	-	-	-	-	<u>339,415</u>
Total fund equity	<u>172,124</u>	<u>167,291</u>	<u>68</u>	<u>1,420,854</u>	<u>992,960</u>	<u>992,960</u>	<u>2,753,297</u>
Total liabilities and fund equity	<u>\$ 189,936</u>	<u>167,291</u>	<u>88,723</u>	<u>2,792,256</u>	<u>992,960</u>	<u>992,960</u>	<u>4,231,166</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF RINGGOLD  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
 For the Year Ended December 31, 1999

	General Fund	Special Revenue Fund	Capital Project Fund	Total (Memorandum Only)
Revenues:				
Taxes	\$ 51,606	208,253	-	259,859
Licenses and permits	25,354	-	-	25,354
Intergovernmental	135,620	-	136,134	271,754
Fines and forfeitures	18,621	-	-	18,621
Interest	4,885	3,011	-	7,896
Collection fee	20,321	-	-	20,321
Miscellaneous	27,413	-	-	27,413
Total revenues	<u>283,820</u>	<u>211,264</u>	<u>136,134</u>	<u>631,218</u>
Expenditures:				
General government	96,908	89,838	-	186,746
Public safety	146,833	-	-	146,833
Recreation	75,864	-	-	75,864
Capital outlay	-	-	136,122	136,122
Total expenditures	<u>319,605</u>	<u>89,838</u>	<u>136,122</u>	<u>545,565</u>
Excess (deficiency) of revenues over expenditures	<u>(35,785)</u>	<u>121,426</u>	<u>12</u>	<u>85,653</u>
Other financing sources (uses):				
Proceeds from sale of assets	4,501	-	-	4,501
Operating transfers in	116,315	-	-	116,315
Operating transfers out	-	(91,774)	(32)	(91,806)
Total other financing sources (uses)	<u>120,816</u>	<u>(91,774)</u>	<u>(32)</u>	<u>29,010</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	85,031	29,652	(20)	114,663
Fund balances, beginning	<u>87,093</u>	<u>137,639</u>	<u>88</u>	<u>224,820</u>
Fund balances, ending	<u>\$ 172,124</u>	<u>167,291</u>	<u>68</u>	<u>339,483</u>

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

TOWN OF RINGGOLD  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - BUDGET (CASH BASIS) AND ACTUAL - GENERAL AND SPECIAL REVENUE FUND TYPES  
 For the Year Ended December 31, 1999

	General Fund			Special Revenue Fund		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>						
Taxes	\$ 49,548	47,885	(1,663)	264,000	208,253	(55,747)
Licenses and permits	25,200	25,566	366	-	-	-
Intergovernmental	13,460	114,133	100,673	-	-	-
Fines and forfeitures	18,000	18,621	621	-	-	-
Interest	4,500	4,885	385	-	3,011	3,011
Collection fee	20,100	20,321	221	-	-	-
Miscellaneous	25,085	27,201	2,116	-	-	-
<b>Total revenues</b>	<u>155,893</u>	<u>258,612</u>	<u>102,719</u>	<u>264,000</u>	<u>211,264</u>	<u>(52,736)</u>
<b>Expenditures:</b>						
General government	87,425	136,255	(48,830)	103,450	89,838	13,612
Public safety	146,260	148,263	(2,003)	-	-	-
Recreation	3,600	75,864	(72,264)	-	-	-
<b>Total expenditures</b>	<u>237,285</u>	<u>360,382</u>	<u>(123,097)</u>	<u>103,450</u>	<u>89,838</u>	<u>13,612</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(81,392)</u>	<u>(101,770)</u>	<u>(20,378)</u>	<u>160,550</u>	<u>121,426</u>	<u>(39,124)</u>
<b>Other financing sources (uses):</b>						
Proceeds sale of assets	-	4,501	4,501	-	-	-
Operating transfers in	90,000	118,624	28,624	-	-	-
Operating transfers out	-	-	-	(132,000)	(91,774)	40,226
<b>Total other financing sources (uses)</b>	<u>90,000</u>	<u>123,125</u>	<u>33,125</u>	<u>(132,000)</u>	<u>(91,774)</u>	<u>40,226</u>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<u>8,608</u>	<u>21,355</u>	<u>12,747</u>	<u>28,550</u>	<u>29,652</u>	<u>1,102</u>
<b>Fund balance-beginning</b>	<u>126,691</u>	<u>126,691</u>	<u>-</u>	<u>137,639</u>	<u>137,639</u>	<u>-</u>
<b>Fund balance - ending</b>	<u>\$ 135,299</u>	<u>148,046</u>	<u>12,747</u>	<u>166,189</u>	<u>167,291</u>	<u>1,102</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF RINGGOLD  
 PROPRIETARY FUND TYPE  
 STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN RETAINED EARNINGS - ENTERPRISE FUND  
 For the Year Ended December 31, 1999

Revenues:	
Water sales	\$ 169,737
Sewer fees	74,962
Connection fees	400
Re-connection fees	2,299
Ad valorem taxes	29,246
Miscellaneous income	10,239
Total revenues	<u>286,883</u>
Operating expenses:	
Salaries	67,849
Payroll taxes & retirement	2,545
Office supplies	4,152
Utilities	19,083
Professional fees	1,177
Uniform rental	1,863
Repairs and maintenance	15,446
Insurance	6,450
Vehicle	2,258
Education and travel	837
Miscellaneous expense	689
Materials - sewer	7,100
Chemicals - sewer	9,317
Depreciation	87,453
Utility tax	4,725
Total operating expense	<u>230,944</u>
Operating income	55,939
Nonoperating revenues (expenses):	
Interest income	4,288
Interest expense	(26,735)
Loss on disposal of asset	(6,401)
Total nonoperating revenues and expenses	<u>(28,848)</u>
Income before operating transfers	27,091
Operating transfers:	
Transfers to General Fund	(24,509)
Net transfers	<u>(24,509)</u>
Income after operating transfers	2,582
Retained earnings (deficit) - beginning	(548,327)
Decrease (increase) in reserves:	
Revenue bond retirement	<u>(37,208)</u>
Retained earnings (deficit) - ending	<u>\$ (582,953)</u>

The accompanying notes are an integral part of these financial statements.



