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TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2009

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

Release Date 7-28-09

TOWN OF BINGGOLD, LOUISIANA

General Purpose Financial Statements
As of and for the Year Ended December 31, 2003
With Supplemental Information Schedules

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TOWN OF RINGGOLD, LOUISIANA
December 31, 2003

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TOWN OF RINGGOLD, LOUISIANA
December 31, 2003

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying general purpose financial statements of the Town of Ringgold, Louisiana, as of and for the year ended December 31, 2003, 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. These 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. A n 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, 2003, and the results of its operations and cash flows of its proprietary fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated June 23, 2004 on our consideration of the Town of Ringgold's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

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



Minot, Louisiana
June 23, 2004

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

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

We have audited the general purpose financial statements of the Town of Ringgold, Louisiana, as of and for the year ended December 31, 2003, and have issued our report thereon dated June 25, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Town of Ringgold, Louisiana's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the Current Year Audit Findings on items 2003-01, 2003-4, and 2003-5. We also noted certain immaterial instances of noncompliance that we have reported to management of Town of Ringgold in a separate letter dated June 25, 2004.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Town of Ringgold, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be

reportable conditions. 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 judgment, could adversely affect the Town of Ringgold, Louisiana's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. Reportable conditions are described in the accompanying Current Year Audit Findings at Items 2003-1 through 2003-5.

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 material weaknesses. However, of the reportable conditions described above, we consider all items to be material weaknesses. We also noted other matters involving the internal control over financial reporting that we have reported to management of Town of Ringgold, Louisiana, in a separate letter dated June 15, 2004.

This report is intended solely for the information of management, officers within the organization, City Council, the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.



Minden, Louisiana
June 25, 2004

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MANAGEMENT LETTER

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

We have audited the financial statements of the Town of Ringgold, Louisiana, as of and for the year ended December 31, 2003, and have issued our report thereon dated June 23, 2004.

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

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

1. Town needs to improve controls over disbursements

We reviewed 73 disbursements made during the period from January 1, 2003 through December 31, 2003. Our review of these 73 disbursements, including our general observations and inquiries, revealed the following:

- For 4 of the 73 items tested, the amounts due on invoices provided by the town did not agree to the amounts paid for those invoices. Most differences resulted in overpayments/underpayments of less than \$1 in amount.
- Noted no invoices provided to support charges to Bank One charge account billing statement.
- Noted overpayment to the Department of Health and Hospitals, due to error in calculation of amount due.
- 1 out of 73 items tested indicated a lack of dual signatures on check written from the general fund.

2. Town needs to improve documentation of deposits

We recommended that the town maintain a detailed listing or description of deposits made to bank accounts. We were unable to trace payments received for traffic tickets to deposit slips due to lack of detail shown on deposit slips and lack of reconciliation of traffic receipt books to deposit slips.

3. Control over vacation accrual

During 2003, the town was unable to provide a timely listing of vacation accrual for its employees. For review of time reports, we noted where one employee was allowed to take 4 hours of vacation time in excess of what was allowed for 2003. A current and accurate calculation of vacation accrual will aid in implementation of new vacation policy, which goes into effect January 1, 2004.

4. Bonds should be deposited in a separate bank account

For our discussion with the town clerk, it was noted that when the town receives count ordered bonds, that these amounts are not deposited in a bank account, but kept in the safe during the day and in the overnight cash bag with the bank until forfeited. For proper internal controls and proper accounting for bonds, we recommended that cash bonds be deposited in a separate bank account.

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,



James W. White & Martin
June 25, 2004

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

YOUNG OF SEABOARD
 COMMERCIALSHEET - ALL FINIS TYPES AND ACCOUNT GROUPS
 December 31, 2000
 With Comparative Totals for 2000

ASSETS	Governmental Fund Types		Proprietary Fund Types		Account Group Classes		Total Governmental	
	2000	1999	2000	1999	2000	1999	2000	1999
Cash	\$ 384,170	264,520	99,419	-	-	-	483,589	264,520
Investments	284,100	874,800	15,950	-	-	-	568,950	890,800
Receivables -								
Taxes	11,460	21,340	5,300	-	-	-	16,760	46,670
Water and sewer	-	-	26,464	-	-	-	26,464	26,464
Due from other governments	-	-	-	-	-	-	-	28,160
Due from other funds	658	-	1,414	-	-	-	2,072	2,072
Revolving loans	-	-	-	-	-	-	-	-
Cash	-	-	65,929	-	-	-	65,929	78,448
Motor vehicles	-	-	8,783	-	-	-	8,783	7,941
Investments - (inter-departmental) income	-	-	102,963	-	-	-	102,963	143,320
Land	-	-	-	-	29,013	-	29,013	29,919
Buildings	-	-	-	-	62,811	-	62,811	65,517
Improvements other than buildings	-	-	-	-	776,681	-	776,681	762,668
Equipment	-	-	-	-	178,578	-	178,578	186,175
Net investment in joint venture	-	-	-	-	83,988	-	83,988	13,890
Prepayment funds -								
Property, plant and equipment	-	-	4,736,368	-	-	-	4,736,368	3,608,626
Accumulated Depreciation	-	-	(5,793,295)	-	-	-	(5,793,295)	(1,095,295)
Contributions in progress	-	-	-	-	-	-	-	96,126
Deferred taxes	-	-	43,159	-	-	-	43,159	64,918
Account to be provided for retirement of general long-term obligations	-	-	-	-	-	-	-	1,631
Total assets	\$ 1,089,881	441,670	5,003,124	1,079,121	1,079,121	-	5,811,622	4,448,901

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

TOWN OF BRIMFIELD
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 December 31, 2003
 With Comparative Totals for 2002

LIABILITIES AND FUND-EQUITY	Governmental Fund Types		Proprietary Fund Types		Account Group Totals	
	General	Special Revenue	Enterprise Fund	Other Fund	2003	2002
Liabilities						
Accounts payable and accrued expenses	\$ 17,248	5,980	4,117	-	27,345	22,980
Due to other funds	1,674	181	359	-	2,214	1,643
Due to other governments	-	-	-	-	-	2,674
Payable from restricted assets:						
Customers' deposits	-	-	23,541	-	23,541	23,671
Business payables	-	-	663,799	-	663,799	677,933
Revenue bonds payable	-	-	21,618	-	21,618	24,311
Revenue bonds payable	-	-	1,286,048	-	1,286,048	1,299,244
Compensated absence payable	-	-	-	-	-	1,672
Total liabilities	<u>18,922</u>	<u>6,261</u>	<u>1,481,504</u>	<u>-</u>	<u>1,487,687</u>	<u>1,659,161</u>
Fund equity						
Contributed capital	-	-	2,286,599	-	2,286,599	2,171,284
Investment in general fund assets	-	-	-	1,075,117	1,075,117	1,044,278
Retained earnings (deficit):						
Total revenue fund resources	-	-	57,954	-	57,954	42,576
Revenue fund resources	-	-	27,904	-	27,904	24,479
Unreserved (deficit)	-	-	174,504	-	174,504	341,379
Fund balance (deficit) Unreserved	<u>1,674</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,674</u>	<u>660</u>
Designated for debt principal	<u>24,538</u>	<u>126,215</u>	<u>-</u>	<u>-</u>	<u>250,753</u>	<u>284,431</u>
Unassigned	<u>249,494</u>	<u>179,249</u>	<u>2,411,296</u>	<u>2,071,147</u>	<u>3,080,077</u>	<u>2,975,796</u>
Total fund equity	<u>\$ 265,447</u>	<u>145,475</u>	<u>3,011,744</u>	<u>2,071,147</u>	<u>5,311,422</u>	<u>5,089,011</u>
Total liabilities and fund equity						

