ECTOR STOR

. .

...

93 JUL 12 PH 12: 46 Contract of the CONTRACTOR AND A C^{1} and C^{2} is the second se 一般很大的主席()

TOWN OF RIDGECREST, LOUISIANA GENERAL PURPOSE FINANCIAL STATEMENTS WITH INDEPENDENT AUDITORS' REPORT

YEAR ENDED DECEMBER 31, 1998 with REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

(inder previcions of state law, this Report to a construction and A ŧ., 199**1** ារិ - រ៉ៃ - រ៉ៃ А, office of and period clerk of court. Release Date 8-11-99

.

\$

· •·• ··•----

TOWN OF RIDGECREST, LOUISIANA TABLE OF CONTENTS

	Page
SECTION I - GENERAL PURPOSE FINANCIAL STATEMENTS	1
INDEPENDENT AUDITORS' REPORT	2
GENERAL PURPOSE FINANCIAL STATEMENTS (COMBINED STATEMENTS - OVERVIEW)	3
Combined balance sheet - all fund types and account groups Combined statement of revenues, expenditures, and changes in fund balances - all governmental	4
fund types Combined statement of revenues, expenditures,	5
and changes in fund balances - budget (GAAP Basis) and actual - general fund	6
Comparative statement of revenues, expenses and changes in retained earnings - proprietary fund type Comparative statement of cash flows - proprietary	7
fund type Notes to financial statements	8 9-14
SECTION II - SUPPLEMENTAL INFORMATION SCHEDULES	15
General Fund: Comparative balance sheet Statement of revenues, expenditures, and changes	16 17
in fund balance - budget (GAAP Basis) and actual Statement of expenditures compared to budget (GAAP Basis)	18 19-20
Schedule of Compensation Paid Elected Officials	21
SECTION III - COMPLIANCE AND INTERNAL CONTROL	22
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH	
GOVERNMENT AUDITING STANDARDS	23-24
SECTION IV - SCHEDULE OF FINDINGS AND QUESTIONED COSTS	25
Schedule of Findings and Questions Costs	26 - 27
SECTION V - RESPONSE	28

Response

--

4

۰.

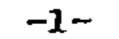
4

•

SECTION I - GENERAL PURPOSE FINANCIAL STATEMENTS

• •

.



SWITZER, HOPKINS & MANGE Certified Public Accountants

DENNIS R. SWITZER, CPA H. MYLES HOPKINS, CPA SUSAN L. MANGE, CPA ROXANNE B. JAMES, CPA JOHN M. JONES, CPA 1921 - 1983

INDEPENDENT AUDITORS' REPORT

The Honorable David Cobb, Mayor and Members of the Board of Aldermen Town of Ridgecrest, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Ridgecrest, Louisiana as of December 31, 1998 and for the year then ended as listed in the table of contents. These general purpose financial statements are the responsibility of the Town of Ridgecrest, 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; <u>Government Auditing Standards</u>, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget circular A-128, <u>Audits of State and Local</u> <u>Governments</u>. 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 Ridgecrest, Louisiana as of December 31, 1998, 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 <u>Government Auditing Standards</u>, we have also issued a report dated June 30, 1999 on our consideration of the Town of Ridgecrest's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grants.

Ferriday, Louisiana June 30, 1999

Switzer, Hoppins & Mange

1840 NORTH E. E. WALLACE BLVD. P. O. BOX 1518 FERRIDAY, LA 71334 (318) 757-6511 FAX (318) 757-7206 OFFICES IN NATCHEZ, MISSISSIPPI

-2-

GENERAL PURPOSE FINANCIAL STATEMENTS (COMBINED STATEMENTS-OVERVIEW)

٠.

٠

• *



.

- -

.