TOWN OF RINGGOLD  
STATEMENT OF CASH FLOWS  
ALL PROPRIETARY FUND TYPES  
For the Year Ended December 31, 1999

<i>Cash flows from operating activities:</i>		
Operating income		\$ 55,939
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	\$ 87,453	
(Increase) decrease in -		
Accounts receivables - Water and sewer	(3,976)	
Accounts receivables - Ad valorem taxes	(5,141)	
Increase (decrease) in:		
Accounts payable	3,350	
Due to other funds	<u>(2,308)</u>	
Total adjustments		<u>79,378</u>
Net cash provided by operating activities		135,317
<i>Cash flows from noncapital financing activities</i>		
Transfers out to other funds	(24,509)	
Meter deposit proceeds	3,680	
Meter deposit returns & charges	<u>(3,362)</u>	
Net cash used by noncapital financing activities		(24,191)
<i>Cash flows from capital and related financing activities:</i>		
Principal payments - bonds	(4,323)	
Interest payments - bonds	(23,381)	
Purchase of assets	(8,500)	
Proceed from sale of assets	<u>863</u>	
Net cash used by capital and related financing activities		(35,341)
<i>Cash flows from investing activities:</i>		
Receipts of interest	4,288	
Increase of investments	<u>(4,775)</u>	
Net cash used by investing activities		<u>(487)</u>
Net increase in cash		75,298
Cash at beginning of the year		<u>138,279</u>
Cash at end of the year		<u>\$ 213,577</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF RINGGOLD, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 1999

## INTRODUCTION

The Town of Ringgold was incorporated under the provisions of the Lawrason Act (Louisiana Revised Statutes 33:321-463). The Town is located in the Parish of Bienville, being in the northwest corner of the State of Louisiana.

The Town operates under a Mayor-Board of Aldermen form of government. Members of the board are all elected and serve a term of 4 years.

The accounting and reporting policies of the Town of Ringgold 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 guidelines set forth in the Louisiana Municipal Audit and Accounting Guide and the industry audit guide, Audits of State and Local Governmental Units.

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. BASIS OF PRESENTATION

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

#### B. REPORTING ENTITY

As the municipal governing authority, for reporting purposes, the Town of Ringgold is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (municipality), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Statement No. 14 established criteria for determining which component units should be considered part of the Town of Ringgold for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability.

TOWN OF RINGGOLD, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 1999

This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the municipality to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the municipality.
2. Organizations for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

For financial reporting purposes, in conformance with GASB Statement No. 14, the Town of Ringgold includes all funds, account groups, et cetera, that are within the oversight responsibility of the Town of Ringgold.

Certain units of local government over which the Town exercises no oversight responsibility, such as the parish police jury, the parish school board, and independently elected parish officials are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Town of Ringgold.

### **C. FUND ACCOUNTING**

The Town of Ringgold uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable financial resources.

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Funds of the Town are classified into two categories: governmental and proprietary. Each category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

*Governmental Funds*

Governmental funds account for all or most of the Town's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include:

1. General fund - the general operating fund of the Town of Ringgold and accounts for all financial resources, except those required to be accounted for in other funds.
2. Special revenue fund - account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are legally restricted to expenditures for specific purposes.
3. Capital projects fund - account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reporting in the other governmental funds.

*Proprietary Fund:*

Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which together with the maintenance of equity, is an important financial indicator. The proprietary fund includes the:

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

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**D. BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

*Revenues*

Taxpayer assessed income, gross receipts, and sales taxes are considered “measurable” when in the hands of the collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

*Expenditures*

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt which is recognized when due.

*Other financing sources (uses)*

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sales of fixed assets, debt extinguishments, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

All proprietary funds are accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. The proprietary funds use the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred.

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**E. BUDGETS**

The Town of Ringgold uses the following budget practices:

1. The Town Clerk prepares a proposed budget and submits same to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
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 which results from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
6. Budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for the General and Special Revenue Funds were not adopted on a basis consistent with generally accepted accounting principles (GAAP).

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8. The revenues and expenditures shown on Page 10 are reconciled with the amounts reflected on the budget comparison on page 11 as follows:

	<u>General Fund</u>	<u>Sales Tax Fund</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP Basis)	\$ 85,031	29,652
Adjustments:		
Receivable accruals	(22,899)	-
Expenditure accruals	<u>(40,777)</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (Budget Cash Basis)	\$ <u>21,355</u>	<u>29,652</u>

**F. ENCUMBRANCES**

The Town of Ringgold does not employ encumbrance accounting in the governmental funds.

**G. CASH AND CASH EQUIVALENTS**

Cash includes amounts in demand deposits, interest-bearing deposits, and money market accounts. Cash equivalents include investments with original maturities of 90 days or less. Under state law, the Town of Ringgold may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

**H. INVESTMENTS**

Investments are limited by Louisiana Revised Statute (R.S. 33:2955) and the municipality's investment policy. Under state law, the Town of Ringgold may invest in United States bonds, treasury notes, or certificates. If the original maturities of investments exceed 90 days, they are classified as investment; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The Town of Ringgold participates in the Louisiana Asset Management Pool, Inc. (LAMP) which is an external investment pool that is not SEC-registered. Because the

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LAMP is an arrangement sponsored by a type of governmental entity, it is exempt by statute from regulation by SEC.

The investment objective of the LAMP is the preservation of capital and the maintenance of liquidity and, to the extent consistent with such objective, current yield.

The LAMP was established as a cooperative endeavor to enable public entities of the State of Louisiana to aggregate funds for investment. This pooling is intended to improve administrative efficiency and increase investment yield. The Board of Directors of LAMP provides certain management and administrative services to LAMP and, through a competitive bidding process, selects a custodial bank and an investment advisor. The custodial bank holds the assets of LAMP and the investment decisions are made by the investment advisor. Both the custodial bank and the investment advisor are subject to the review and oversight of LAMP.

An annual audit of LAMP is conducted annually by an independent certified public accountant. The Legislative Auditor of the State of Louisiana has full access to the records of LAMP.

The LAMP may invest in US Government Securities. The LAMP is designed to comply with restriction on investment by municipalities, parishes, and other types of political subdivisions imposed under Louisiana Revised Statutes 33:2955.

The LAMP seeks maintain a stable net asset value of \$1.00 per unit, but there can be no assurance that LAMP will be able to achieve this objective. To facilitate this goal, the LAMP's portfolio securities are valued by the amortized cost method as permitted by Rule 2a-7 of the Investment Company Act of 1940, as amended, which governs money market mutual funds (although the LAMP is not a money market fund and has no obligation to conform to this rule.) In addition, the LAMP will generally comply with other aspects of that rule, including the requirements that all portfolio securities acquired by the LAMP must have, at the time of purchase, a maximum remaining maturity of 397 days and meet certain addition quality standards and that the LAMP maintain a dollar-weighted average portfolio maturity of not more than 90 days.