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

TOWN OF BEEHOLE
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
 For the Year Ended December 31, 2000
 With Comparative Data for 1999

	General Fund	Special Revenue Fund	Total (All Governmental Funds)	
			2000	1999
Revenues				
Taxes	\$ 58,211	200,889	241,690	276,247
Licenses and permits	50,733	-	50,733	50,744
Intergovernmental	17,897	-	17,897	2,448
Fees and forfeitures	28,234	-	28,234	18,299
Interest	1,425	1,341	2,966	6,112
Collection fee	58,210	-	58,210	17,889
Miscellaneous	23,698	-	23,698	38,338
Total revenues	<u>198,008</u>	<u>202,230</u>	<u>395,034</u>	<u>351,076</u>
Expenditures:				
General government	124,828	114,609	244,034	265,815
Public safety	12,528	-	12,528	107,474
Street	-	110,700	110,701	23,028
Public works	-	588	588	55,000
Recreation	507	12,485	13,112	1,832
Total expenditures	<u>137,863</u>	<u>238,382</u>	<u>358,728</u>	<u>453,149</u>
(Deficiency) of revenues over expenditures	<u>(39,855)</u>	<u>(36,152)</u>	<u>(71,824)</u>	<u>(90,547)</u>
Other financing sources (uses):				
Payments from sale of assets	-	-	-	1,400
Operating transfers in	67,800	-	67,800	124,881
Operating transfers out	-	(98,000)	(98,000)	(71,715)
Total other financing sources (uses)	<u>67,800</u>	<u>(98,000)</u>	<u>(12,200)</u>	<u>54,566</u>
(Deficiency) of revenues and other sources over expenditures and other uses	<u>(28,055)</u>	<u>(91,090)</u>	<u>(96,894)</u>	<u>(111,726)</u>
Fund balances, beginning	<u>151,270</u>	<u>112,214</u>	<u>263,484</u>	<u>400,292</u>
Fund balances, ending	<u>\$ 123,215</u>	<u>19,124</u>	<u>242,280</u>	<u>288,566</u>

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

TOWN OF BIRMGHAM
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - (BUDGET FUND) BASIS AND ACTUAL - (GENERAL AND SPECIAL REVENUE FUND) BASIS
For the Year Ended December 31, 2022

	General Fund		Special Revenue Fund	
	Budget	Actual	Budget	Actual
Revenues				
Taxes	\$ 20,549	\$9,578	\$ 21,000	\$99,577
License and permits	32,000	34,720	-	-
Intergovernmental	32,334	12,400	-	-
Fees and forfeitures	32,000	34,524	-	1,291
Interest	2,000	1,071	-	-
Contributions in aid	30,200	14,275	5,000	-
Miscellaneous	20,200	25,600	5,000	5,000
Total revenues	185,083	183,168	31,000	204,868
Expenditures				
General government	124,200	124,420	111,000	109,229
Public safety	104,274	104,000	-	-
Police	-	-	104,000	121,854
Public works	-	-	34,000	55
Sanitation	80	20	30,000	13,625
Total expenditures	233,354	232,440	275,000	244,763
Change (deficiency) of revenues over expenditures	\$ (47,271)	\$ (49,272)	\$ (4,000)	\$ (39,895)
Other financing sources (used)				
Operating transfers in	\$ (0)	\$ (0)	-	-
Operating transfers out	-	-	(40,000)	(39,209)
Total other financing sources (used)	\$ (0)	\$ (0)	\$ (40,000)	\$ (39,209)
Change (deficiency) of revenues and other sources over expenditures and other uses				
Fund balance-beginning	\$ (32,377)	\$ (32,377)	\$ (32,377)	\$ (32,377)
Fund balance - ending	\$ (32,377)	\$ (46,500)	\$ (36,377)	\$ (72,176)

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

TOWN OF BINGHAM
PROPERTY FUND TYPE
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS - BUDGETARY FUND
For the Year Ended December 31, 2004
With Comparative Totals for 2003

Statement 3

	<u>2004</u>	<u>2003</u>
Revenues:		
Water sales	\$ 140,024	134,565
Sewer fee	74,254	70,000
Connection/development fee	622	1,243
Ad valorem taxes	28,724	28,471
Intergovernmental income	11,437	21,390
Donation - property	—	800
Total revenues	<u>275,061</u>	<u>286,669</u>
Operating expenses:		
Salaries	55,039	51,027
Payroll taxes & retirement	4,884	4,801
Office supplies	3,873	3,980
Utilities	22,761	18,733
Professional fees	2,498	2,800
Utilities rental	2,316	2,143
Repairs and maintenance	28,434	8,120
Insurance	14,000	13,111
Vehicle	3,441	3,703
Education and travel	877	649
Intergovernmental expense	13,787	13,113
Materials and supplies	8,647	8,034
Chemicals	2,900	18,978
Depreciation	119,269	102,130
Utility fee	1,094	5,411
Total operating expense	<u>374,341</u>	<u>387,321</u>
Operating income	4,720	3,348
Nonoperating revenues (expenses):		
Fine of LA - Current Income gain	8,234	983,226
Interest income	1,407	2,910
Interest expense	(97,793)	(88,704)
Rental expense	(748)	(748)
Total nonoperating revenues and expenses	<u>(96,090)</u>	<u>896,784</u>
Income (loss) before operating transfers	(91,370)	899,696
Operating transfers:		
Transfer to General Fund	—	(71,200)
Net transfers	<u>—</u>	<u>(71,200)</u>
Income (loss) after operating transfers	(91,370)	828,496
Retained earnings (deficit) - beginning	241,274	(208,113)
Decrease (increase) in reserves:		
- Reserve fund retirement	—	8,000
Retained earnings - ending	<u>\$ 150,204</u>	<u>\$ 241,274</u>

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

TOWN OF BIRMGOLD
STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
For the Year Ended December 31, 2002
With Comparative Totals for 2001