			TOWN OF RIDGECREST,	SECREST, LOUISIANA	KA KA		
		COMBINED	BALANCE SHEET-ALL F December	L FUND TYPES AND Per 31, 1998	ACCOUNT GROUPS	۲	
	Governmenta Types General	l Fund Debt Service	Proprietary Fund Type Enterprise	Accounti General Fixed Assets	nting Group General Long-Jerm Debt	Totals (Memorandum 1998	s m Only) <u>1997</u>
ASSETS	\$ 14,646	•	s 3,759	, ; *	، ج ہ	\$ 18, 405	\$ 33,826
	2,424		•			2,424 172 14,888	3, 788 3, 172 3, 150
governments (Note C) ets: (Note D) assets and equipment (Note E)	2 , 583 		- 10,537 - 607,301	- - 436,748		2,583 10,537 436,748 607,301	2,809 10,835 421,386 636,577
rovided for retirement ong-term debt SETS	19, 653			436,748	52,084 52,084	52,084 1,145,142	58,091 1,187,812
IABILITIES							
le 7 of long-term	4,981	, ,	1,657 4.000		•	6,638 4.000	8,279
estricted assets: deposits (Note D) (Note F) ABILITIES	4,981	• •			52,084 52,084	10,537 59,765 80,940	10, 835 70, 066 92, 880
JND EQUITY							
pital general fixed assets ngs-	• •	11		- 436,748		353,085 436,748	353,085 421,386
	•	ł	259,697	•	ı	259,697	298,270
ND EQUITY	14,672		612, 782	436,748	· ·	1,064,202	22, 191
ABILITIES ND EQUITY	\$ 19,653	•	\$ 636,657	\$ 436,748	\$ 52,084	<u>\$ 1,145,142</u>	\$ 1,187,812
The a	accompanying	g notes ar	re an integral	part of	these stat	catements.	

LOUIS RIDGECREST TOWN OF

マ

General fixed asset Utility plant and e Amount to be provid of general long-t TOTAL ASSETS Receivables: Taxes (Note B) Accrued interest Accounts payable Current portion of debt (Note F) Payable from restri Customers' depos Long-term debt (Not TOTAL LIABILI Contributed capital Investment in gener Retained earnings-LIABI Due from other gov Restricted assets: FUND FUND Unreserved Fund balance Unreserved-TOTAL FUN Accounts Grant Cash Cash

TOTAL LIABI

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-ALL GOVERNMENTAL FUND TYPES Year Ended December 31, 1998

	Governmental	Fund Types	Tota	ls
		Debt	(Memorand	um Only)
	<u>General</u>	<u>Service</u>	1998	<u>1997</u>
Revenues:		_		
Taxes	\$_31,677	\$ · · · ·	\$ 31,677	\$ 22,340
Licenses and permits	2,525	-	2,525	3,861
Intergovernmental	39,677	-	39,677	40,859
Charges for services	50	-	50	3,851
Fines	110	-	110	-
Grant income	15,001	-	15,001	266,365
Miscellaneous	3,446		3,446	4,609
Total revenues	92,486		92,486	341,885
Expenditures:				or 0//
General government	32,764	-	32,764	25,964
Public safety-			- /	r (00
Police	5,633	-	5,633	5,629
Fire	6,636	-	6,636	3,415
Capital outlay	13,698	-	13,698	268,863
Street and sanitation	39,574	-	39,574	37,557
Debt Service -				
Principal retirement	-	6,007	6,007	5,668
Interest expense	<u> </u>	3,322	3,322	3,661
Total expenditures	98,305	9,329	107,634	350,757
Excess (deficiency) of				<i>(A</i> 073)
revenues over expenditures	<u>(5,819)</u>	(9,329)	<u>(15,148)</u>	(8,872)
Other financing sources:		o 700	7 (20	10 / 70
Operating transfers in (out)	(1,700)	9,329	7,629	10,479
Excess (deficiency) of revenues and				
other sources over expenditures			/7 E101	1,607
and other uses	(7,519)	-	(7,519)	1,007
Fund balances, beginning	22,191		22,191	20,584
Fund balances, ending	\$ <u>14,672</u>	\$	\$ <u>14,672</u>	\$ <u>22,191</u>

_ _ _ _ _ _ _ _ _ _ _ _

٠

٩.

The accompanying notes are an integral part of these statements. -5-

··· _ · ···-

.

.

· - - ·

ES, AND CHANGES IN AND ACUTAL 98

EBT SERVICE FUND

• •

Variance Favorable (Unfavorable)	• · · · · ·	1 I F F	• • • • •	•		
Actual	• • • • • • •	1 I I I	6,007 3,322 9,329	(9,329)	9,329	

these financial statements.

٩.