The fair value of the position in the pool is the same as the value of the pool shares.



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**I. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES**

During the course of operations, numerous transactions occur between individual funds for goods or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet.

**J. FIXED ASSETS**

All governmental fund type operations (general fixed assets) purchased after June 30, 1978 are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. No depreciation has been provided on general fixed assets. The Town has not capitalized all public domain or infrastructure fixed assets. Interest costs incurred during construction are not capitalized. All items of property, plant and equipment purchased prior to July 1, 1978 were charged to expense and no record was maintained of these capital expenditures. It is not feasible to estimate the historical cost of assets purchased prior to July 1, 1978, therefore, these assets are not accounted for in these statements. As of December 31, 1992 an inventory of equipment was taken. Actual cost was used for items known and estimated actual cost was used for all other items.

Fixed assets used in the proprietary fund operations are included on the balance sheet of the proprietary fund with accumulated depreciation. Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations.

Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Water Utility	
Wells	40 years
Storage tanks	40 years
Purification plant	40 years
Lines and meters	40 years
Equipment	5-7 years
Sewerage Utility:	
Pump stations	40 years
Autos and trucks	3 years
Equipment	5-7 years

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All fixed assets are stated at historical cost. Donated fixed assets are stated at their estimated fair value on the date donated.

**K. COMPENSATED ABSENCES**

The Town of Ringgold has the following policy relating to sick leave:

Employees are allowed to accrue ten days of sick leave each year. Employees may carry forward from the previous year any earned but unused sick leave up to a maximum of 10 days or 80 hours. The maximum sick leave an employee may possess at any one time is twenty days. Sick leave may be used only after it has been earned. No payments will be made for unused sick leave.

The Town of Ringgold has the following policy relating to vacation:

1 < 10 years of service	2 weeks (80 hours)
> 10 years of service	3 weeks (120 hours)

Vacation leave is granted to each employee who is on the active payroll on the employee's anniversary date, provided the employee has worked a minimum of 1500 hours in the service year preceding their anniversary date. Earned vacations can be accrued for two (2) anniversary years. An employee who has accumulated on (1) or more years of service who voluntarily or involuntarily terminates his employment shall receive any earned vacation pay at the time of departure. Accumulated unpaid annual leave is accrued when incurred in the proprietary funds (using the accrual basis of accounting.) Such amounts are not accrued in governmental funds (using the modified accrual basis of accounting), however, these amounts are recorded in the General Long-Term Debt Account Group. As of December 31, 1999, accumulated unpaid vacation pay was immaterial and an accrual in the General Long-term Debt Account Group was not considered necessary.

**L. LONG-TERM OBLIGATIONS**

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due. Long-term obligations expected to be financed from proprietary fund operations are accounted for in those funds.

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**M. FUND EQUITY**

*Contributed Capital*

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

*Reserves*

Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use.

*Designated Fund Balances*

Designated fund balances represent tentative plans for future use of financial resources.

**N. INTERFUND TRANSACTIONS**

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**O. TOTAL COLUMNS ON COMBINED STATEMENTS**

Total columns on combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

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**2. FUND DEFICITS**

The proprietary fund had a deficit balance of \$ 582,953 in unreserved retained earnings at December 31, 1999. The deficit retained earnings in the water and sanitation fund is the result of revenues inadequate to cover expenses including depreciation in fiscal years 1992 through 1998. Deficit retained earnings are offset by contributed capital and reserved retained earnings balances.

**3. LEVIED TAXES**

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Town in September or October and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed. The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of Bienville Parish.

For the year ended December 31, 1999, the assessed value of property for the Town of Ringgold was 2,661,050 and were dedicated as follows:

General corporate purposes	7.10 mils
10-year water maintenance tax	5.51 mils
10-year sewer tax	5.51 mils

**4. CASH AND CASH EQUIVALENTS**

At December 31, 1999, the Town of Ringgold has cash and cash equivalents (book balances) totaling \$274,337 as follows:

Demand deposits	\$ 166,499
Interest-bearing deposits	<u>107,838</u>
Total	<u>\$ 274,337</u>

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 bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial

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bank that is mutually acceptable to both parties. At December 31, 1999, the Town has \$280,097 in deposits (collected bank balances). These deposits are secured from risk by \$200,000 of federal deposit insurance and \$295,781 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

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

Additional information concerning the accounting policies of cash is located at Note 1, Part G in the notes to the financial statements.

#### 5. INVESTMENTS

GASB 9, par. 8 states that for an investment to be considered a cash equivalent, it must mature no more than three months after the date it is purchased. For the year ended December 31, 1999, Town of Ringgold reported a one year certificate of deposit in the amount of \$9,590 as an investment. This Certificate of Deposit is secured from risk by \$295,781 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

The market value of the Certificate is equal to the carrying amount as stated above.

The Town of Ringgold has the following amounts invested with the Louisiana Asset Management Pool, Inc. as of December 31, 1999:

General Fund	\$ 130,153
Enterprise Fund	30,699
Sales Tax Fund	<u>128,862</u>
Total investment	\$ <u>289,714</u>

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**6. FIXED ASSETS**

The changes in general fixed assets follows:

	Balance, Jan. 1 <u>1998</u>	<u>Additions</u>	<u>Deletions</u>	Balance, Dec. 31 <u>1999</u>
Land	\$ 29,713	-	-	29,713
Buildings	35,291	25,828	-	61,119
Improvements other than buildings	736,921	24,052	-	760,973
Equipment	<u>142,012</u>	<u>4,143</u>	<u>5,000</u>	<u>141,155</u>
 Total General Fixed Assets	 \$ <u>943,937</u>	 <u>54,023</u>	 <u>5,000</u>	 <u>992,960</u>

A summary of fixed assets used in the proprietary funds follows:

	Balance, January <u>1, 1998</u>	<u>Additions</u>	<u>Deletions</u>	Balance, December <u>31, 1999</u>
Water utility system	\$ 1,280,780	-		1,280,780
Sewerage utility:				
Lift stations	25,065	-	-	25,065
Sewer system	1,770,476	-	-	1,770,476
Trucks	32,175	-	12,607	19,568
Equipment	<u>48,669</u>	<u>8,500</u>	<u>50</u>	<u>57,119</u>
 Total	 \$ <u>3,157,165</u>	 <u>8,500</u>	 <u>12,657</u>	 <u>3,153,008</u>

**7. PENSION PLANS**

Substantially all employees of the Town of Ringgold, are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana and Municipal Police Employees 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:

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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.

