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TOWN OF RINGGOLD  
RINGGOLD, LOUISIANA  
AUDITED FINANCIAL STATEMENTS  
DECEMBER 31, 1995

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 9-4-96

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TOWN OF RINGGOLD  
December 31, 1995

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December 31, 1995

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Robert P. Corley, Mayor,  
and the Members of the Board of Aldermen  
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, 1995, 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; Government Auditing Standards, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-128, Audits of State and Local Governments. 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, 1995, and the results of its operations and its 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 17, 1996 on our consideration of the Town of Ringgold's internal control structure and a report dated June 17, 1996 on its compliance with laws and regulations.

*Jamieson Wise & Martin*

Minden, Louisiana  
June 17, 1996

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## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Robert P. Corley, Mayor,  
and the Members of the Board of Aldermen  
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, 1995, and have issued our report thereon dated June 17, 1996.

We have conducted our audit in accordance with generally accepted auditing standards, 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.

The management of the Town of Ringgold, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of Town of Ringgold, Louisiana, for the year ended December 31, 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of

the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

#### INVENTORY AND LISTING OF GENERAL FIXED ASSETS

We noted the absence of a reconciliation of the list of fixed assets to the amounts reported in the general fixed asset account group. For proper controls the Town should annually reconcile fixed assets per the financial statements and the actual assets on hand in each department. Lack of the control over fixed assets could lead to misstatements in the financial statements and unknown loss of assets.

A material weakness is a reportable condition in which the design or operation of one or more internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described above is a material weakness.

We also noted other matters involving the internal control structure and its operation that we have reported to the management of the Town of Ringgold, Louisiana, in a separate letter dated June 17, 1996.

This report is intended for the information of management and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.

*Jamieson Wise & Math*

Minden, Louisiana  
June 17, 1996

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Robert P. Corley, Mayor,  
and the Members of the Board of Aldermen  
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, 1995, and have issued our report thereon dated June 17, 1996.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Town of Ringgold, Louisiana, is the responsibility of the Town's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of Town of Ringgold, Louisiana's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

Material instances of noncompliance consist of failures to follow requirements, or violations of prohibitions, contained in statutes, regulations, contracts, or grants, that cause us to conclude that the aggregation of the misstatements resulting from those failures or violations is material to the general purpose financial statements. The results of our tests of compliance disclosed the following material instances of noncompliance:

### INVENTORY AND LISTING OF GENERAL FIXED ASSETS

As discussed in the internal control report on page 3 of this annual report, the Town does not reconcile a fixed asset list nor has an annual inventory of movable

property been taken which reconciles to the fixed asset list. This is in violation of state statute LSA-RS 24:515 and 39:321-332.

We considered this instance of noncompliance in forming our opinion on whether the Town of Ringgold, Louisiana's December 31, 1995, general purpose financial statements are presented fairly, in all material respect, in conformity with generally accepted accounting principles, and this report does not affect our report dated June 17, 1996, on those general purpose financial statements.

We noted certain immaterial instances of noncompliance that we have reported to the management of the Town of Ringgold in a separate letter dated June 17, 1996.

This report is intended for the information of management and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

*Jamison Wise + Mats*

Minden, Louisiana  
June 17, 1996



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## MANAGEMENT LETTER

The Honorable Robert P. Corley, Mayor,  
and the Members of the Board of Aldermen  
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, 1995, and have issued our report thereon dated June 17, 1996.

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 our comments pertaining to the following observations which did not meet the criteria of being material to the general purpose financial statements.

### Compliance considered non-material to general purpose financial statements.

#### 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. During our audit we noticed funds where the 5% (five percent) variance was not amended. For good internal control over expenditures and compliance with the state budget laws we recommend the town periodically, no less than quarterly, review the actual revenues, expenditures and beginning fund balances with the original approved budget amounts and make necessary formal budget amendments. Also for budgetary control we recommend the council state at what level budgetary amendments can be made by town personnel without council intervention.

Internal Controls considered non-material to general purpose financial statements

1. Ticketing procedures

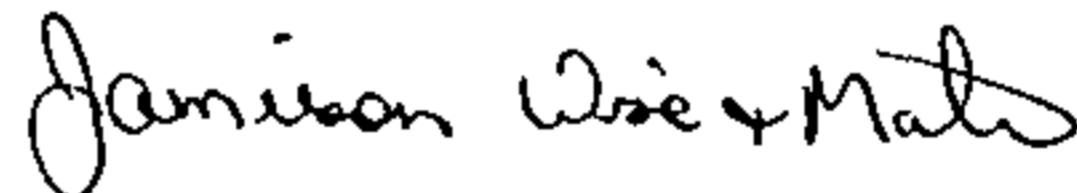
During our review of the ticketing control procedures of the Town of Ringgold, we noted through discussion that there have been situations where officers have collected fines directly for tickets, as opposed to issuing the ticket and having fine payments be made through the police department, where receipts and documentation can be made. To maintain proper internal controls, we recommend that the officer not collect payments directly. To maintain better control over the collection and recording of fines, we recommend that a policy be established which does not allow fines to be collected directly by officers.

2. Payroll procedures

During our audit for the year ended December 31, 1995, we noted instances where the Town paid two employees for contract labor. Both employees received W-2's, however some of the payments for their services received during the year were not included on their W-2's and classified as payments for contract labor. We recommend the Town determine whether these individuals are providing services as an employee or independent contractor according to Pub. 932, "Employment Taxes," for purposes of federal employment taxes and income tax withholding which the Town may be liable.