	<u>2002</u>	<u>2001</u>
Cash flows from operating activities:		
Operating income	\$ 4,379	2,087
Adjustments to reconcile net income to net-cash provided by operating activities:		
Depreciation	100,068	100,130
Depletion of property	-	(800)
(Increase)-decrease in:		
Accounts receivable - Water and sewer	(1,600)	(1,380)
Accounts receivable - Ad valorem taxes	3,370	(1,893)
Increase (decrease) in:		
Accounts payable	(1,184)	(1,403)
Due to other funds	(1,404)	850
Total adjustments	<u>95,330</u>	<u>97,104</u>
Net cash provided by operating activities	100,710	99,281
Cash flows from noncapital financing activities:		
Transfers out to other funds	(77,089)	(77,130)
Water deposit proceeds	3,000	3,440
Water deposit returns & charges	(1,320)	(1,320)
Net cash (used) by noncapital financing activities	<u>(75,409)</u>	<u>(75,010)</u>
Cash flows from capital and related financing activities:		
Principal payments - bonds	(18,321)	(1,000)
Interest payments - bonds	(67,762)	(68,750)
Purchase/construction of property, plant & equipment	(791,241)	(721,800)
Capital Center grant proceeds	227,892	223,658
Good expense/loss	-	(11,962)
Net cash (used) by capital and related financing activities	<u>(709,732)</u>	<u>(780,754)</u>
Cash flows from investing activities:		
Receipts of interest	1,407	1,918
(Increase)-decrease of investments	8,720	(8,892)
Net cash provided (used) by investing activities	<u>10,127</u>	<u>(7,042)</u>
Net increase (decrease) in-cash	19,447	(22,729)
Cash at beginning of the year	<u>159,209</u>	<u>177,024</u>
Cash at end-of the year	<u>\$ 178,656</u>	<u>\$ 154,295</u>

Schedule of Wastewater Treatment, Capital, and Financing Activities

\$119,703 of sewer improvement project costs were paid for with funds from the special revenue fund. The costs incurred for this project are recognized in the proprietary fund as sewer improvements and contributed capital from the special revenue fund.

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

NOTES TO THE FINANCIAL STATEMENTS

TOWN OF RINGGOLD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2003

INTRODUCTION

The Town of Ringgold was incorporated under the provisions of the Louisiana Act (Louisiana Revised Statutes 33:321-483). 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-Town Council 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 wide guide, Audit of State and Local Governmental Units.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

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

B. REPORTING ENTITY

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

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

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This criteria includes:

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

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

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

C. FUND ACCOUNTING

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

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

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

Governmental Funds

Governmental funds account for all or most of the Town's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fund 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.

Proprietary Funds

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

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

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

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resource 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 assumed income, gross receipts, and sales taxes are considered "measurable" when in the hands of the collecting governments and "available" when collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town considers property taxes, sales taxes and franchise taxes as available if they are collected within 60 days after year-end. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Expenditures

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

Other financing sources (uses)

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

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

TOWN OF RINGGOLD, LOUISIANA
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E. BUDGETS

The Town of Ringgold uses the following budget practices:

1. The Town Clerk prepares a proposed budget and submits same to the Mayor and Town Council no later than fifteen days prior to the beginning of each year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures which results from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
6. Budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for the General and Special Revenue Funds were not adopted on a basis consistent with generally accepted accounting principles (GAAP).
8. The revenues and expenditures shown on Page 10 are reconciled with the amounts reflected on the budget comparison on page 11 as follows:

	General Fund	Sales Tax Fund
(Deficiency) of revenues and other sources over expenditures and other uses (GAAP basis)	\$ (1,606)	(92,998)
Adjustments:		
Receivable accounts	1,392	1,688
Expenditure accounts	(1,607)	(1,687)
(Deficiency) of revenues and other sources over expenditures and other uses (GAAP basis)	\$ (2,221)	(92,997)

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F. ENCUMBRANCES

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

G. CASH AND CASH EQUIVALENTS

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

H. INVESTMENTS

Investments are limited by Louisiana Revised Statute (R.S. 33:2935) and the municipality's investment policy. Under state law, the Town of Ringgold may invest in United States bonds, treasury notes, or certificates. If the original maturities of investments exceed 90 days, they are classified as investment, however, if the original maturities are 90 days or less, they are classified as cash equivalents.

Investments held at the Town of Ringgold consist of \$ 280,700 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASS codification Section ISB 103, the investment in LAMP at the Town of Ringgold is not categorized in the three risk categories provided by GASS Codification Section ISB 104 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA - R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or

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one of its agencies, enterprise, or instrumentalities, as well as repurchase agreements collateralized by these securities.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 312, Act 791) enacted LSA-R.S. 33:2955(A)(1)(3) which allows municipalities, parishes, school boards, and any other political subdivision of the State to invest in "investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 197 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool share.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

See Note 5 for additional detail on investments.

I. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

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

J. FIXED ASSETS

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

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assets are not accounted for in these statements. As of December 31, 1992 an inventory of equipment was taken. Actual cost was used for items known and estimated actual cost was used for all other items.

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

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

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

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

K. COMPENSATED ABSENCES

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

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

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

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

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Vacation leave is granted to each employee who is on the active payroll on the employee's anniversary date, provided the employee has worked a minimum of 1300 hours in the service year preceding their anniversary date. Earned vacations can be accrued for two (2) anniversary years. An employee who has accumulated one (1) or more years of service who voluntarily or involuntarily terminates his employment shall receive any earned vacation pay at the time of departure. Accumulated unpaid annual leave was considered immaterial for the year ended December 31, 2003.

L. LONG-TERM OBLIGATIONS

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

M. FUND EQUITY

Contributed Capital

In prior years, contributed capital was 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. During the year ended December 31, 2001, the Town adopted GASB Statement No. 33, which states that capital contributions to proprietary funds from sources outside of the governmental unit must be recorded as revenue in the operating statement rather than as a direct addition to equity. No restatement of contributed capital recognized in prior periods is required per GASB Statement No. 33.

Reserves

Reserves represent those portions of fund equity not appropriate 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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N. INTERFUND TRANSACTIONS

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

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

O. TOTAL COLUMNS ON COMBINED STATEMENTS

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

2. FUND DEFICITS

The enterprise fund – water & sewer activities had a deficit balance of \$737,642 in unreserved retained earnings at December 31, 2003. The deficit retained earnings in the water and sanitation fund is the result of revenues inadequate to cover expenses including depreciation in fiscal years 1993 through 2001. 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.

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For the year ended December 31, 2003 the assessed value of property for the Town of Ringgold was 2,990,578 and were dedicated as follows:

General corporate purposes	7.00 mills
10-year water maintenance fee	5.00 mills
10-year sewer tax	5.00 mills

4. CASH AND CASH EQUIVALENTS

At December 31, 2003, the Town of Ringgold has cash and cash equivalents (bank balances) totaling \$209,828 as follows:

Demand deposits	\$ 86,420
Interest-bearing deposits	113,418
Total	\$ 209,828

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the remaining 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, 2003, the Town has \$226,982 in deposits (collected bank balances). These deposits are secured from risk by \$200,000 of federal deposit insurance and \$494,375 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 90 days of being notified by the Town that the fiscal agent has failed to pay deposited funds upon demand.

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

5. INVESTMENTS

GASB 9, par. 8 states that for an investment to be considered a cash equivalent, it must mature no more than three months after the date it is purchased. For the year ended

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December 31, 2003, Town of Ringgold reported a one-year certificate of deposit in the amount of \$11,109 as an investment. This Certificate of Deposit is secured from risk by \$494,175 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 5).

The market value of the Certificate is equal to its carrying amount.