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. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

*Funding Policy.* Under Plan A, members are required by state statute to contribute 9.25 percent of their annual covered salary and the Town of Ringgold is required to contribute at an actuarially determined rate. The current rate is 5.75% of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town of Ringgold 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 Ringgold's contributions to the System under Plan A for the years ending December 31, 1999, 1998 and 1997 were \$6,510, \$6,451, and \$6,272, respectively, equal to the required contributions for each year.

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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 (225) 929-7411.

*Funding Policy.* Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the Town of Ringgold, is required to contribute at an actuarially determined rate. The current rate is 9.0 percent of annual covered payroll. The contribution requirement of plan members and the Town of Ringgold, 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 changes each year based on results of the valuation for the prior fiscal year. The Town of Ringgold's contribution for the years ending December 31, 1999, 1998, and 1997, were \$6,700, \$7,043, and \$7,355, respectively, equal to the required contributions for each year.

C. Other retirement plans

For employees who do not qualify to participate in either the Municipal Employee Retirement System or the Municipal Police Employee Retirement System, these employees are eligible to participate in a Deferred Variable Annuity through New York Life Insurance. Amounts contributed by employees and the Town of Ringgold is calculated using the same percentages contributed for members of municipal systems based on department of employee.



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**8. LEASES**

The Town of Ringgold has operating leases of the following nature:

1. Century Telephone Company of North Louisiana, Inc. lease of telephone system equipment - The lease term is for 60 months. Payments of \$191.78 to be made for the first twelve months of the agreement, followed by payments of \$108.45 for the remainder of the contract.
2. Minolta Business Systems, Inc. lease of DI250 copier - The lease term is for 48 months with monthly minimum rent of \$131.50. Payments to begin during the year 2000.

The minimum annual commitments under noncancelable operating leases are as follows:

<u>Fiscal Year</u>	<u>Equipment</u>
2000	\$ 2,879
2001	2,555
2002	1,578
2003	<u>1,578</u>
Total	\$ <u>8,590</u>

The following schedule shows the composition of total rental expenditures for all operating leases except those with terms of a month or less that were not renewed:

	<u>Century</u>	EP 4233 <u>Minolta</u>	<u>Total</u>
Minimum rentals	\$ <u>1,193</u>	\$ <u>1,533</u>	\$ <u>2,726</u>

Lease of EP2433 copier from Minolta Business Systems, Inc. ended as of December 31, 1999 when equipment was struck by lightning.

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**9. CHANGES IN LONG-TERM OBLIGATIONS**

The following is a summary of bond transactions of the Town of Ringgold for the year ended December 31, 1999:

	Water Revenue <u>Bonds</u>	Sewer Revenue <u>Bonds</u>	<u>Total</u>
Bonds payable	\$ 821,436	447,337	1,268,773
Bonds retired	____(-)	_(4,323)	_(4,323)
Bonds payable, December 31, 1999	<u>\$821,436</u>	<u>443,014</u>	<u>1,264,450</u>

Bonds payable at December 31, 1999, comprised of the following individual issues:

	<u>Principal Outstanding</u>	<u>Interest to Maturity</u>
\$908,000 Water Revenue Bonds, dated Jan. 1, 1988, bearing interest at 6 3/8% due in annual installments of \$64,005 through Jan. 1, 2028	\$ 821,436	960,127
\$459,000 Sewer Revenue Bonds, dated December 14, 1994, bearing interest at 5 1/4% due in monthly installments of \$2,309 through Dec. 14, 2034	<u>443,014</u>	<u>524,496</u>
	<u>\$1,264,450</u>	<u>1,484,623</u>

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The annual requirements to amortize all debt outstanding as of December 31, 1999, including interest payments of \$ 1,484,623, are as follows:

<u>Year ended December 31,</u>	<u>Water Revenue Principal</u>	<u>Sewer Revenue Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 8,052	4,556	79,103	91,711
2001	12,152	4,801	74,758	91,711
2002	12,926	5,059	73,725	91,710
2003	13,750	5,331	72,629	91,710
2004	14,627	5,618	71,466	91,711
Thereafter	<u>759,929</u>	<u>417,649</u>	<u>1,112,942</u>	<u>2,290,520</u>
Total	\$ <u>821,436</u>	<u>443,014</u>	<u>1,484,623</u>	<u>2,749,073</u>

**10. INTERFUND RECEIVABLE/PAYABLES AND TRANSFERS**

	Operating Transfers	
	<u>In</u>	<u>Out</u>
General Fund	\$ 116,315	-
Special Revenue Fund-	-	91,774
Proprietary Fund	-	24,509
Capital Projects Fund	-	<u>32</u>
<b>TOTAL</b>	\$ <u>116,315</u>	<u>116,315</u>

**11. RESERVED AND DESIGNATED EARNINGS/FUND BALANCE**

Under the terms of the various bond indentures on outstanding Water and Sewer Revenue Bond, all income and revenues earned or derived from the operation of the utility system are pledged and dedicated to the retirement of said bonds, and are to be maintained and administered in the following order of priority and for the following express purposes:

1. The payment of all reasonable and necessary expenses of operating and maintaining the System.

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2. Establishment and maintenance of "Water Revenue Bond and Interest Sinking Fund," where monthly deposits shall be made on or before the 20<sup>th</sup> day of each month of each year a sum equal to one-twelfth ( $1/12^{\text{th}}$ ) of the total amount of principal and interest falling due on the next principal and interest payment date. 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. Establishment and maintenance of "Sewer Revenue Bond and Interest Sinking Fund," where monthly deposits shall be made on or before the 20<sup>th</sup> day of each month of each year a sum equal to one-twelfth ( $1/12^{\text{th}}$ ) the interest falling due on the next interest payment date during the first year of the Bond. Thereafter, a sum equal to the total amount of principal and interest falling due on the next principal and interest date.

During the year ended December 31, 1997, per discussion with officials of District Office I of Rural Economic and Community Development, the Town will not be required to set aside monthly payments for the "Sewer Bond and Interest Sinking Fund." The bond is to be paid on a monthly basis, with the first principal and interest payment to be on January 14, 1996, and monthly thereafter.