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,



Jamieson, Wise & Martin

June 17, 1996

GENERAL PURPOSE FINANCIAL STATEMENTS  
(COMBINED STATEMENTS-OVERVIEW)

TOWN OF RINGGOLD  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 December 31, 1995

	Governmental Fund Types			Proprietary Fund Type	Account Group		Total (Memorandum Only)
	General	Special Revenue	Capital Projects		General Fixed Assets	General Long-term Debt	
<b>ASSETS</b>							
Cash	\$ 21,551	65,668	26,307	101,090	-	-	214,616
Receivables:							
Taxes	9,861	-	-	6,679	-	-	16,540
Water and sewer	-	-	-	21,209	-	-	21,209
Other	-	-	23,912	-	-	-	23,912
Due from other funds	2,936	-	-	-	-	-	2,936
Restricted assets:							
Cash	-	-	-	128,012	-	-	128,012
Meter deposits	-	-	-	21,994	-	-	21,994
Land	-	-	-	-	29,713	-	29,713
Buildings	-	-	-	-	35,291	-	35,291
Improvements other than buildings	-	-	-	-	33,651	-	33,651
Equipment	-	-	-	-	116,434	-	116,434
Construction in progress	-	-	-	-	64,974	-	64,974
Proprietary funds:							
Property, plant and equipment	-	-	-	2,914,636	-	-	2,914,636
Accumulated depreciation	-	-	-	(457,155)	-	-	(457,155)
Construction in progress	-	-	-	197,412	-	-	197,412
Amounts to be provided in retirement of GLTD	-	-	-	-	4,740	-	4,740
<b>Total assets</b>	<b>\$ 34,348</b>	<b>65,668</b>	<b>50,219</b>	<b>2,933,877</b>	<b>280,063</b>	<b>4,740</b>	<b>3,368,915</b>

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

TOWN OF RINGGOLD  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 December 31, 1995

	Governmental Fund Types		Proprietary Fund Type		Account Group		Total (Memorandum Only)
	General	Special Revenue	Capital Projects	Enterprise Fund	General Fixed Assets	General Long-term Debt	
	8,841	1,264	66,687	1,213 1,672	-	-	
<b>LIABILITIES AND FUND EQUITY</b>							
Liabilities:							
Accounts payable and accrued expenses	\$ 8,841	-	66,687	1,213	-	-	76,741
Due to other funds	-	1,264	-	1,672	-	-	2,936
Payable from restricted assets -							
Customer's deposits	-	-	-	18,490	-	-	18,490
Interest payable	-	-	-	78,872	-	-	78,872
Revenue bonds payable	-	-	-	1,319,521	-	-	1,319,521
Obligation under capital lease	-	-	-	-	-	4,740	4,740
Total liabilities	<u>8,841</u>	<u>1,264</u>	<u>66,687</u>	<u>1,419,768</u>	<u>-</u>	<u>4,740</u>	<u>1,501,300</u>
Fund equity:							
Contributed capital	-	-	-	1,747,732	-	-	1,747,732
Investment in general fixed assets	-	-	-	-	280,063	-	280,063
Retained earnings (deficit):							
Reserved for:							
Water revenue bond retirement	-	-	-	124,691	-	-	124,691
Sewer revenue bond retirement	-	-	-	3,320	-	-	3,320
Unreserved	-	-	-	(361,634)	-	-	(361,634)
Fund balances (deficit):							
Unreserved:							
Designated for capital projects	-	-	(16,468)	-	-	-	(16,468)
Undesignated	<u>25,507</u>	<u>64,404</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>89,911</u>
Total fund equity	<u>25,507</u>	<u>64,404</u>	<u>(16,468)</u>	<u>1,514,109</u>	<u>280,063</u>	<u>-</u>	<u>1,867,615</u>
Total liabilities and fund equity	<u>\$ 34,348</u>	<u>65,668</u>	<u>50,219</u>	<u>2,933,877</u>	<u>280,063</u>	<u>4,740</u>	<u>3,368,915</u>

The accompanying notes are an integral part of the 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, 1995

	<u>General Fund</u>	<u>Special Revenue Fund Types</u>	<u>Capital Project Fund</u>	<u>Total (Memorandum Only )</u>
Revenues:				
Taxes	\$ 51,111	193,574	-	244,685
Licenses and permits	25,477	-	-	25,477
Intergovernmental	14,890	-	72,260	87,150
Fines and forfeitures	20,713	-	-	20,713
Collection fee	12,150	-	-	12,150
Miscellaneous	50,249	-	1,653	51,902
Total revenues	<u>174,590</u>	<u>193,574</u>	<u>73,913</u>	<u>442,077</u>
Expenditures:				
General government	87,627	91,530	-	179,157
Public safety	188,944	-	-	188,944
Capital expenditures	-	-	292,390	292,390
Total expenditures	<u>276,571</u>	<u>91,530</u>	<u>292,390</u>	<u>660,491</u>
Excess (deficiency) of revenues over expenditures	(101,981)	102,044	(218,477)	(218,414)
Other financing sources (uses)				
Sale of fixed assets	1,010	-	-	1,010
Operating transfers in	108,636	-	160,324	268,960
Operating transfers out	(1,681)	(113,926)	(107,821)	(223,428)
Total other financing sources (uses)	<u>107,965</u>	<u>(113,926)</u>	<u>52,503</u>	<u>46,542</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	5,984	(11,882)	(165,974)	(171,872)
Fund balances, beginning	<u>19,523</u>	<u>76,286</u>	<u>149,506</u>	<u>245,315</u>
Fund balances (deficit), ending	<u>\$ 25,507</u>	<u>64,404</u>	<u>(16,468)</u>	<u>73,443</u>