•

			STATEMENT OF REVENUES, EXF FUND BALANCES-BUDGET (GAAP Year Ended December	IUES, EXPENDITURES 1 (GAAP BASIS) AN December 31, 1998
		GENERAL FUND	ę	DE
	<u>Budget</u>	Actual	Variance Favorable <u>(Unfavorable)</u>	<u>Budget</u>
nd permits nmental r services	\$ 30,691 2,400 40,037 50	 \$ 31,677 2,525 39,677 50 	\$ 386 380)	•••
ne ous evenues	110 15,001 2,383 90,672	110 15,001 3,446 92,486	1,063 1,814	
vernment etv	27,983	32, 764	(4,781)	·
tlay sanitation	5,436 4,294 13,698 37,154	5,633 6,636 13,698 39,574	(197) (2,342) - (2,420)	
ce l retirement expense xpenditures	88,565	- 98,305	- <u>- 1</u>	6,007 3,322 9,329
enues over es	2,107	(5,819)	(7,926)	(9,329)
ng sources: transfers in (out)	(006,5)	(1,700)	1,200	9,329
erves and other r expenditures , beginning ending	(793) 22,191 5 21,398	(7,519) 22,191	6, 726 6, 726	•
			41	

β part integral ဗုံ an are accompanying notes The

•

TOWN OF RIDGECREST, LOUISIANA

Expenditures: General govern General govern Public safety Police Fire Fire Capital outlay Street and san Street and san Debt Service Principal re Interest exp Interest exp Excess of revenue sources over ex Fund balances, be Grant income Miscellaneous Total rever Licenses and p Intergovernmer Charges for se Excess of revenuexpenditures Other financing Operating tra Fund balances, Fund balances, Revenues: Taxes Fines

TOWN OF RIDGECREST ENTERPRISE FUND UTILITY FUND

_ _ _ _

۰.

•

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS YEAR ENDED DECEMBER 31, 1998

(Memorandum

.

	<u>1997</u>	Only) 1998
Operating revenues:		
Charges for services	\$_122,103_	\$ 124,747
Operating expenses:		
Salaries	42,139	43,492
Chemicals and supplies	22,819	12,766
Depreciation	29,275	29,772 17,778
Utilities and telephone	15,278 11,917	10,993
Insurance Laboratory, toata	730	670
Laboratory tests Payroll taxes	3,205	3,512
Repairs	16,476	12,667
Other expenses	9,604	3,890
Accounting	500	500
Total operating expenses	151,943	136,040
Operating (loss)	(29,840)	(11,293)
Non-operating (expenses):		
Interest expense	(1,104)	(1,440)
(Loss) before operating transfers and other	(30,944)	(12,733)
Other financing sources (uses):		
Transfer (to) debt service fund	(9,329)	(9,329)
Transfer (to) from general fund	1,700	(1,150)
Total transfers	(7,629)	(10,479)
Net (loss)	(38,573)	(23,212)
Retained earnings, beginning	298,270	321,482
Retained earnings, ending	\$ 259,697	\$ <u>298,270</u>

The accompanying notes are an integral part of these financial statements. -7-

· · – –

TOWN OF RIDGECREST

COMPARATIVE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 1998

(Memorandum

	<u>1998</u>	Only) <u>1997</u>
Cash flows from operating activities:		
Cash received from customers	\$ 124,393	\$ 124,703
Cash payments to suppliers for goods		
and services	(80,714)	(63,888)
Cash payments to employees for services	(42,139)	(43,492)
Net cash provided by operating activities	1,540	17,323
Cash flows from non-capital financing activitie	e8:	
Operating transfers (to) other funds	(7,629)	(10,479)
(Decrease) in consumer deposits	(298)	(170)
Net cash (used) by non-capital		
financing activities	(7,927)	(10,649)

Cash flows from capital and related financing

.

___ . .

4

•

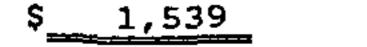
۹.

Cash flows from capital and related financing activities:		
Interest paid on notes	(1,104)	(1,440)
Principal paid on notes	(3,994)	(3,656)
Net cash (used) by capital and related financing activities	(5,098)	(5,096)
Cash flows from investing activities: Investment income		(172)
Net increase (decrease) in cash and cash equivalents	(11,485)	1,406
Cash and cash equivalents at January 1, 1998	25,781	24,375
Cash and cash equivalents at December 31, 1998	\$ <u>14,296</u>	\$ <u>25,781</u>
Reconciliation of operating (loss) to net cash provided by operating activities: Operating (loss) Adjustments to reconcile operating (loss) to net cash provided by operating activities:	\$ (29,840)	\$ (11,293)
Depreciation	29,275	29,772
Changes in assets and liabilities:		
Decrease (increase) in accounts receivabl	•	(44)
(Decrease) in accounts payable	(186)	(1,112)

Net cash provided by operating activities

*

.