3. There shall be set aside into "Revenue Bond Reserve Fund", a sum at least equal to five per cent (5%) of the principal and interest payments required by paragraph (2) above, and shall continue until there has been accumulated in the Reserve Fund a sum equal to the highest combined principal and interest falling due in any year on the Bond. The money is to be retained solely for the purpose of paying principal of and interest on bonds payable from the Revenue Bond and Interest Sinking Fund as to which there would otherwise be default.
4. Funds shall be set aside into a "Revenue Bond Depreciation and Contingency Fund," monthly the sum of \$325 for the Water Bond, and the sum of \$122 for the Sewer Bond. Money in the Depreciation and Contingency Fund shall be used to care for depreciation, extensions, additions, improvements, and replacements necessary to operate the system properly. Money shall also be used to pay the principal and interest on the bond for which there is not sufficient money in the Revenue Bond and Interest Sinking Fund or the Bond Reserve Fund and Interest Fund or the Bond Reserve Fund, but if so used, such money shall be replace by the Issuer as soon as possible thereafter.

TOWN OF RINGGOLD, LOUISIANA  
 NOTES TO THE FINANCIAL STATEMENTS  
 As of and for the Year Ended December 31, 1999

Restricted assets were applicable to the following at December 31, 1999:

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Bond and Interest Sinking Fund	\$ 72,199	-	72,199
Bonds Reserve Fund	40,868	7,247	48,115
Bond Depreciation & Contingency	<u>48,101</u>	<u>7,824</u>	<u>55,925</u>
Total for revenue bonds	<u>\$161,168</u>	<u>15,071</u>	176,239
Meter deposits - cash			3,690
Meter deposits - investment			<u>30,699</u>
Total restricted assets			<u>\$210,628</u>

**12. SALES AND USE TAX OPERATIONS:**

Proceeds of a 2% sales and use tax levied by the Town of Ringgold are dedicated to the following purposes:

Revenues derived from 1% sales and use tax are to be deposited in a special fund and dedicated and used for the purposes of economic development of the Town of Ringgold; opening, constructing, paving, resurfacing, improving and/or maintaining streets, alleys, sidewalks, bridges; acquiring, constructing, extending, improving renovation and/or maintaining street lighting facilities, waterworks, sewers and sewerage disposal works, public buildings, public parks and recreational facilities and purchasing and acquiring the necessary land, equipment and furnishings for the foregoing public buildings and facilities, the title to which shall be in the public or for anyone or more of said purpose.

Revenues derived from 1% sales and use tax are to be dedicated and used as follows:

25% - for acquiring, constructing, improving, operating and/or maintaining sewerage collection lines, including related equipment and facilities, for the Town, provided, however, that once sewerage collection lines have been constructed which will permit all residences within the Town to be connected with such collection lines, then said 25% is to be used for acquiring, constructing, improving, operating and/or maintaining sewerage collection lines and disposal works, including all related facilities and equipment, for the Town.

TOWN OF RINGGOLD, LOUISIANA  
 NOTES TO THE FINANCIAL STATEMENTS  
 As of and for the Year Ended December 31, 1999

20% - for constructing, improving and/or maintaining public roads and drainage improvements within the Town, including any equipment required in connection therewith and the operation of such equipment:

5% - for constructing, acquiring, improving, operating and/or maintaining lands, buildings, equipment and facilities for recreation purposes for the Town, including the funding of youth recreational programs; and

50% - to be dedicated and used for any lawful corporate purposes of the Town.

**13. NET WORKING CAPITAL - ENTERPRISE FUND**

The following shows the net working capital for the Proprietary fund - Enterprise fund at December 31, 1999:

Total current assets	\$ 294,933
Total current liabilities	<u>(119,559)</u>
Net working capital	\$ <u>175,374</u>

**14. CONTRIBUTED CAPITAL**

Farmers Home Administration Grant	\$370,000
DOTD Grant	28,200
LCDBG Grant	747,072
LA Rural Development Grant	25,000
General Fund Revenues	86,989
Capital Projects Fund	<u>662,017</u>
Total Contributed Capital	<u>\$1,919,278</u>

**15. PENDING LITIGATION**

As of December 31, 1999, the Town of Ringgold is party to various legal proceedings generally incidental to its police department operations. Although the ultimate disposition of legal proceedings cannot be predicted with certainty, it is the present opinion of the Town's management and attorney, that an unfavorable outcome of any claim which is pending is unlikely.

TOWN OF RINGGOLD, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 1999

**16. COOPERATIVE ENDEAVOR AGREEMENT**

As of August 31, 1999, the Town of Ringgold and the Bienville Parish Hospital Service District No. 1, entered into an agreement to construct a health and fitness trail on a tract of property owned by the Bienville Parish Hospital Service District No. 1. The Town of Ringgold shall operate maintain the health and fitness trail as a public recreation area. Any permanent improvements shall become the property of the District. The agreement is for a period of five (5) years subject to renewal by agreement of the parties.

FINANCIAL STATEMENT OF INDIVIDUAL FUNDS  
AND ACCOUNT GROUPS



## GENERAL FUND

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

TOWN OF RINGGOLD  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (CASH BASIS) AND ACTUAL  
For the Year Ended December 31, 1999

	Budget	1999 Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes -			
Ad valorem	\$ 18,148	15,531	(2,617)
Franchise	31,400	32,354	954
Licenses and permits -			
Occupational licenses	25,000	25,354	354
Permits	200	212	12
Intergovernmental -			
Parish and municipal beer tax	1,500	1,780	280
Tobacco tax and p.m. sales	9,560	9,655	95
State revenue sharing	-	1,595	1,595
Rural development grant	-	47,799	47,799
Cooperative Endeavor - Nature Trail	-	50,143	50,143
Other grants	2,400	3,161	761
Fines and forfeitures	18,000	18,621	621
Interest	4,500	4,885	385
Collection fee	20,100	20,321	221
Miscellaneous -			
Other	10,085	12,201	2,116
Rent	15,000	15,000	-
Total revenues	<u>155,893</u>	<u>258,612</u>	<u>102,719</u>
Expenditures:			
General government	87,425	136,255	(48,830)
Public safety	146,260	148,263	(2,003)
Recreation	3,600	75,864	(72,264)
Total expenditures	<u>237,285</u>	<u>360,382</u>	<u>(123,097)</u>
(Deficiency) of revenues over expenditures	<u>(81,392)</u>	<u>(101,770)</u>	<u>(20,378)</u>
Other financing (uses):			
Proceeds from sale of assets	-	4,501	4,501
Operating transfers in -			
Enterprise fund	25,000	26,818	1,818
Sales tax fund	65,000	91,774	26,774
Capital projects fund	-	32	32
Total other financing (uses)	<u>90,000</u>	<u>123,125</u>	<u>33,125</u>
Excess of revenues over expenditures and other financing uses	8,608	21,355	12,747
Fund balance, beginning	<u>126,691</u>	<u>126,691</u>	<u>-</u>
Fund balance, ending	<u>\$ 135,299</u>	<u>148,046</u>	<u>12,747</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF RINGGOLD  
GENERAL FUND  
STATEMENT OF EXPENDITURES COMPARED TO BUDGET (CASH BASIS)  
For the Year Ended December 31, 1999