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

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, 1995

	General Fund			Special Revenue Fund		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>						
Taxes	\$ 45,100	45,331	231	194,000	193,574	(426)
Licenses and permits	25,450	25,477	27	-	-	-
Intergovernmental	12,400	12,491	91	-	-	-
Fines and forfeitures	20,500	20,713	213	-	-	-
Interest	2,600	-	(2,600)	-	-	-
Collection fee	12,000	12,150	150	-	-	-
Miscellaneous	17,167	55,149	37,982	-	-	-
Total revenues	<u>135,217</u>	<u>171,311</u>	<u>36,094</u>	<u>194,000</u>	<u>193,574</u>	<u>(426)</u>
<b>Expenditures:</b>						
General government	71,792	83,098	(11,306)	97,000	90,266	6,734
Public safety	139,710	189,222	(49,512)	-	-	-
Recreation	100	-	100	-	-	-
Total expenditures	<u>211,602</u>	<u>272,320</u>	<u>(60,718)</u>	<u>97,000</u>	<u>90,266</u>	<u>6,734</u>
Excess (deficiency) of revenues over expenditures	(76,385)	(101,009)	(24,624)	97,000	103,308	6,308
<b>Other financing sources (uses):</b>						
Sale of fixed assets	1,000	1,010	10	-	-	-
Operating transfers in	75,385	108,636	33,251	-	-	-
Operating transfers out	-	(1,681)	(1,681)	(97,000)	(113,926)	(16,926)
Total other financing sources (uses)	<u>76,385</u>	<u>107,965</u>	<u>31,580</u>	<u>(97,000)</u>	<u>(113,926)</u>	<u>(16,926)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	6,956	6,956	-	(10,618)	(10,618)
Fund balance - beginning	<u>14,596</u>	<u>14,596</u>	-	<u>76,286</u>	<u>76,286</u>	-
Fund balance - ending	<u>\$ 14,596</u>	<u>21,552</u>	<u>6,956</u>	<u>76,286</u>	<u>65,668</u>	<u>(10,618)</u>

The accompanying notes are an integral part of the 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, 1995

Revenues:	
Water sales	\$ 174,286
Sewer fees	65,050
Connection fees	1,070
Re-connection fees	380
Ad valorem taxes	27,932
Interest income	4,700
Miscellaneous income	<u>11,932</u>
Total revenues	<u>285,350</u>
Operating expenses:	
Salaries	61,323
Payroll taxes	4,586
Office supplies	3,318
Utilities	19,838
Professional fees	3,784
Uniform rental	1,618
Repairs and maintenance	3,458
Insurance	16,244
Vehicle	1,954
Education and travel	3,017
Supplies	937
Miscellaneous expense	1,377
Materials-sewer	13,552
Chemicals-sewer	2,955
Interest expense	90,248
Depreciation	74,056
Retirement expense	1,046
Utility tax	<u>6,480</u>
Total operating expense	<u>309,791</u>
Loss before operating transfers	(24,441)
Operating transfers:	
Transfers from Sales Tax Fund	3,113
Transfers to General Fund	(28,645)
Transfers to Rural Development Fund	<u>(20,000)</u>
Net transfers	<u>(45,532)</u>
Loss after operating transfers	(69,973)
Retained earnings (deficit) - beginning	<u>(163,650)</u>
Retained earnings (deficit) - ending	\$ <u>(233,623)</u>

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



TOWN OF RINGGOLD  
STATEMENT OF CASH FLOWS  
ALL PROPRIETARY FUND TYPES  
For the Year Ended December 31, 1995

	<u>Enterprise Fund</u>
Cash flows from operating activities:	
Net loss before operating transfers	\$ (24,441)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation	74,056
Interest expense	90,248
(Increase) decrease in:	
Accounts receivables	(4,294)
Accounts receivables - Ad valorem taxes	(342)
Due to other funds	1,672
Increase (decrease) in:	
Accounts payable	(1,448)
Sales tax payable	506
Meter deposits	665
Net cash provided by operating activities	<u>136,622</u>
Cash flows from noncapital financing activities:	
Transfers from other funds	3,113
Transfers to other funds	<u>(48,645)</u>
Net cash used by noncapital financing activities	<u>(45,532)</u>
Cash flows from capital and related financing activities:	
Principal payments - bonds	(20,557)
Interest payments - bonds	(67,555)
Purchase of equipment	<u>(2,848)</u>
Net cash used by capital and related financing activities	<u>(90,960)</u>
Net increase in cash	130
Cash at beginning of the year	<u>250,966</u>
Cash at end of the year	\$ <u>251,096</u>

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

NOTES TO FINANCIAL STATEMENTS

TOWN OF RINGGOLD  
NOTES TO FINANCIAL STATEMENTS  
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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

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. 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.

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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.

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 funds - account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reporting in the other governmental funds.

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**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. Proprietary funds includes enterprise funds and internal service funds. 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 costs (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.

**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.

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**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.

**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 fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
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.

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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).

8. The revenues and expenditures shown on Page 11 are reconciled with the amounts reflected on the budget comparison on pages 14 and 15 as follows:

	<u>General Fund</u>	<u>Sales tax Fund</u>
Excess (deficiency) of revenues and resources over expenditures and other uses (GAAP Basis)	\$ 5,984	(11,882)
Adjustments:		
Receivable accruals	(5,615)	-
Expenditure accruals	<u>6,587</u>	<u>1,264</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (Budget Cash Basis)	\$ <u>6,956</u>	<u>(10,618)</u>

**F. ENCUMBRANCES**

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

**G. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

Cash includes amounts in demand deposits, interest-bearing deposits, and money market accounts. Certificate of deposits are considered cash equivalents due to the ready availability of the cash for usage by the Town of Ringgold. 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.

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H. 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.

I. 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. Infrastructure is considered an expense in governmental funds in the year incurred and not reported in the General Fixed Asset Account Group. 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	7 years
Sewerage Utility:	
Pump stations	40 years
Autos and trucks	3 years
Equipment	5 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.