The Town of Ringgold has the following amounts invested with the Louisiana Asset Management Pool, Inc. as of December 31, 2003:

General Fund	\$ 138,151
Enterprise Fund	24,960
Sales Tax Fund	<u>97,990</u>
Total investment	<u>\$ 261,101</u>

With the issuance of Water Revenue Refunding Bonds, Series 2001, the Town was required to establish several funds to be held by a trustee. Amounts held by the trustee shall be invested by the trustee in eligible investments, which shall mature or be redeemable or be subject to withdrawal or to repurchase by another entity on a date or dates on or prior to the time when the monies so invested shall be for expenditures. Investments purchased with funds on deposit in the Reserve Fund shall have an average aggregate weighted term to maturity of not greater than 5 years. The Town had the following balances held with a trustee as of December 31, 2003:

Debt Reserve Fund	\$ 68,668
Interest Account	22,537
Principal Account	<u>30,080</u>
Total	<u>\$ 121,285</u>

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6. FIXED ASSETS

The changes in general fixed assets follows:

	Balance, Jan. 1 <u>2003</u>	<u>additions</u>	<u>Deletions</u>	Balance, Dec. 31 <u>2003</u>
Land	\$ 29,913	-	-	29,913
Buildings	65,827	16,945	-	82,772
Improvements other than buildings	761,868	11,734	-	773,602
Equipment	188,570	500	2,300	178,770
Net investment in joint venture	<u>18,000</u>	<u>-</u>	<u>-</u>	<u>18,000</u>
Total General Fixed Assets	<u>\$ 1,048,278</u>	<u>29,179</u>	<u>2,300</u>	<u>1,075,157</u>

Net investment in Joint Venture - On August 19, 2002, the Town of Ringgold purchased 100 shares of Preferred Series A Stock in Red River Valley Bldco, Inc. for the amount of \$18,000. The investment was made to participate in funding Red River Valley Bldco, Inc., which is a for-profit entity formed as a financial assistance corporation which provides loan funds for business, industry and job creation over a 19-parish area of Northwest Louisiana. Red River Valley Bldco, Inc. supplements private lenders' efforts by either participating with them on special financing projects or by direct loans to borrowers who cannot qualify under a private lender's rules.

The value of the Town's investment in this joint venture may change over time due to its share of the venture's net income or loss.

The Red River Valley Bldco, Inc. issues an annual financial report that includes financial statements and required supplementary information for the Corporation. That report may be obtained by writing to the Red River Valley Bldco, Inc., 5218 Hollywood Avenue, Shreveport, LA 71133-7008.

TOWN OF KINGGOLD, LOUISIANA
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A summary of fixed assets used in the proprietary funds follows:

	Balance, January 1, 2003	Additions	Deletions	Balance, December 31, 2003
Land	\$ 1,926	-	-	1,926
Water utility system	1,588,783	2,090	-	1,590,873
Sewerage utility:				
Lift stations	23,065	-	-	23,065
Sewer system	1,861,122	1,109,088	-	2,970,210
Trucks	32,646	-	-	32,646
Equipment	<u>98,168</u>	<u>600</u>	<u>-</u>	<u>98,768</u>
Total	\$ 3,603,630	1,171,738	-	4,775,368
Construction in progress--				
Sewer improvements	\$ <u>561,150</u>	<u>127,628</u>	<u>1,119,088</u>	<u>-</u>

3. PENSION PLANS

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

A. Municipal Employees Retirement System of Louisiana (System)

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

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

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receive three and one-half (3 1/2) percent. Final-average salary is the employee's average salary over the 36 consecutive or jointed months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7837 Office Park Boulevard, Baton Rouge, Louisiana 70808, or by calling (225) 925-4810.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.25 percent of their annual covered salary and the Town of Ringgold is required to contribute at an actuarially determined rate. The current rate was 1.00% and increased to 11.00%, (effective July 1, 2003) of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town of Ringgold are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:303, the employee contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of Ringgold's contributions to the System under Plan A for the years ending December 31, 2003, 2002 and 2001 were \$11,726, \$9,532, and \$8,442, respectively, equal to the required contributions for each year.

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

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

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The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana, 70809-2250, or by calling (225) 929-7411.

Funding Policy. Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the Town of Ringgold, is required to contribute at an actuarially determined rate. The current rate was 9.0 percent and increased to 15.25% (effective July 1, 2003) of annual covered payroll. The contribution requirement of plan members and the Town of Ringgold, are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to changes each year based on results of the valuation for the prior fiscal year. The Town of Ringgold's contribution for the years ending December 31, 2003, 2002, and 2001, were \$7,152, \$6,783, and \$6,367, respectively, equal to the required contributions for each year.

C. Other retirement plans

For employees who do not qualify to participate in either the Municipal Employee Retirement System or the Municipal Police Employee Retirement System, these employees are eligible to participate in a Deferred Variable Annuity through New York Life Insurance. Amounts contributed by employees and the Town of Ringgold (maximum match of 7.5%) is calculated using the same percentages contributed for members of municipal systems based on department of employees.

8. LEASES

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

1. Minolta Business Systems, Inc. lease of D1150 copier - The lease term is for 48 months with monthly minimum rent of \$131.50.
2. Applied Concepts, Inc. lease of Shalco ruler - The lease term is for 36 months with monthly minimum rent of \$58.41.
3. Applied Concepts, Inc. lease of Shalco ruler - The lease term is for 36 months with monthly minimum rent of \$54.03.

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4. Minolta Business Systems, Inc. lease of 10000 copier – The lease term is for 60 months with monthly minimum rent of \$133.00

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

Fiscal Year	Equipment
2004	\$2,874
2005	2,104
2006	1,960
2007	1,960
2008	1,420
Total	\$12,238

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

	00150 Minolta	00151 Minolta	Applied Concept #1	Applied Concept #2	Total
Minimum rentals	\$1,313	\$ 133	\$ 882	\$ 642	\$ 2,970

9. CHANGES IN LONG-TERM OBLIGATIONS

The following is a summary of bond transactions of the Town of Kinggold for the year ended December 31, 2003:

	Water Revenue Refunding Bonds	Sewer Revenue Bonds	Total
Bonds payable, Dec. 31, 2002	\$ 901,000	428,595	1,329,595
Bonds retired	<u>(152,000)</u>	<u>(5,132)</u>	<u>(157,132)</u>
Bonds payable, Dec. 31, 2003	\$ 749,000	423,463	1,172,463

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Bonds payable at December 31, 2003, comprised of the following individual issues:

	Principal Outstanding	Interest to Maturity
\$902,000 Water Revenue Refunding Bonds, Series 2001, bearing interest at 3.375% to 3.500% due in semiannual installments through Jan. 1, 2028	\$ 883,000	706,671
\$429,800 Sewer Revenue Bonds, dated December 14, 1994, bearing interest at 3.50% due in monthly installments of \$2,309 through Dec. 14, 2024	<u>423,263</u>	<u>433,408</u>
	\$ 1,306,263	1,140,079

The annual requirements to amortize all debt outstanding as of December 31, 2003, including interest payments of \$ 1,140,279, are as follows:

Year ended December 31,	Water Revenue Refunding Principal	Sewer Revenue Principal	Interest	Total
2004	\$ 20,000	3,618	66,799	90,417
2005	20,000	3,920	85,740	109,660
2006	21,000	6,338	64,615	91,953
2007	22,000	6,574	83,414	111,988
2008	23,000	6,927	82,143	112,070
Transfer	277,000	201,086	<u>817,973</u>	<u>1,396,319</u>
Total	\$ 883,000	423,263	1,140,279	2,446,542

TOWN OF RINGGOLD, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 As of and for the Year Ended December 31, 2003

10. INTERFUND RECEIVABLE/PAYABLES AND TRANSFERS

	Interfund		Operating Transfers	
	Receivables	Payables	In	Out
General Fund	\$ 688	1,414	67,000	-
Special Revenue Fund	24	283	-	36,000
Proprietary Fund	1,414	399	-	17,000
TOTAL	\$ 2,026	2,096	67,000	63,000

11. RESERVED AND DESIGNATED EARNINGS/FUND BALANCE

Under the terms of the various bond indentures on outstanding 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 "Sewer Revenue Bond and Interest Sinking Fund," where monthly deposits shall be made on or before the 30th day of each month of each year a sum equal to one-twelfth (1/12th) the interest falling due on the next interest payment date during the first year of the Bond. Thereafter, a sum equal to the total amount of principal and interest falling due on the next principal and interest date.

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

3. There shall be set aside into "Revenue Bond Reserve Fund", a sum at least equal to five per cent (5%) of the principal and interest payments required by paragraph (2) above, and shall continue until there has been accumulated in the Reserve Fund a sum equal to the highest combined principal and interest falling due in any

TOWN OF RINGGOLD, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 As of and for the Year Ended December 31, 2003

year on the Bond. The money is to be retained solely for the purpose of paying principal of and interest on bonds payable from the Revenue Bond and Interest Sinking Fund so 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 \$132 for the Sewer Bond. Money in the Depreciation and Contingency Fund shall be used to care for depreciation, extensions, additions, improvements, and replacements necessary to operate the system properly. Money shall also be used to pay the principal and interest on the bond for which there is not sufficient money in the Revenue Bond and Interest Sinking Fund or the Bond Reserve Fund and Interest Fund or the Bond Reserve Fund, but if so used, such money shall be replaced by the issuer as soon as possible thereafter.

On September 1, 2001, the Water Revenue Bonds were refunded with the issuance of \$902,000 in Water Revenue Refunding Bonds. The reserves required under the refunded debt are no longer required to be funded under the new issue. Under the new bond issue, a Debt Service Reserve Fund was funded with the proceeds from the new issuance in the amount equal to the reserve fund requirement. The Reserve Fund shall be maintained with a trustee and used to receive proceeds of the bonds and to transfer to the Interest Account or Principal Account of the Debt Service Fund such amount necessary to remedy any deficiency therein. The Cost of Issuance Fund shall be used to pay the costs of issuing the Bonds. Amounts shall be deposited into an Interest Account as necessary to pay interest on the Bonds. Amounts shall be deposited into a Principal Account as necessary to pay principal of the Bonds.

Restricted assets were applicable to the following at December 31, 2003:

	Water	Sewer	Total
Bond - Principal	\$ 20,000	-	20,000
Bond and Interest Sinking Fund	22,577	-	22,577
Bond Reserve Fund	63,068	13,509	76,577
Bond Depreciation & Contingency	<u>37,985</u>	<u>34,425</u>	<u>72,410</u>
Total for revenue bonds	\$143,630	21,934	175,564
Meter deposits - cash			8,795
Meter deposits - investment			<u>28,960</u>
Total restricted assets			\$213,319

TOWN OF KINGGOLD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2009

12. SALES AND USE TAX OPERATIONS:

Proceeds of a 2% sales and use tax levied by the Town of Kinggold 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 Kinggold, opening, constructing, paving, resurfacing, improving and/or maintaining streets, alleys, sidewalks, bridges; acquiring, constructing, extending, improving, renovating and/or maintaining street lighting facilities, waterworks, sewers and sewerage disposal works, public buildings, public parks and recreational facilities and purchasing and acquiring the necessary land, equipment and furnishings for the foregoing public buildings and facilities, the title to which shall be in the public or for anyone or more of said purpose.

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

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

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.

TOWN OF RINGGOLD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2003

13. NET WORKING CAPITAL - ENTERPRISE FUND

The following shows the net working capital for the Proprietary fund - Enterprise fund at December 31, 2003:

Total current assets	\$ 331,932
Total current liabilities	<u>(121,288)</u>
Net working capital	\$ <u>210,644</u>

14. CONTRIBUTED CAPITAL

Farmers Home Administration Grant	\$ 370,000
DOTD Grant	28,200
LCDRG Grant	869,213
LA Rural Development Grant	43,250
General Fund Revenues	190,067
Sales Tax Fund Revenues	319,243
Capital Projects Fund	<u>682,017</u>
Total Contributed Capital	\$ <u>2,392,980</u>

15. PENDING LITIGATION

As of December 31, 2003, the Town of Ringgold is party to various legal proceedings.

Matthew Wimberly, et al versus Brian Bell and City of Ringgold, arises out of an automobile accident between an officer of the Town of Ringgold and Matthew Wimberly. The Town's Attorney indicates that the Town is not 100% at fault regarding the occurrence of the accident. The matter has been turned over to the Town's liability carrier and the Town's exposure should be limited to its deductible.

There are other pending lawsuits in which the Town is involved. Although the ultimate disposition of legal proceedings cannot be predicted with certainty, it is the present opinion of the Town's management and attorney, that an unfavorable outcome of any claim from those existing cases pending is unlikely.

TOWN OF RINGGOLD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2003

16. COOPERATIVE ENDEAVOR AGREEMENT

As of August 31, 1989, the Town of Ringgold and the Bienville Parish Hospital Service District No. 1, entered into an agreement to construct a health and fitness trail on a tract of property owned by the Bienville Parish Hospital Service District No. 1. The Town of Ringgold shall operate maintain the health and fitness trail as a public recreation area. Any permanent improvements shall become the property of the District. The agreement is for a period of five (5) years subject to renewal by agreement of the parties.

17. GASB 34 IMPLEMENTATION

The Governmental Accounting Standards Board (GASB) issued Statement Number 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, in June of 1999. The date of implementation is effective in three phases based on a government's total annual revenues in the first fiscal year ending after June 15, 1999 (earlier application is encouraged.) The Town of Ringgold's total annual revenues were less than \$10 million in the fiscal year ending December 31, 1999; therefore, the Town of Ringgold is required (phase 3) to implement the provisions for the pronouncement for financial statements for the period beginning after June 15, 2003. GASB Statement Number 34 establishes a new governmental financial reporting model that will feature, among other significant changes, management discussion and analysis, a unique combination of fund-based and government-wide financial statements, required supplementary information, accounting for infrastructure assets, and accounting for the depreciation of infrastructure assets. The effects on the town's financial statement are not known at this time; however, the pronouncement will be implemented for the fiscal year ending December 31, 2004.