	Budget	1999 Actual	Variance Favorable (Unfavorable)
<b>General government:</b>			
Salaries	\$ 19,500	19,038	462
Retirement and payroll taxes	10,500	6,920	3,580
Utilities and telephone	13,000	12,472	528
Office expense	13,400	11,838	1,562
Legal and accounting	9,500	(328)	9,828
Maintenance and repairs	1,100	47,157	(46,057)
Insurance	6,000	(629)	6,629
Dues and subscriptions	3,000	2,779	221
Tax roll preparation	825	815	10
Education and travel	2,800	2,574	226
Coroner expense	5,000	4,899	101
Publications	1,100	1,038	62
Miscellaneous	1,700	1,794	(94)
Capital outlay	-	25,888	(25,888)
Total general government	<u>87,425</u>	<u>136,255</u>	<u>(48,830)</u>
<b>Public safety:</b>			
Police department -			
Salaries	115,000	118,048	(3,048)
Retirement	8,500	8,318	182
Vehicle expense	7,500	9,048	(1,548)
Fuel expense	6,000	5,971	29
Other expenses	8,210	3,048	5,162
Capital expenditures	1,050	3,830	(2,780)
Total police department	<u>146,260</u>	<u>148,263</u>	<u>(2,003)</u>
<b>Recreation:</b>			
Parks and recreation	3,600	1,668	1,932
Nature Fitness Trail expenditures	-	74,196	(74,196)
	<u>3,600</u>	<u>75,864</u>	<u>(72,264)</u>
Total expenditures	<u>\$ 237,285</u>	<u>360,382</u>	<u>(123,097)</u>

The accompanying notes are an integral part of these financial statements.

## SPECIAL REVENUE FUND

Sales Tax Fund - To account for the receipt and use of proceeds of the Town's 2% sales and use tax. These taxes are dedicated for the purposes of economic development of the Town of Ringgold: opening, constructing, paving, resurfacing, improving and/or maintaining streets, alleys, sidewalks, bridges; acquiring, constructing, extending, improving renovation and/or maintaining street works, lighting facilities, waterworks, sewers and sewerage disposal works, public buildings, public parks and recreational facilities and purchasing and acquiring the necessary land, equipment and furnishings for the foregoing public buildings and facilities, the title to which shall be in the public or for anyone or more of said purposes: constructing, acquiring, improving, operating and/or maintaining lands, buildings, equipment and facilities for recreation purposes for the Town, including the funding of youth recreational programs; to be used for any lawful purposes of the town; acquiring, constructing, improving, operating and/or maintaining sewerage collection lines, including related equipment and facilities; and constructing, improving and/or maintaining public road and drainage improvements within the Town.

TOWN OF RINGGOLD  
SALES TAX  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
COMPARED TO BUDGET (CASH BASIS) AND ACTUAL  
For the Year Ended December 31, 1999

	Budget	1999 Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 264,000	208,253	(55,747)
Interest	-	3,011	3,011
Total revenues	<u>\$ 264,000</u>	<u>211,264</u>	<u>(52,736)</u>
Expenditures:			
General government	<u>103,450</u>	<u>89,838</u>	<u>13,612</u>
Excess of revenues over expenditures	<u>160,550</u>	<u>121,426</u>	<u>(39,124)</u>
Other financing (uses):			
Operating transfer to:			
Enterprise fund	(33,000)	-	33,000
General fund	<u>(99,000)</u>	<u>(91,774)</u>	<u>7,226</u>
Total other financing (uses)	<u>(132,000)</u>	<u>(91,774)</u>	<u>40,226</u>
Excess of revenues over expenditures and other financing uses	28,550	29,652	1,102
Fund balances, beginning	<u>137,639</u>	<u>137,639</u>	<u>-</u>
Fund balances, ending	<u>\$ 166,189</u>	<u>167,291</u>	<u>1,102</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF RINGGOLD  
SALES TAX FUND  
STATEMENT OF EXPENDITURES COMPARED TO BUDGET (CASH BASIS)  
For the Year Ended December 31, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
General Government			
Salaries	\$ 40,000	39,146	854
Payroll taxes & retirement	6,500	2,200	4,300
Collection expense	4,000	1,700	2,300
Utilities & telephone	22,000	16,100	5,900
Office	1,250	1,042	208
Legal & accounting	7,700	12,650	(4,950)
Insurance	17,000	17,000	-
Building maintenance	5,000	-	5,000
	<u>103,450</u>	<u>89,838</u>	<u>13,612</u>

The accompanying notes are an integral part of these financial statements.

## ENTERPRISE FUND

Utility Fund - To account for the provision of water and sewer services to residents of the Town. 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.