**J. COMPENSATED ABSENCES**

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

The town does not provide for unpaid vacation. If vacation is not taken by an employee during the year, the employee loses the right to that vacation. Sick pay may be carried over up to a maximum of 10 days. No accrual is made for unpaid sick pay as the amounts are deemed immaterial at December 31, 1995 to the general purpose financial statements.

**K. 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.

**L. 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.

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M. 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.

N. 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.

2. FUND DEFICITS

The following individual funds have deficits in unreserved fund balance and retained earnings at December 31, 1995:

Capital project funds:

Rural development fund - Sewer imp.	\$ (10,808)
LCDBG - Street imp.	<u>(30,660)</u>
Total deficit capital project funds	\$ <u>(41,468)</u>

The temporary deficits in the individual capital project funds is the result that the usage of the expendable available financial resources has exceeded the sources. Management intends to fund the deficit fund balances by transfers from other funds in the future and receipt of additional grant revenues.

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Proprietary fund:

Enterprise fund - unreserved  
 retained earnings \$(361,634)

The deficit retained earnings in the water & sanitation fund is the result of revenues inadequate to cover expenses including depreciation in fiscal years 1992 through 1995. 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, 1995, the assessed value of property for the Town of Ringgold was \$2,603,700 and were dedicated as follows:

General corporate purposes	6.97 mils
10-year water maintenance tax	5.38 mils
10-year sewer tax	5.38 mils

4. CASH AND CASH EQUIVALENTS

At December 31, 1995, the Town of Ringgold has cash and cash equivalents (book balances) totaling \$ 364,622 as follows:

Demand deposits	\$ 234,037
Interest-bearing deposits	<u>130,585</u>
Total	\$ <u>364,622</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 bank that is mutually acceptable to both parties. At December 31, 1995, the Town has \$ 364,699 in deposits (collected bank

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balances). These deposits are secured from risk by \$200,000 of federal deposit insurance and \$ 164,699 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.

5. RECEIVABLES

The receivables of \$ 61,661 at December 31, 1995, are as follows:

Receivable	<u>General Fund</u>	<u>Capital Project Fund</u>	<u>Proprietary Fund</u>	<u>Total</u>
Taxes:				
Ad valorem tax	\$ 4,326	-	6,679	11,005
Franchise	5,535	-	-	5,535
Other				
Intergovernmental - grants:				
Federal	-	23,912	-	23,912
Accounts	-	-	<u>21,209</u>	<u>21,209</u>
Total	<u>\$ 9,861</u>	<u>23,912</u>	<u>27,888</u>	<u>61,661</u>

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6. FIXED ASSETS

The changes in general fixed assets follow:

	Balance, Jan. 1, <u>1995</u>	<u>Additions</u>	<u>Deletions</u>	Balance, Dec. 31, <u>1995</u>
Land	\$ 29,313	400	-	29,713
Buildings	35,291	-	-	35,291
Improvements other than bldgs	33,651	-	-	33,651
Equipment	83,766	63,912	31,244	116,434
Construction in progress	<u>-</u>	<u>64,974</u>	<u>-</u>	<u>64,974</u>
Total General Fixed Assets	\$ <u>182,021</u>	<u>129,286</u>	<u>31,244</u>	<u>280,063</u>

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

	Balance, January <u>1, 1995</u>	<u>Additions</u>	<u>Deletions</u>	Balance, December <u>31, 1995</u>
Water utility system	\$ 1,255,780	-	-	1,255,780
Sewerage utility:				
Lift stations	25,065	-	-	25,065
Sewer system	803,077	765,099	-	1,568,176
Trucks	23,316	-	-	23,316
Equipment	<u>18,300</u>	<u>23,999</u>	<u>-</u>	<u>42,299</u>
Total	2,125,538	789,098	-	2,914,636
Less: A/D	(383,099)	(74,056)	-	(457,155)
Add: Construction in progress - Sewer improvements, extensions & replacements	<u>756,316</u>	<u>206,195</u>	<u>765,099</u>	<u>197,412</u>
Net	\$ <u>2,498,755</u>	<u>921,237</u>	<u>765,099</u>	<u>2,654,893</u>

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7. PENSION PLANS

Substantially all of the government's full time employees, other than police, are members of Plan A of the Municipal Employee's Retirement System, a multiple-employer public employee retirement system, controlled and administered by a separate board of trustees. The total payroll for employees of the Town covered by the System for the years ended December 31, 1995 was \$ 115,443. Total payroll for the Town was \$ 224,946.

All full time employees, other than policemen, are required to participate in the system. Employees who retire at or after age 60 with at least 10 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3% per year times the number of years of creditable service times the average yearly compensation for the highest consecutive 36 months of earnings. Benefits are not to exceed 100% of an employee's final compensation. The system also provides death and disability benefits.

State statute requires covered employees to contribute 9.25% of monthly earnings to the system and requires the Town to contribute a percentage of monthly earnings as an employer match, such percentage varying from 5.5% to 6.75% during the year ended December 31, 1995. For the year ended December 31, 1995, the Town contributed \$ 7,106 to the System.

The "pension benefit obligation" is a standard disclosure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among public employee retirement systems and employers. The System does not make separate measurements of assets and pension benefit obligations for individual employers. The pension benefit obligation at June 30, 1995, which is the last date for which actuarial information for the system is available, for the System as a whole, determined through actuarial valuation performed as of that date, was \$ 345,626,503. The System's net assets available for benefits on that date were \$ 288,135,401, leaving an unfunded pension benefit obligation of \$ 57,491,102.

Historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's June 30, 1995 comprehensive annual financial report. The City does not guarantee the benefits granted by the System.