. --

17,323

The accompanying notes are an integral part of these financial statements. -8-

· - -

- - ---

· · · .<u> </u>· **–** – · · ·

NOTES TO FINANCIAL STATEMENTS December 31, 1998

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Ridgecrest, Louisiana was incorporated under the provisions of the Lawrason Act. The Town operates under a Mayor-Board of Aldermen form of government.

The accounting and reporting policies of the Town of Ridgecrest, Louisiana conform to generally accepted accounting principles as applicable to governments. The following is a summary of certain significant accounting policies:

1. Financial Reporting Entity

This report includes all funds and account groups which are controlled by or dependent on the Town executive and legislative branches (the Mayor and Board of Aldermen). Control by or dependence on the Town was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

2. Fund Accounting

•

κ.

The accounts of the Town of Ridgecrest are organized on the basis of funds and account groups each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements in this report into three generic fund types as follows:

Governmental Funds-

General Fund

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



NOTES TO FINANCIAL STATEMENTS December 31, 1998

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Debt Service Fund

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

Proprietary Fund -

۰.

۰.

Enterprise Fund

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises-where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

3. Fixed assets

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets. Public domain (infrastructure) general fixed assets consisting of certain buildings, including roads, bridges, curbs, gutters, streets, sidewalks, drainage systems and lighting systems are not capitalized along with other general fixed assets.

Fixed assets used in governmental fund type operations (general fixed assets) 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.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus, and all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets.

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:



NOTES TO FINANCIAL STATEMENTS December 31, 1998

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Water Utility -		
Wells	20	years
Storage tanks 🗇	40	years
Lines & meters	50	years
Purification plant	33	years
Sewerage Utility -		
Pump stations	20	years
Lines	50	years
Autos & trucks	4	years
Other equipment	6-10	years

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

donated.

4. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income and gross receipts are considered "measurable" when in the hands of collecting governments and is 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 are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when earned and their expenses are recognized when incurred.

5. Budgets and budgetary accounting

The Town has total revenues of less than \$250,000 and does not have the same budgetary process that is required of municipalities with total revenues of greater than \$250,000. The Town's budget is prepared by the Town Clerk and is adopted at a regular meeting



NOTES TO FINANCIAL STATEMENT December 31, 1998

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

of the Board of Aldermen. It may be amended during the year by the Board of Aldermen. All budgetary appropriations lapse at the end of each fiscal year.

6. Bad Debts

۰.

Uncollectable amounts due for ad valorem taxes and customers' utility receivables are recognized by the direct write off method.

7. Accumulated Unpaid Vacation Pay

The Town does not accrue unpaid vacation pay and has no policy concerning compensation for unpaid vacation pay.

8. Total columns on combined statements - overview

Total columns on the Combined Statements - Overview are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial 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.

9. Cash Flows

For purposes of reporting cash flows, cash and cash equivalents are defined as those amounts included in the balance sheet caption "Cash".

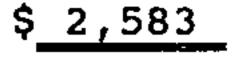
NOTE B - PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied in December and payable by June 15, of the following year. A list of property taxes due the Town is prepared by the Concordia Parish Assessor, but the Town is responsible for billings and collections. The Town's total millage is 6.03 mills and is dedicated to the general fund.

NOTE C - DUE FROM OTHER GOVERNMENTS

Amounts due from other governmental units at December 31, 1998 consisted of the following:

Garbage fees due from Concordia Parish Police Jury





NOTES TO FINANCIAL STATEMENTS December 31, 1998

NOTE D - RESTRICTED ASSETS-PROPRIETARY FUND TYPE

Restricted assets were applicable to the following at December 31, 1998:

Customer meter deposits

<u>\$ 10,537</u>

NOTE E - CHANGES IN FIXED ASSETS

۰.