TOWN OF RINGGOLD  
ENTERPRISE FUND  
Balance sheet  
December 31, 1999

## ASSETS

Current assets - unrestricted:	
Cash	\$ 33,648
Investments	9,590
Accounts receivable	31,342
Accounts receivable - ad valorem taxes	9,725
Current assets - unrestricted	<u>84,305</u>
Current assets - restricted:	
Cash in bank	176,239
Bank-meter deposits	3,690
Investments - meter deposits	30,699
Current assets - restricted	<u>210,628</u>
Total current assets	<u>294,933</u>
Property, plant and equipment	3,153,008
Less: Accumulated depreciation	(791,819)
Construction in progress	136,134
Total property, plant and equipment	<u>2,497,323</u>
Total assets	<u>\$ 2,792,256</u>
LIABILITIES AND FUND EQUITY	
Current liabilities - payable from unrestricted assets:	
Accounts payable and accrued expenses	\$ 6,538
Revenue bonds payable - current portion	12,607
Interest payable - revenue bonds	79,103
Total current liabilities payable from unrestricted assets	<u>98,248</u>
Current liabilities - payable from restricted assets:	
Meter deposits	<u>21,311</u>
Total current liabilities	<u>119,559</u>
Long-term liabilities - payable from restricted assets:	
Bonds payable - FmHA/Water	813,385
Bonds payable - FmHA/Sewer	438,458
Total long-term liabilities payable from restricted assets	<u>1,251,843</u>
Total liabilities	<u>1,371,402</u>
Fund equity:	
Contributed capital	1,919,278
Retained earnings	
Reserved-water revenue bond retirement	69,458
Sewer revenue bond retirement	15,071
Unreserved (deficit)	(582,953)
Total retained earnings (deficit)	<u>(498,424)</u>
Total fund equity	<u>1,420,854</u>
Total liabilities and fund equity	<u>\$ 2,792,256</u>

The accompanying notes are an integral part of these financial statements.



## CAPITAL PROJECTS FUND

### LCDBG Potable Water Grant (1998)

Fund used to account for receipts and disbursements for water improvements. Resources are provided by a \$267,500 block grant under the Louisiana Community Development Block Grant program.

TOWN OF RINGGOLD  
 ALL CAPITAL PROJECTS FUNDS  
 Statement of Revenues, Expenditures and Changes in Fund Balance  
 For the year ended December 31, 1999

	98 LCDBG Water Improvements
<b>REVENUES:</b>	
Grants	\$ 136,134
Total revenues	<u>136,134</u>
<b>EXPENDITURES:</b>	
Capital expenditures	136,122
Miscellaneous	-
Total expenditures	<u>136,122</u>
Excess of revenues over expenditures	12
<b>Other financing (uses):</b>	
Operating transfers out -	
General fund	<u>(32)</u>
Total other financing (uses)	<u>(32)</u>
(Deficiency) of revenues over expenditures and other financing uses	(20)
Fund balance - beginning of year	<u>88</u>
Fund balance - end of year	<u>\$ 68</u>

The accompanying notes are an integral part of these financial statements.

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets not used in proprietary fund operations.

**TOWN OF RINGGOLD**  
**STATEMENT OF GENERAL FIXED ASSETS**  
December 31, 1999

General fixed assets, at cost:	
Land	\$ 29,713
Buildings	61,119
Improvements other than buildings	760,973
Equipment	<u>141,155</u>
 Total general fixed assets	 <u>\$ 992,960</u>
 Investment in general fixed assets:	
Capital project fund:	
Louisiana Community Development Block Grant	\$ 560,337
FEMA proceeds	109,210
General and special revenue funds	272,800
LCLE grant	2,814
State of La - Rural Development Grant	<u>47,799</u>
 Total investment in general fixed assets	 <u>\$ 992,960</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF RINGGOLD  
STATEMENT OF CHANGES IN GENERAL FIXED ASSETS  
For the Year Ended December 31, 1999

	1999				Total
	Land	Buildings and Improvements	Improvements Other than Buildings	Equipment	
General fixed assets, beginning of period	\$ 29,713	35,291	736,921	142,012	943,937
Additions:					
General fund revenues	-	1,100	981	4,143	6,224
State of LA - Rural Development Grant	-	24,728	23,071	-	47,799
Total additions	-	25,828	24,052	4,143	54,023
Deletions:					
General fund revenues	-	-	-	5,000	5,000
Total deletions	-	-	-	5,000	5,000
General fixed assets, end of period	\$ 29,713	61,119	760,973	141,155	992,960

The accompanying notes are an integral part of these financial statements.

**OTHER SUPPLEMENTARY INFORMATION**

TOWN OF RINGGOLD  
 SCHEDULE OF COMPENSATION PAID TO TOWN COUNCIL  
 For the years ended December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Robert P. Corley, Mayor	\$ 5,400	5,400
Council members:		
Larry Kennedy	1,200	1,200
John Hamilton	1,200	1,200
Bobby Guin	1,200	1,200
Jerry Thomas	1,200	1,200
Lloyd Scott	<u>1,200</u>	<u>1,200</u>
Total paid	<u>\$ 11,400</u>	<u>11,400</u>

The accompanying notes are an integral part of these financial statements.

## TOWN OF RINGGOLD, LOUISIANA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
As of and for the Year Ended December 31, 1999**Section I - Internal Control and Compliance Material to the Financial Statements****98-1: Late Filing of Report**

*Fiscal Year Finding Initially Occurred:* December 31, 1998

*Description of Finding:* State law (Louisiana Revised Statute (R.S.) 24:513) requires that the 1998 financial report be submitted to the Louisiana Legislative Auditor's office no later than June 30, 1999. Information necessary to complete the audit by June 30, 1999, was not submitted to the auditors in a timely manner. As a result, the 1998 financial report is filed late which violates state law.

*Corrective Action Taken:* Yes, 1999 financial report filed by June 30, 2000.

**98-2: Reconciliation of Police Tickets**

*Fiscal Year Finding Initially Occurred:* December 31, 1998

*Description of Finding:* During the audit, we noted that in addition to regular traffic tickets, the Town issues tickets known as Summons to Appear. Summons to Appear are tickets which are usually written for other non-traffic violations. We noted the absence of a reconciliation of the Summons to Appear tickets issued to officers, Summons to Appear tickets written by officers, and receipts/settlements of fines by the mayor's court. The absence of a reconciliation process whereby the Summons to Appear tickets are accounted for from issuance to the docket for court and final settlement of the ticket could cause revenue due the town to not be collected.

*Corrective Action Taken:* Yes, noted ledger maintained by police department to account for "Summons to Appear" tickets issued to officers during the current year.

**98-3: COPS Grant Acceptance**

*Fiscal Year Finding Initially Occurred:* December 31, 1998

*Description of Finding:* The Town of Ringgold was awarded a Universal Hiring Program grant in the amount of \$39,803.94 for additional officer positions on October 1, 1997. In order to accept the grant and begin to receive reimbursement for this grant, the Town was required to return the original copy of the signed award document to the COPS Office within



## TOWN OF RINGGOLD, LOUISIANA

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

As of and for the Year Ended December 31, 1999

a 45 day time period. We noted a letter dated December 23, 1998, notifying the Town of Ringgold that the COPS Office had not received the original copy of the signed award document. Per discussions on July 20, 1999, with the COPS grant advisor and Town of Ringgold officials, a re-print of the award will be sent to the Town to be signed and returned in order to demonstrate acceptance of the grant and have full access to the funds.