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8. LEASES

The Town of Ringgold records items under capital leases as an asset and an obligation in the accompanying financial statements. The following is an analysis of capital lease:

<u>Type</u>	<u>Cost</u>
Equipment	\$ <u>5,490</u>

The following is a schedule of future minimum lease payments under capital leases, together with the present value of the net minimum lease payments, as of December 31, 1995:

Fiscal year:	
1996	\$ 2,296
1997	2,296
1998	<u>1,148</u>
Total minimum lease payments	5,740
Less - interest payments	<u>(1,000)</u>
Present value of minimum lease payments	\$ <u>4,740</u>

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, 1995:

	<u>Water Revenue Bonds</u>	<u>Sewer Revenue Bonds</u>	<u>Total</u>
Bonds payable, December 31, 1994	\$ 881,078	459,000	1,340,078
Bonds retired	<u>(20,095)</u>	<u>(462)</u>	<u>(20,557)</u>
Bonds payable, December 31, 1995	\$ <u>860,983</u>	<u>458,538</u>	<u>1,319,521</u>

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Bonds payable at December 31, 1995, 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	\$ 860,983	1,157,817
\$ 459,000 Sewer Revenue Bonds, dated Dec. 14, 1994, bearing interest at 5 1/4% due in monthly installments of \$ 2,309 through Dec. 14, 2034	<u>458,538</u>	<u>616,046</u>
	\$ <u>1,319,521</u>	<u>1,773,863</u>

The annual requirements to amortize all debt outstanding as of December 31, 1995, including interest payments of \$ 1,773,863, 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>
1996	\$ 9,117	3,721	78,872	91,710
1997	9,699	3,920	78,091	91,710
1998	10,317	4,132	77,261	91,710
1999	10,974	4,354	76,382	91,710
2000	11,674	4,588	75,448	91,710
Thereafter	<u>809,202</u>	<u>437,823</u>	<u>1,387,809</u>	<u>2,634,834</u>
Total	\$ <u>860,983</u>	<u>458,538</u>	<u>1,773,863</u>	<u>3,093,384</u>



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10. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

	<u>Receivables</u>	<u>Payables</u>	<u>Operating In</u>	<u>Transfers Out</u>
General Fund	\$ 2,936	-	108,636	1,681
Special Revenue Fund	-	1,264	-	113,926
Proprietary Fund	-	1,672	3,113	48,645
Capital Projects Fund				
Rural Dev. - Sewer	-	-	158,643	-
LCDBG (FMHA) - Sewer	-	-	1,581	107,821
LCDBG - Street	-	-	<u>100</u>	<u>-</u>
<b>TOTAL</b>	<b>\$ <u>2,936</u></b>	<b><u>2,936</u></b>	<b><u>272,073</u></b>	<b><u>272,073</u></b>

11. RESERVED AND DESIGNATED EARNINGS/FUND BALANCES

Under the terms of the various bond indentures on outstanding Water and Sewer Revenue Bonds, 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.
2. Establishment and maintenance of "Revenue Bond and Interest Sinking Fund," where monthly deposits shall be made on or before the 20th day of each month of each year a sum equal to one-twelfth (1/12th) 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.
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

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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, but if so used, such money shall be replace by the Issuer as soon as possible thereafter.

Restricted assets were applicable to the following at December 31, 1995:

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Bond and Interest Sinking Fund	\$ 71,594	610	72,204
Bond Reserve Fund	24,640	1,228	25,868
Bond Depreciation & Contingency	<u>28,457</u>	<u>1,483</u>	<u>29,940</u>
Total for revenue bonds	\$ <u>124,691</u>	<u>3,321</u>	128,012
Meter deposits - General Fund			<u>21,994</u>
Total restricted assets		\$	<u>150,006</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

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title to which shall be in the public or for anyone or more of said purposes.

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, the 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;

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, 1995:

Total current assets	\$ 278,984
Total current liabilities	<u>(113,085)</u>
Net working capital	<u>\$ 165,899</u>

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14. CONTRIBUTED CAPITAL

Farmers Home Administration Grant	\$ 370,000
DOTD Grant	28,200
(LCDBG) Grant	747,072
General Fund Revenues	77,798
Capital Projects Fund	<u>524,662</u>
Total Contributed Capital	\$ <u>1,747,732</u>

15. FEDERAL COMPLIANCE CONTINGENCY

During the audit for the fiscal year ended December 31, 1995, it was noted that the Town of Ringgold was required to reimburse the Division of Administration for disallowed costs associated with the lack of adequate documentation of charges for staff salaries. Per a letter dated April 29, 1995, the Town of Ringgold was required to submit a check for \$ 3,080.68 to the Division of Administration for the disallowed costs.

16. PENDING LITIGATION

"David C. Wilson & Jimmy Woodard -vs- Town of Ringgold," et al. Docket No. 03292:

The last activity concerning this case was a notice of deposition of May 4, 1992. No other activity has occurred recently concerning this case and any liability, if any, is estimated to be minimal.

FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS  
AND ACCOUNT GROUPS

GENERAL FUND

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

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, 1995

	<u>Budget</u>	<u>1995 Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Taxes:			
Ad valorem	\$ 17,800	17,905	105
Franchise	27,300	27,426	126
Licenses and permits:			
Occupational and insurance licenses	25,450	25,477	27
Intergovernmental:			
Parish and municipal beer tax	2,800	2,830	30
Tobacco tax and p.m. sales	9,600	9,661	61
Fines and forfeits	20,500	20,713	213
Interest	2,600	-	(2,600)
Collection fee	12,000	12,150	150
Miscellaneous:			
Asset seizure income	-	19,000	19,000
Other	2,767	2,678	(89)
Rent	14,400	14,410	10
Donations	-	205	205
Reimbursements	-	<u>18,856</u>	<u>18,856</u>
Total revenues	<u>135,217</u>	<u>171,311</u>	<u>36,094</u>
Expenditures:			
General government	71,792	83,098	(11,306)
Public safety	139,710	189,222	(49,512)
Recreation	100	-	100
Total expenditures	<u>211,602</u>	<u>272,320</u>	<u>(60,718)</u>
Excess (deficiency) of revenues over expenditures	(76,385)	(101,009)	(24,624)
Other financing sources (uses):			
Sale of fixed assets	1,000	1,010	10
Operating transfers from:			
Enterprise fund	27,000	28,645	1,645
Sales tax fund	48,385	79,991	31,606
Operating transfers in:			
Capital projects fund	-	<u>(1,681)</u>	<u>(1,681)</u>
Total other financing sources (uses)	<u>76,385</u>	<u>107,965</u>	<u>31,580</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	6,956	6,956
Fund balance, beginning	<u>14,596</u>	<u>14,596</u>	-
Fund balance, ending	\$ <u>14,596</u>	<u>21,552</u>	<u>6,956</u>