٩

A summary of changes in general fixed assets follows:

	Balance <u>12-31-97</u>	Additions	Deletions	Balance <u>12-31-98</u>
Land Building Equipment Total	\$ 1,700 63,002 <u>356,684</u> \$ 421,386	\$ \$5,362	\$ - - \$	\$ 1,700 63,002 <u>373,046</u> \$ 436,748
A summary of proprie at December 31, 1998	tary fund ty follows:	pe property	7, plant ar	nd equipment
Water system Sewer system Equipment Total			\$ 877,508 219,733 52,758	3 8
Accumulated depreciation Net	on		1,149,999 542,698 \$ 607,303	<u>3</u>

NOTE F - LONG-TERM DEBT

Following is a summary of long-term debt at December 31, 1998. Proprietary Fund:

8% unsecured note due bank, payable in equal monthly installments of principal and interest of approximately \$425 thru 2001

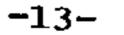
Less amount due within one year

(4,000)

7,681

\$ 11,681

The annual requirements to amortize the notes payable as of December 31, 1998 are as follows:



NOTES TO FINANCIAL STATEMENTS December 31, 1998

NOTE F - LONG-TERM DEBT CONTINUED

Year Ended			
December 31	Principal	Interest	Total
1999	\$ 4,000	\$ 1,095	\$ 5,095
2000	4,100	995	5,095
2001	3,581	700	4,281
	\$ 11,681	\$ 2,790	\$ 14,471

General Long Term Debt

6% note due bank, payable in equal monthly installments of principal and interest of approximately \$777 thru 2005

\$ 52,084

The annual requirements to amortize all debt as of December 31,

1998 are as follows:

۰.

Year Ended			
December 31	Principal	Interest	Total
1999	\$ 6,189	\$ 3,135	\$ 9,324
2000	6,560	2,764	9,324
2001	6,954	2,370	9,324
2002	7,371	1,953	9,324
2003	7,826	1,498	9,324
Thereafter	17,184	1,600	18,784
	\$ 52,084	\$ 13,320	\$ 65,404

NOTE G - RETIREMENT COMMITMENTS

The Town of Ridgecrest employees are all members of the social security system and are members of no other retirement plan. The expense of the social security is reflected in payroll taxes in the various statements of income.

NOTE H - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

1. All bank balances are insured 100% by the FDIC.

NOTE I - YEAR 2000 ISSUES

The Town uses computer programs for accounting purposes which have not been certified as year 2000 compliant. The Town is considering replacing the computer system by year end.



The Town is exposed to certain risks of losses such as property damage, liability issues and other potential losses that may occur. The Town minimizes its losses by purchase of commercial insurance. The Town's exposure over the amount of insurance is considered to be immaterial.

SECTION II - SUPPLEMENTAL INFORMATION SCHEDULES

.

• •

.

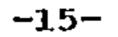
•

۹.

.

.

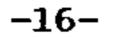
.



GENERAL FUND

-

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



__ _ _ _

۰.

٦

TOWN OF RIDGECREST, LOUISIANA GENERAL FUND

COMPARATIVE BALANCE SHEET DECEMBER 31, 1998

ASSETS	<u>1998</u>	(Memorandum Only) <u>1997</u>
Cash	\$ 14,646	\$ 18,880
Receivables:		
Ad valorem taxes	2,424	3,788
Grant	-	3,150
Due from other governmental units	2,583	2,809
Total assets	19,653	28,627

LIABILITIES AND FUND BALANCES

•

_ _ . .

٩.

۹.

_

Liabilities: Accounts payable

6,436 4,981

Fund balance - unreserved	14,672	22,191
Total liabilities and fund balance	\$ 19,653	\$ 28,627

.

The accompanying notes are an integral part of these statements. -17-

.

- ____

.

ts tit	TOWN OF RI STATEMENT OF REVENU STATEMENT OF REVENU STATEMENT OF REVENU Year Ende Year Ende Year Ende Budget Budget \$ 30,691 \$ 2,400 40,037	DGECREST, ENERAL FUN ENERAL FUN ES EXPENDI d December for Year 1 for Year 1 1998 1998 31,677 39,677 39,677	LOUISIANA D ITURES, AND CHANGES AP BASIS) AND ACTUAL 31, 1998 131, 1998 731, 1997 731, 1998 731, 1998 731, 1998 731, 1998 731, 1998 731, 1998 731, 1997 731,	997 997 8 Actu 40, 40,
ges for services s t income ellaneous Total revenues	110 15,001 2,383 90,672	50 110 3,446 92,486	1, 063 1, 814	3,851 - 266,365 4,609 341,885
itures: ral government ic safety ice e tal outlay tal outlay et and sanitation Total expenditures	27,983 5,436 4,294 13,698 37,154 88,565	32,764 5,633 6,636 39,574 98,305	(4,781) (197) (2,342) (2,420) (9,740)	25,964 5,629 3,415 268,863 37,557 341,428
of revenues over nditures financing sources: ating transfers in (out)	2,107	(5,819) (1,700)	(7,926) <u>1,200</u>	457 1,150
(deficiency) of revenues other sources over nditures and other uses alances, beginning alances, ending	(793) 22,191 \$ 21,398	(7,519) 22,191 \$ 14,672	6,726 5,726	1,607 20,584 \$ 22,191
The accompanying notes	are an integr	al part of these -18-	financial	statements.