*Corrective Action Taken:* Yes, reprint of award acceptance was signed and remitted to COPS office as required.

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

The results of our auditing procedures of the general purpose financial statements as of and for the year ended December 31, 1998, of the Town of Ringgold, Louisiana, disclosed no items that are required to be reported in accordance with OMB Circular A-133.

**Section III - Management Letter****98-1: Local Government Budget Laws**

*Fiscal Year Finding Initially Occurred:* December 31, 1992

*Description of Finding:* During our audit, we reviewed the budget process of the town. LSA-R.S. 39:1310 concerns budgetary control. The town is to amend the budget in accordance with R.S. 39 whenever there is a variance of 5% (five percent) or more between actual and remaining projections as compared to budget amounts for revenues, expenditures or beginning fund balance. For the year ended December 31, 1998, it was noted that the Town had made efforts to be in compliance with the Local Government Budget Laws, however, during our audit we noted that total expenditures of the General Fund were 10% over the amounts budgeted for total expenditures of the General Fund. For good internal control over expenditures and compliance with the state budget laws we recommend the town continue to periodically review the actual revenues, expenditures and beginning fund balances with the original approved budget amounts and make necessary formal budget amendments.

*Corrective Action Taken:* Partially, the Town of Ringgold officials has made efforts to review budget amounts during the year and make amendments as required.

## TOWN OF RINGGOLD, LOUISIANA

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

As of and for the Year Ended December 31, 1999

**98-2: Code of Ethics for Public Employees***Fiscal Year Finding Initially Occurred:* December 31, 1998

*Description of Finding:* Per Louisiana Revised Statute (R.S.) 42:1112, no public servant shall participate in a transaction in which he has a personal substantial economic interest of which he may be reasonable expected to know involving the governmental entity. During the fiscal year ended December 31, 1998, payment was made to a public employee of the Town of Ringgold for contractor work performed on the Ringgold Nature Fitness Trail.

*Corrective Action Taken:* Yes, no payments noted which were not in compliance with LRS 42:1112.

**98-3: Required Reserve Deposits***Fiscal Year Finding Initially Occurred:* December 31, 1998

*Description of Finding:* Per review of the resolutions authorizing both Water Revenue Bonds and Sewer Revenue Bonds, the monthly deposits to the sinking funds, reserve funds, and depreciation and contingency funds are required to be made monthly in advance on or before the 20<sup>th</sup> day of each month of each year. We noted that some deposits were not made before the 20<sup>th</sup> of the month in each of the required bond accounts.

*Corrective Action Taken:* Yes, payments made timely after finding was reported from prior years audit.

**98-4: Retirement Plans, Social Security***Fiscal Year Finding Initially Occurred:* December 31, 1998

*Description of Finding:* Per review of Section 3121(b)(7)(F) of the Internal Revenue Code, service as an employee of a State or local government, hired on or after April 1, 1986, is treated as employment for the purposes of the Medicare portion of FICA taxes. We noted that employees who did not qualify to participate in MERS or MPERS were allowed to participate in a Mainstay IRA plan. However, no withholdings for Medicare were noted from the participants in the Mainstay IRA plan as required by the above referenced section. We recommend that the Town of Ringgold check with the administrators of the Mainstay IRA plan to determine whether this plan qualifies as a retirement plan whereby the employees would not be subject to FICA. We also recommend that the Town verify with the Social

TOWN OF RINGGOLD, LOUISIANA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

As of and for the Year Ended December 31, 1999

Security Administration the requirement that employees hired after 03/31/86, are subject to Medicare and subsequently begin withholding these amounts as determined.

*Corrective Action Taken:* Yes, currently, the Town is withholding medicare as required.

**98-5: MPERS withholding**

*Fiscal Year Finding Initially Occurred:* December 31, 1998

*Description of Finding:* We noted that Municipal Police Employee Retirement System withholdings were incorrectly calculated and withheld for one member of the police department. Amounts withheld for retirement were in excess of the required amounts. We noted that the required monthly MPERS report was filed for the period of 7/16/98-12/31/98 on January 1, 1999 for the amounts to be remitted to MPERS.

*Corrective Action Taken:* Yes, MPERS report for period of 7/16/98-12/31/98 was filed on January 1, 1999. MPERS withholdings recalculated and adjusted for excess withheld.

## TOWN OF RINGGOLD, LOUISIANA

CORRECTIVE ACTION PLAN  
As of and for the Year Ended December 31, 1999**Section I - Internal Control and Compliance Material to the Financial Statements**

The results of our auditing procedures of the general purpose financial statements as of and for the year ended December 31, 1999, of the Town of Ringgold, Louisiana, disclosed no items that are required to be reported in accordance with Government Auditing Standards.

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

The results of our auditing procedures of the general purpose financial statements as of and for the year ended December 31, 1999, of the Town of Ringgold, Louisiana, disclosed no items that are required to be reported in accordance with OMB Circular A-133.

**Section III - Management Letter****99-1: Local Government Budget Laws**

*Description of finding:* For the year ended December 31, 1999, it was noted that the Town had made efforts to be in compliance with the Local Government Budget Laws, however, during our audit we noted that total expenditures of the General Fund were 52% over the amounts budgeted for total expenditures of the General Fund. In addition, total revenues of the Special Revenues Fund was 20% under the amounts budgeted for the total revenues of the Special Revenue Fund.

*Corrective Action Planned:* Management intends to continue to monitor budgeted to actual comparison. Information is currently being setup and maintained on a computer system which should facilitate budget to actual comparisons in the future.

*Name of Contact Person:* Joann Basinger

*Anticipated Completion Date:* December 31, 2000

**99-2: Sale of property of municipality**

*Description of finding:* We noted that the publication of notice of the sale was not published until June 10, June 17, and June 24, 1999, which was on and after the actual date the bids received were opened.

TOWN OF RINGGOLD, LOUISIANA

CORRECTIVE ACTION PLAN  
As of and for the Year Ended December 31, 1999

*Corrective Action Planned:* Management is aware of the statutes regarding publications of notices of sales. Currently, we have established procedures to ensure that all notices are published as required by the statutes.

*Name of Contact Person:* Joann Basinger

*Anticipated Completion Date:* December 31, 2000