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

TOWN OF RINGGOLD  
GENERAL FUND  
STATEMENT OF EXPENDITURES COMPARED TO BUDGET (CASH BASIS)  
For the Year Ended December 31, 1995

	<u>Budget</u>	<u>1995 Actual</u>	Variance Favorable (Unfavorable)
General government:			
Salaries	\$ 3,000	3,000	-
Retirement and payroll taxes	2,150	3,253	(1,103)
Utilities and telephone	13,700	13,833	(133)
Office expense	7,300	7,822	(522)
Legal and accounting	4,900	6,408	(1,508)
Maintenance and repairs	1,650	1,584	66
Insurance	24,800	25,234	(434)
Dues and subscriptions	3,200	3,417	(217)
Tax roll preparation	100	3,258	(3,158)
Education and travel	2,650	2,650	-
Coroner expense	2,100	2,150	(50)
Publications	950	945	5
Miscellaneous	5,292	9,144	(3,852)
Capital expenditures	-	400	(400)
Total general government	<u>71,792</u>	<u>83,098</u>	<u>(11,306)</u>
Public safety:			
Police department -			
Salaries	101,910	102,888	(978)
Retirement	6,000	6,123	(123)
Vehicle expense	16,100	16,095	5
Other expenses	4,600	5,212	(612)
Capital expenditures	<u>11,100</u>	<u>58,904</u>	<u>(47,804)</u>
Total police department	<u>139,710</u>	<u>189,222</u>	<u>(49,512)</u>
Recreation	<u>100</u>	-	<u>100</u>
Total expenditures	\$ <u>211,602</u>	<u>272,320</u>	<u>(60,718)</u>

The accompanying notes are an integral part of the 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 FUND  
 STATEMENT OF EXPENDITURES COMPARED TO BUDGET (CASH BASIS)  
 For the Year Ended December 31, 1995

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
General Government			
Salaries	\$58,500	57,736	764
Payroll taxes and retirement	1,600	1,544	56
Utilities and telephone	20,500	20,487	13
Office	500	500	-
Legal and accounting	3,500	3,500	-
Insurance	6,500	6,499	1
Miscellaneous	<u>5,900</u>	<u>-</u>	<u>5,900</u>
	<u>\$97,000</u>	<u>90,266</u>	<u>6,734</u>

The accompanying notes are an integral part of the 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, 1995

	<u>1995</u>
<b>ASSETS</b>	
Current assets - unrestricted:	
Cash	\$ 101,090
Accounts receivable	<u>21,209</u>
Account receivable - ad valorem taxes	<u>6,679</u>
Current assets - unrestricted	<u>128,978</u>
Current assets - restricted:	
Cash in bank - checking	128,012
Bank-meter deposits	21,994
Current assets - restricted	<u>150,006</u>
Total current assets	278,984
Property, plant and equipment	2,914,636
Less: Accumulated depreciation	(457,155)
Construction in progress	<u>197,412</u>
Total property, plant and equipment	<u>2,654,893</u>
Total assets	<u>\$2,933,877</u>
<b>LIABILITIES AND FUND EQUITY</b>	
Current liabilities - payable from unrestricted assets:	
Accounts payable and accrued expenses	\$ 1,213
Due to other funds	1,672
Revenue bonds payable - current portion	12,838
Interest payable - revenue bonds	<u>78,872</u>
Total current liabilities payable from unrestricted assets	94,595
Current liabilities - payable from restricted assets:	
Meter deposits	<u>18,490</u>
Total current liabilities	113,085
Long-term liabilities - payable from restricted assets:	
Bonds payable - FmHA/Water	851,866
Bonds payable - FmHA/Sewer	<u>454,817</u>
Total long-term liabilities payable from restricted assets	1,306,683
Total liabilities	<u>1,419,768</u>
Fund equity:	
Contributed capital	1,747,732
Retained earnings	
Reserved-water revenue bond retirement	124,691
sewer revenue bond retirement	3,320
Unreserved (deficit)	<u>(361,634)</u>
Total retained earnings (deficit)	<u>(233,623)</u>
Total fund equity	<u>1,514,109</u>
Total liabilities and fund equity	<u>\$ 2,933,987</u>

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

## CAPITAL PROJECTS FUND

### FMHA Sewer Improvements:

Fund used to account for the receipts and disbursements of Farmers Home Administration loan for improvements to sewer system.

### LCDBG Sewer Improvement Fund:

Fund used to account for the receipts and disbursements of Louisiana Community Development Block Grant for improvements to the town's sewer system.

### Rural Development Fund:

Fund used to account for the receipts and disbursements of Louisiana Rural Development Grant division for improvements to the town's sewer system.

### LCDBG Street Improvement Fund:

Fund used to account for receipts and disbursements for street improvements. Resources are provided by a \$ 261,511 block grant under the Louisiana Community Development Block Grant program.