Revenues Taxes Licens Fines Grant Grant Grant Grant Fines Fines Capito Street To and of expend Fund bal ccess c expend ther fi Operat Fund ba Excess Excess other

· - - - -

٠

٠

- - -

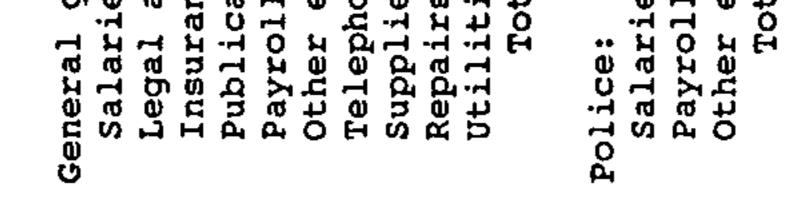
		1998		(Memorandum
	Budget	Actual	Variance- Favorable (Unfavorable)	Only) 1997 Actual
government: ies and other professionel	\$ 13,341 500	\$ 14,419 086	\$ (1,078)	•
ance and interest	3,672		è m r	2,731
Li taxes		· · · ·	ιÓ	00
expenses	3,124 1,048	4,545 1.059	4 -	3,788
ices	3,821	,05	(234)	25
rs Fies	69 1.816	•	1	
otal general government	27,983	32,764	(4,781)	
ies	5,400	5,550	(150)	5,550
ll taxes	36	83	(47)	, 1
cexpenses Cotal police department	\$ 5,436	\$ 5,633	\$\$	\$ 5,629

of

are an integral part

The accompanying notes

-19-



-

.

-

٠

۰.

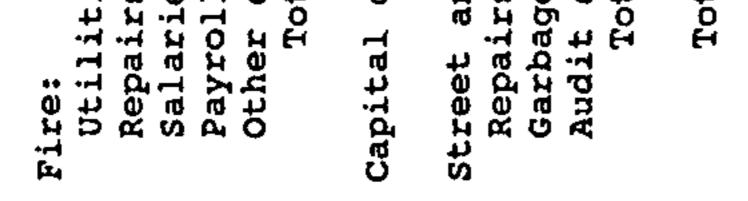
<u>BASIS)</u> r 31, 1996	(Memorandum Only)	1997 Actual	\$ 1,915 327 600 527 3,415	268,863	6,057 30,000 1,500 37,557	\$ 341,428
ISIANA BUDGET (GAAP 1998 Ended December	Variance-	Favorable (Unfavorable)	\$ (892) - 100 (1,496) (2,342)		(2,420) - (2,420)	\$ <u>(23,077)</u>
TOWN OF RIDGECREST, LOU GENERAL FUND GENERAL FUND EXPENDITURES COMPARED TO YEAR ENDED DECEMBER 31 Actual Amounts for Year	1998	Actual	\$ 1,723 263 600 3,996 6,636	13,698	3,874 34,200 1,500 39,574	\$ 98,305
or i ve		Budget	\$ 831 263 700 2,500 4,294	13,698	1,454 34,200 1,500 37,154	\$ 75,228
<u>STATEMENT</u> With Comparat			ities irs ries cies cll taxes c expenses c expenses fotal fire department	outlay	and sanitation: Lrs age collection c expense Cotal street and sanitation	lotal expenditures

Ч

are an integral part -20-

The accompanying notes

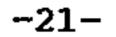
۰



· ·· · ·**-**· **-** --- · · ·

TOWN OF RIDGECREST, LOUISIANA SCHEDULE OF COMPENSATION PAID ELECTED OFFICIALS FOR THE YEAR ENDED DECEMBER 31, 1998

NAME COMPENSATION	TITLE		
Ricky Cullum	Alderman	\$	600
Ronald Barnhill	Alderman		600
Michael Roberts	Alderman		600
Guy Lain	Alderman		600
Housley Varnado	Alderman	_1	,200
Total		\$ <u>3</u>	,600



•

· · -

4

•

-

- -

- -

r,

٠

`

· ·

SECTION III - COMPLIANCE/INTERNAL CONTROL

.