FINANCIAL STATEMENT OF INDIVIDUAL FUNDS
AND ACCOUNT GROUPS

GENERAL FUND

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

TOWN OF BIRKWOOD
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (CASH BASIS) AND ACTUAL,
For the Year Ended December 31, 2002
With Comparative Actual Totals for 2001

	2002		Variance Favorable (Unfavorable)	2001 Actual
	Budget	Actual		
Revenues:				
Taxes -				
Ad valorem	\$ 34,148	32,008	4,818	18,681
Franchise	37,400	37,344	556	32,817
Licenses and permits -				
Occupational license	22,000	20,875	(1,125)	22,744
Permits	100	202	102	-
Intergovernmental -				
Facility and municipal beer tax	1,200	1,201	91	2,210
State revenue sharing	600	600	98	820
Other grants	11,734	11,734	3,982	-
Fees and reimburse	50,000	58,034	3,524	26,129
Interest	2,000	1,522	(478)	2,882
Collection fee	18,000	18,271	(271)	17,000
Miscellaneous -				
Other	14,000	13,774	(1,505)	21,000
Rent	15,000	12,511	(1,475)	11,000
Total revenues	<u>186,281</u>	<u>186,022</u>	<u>8,287</u>	<u>168,871</u>
Expenditures:				
General government	124,140	121,421	(2,811)	128,719
Public safety	126,110	131,000	(4,891)	178,118
Recreation	600	602	202	2,178
Total expenditures	<u>250,850</u>	<u>253,023</u>	<u>(12,211)</u>	<u>298,015</u>
(Deficiency) of revenues over expenditures	<u>(64,569)</u>	<u>(67,001)</u>	<u>(2,738)</u>	<u>(129,144)</u>
Other financing sources:				
Proceeds from sale of assets	-	-	-	1,400
Operating transfers in -	67,000	67,000	-	114,000
Total other financing sources	<u>67,000</u>	<u>67,000</u>	<u>-</u>	<u>115,400</u>
(Deficiency) of revenues and other financing sources over expenditures	<u>-</u>	<u>(2,738)</u>	<u>(2,738)</u>	<u>(13,744)</u>
Fund balance, beginning	<u>182,117</u>	<u>182,117</u>	<u>-</u>	<u>184,117</u>
Fund balance, ending	<u>\$ 182,117</u>	<u>184,119</u>	<u>(2,738)</u>	<u>181,507</u>

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

TOWN OF KINGGOLD
GENERAL FUND
STATEMENT OF EXPENDITURES COMPARED TO BUDGET (CASH BASIS)
 For the Year Ended December 31, 2003
 With Comparative Actual Totals for 2002

	2003		Variance Favorable (Unfavorable)	2002 Actual
	Budget	Actual		
General government:				
Salaries	\$ 21,000	20,212	(788)	20,212
Retirement and payroll taxes	3,000	3,208	208	2,904
Utilities and telephone	11,200	12,978	(1,778)	10,873
Office expense	5,700	6,548	(848)	6,547
Legal and accounting	8,500	20,130	(11,630)	6,493
Maintenance and repairs	5,000	1,231	(3,769)	1,230
Insurance	24,600	25,812	1,212	21,220
Fees and subscriptions	2,700	2,489	211	2,937
Tax roll preparation	500	542	42	514
Education and travel	1,100	5,828	(4,728)	6,078
Contract support	3,800	2,210	(1,590)	1,858
Publications	1,200	1,526	(326)	1,026
Miscellaneous	15,000	2,402	12,598	2,257
Capital outlay	-	22,214	(22,214)	26,228
Total general government:	<u>128,150</u>	<u>121,811</u>	<u>(6,339)</u>	<u>120,728</u>
Public safety:				
Police department -				
Salaries	81,000	87,948	(6,948)	102,900
Retirement	5,200	7,388	2,188	7,917
Vehicle expense	8,500	20,827	(11,327)	14,229
Fuel expense	7,500	7,271	(229)	9,287
Office	1,200	1,546	(346)	1,711
Other expense	7,150	4,382	2,768	11,412
Capital expenditures	-	-	-	11,248
Total police department:	<u>120,250</u>	<u>122,699</u>	<u>(2,449)</u>	<u>128,124</u>
Recreation:				
Parts and restoration	600	281	319	3,225
	<u>600</u>	<u>281</u>	<u>319</u>	<u>3,225</u>
Total expenditures	<u>\$ 253,182</u>	<u>246,412</u>	<u>(6,770)</u>	<u>244,082</u>

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

SPECIAL REVENUE FUND

Sales Tax Fund - 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, renovating and/or maintaining street lighting facilities, waterworks, sewers and sewerage disposal works, public buildings, public parks and recreational facilities and purchasing and acquiring the necessary land, equipment and furnishings for the foregoing public buildings and facilities, the title to which shall be in the public or for anyone or more of said purpose.

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

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

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.

TOWN OF BENDIGOLE
SALLES TAX
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COMPARED TO BUDGET (CASH BASIS) AND ACTUAL
For the Year Ended December 31, 2022
With Comparative Actual Totals for 2021

	2022		Variance Favorable (Adverse)	2021 Actual
	Budget	Actual		
Revenues:				
Taxes	\$ 221,000	208,277	(12,723)	215,499
Interest	-	1,391	1,391	1,319
Miscellaneous	1,200	-	(1,200)	-
Total revenues	<u>222,200</u>	<u>209,668</u>	<u>(12,532)</u>	<u>216,818</u>
Expenditures:				
General government	111,000	109,219	1,781	85,602
Security	120,000	121,804	(1,804)	24,608
Public works	22,000	100	21,899	81,108
Recreation	39,200	71,688	(32,488)	949
Total expenditures	<u>271,200</u>	<u>342,511</u>	<u>(71,311)</u>	<u>192,227</u>
Excess (deficiency) of revenues over expenditures	<u>41,000</u>	<u>(72,843)</u>	<u>(113,843)</u>	<u>24,591</u>
Other financing (uses):				
Operating transfers to:				
General fund	(85,000)	(20,000)	(65,000)	(71,728)
Total other financing (uses)	<u>(85,000)</u>	<u>(20,000)</u>	<u>(65,000)</u>	<u>(71,728)</u>
Excess (deficiency) of revenues over expenditures and other financing uses	<u>260</u>	<u>(92,843)</u>	<u>(93,103)</u>	<u>(47,137)</u>
Fund balances, beginning	<u>212,500</u>	<u>212,500</u>	<u>-</u>	<u>226,271</u>
Fund balances, ending	<u>\$ 212,760</u>	<u>120,118</u>	<u>(92,642)</u>	<u>212,500</u>

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

TOWN OF BURLINGHAM
SALES TAX FUND
STATEMENT OF EXPENDITURES COMPARED TO BUDGET (CASH BASIS)
For the Year Ended December 31, 2003
With Comparative Actual Totals for 2002

	2003		Variance Favorable (Unfavorable)	2002 Actual
	Budget	Actual		
General Government:				
Salaries	\$ 51,400	51,276	1,124	50,179
Payroll taxes & retirement	3,660	3,533	1,127	3,577
Collection expense	2,450	2,127	(323)	2,280
Utilities & telephone	21,900	21,794	106	21,999
Office	300	300	-	347
Legal & accounting	6,000	5,987	13	5,267
Insurance	16,500	16,506	(6)	17,144
Building maintenance	-	-	-	415
Miscellaneous	1,000	1,714	(714)	5,388
	<u>\$ 111,050</u>	<u>109,232</u>	<u>1,818</u>	<u>95,412</u>

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

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.