### Rural Development Fund - Chlorinating Fund

Fund used to account for receipts and disbursements for improvements to the water system. Funds are provided from \$ 25,000 grant received through the Governor's Office of Rural Development.

TOWN OF RINGGOLD  
 ALL CAPITAL PROJECTS FUNDS  
 Combining Balance Sheet  
 December 31, 1995

	Rural Dev. Fund Sewer Imp.	FmHA Sewer Imp.	LCDBG Sewer Imp.	LCDBG Street Imp.	Rural Dev. Fund Water Imp.	1995 Total
<b>ASSETS</b>						
Cash	\$ 1,280	-	-	27	25,000	26,307
Accounts receivable	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,912</u>	<u>-</u>	<u>23,912</u>
Total assets	<u>1,280</u>	<u>-</u>	<u>-</u>	<u>23,939</u>	<u>25,000</u>	<u>50,219</u>
<b>LIABILITIES AND FUND BALANCE</b>						
<b>Liabilities:</b>						
Accounts payable	12,088	-	-	54,599	-	66,687
<b>Fund balance:</b>						
Unreserved - designated for capital projects	<u>(10,808)</u>	<u>-</u>	<u>-</u>	<u>(30,660)</u>	<u>25,000</u>	<u>(16,468)</u>
Total liabilities and fund balance	<u>\$ 1,280</u>	<u>-</u>	<u>-</u>	<u>23,939</u>	<u>25,000</u>	<u>50,219</u>

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

TOWN OF RINGGOLD  
 ALL CAPITAL PROJECTS FUNDS  
 Statement of Revenues, Expenditures and Changes in Fund Balance  
 For the year ended December 31, 1995

	Rural Dev. Fund Sewer Imp.	FmHA Sewer Imp.	LCDBG Sewer Imp.	LCDBG Street Imp.	Rural Dev. Fund Water Imp.	1995 Total
REVENUES:						
Grants	\$ -	-	12,973	34,287	25,000	72,260
Interest	<u>1,653</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,653</u>
Total revenues	<u>1,653</u>	<u>-</u>	<u>12,973</u>	<u>34,287</u>	<u>25,000</u>	<u>73,913</u>
EXPENDITURES:						
Capital expenditures	<u>197,413</u>	<u>15,376</u>	<u>14,554</u>	<u>65,047</u>	<u>-</u>	<u>292,390</u>
Excess (deficiency) of revenues over expenditures	(195,760)	(15,376)	(1,581)	(30,760)	25,000	(218,477)
Other financing sources (uses):						
Operating transfers in -						
Enterprise fund	20,000	-	-	-	-	20,000
Sales tax fund	30,822	-	-	-	-	30,822
General fund	-	-	1,581	100	-	1,681
Capital projects fund	107,821	-	-	-	-	107,821
Operating transfers out -						
Capital projects fund	<u>-</u>	<u>(107,821)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(107,821)</u>
Total other financing sources (uses)	<u>158,643</u>	<u>(107,821)</u>	<u>1,581</u>	<u>100</u>	<u>-</u>	<u>52,503</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(37,117)	(123,197)	-	(30,660)	25,000	(165,974)
Fund balance - beginning of year	<u>26,309</u>	<u>123,197</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>149,506</u>
Fund balance (deficit) - end of year	<u>\$(10,808)</u>	<u>-</u>	<u>-</u>	<u>(30,660)</u>	<u>25,000</u>	<u>(16,468)</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, 1995

General fixed assets, at cost:	
Land	\$ 29,713
Buildings	35,291
Improvements other than buildings	33,651
Equipment	116,434
Construction in progress	<u>64,974</u>
Total general fixed assets	<u>280,063</u>
Investment in general fixed assets:	
Capital project fund:	
Louisiana Community Development Block Grant	64,974
General and special revenue funds	<u>215,089</u>
Total investment in general fixed assets	<u>\$280,063</u>

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

TOWN OF RINGGOLD  
STATEMENT OF CHANGES IN GENERAL FIXED ASSETS  
For the Year Ended December 31, 1995

	1995					Total
	<u>Land</u>	<u>Buildings</u>	Improvements Other than <u>Buildings</u>	<u>Equipment</u>	Construction in <u>Progress</u>	
General fixed assets, beginning of period	\$29,313	35,291	33,651	83,766	-	182,021
Additions:						
General fund revenues	400	-	-	63,912	-	64,312
Capital projects fund revenues	-	-	-	-	64,974	64,974
Total additions	<u>400</u>	<u>-</u>	<u>-</u>	<u>63,912</u>	<u>64,974</u>	<u>129,286</u>
Deletions						
Sales of auto, trucks, and equipment	-	-	-	12,300	-	12,300
Disposal of wreck auto	-	-	-	18,944	-	18,944
Total deletions	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,244</u>	<u>-</u>	<u>31,244</u>
General fixed assets, end of period	<u>\$29,713</u>	<u>35,291</u>	<u>33,651</u>	<u>116,434</u>	<u>64,974</u>	<u>280,063</u>

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

GENERAL LONG-TERM DEBT  
ACCOUNT GROUP

To account for unmatured principal amounts on general long-term debt expected to be financed from governmental type funds.

TOWN OF RINGGOLD  
Statement of General Long-Term Debt  
December 31, 1995

AMOUNT TO BE PROVIDED FOR  
PAYMENT OF GENERAL LONG-TERM DEBT

Amount to be provided from:  
General fund

\$4,740

GENERAL LONG-TERM DEBT PAYABLE

Obligation under capital lease

\$4,740

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

OTHER SUPPLEMENTARY INFORMATION

TOWN OF RINGGOLD  
Ringgold, Louisiana  
SCHEDULE OF COMPENSATION PAID TO ALDERMEN  
For the Years Ended December 31, 1994 and 1995

	<u>1994</u>	<u>1995</u>
Robert P. Corley	\$ 5,400	5,400
Lloyd Scott	1,200	1,200
Bobby Guin	1,200	1,200
John Hamilton	1,200	1,200
Larry Kennedy	1,200	1,200
Jerry Thomas	<u>1,200</u>	<u>1,200</u>
	<u>\$11,400</u>	<u>11,400</u>

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

SINGLE AUDIT SECTION

# JAMIESON, WISE & MARTIN

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CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS

The Honorable Robert P. Corley, Mayor  
and the Members of the Board of Aldermen  
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, 1995, and have issued our report thereon dated June 17, 1996.