SWITZER, HOPKINS & MANGE Certified Public Accountants

DENNIS R. SWITZER, CPA H. MYLES HOPKINS, CPA SUSAN L. MANGE, CPA ROXANNE B. JAMES, CPA

٠

.

JOHN M. JONES, CPA 1921 - 1983

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 David Cobb, Mayor and Members of the Board of Aldermen Town of Ridgecrest, Louisiana

We have audited the general purpose financial statements of Town of Ridgecrest of and for the year ended December 31, 1998, and have issued our report thereon dated June 30, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standard applicable to financial audits contained in <u>Government</u> <u>Auditing Standards</u>, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Town of Ridgecrest'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 one instance of noncompliance that is required to be reported under Government Auditing Standards.

Finding 98-01

We noted that the audit report was due by June 30, 1999, but was not completed until approximately one week later.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Town of Ridgecrest's 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. However, we noted a

1840 NORTH E. E. WALLACE BLVD. P. O. BOX 1518 FERRIDAY, LA 71334 (318) 757-6511 FAX (318) 757-7206 OFFICES IN NATCHEZ, MISSISSIPPI

-23-

The Honorable David Cobb, Mayor

and Members of the Board of Aldermen Page Two

certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that in our judgement could adversely affect Town of Ridgecrest's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements.

Finding 98-02

 \sim

×

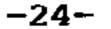
We noted that the Town of Ridgecrest does not have adequate segregation of duties in accounting in the office. We recommend that an attempt be made to strengthen internal control problems created by having few employees.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness.

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

Ferriday, Louisiana June 30, 1999

Switzer, Applias + Mange



SECTION IV - SCHEDULE OF FINDINGS AND QUESTIONED COSTS

• .

— — .. .

.

•

-4

--

_ _ _ _ _ _ _ _ _ _ .

_ . _ _



. . .

Schedule of Findings and Questioned Costs Year Ended December 31, 1998

Summary of Audit Results

•

•

- 1. The auditor's report expresses an unqualified opinion on the General Purpose Financial Statements.
- 2. One reportable condition was disclosed during the audit of the financial statements reported in the Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
- 3. One instance of noncompliance with certain laws and regulations of Town of Ridgecrest, Louisiana was disclosed during the audit.

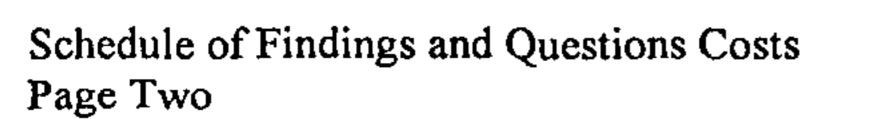
C

Findings – Financial Statement Audit

Reportable Conditions

- 1. Segregation of Duties
- Condition: We noted that Town of Ridgecrest, Louisiana does not have adequate segregation of duties.
 Criteria: To increase internal controls, we recommend adequate segregation of duties.
 Effect: Because of lack of segregation of duties, internal controls are weakened.
- Recommendation: We recommend that an attempt be made to strengthen internal control problems created by having few employees.
- Response: Management indicated that it would not be cost efficient or feasible to increase the number of employees.





2. Timeliness of audit

-

- - -- - -

•

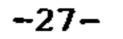
3

- ---

Condition: We noted that the audit was not completed within six months as required by Louisiana law.

- Recommendation: To increase audit effectiveness, we recommend that annual audits be completed timely.
- Response: Management indicated that it would comply with this audit requirement in future years.

.





·

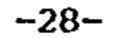
_- · ··

.

•-

SECTION V - REPSONSE

· · · ·



TOWN OF RIDGECREST 116 FOSTER DRIVE RIDGECREST, LOUISIANA 71334 David Cobb, Mayor Pauline Palmer, Clerk Johnny Jones, Chief of Police

July 7, 1999

٠.

Switzer, Hopkins & Mange P. O. Box 1518 Ferriday, LA 71334

Dear Mr. Hopkins:

In regard to the segregation of duties internal control problem discussed in our audit for the year ended December 31, 1998, there is nothing we cant do or plan to do about the problem. We have only one employee and do not plan to hire any additional employees at this time. There is no way to segregate duties when you have only one employee.

Also in the future years, we will have the audit completed by the due date of six months after the end our fiscal year.

Sincerely,

Daill

David Cobb Mayor