Consent Decree - Sewer Improvement - Fund used to account for resources and expenditures for sewer improvements. Resources are provided by a \$923,001 Consent Decree grant from the State of Louisiana. Additional resources will be provided by the Town of Ringgold.

TOWN OF BRIMFOLD
ENTERPRISE FUND
Combining Balance Sheet
December 31, 2001
With Comparative Totals for 2000

	Water and Sewer	Consent Debtors - Sewer Improvement	Totals	
			2001	2000
ASSETS				
Current assets - unrestricted:				
Cash	\$ 90,383	36	90,419	76,311
Investments	11,359	-	11,359	18,884
Accounts receivable	31,481	-	31,481	31,796
Accounts receivable - ad valorem taxes	6,399	-	6,399	8,830
Due from other governments	-	-	-	181,658
Due from other funds	1,414	-	1,414	3,000
Current assets - unrestricted	<u>140,937</u>	<u>36</u>	<u>140,973</u>	<u>311,489</u>
Current assets - restricted:				
Cash in bank	65,939	-	65,939	70,444
Bank-savings deposits	8,795	-	8,795	7,941
Investments - money market/mutual reserves	131,248	-	131,248	141,523
Current assets - restricted	<u>305,982</u>	<u>-</u>	<u>305,232</u>	<u>219,908</u>
Total current assets	<u>446,919</u>	<u>36</u>	<u>446,205</u>	<u>531,397</u>
Property, plant and equipment:				
Property, plant and equipment	3,418,884	1,128,314	4,547,198	3,608,530
Less Accumulated depreciation	(1,118,414)	(31,387)	(1,149,801)	(1,492,238)
Construction in progress	-	-	-	99,132
Total property, plant, and equipment	<u>2,300,470</u>	<u>1,096,927</u>	<u>3,397,397</u>	<u>2,115,424</u>
Other assets:				
Deferred bond issuance cost (net)	18,413	-	18,413	19,159
Deferred bond discount (net)	24,738	-	24,738	21,792
Total other assets	<u>43,151</u>	<u>-</u>	<u>43,151</u>	<u>40,951</u>
Total assets	<u>\$ 1,834,795</u>	<u>1,096,963</u>	<u>2,931,758</u>	<u>2,897,412</u>

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

LIABILITIES AND FUND EQUITY	Water and Sewer	Current Debt - Sewer Improvement	Totals	
			2001	2000
Current liabilities - payable from unrestricted assets:				
Accounts payable and accrued expenses	\$ 3,167	-	3,167	180,601
Retainage payable	-	-	-	87,388
Revenue bonds payable - current portion	25,635	-	25,635	24,501
Interest payable - revenue bonds	66,793	-	66,793	67,768
Debt on other bonds	399	-	399	399
Debt on other governments	-	-	-	2,851
Total current liabilities payable from unrestricted assets	<u>95,994</u>	<u>-</u>	<u>95,994</u>	<u>282,511</u>
Current liabilities - payable from restricted assets:				
Money deposits	23,211	-	23,211	21,451
Total current liabilities	<u>121,205</u>	<u>-</u>	<u>121,205</u>	<u>306,144</u>
Long-term liabilities - payable from restricted assets:				
Bonds payable - Public Water	663,000	-	663,000	663,000
Bonds payable - Public Sewer	437,646	-	437,646	437,264
Total long-term liabilities payable from restricted assets	<u>1,200,646</u>	<u>-</u>	<u>1,200,646</u>	<u>1,200,264</u>
Total liabilities	<u>1,481,954</u>	<u>-</u>	<u>1,481,954</u>	<u>1,810,499</u>
Fund equity:				
Contributed capital	2,894,483	196,703	2,298,988	2,171,288
Retained earnings:				
Reserved water revenue bond retirement	17,994	-	17,994	45,371
Sewer revenue bond retirement	17,634	-	17,634	28,879
Unreserved (deficit)	(717,643)	901,966	174,324	341,176
Total retained earnings (deficit)	<u>(682,015)</u>	<u>901,966</u>	<u>219,951</u>	<u>315,426</u>
Total fund equity	<u>1,422,777</u>	<u>1,198,669</u>	<u>2,371,240</u>	<u>2,487,094</u>
Total liabilities and fund equity	<u>\$ 2,904,731</u>	<u>1,198,669</u>	<u>3,435,074</u>	<u>4,303,617</u>

TOWN OF RINGBOLD

Schedule B

Revenue Funds

COMBINED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND BALANCES
For the Year Ended December 31, 2003
With Comparative Totals for 2002

	Current		Total	
	Water and Sewer	Debris - Storm Improvement	2003	2002
Revenues				
Water sales	\$ 90,624	-	90,624	164,585
Sewer fee	74,254	-	74,254	72,609
Competition development fees	655	-	655	1,341
Advertisement taxes	29,724	-	29,724	29,671
Miscellaneous income	11,487	-	11,487	21,986
Donations - property	-	-	-	800
Total revenues	206,744	-	206,714	385,981
Operating expenses				
Salaries	33,889	-	33,889	61,527
Payroll taxes & retirement	3,881	-	3,881	4,883
Office supplies	3,872	-	3,872	3,880
Utilities	22,762	-	22,762	25,733
Professional fees	3,688	-	3,688	2,900
Gas/steam heat	2,314	-	2,314	2,343
Repairs and maintenance	29,494	-	29,494	4,330
Insurance	14,689	-	14,689	19,211
Vehicle	3,641	-	3,641	3,758
Education and travel	877	-	877	649
Miscellaneous expenses	15,761	-	15,761	19,238
Materials and supplies	8,547	-	8,547	8,704
Chemicals	3,503	-	3,503	18,978
Depreciation	91,164	11,881	103,045	182,138
Utility fee	1,689	-	1,689	4,471
Total operating expense	283,493	11,881	295,374	397,717
Operating income (loss)	18,251	(11,881)	4,370	2,167
Nonoperating revenues (expenses)				
State of U.S. - Current Debris grant	-	8,254	8,254	90,129
Interest income	3,987	-	3,987	2,918
Interest expense	(87,783)	-	(87,783)	(88,764)
Fund expense	(748)	-	(748)	(748)
Total nonoperating revenues and expenses	(81,007)	8,254	(72,753)	(86,765)
Income (loss) before operating transfers	(62,828)	(3,627)	(66,455)	(84,600)
Operating transfers				
Transfers to General Fund	(17,888)	-	(17,888)	(17,228)
Net transfers	(17,888)	-	(17,888)	(17,228)
Income (loss) after operating transfers	(80,820)	(3,627)	(84,447)	(101,828)
Retained earnings (deficit) - beginning	(974,217)	163,623	(810,594)	(568,725)
Decrease (increase) in reserves:				
Reserve/fund retirement	4,312	-	4,312	4,312
Retained earnings (deficit) - ending	\$ (1,073,697)	\$ 119,996	(\$ 953,701)	(\$ 568,725)