We conducted our audits in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing our audits for the year ended December 31, 1995, we considered the internal control structure of the Town of Ringgold, Louisiana, in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements of the Town of Ringgold, Louisiana and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated June 17, 1996.

The management of the Town of Ringgold, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general



purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

General Requirements

Political activity	Drug-Free Workplace Act
Civil rights	Administrative requirements
Federal financial reports	Davis-Bacon Act
Cash management	Relocation Assistance and
Allowable Costs/Cost	Real Property Acquisition
Principles	

Accounting Applications

Cash receipts	Cash disbursements
---------------	--------------------

Specific Requirements

- Types of services allowed or unallowed
- Special reporting requirements
- Claims for advances and reimbursements

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended December 31, 1995, Town of Ringgold, Louisiana, had no major federal financial assistance programs and expended 100% of its total federal financial assistance under the following nonmajor federal financial assistance programs:

US Department of Housing and Urban Development

Passed through State of Louisiana - Louisiana Community Development Block Grant - FY 1992

Passed through State of Louisiana - Louisiana Community Development Block Grant - FY 1995

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the aforementioned nonmajor programs. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that non-compliance with laws and regulations that would be material to a federal financial assistance program 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 structure and its operation that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of the Town of Ringgold, Louisiana, in a separate letter dated June 17, 1996.

This report is intended for the information of the town management, the Legislative Auditor of the State of Louisiana, and applicable grantor agencies. However, this report is a matter of public record and its distribution is not limited.



Minden, Louisiana  
June 17, 1996

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS

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

We have audited the general purposed financial statements of the Town of Ringgold, Louisiana, as of and for the year ended December 31, 1995, and have issued our report thereon dated June 17, 1996.

We have applied procedures to test the Town of Ringgold's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended December 31, 1995:

Political activity	Drug-Free Workplace Act
Civil rights	Administrative requirements
Federal financial reports	Davis-Bacon Act
Cash management	Relocation Assistance and Real
Allowable costs/cost principles	Property Acquisition

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's Compliance Supplement for Single Audits of State and Local Governments. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Town of Ringgold, Louisiana's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the Town of Ringgold, Louisiana, had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed an immaterial instance of noncompliance with those requirements, which are described in the accompanying Schedule of Findings and Questioned Costs.

This report is intended for the information of the management, Legislative Auditor of the State of Louisiana, and applicable grantor agencies. However, this report is a matter of public record and its distribution is not limited.

*Jamison Win + Mark*

Minden, Louisiana

June 17, 1996

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS

The Honorable Robert P. Corley, Mayor  
and the Members of the Board of Aldermen  
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, 1995, and have issued our report thereon dated June 17, 1996.

In connection with our audit of the general purpose financial statements of the Town of Ringgold, Louisiana, and with our consideration of the Town of Ringgold, Louisiana's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, Audits of State and Local Governments, we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended December 31, 1995. As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed, special reporting requirements, and claims for advances and reimbursements that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Town of Ringgold, Louisiana's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to the items not tested, nothing came to our attention that caused us to believe that the Town of Ringgold, Louisiana, had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed an immaterial instances of noncompliance with those requirements, which are described in the accompanying Schedule of Findings and Questioned Costs.

This report is intended for the information of management, the Legislative Auditor of the State of Louisiana, and applicable grantor agencies. However, this report is a matter of public record and its distribution is not limited.

*Jamison Wine & Mats*

Minden, Louisiana  
June 17, 1996

TOWN OF RINGGOLD  
Schedule of Findings and Questioned Costs  
Year ended December 31, 1995

FINDING

Immaterial instance of noncompliance

Passed through State of Louisiana - Louisiana Community Development Block Grant - FY 1992

During the audit for the fiscal year ended December 31, 1995, it was noted that the Town of Ringgold was required to reimburse the Division of Administration for disallowed costs associated with charges for staff salaries for which the Division cited that there was a lack of adequate documentation. Per a letter dated April 29, 1995, the Town was required to submit a check for \$ 3,080.68 to the Division of Administration for the disallowed costs.

The Town submitted a check (no. 3153) for the amount due for the disallowed costs along with a letter dated May 26, 1995 stating that new procedures have been formed to meet the requirements of the State.

TOWN OF RINGGOLD  
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
 DECEMBER 31, 1995

Program	CFDA#	Beginning Cash	Federal Revenue Recognized	Expenditures Recognized	Ending Cash	Receivable	Payable		
								Payable, 12/31/94	Payable, 12/31/95
U. S. Department of Housing and Urban Development:									
Passed through State of Louisiana - Division of Administration:									
Louisiana Community Development Block Grant - FY 1992	14.228	-	12,973	12,973	-	-	-		
Louisiana Community Development Block Grant - FY 1995	14.228	-	34,287	34,287	-	-	-		
Water Revenue Bonds of the Town of Ringgold, State of Louisiana, Series 1988, original \$ 908,000 purchased by Farmers Home Administration		\$ 881,078	20,095	860,983	43,910	-	-		
Sewer Revenue Bonds of the Town of Ringgold, State of Louisiana, original \$ 459,000 purchased by Farmers Home Administration		459,000	462	458,538	23,635	107,315			