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

TOWN OF BERKSHIRE
ENTERPRISE FUND
COMBINED STATEMENT OF CASH FLOWS
 For the Year Ended December 31, 2002
 With Comparative Totals for 2001

	Year and Base	Concessions - Debris - Street Improvements	Totals	
			2002	2001
Cash flow from operating activities:				
Operating income (loss)	\$ 34,344	(11,881)	4,271	2,087
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	94,148	11,881	105,029	102,178
Depletion of property	-	-	-	(88)
(Increase)/decrease in:				
Accounts receivable - Water and sewer	(1,615)	-	(1,615)	(1,788)
Accounts receivable - ad valorem taxes	1,311	-	1,311	(1,885)
Increase (decrease) in:				
Accounts payable	(1,194)	-	(1,194)	(1,405)
Debit/Wire other funds	(1,414)	-	(1,414)	873
Total adjustments	94,456	11,881	106,337	97,381
Net cash provided by operating activities	130,710	-	130,710	99,468
Cash flow from noncapital financing activities:				
Transfer out to other funds	(11,000)	-	(11,000)	(7,130)
Motor deposit proceeds	1,000	-	1,000	1,440
Motor deposit returns & charges	(1,120)	-	(1,120)	(1,750)
Net cash (used) by noncapital financing activities	(11,120)	-	(11,120)	(7,440)
Cash flow from capital and related financing activities:				
Principal payments - bonds	(24,551)	-	(24,551)	(1,000)
Interest payments - bonds	(87,762)	-	(87,762)	(86,754)
Construction of property, plant & equipment	(2,440)	(181,800)	(184,240)	(712,349)
Concess Debris grant proceeds	-	181,800	181,800	712,349
Bond expenses	-	-	-	(11,861)
Net cash (used) by capital and related financing activities	(94,753)	-	(94,753)	(179,515)
Cash flow from investing activities:				
Receipts of interest	1,487	-	1,487	2,618
Decrease of investments	8,733	-	8,733	(2,852)
Net cash provided/(used) by investing activities	10,220	-	10,220	(2,234)
Net increase (decrease) in cash	18,847	-	18,847	(20,706)
Cash at beginning of the year	154,268	76	154,294	177,024
Cash at end of the year	\$ 163,115	76	163,141	156,318

Schedule of Noncash Investing, Capital, and Financing Activities

\$18,760 of street improvement project costs were paid for with funds from the special revenue fund. The costs incurred for this project are recognized in the proprietary fund as street improvements and contributed capital from the special revenue fund.

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

GENERAL FIXED ASSETS ACCOUNT GROUP

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

TOWN OF RENOHOLD
 STATEMENT OF GENERAL FIXED ASSETS
 December 31, 2003
 With Comparative Totals for 2002

	<u>2003</u>	<u>2002</u>
General fixed assets, at cost:		
Land	\$ 29,913	29,913
Buildings	82,872	81,927
Improvements other than buildings	173,603	161,968
Equipment	178,779	189,570
Net investment in joint venture	<u>10,000</u>	<u>10,000</u>
Total general fixed assets	<u>\$1,075,157</u>	<u>1,844,278</u>
Investment in general fixed assets:		
Capital project funds:		
Louisiana Community Development Block Grant	\$ 360,337	360,337
FEMA proceeds	189,210	189,210
General and special revenue funds	388,890	398,238
LCLB grant	2,814	2,814
State of La - Rural Development Grant	88,933	72,799
Blenville Parish Hospital Service District No. 1	4,883	4,890
Donation	<u>100</u>	<u>-</u>
Total investment in general fixed assets	<u>\$1,075,157</u>	<u>\$ 1,048,278</u>

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

TOWN OF BENSFIELD
STATEMENT OF CHANGES IN GENERAL FUND ASSETS
 For the Year Ended December 31, 2011

	2011					
	Land	Buildings and Improvements	Improvements Other than Buildings	Equipment	Net Investment in Joint Ventures	Total
General fund assets, beginning of period	\$ 25,913	63,917	301,000	108,570	10,000	1,049,370
Additions:						
Sales tax fund revenues			11,714			11,714
Donations				500		500
State of I.A.-Bond Dev.		16,045				16,045
Total additions		16,045	11,714	500		28,264
Deletions:						
General fund revenues				1,000		1,000
General fund assets, end of period	<u>\$ 25,913</u>	<u>80,072</u>	<u>312,714</u>	<u>109,070</u>	<u>10,000</u>	<u>1,075,157</u>

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

OTHER SUPPLEMENTARY INFORMATION

TOWN OF RINGOOLD, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO TOWN COUNCIL
For the Years Ended December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Robert P. Corley, Mayor	\$ 7,200	7,200
Council Members		
Larry Kennedy	1,800	1,800
John Hamilton	1,800	1,800
Bobby Gula	1,800	1,800
Jerry Thomas	1,800	1,800
Lloyd Scott	<u>1,800</u>	<u>1,800</u>
Total paid	\$ 16,200	16,200

TOWN OF RINGGOLD, LOUISIANA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
As of and for the Year Ended December 31, 2002**Section I - Internal Control and Compliance Material to the Financial Statements****2002-1: Control of utility billings and meter deposits**

Description of finding: During the year ended December 31, 2002, we noted the following items in regards to the lack of controls over the utility billings and meter deposits process:

- Absence of timely reviews and approvals over billing systems activity, which would detect mistakes such as creation of duplicate customer accounts in computer system.
- Water clerk needs to review/learn procedures of new software to be able to efficiently and correctly execute the utility billings process.
- Noted several bills with consumption for meters that rollover were manually changed and the usage was calculated incorrectly.
- Lack of enforcement of cutoff procedures.
- Evidence of failure to perform tasks such as reconciliations and timely corrections to errors. Daily deposit reports used to detail cash collection contain several mathematical errors, indicating this detail is not reconciled to deposits made to the bank accounts.
- Lack of reconciliation of meter deposits to financial statements.
- Failure to maintain documentation detailing adjustments made to computer system.
- Failure to correct customer accounts for meter deposit refunds.

Current status: This finding has not been corrected. See Current Year Audit Findings.

Section II - Internal Control and Compliance Material to Federal Awards

The results of the auditing procedures performed on the general purpose financial statements as of and for the year ended December 31, 2002, of the Town of Ringgold, Louisiana, disclosed no items that are required to be reported in accordance with OMB Circular A-133.

Section III - Management Letter**2002-1: Police tickets**

Description of finding: During our audit, we noted a lack of controls over issuing and accounting for police tickets.

Current status: This finding has been corrected. The police department has made efforts to maintain controls over the issuance and accounting for traffic tickets and summonses.

TOWN OF RINGGOLD, LOUISIANA

CURRENT YEAR AUDIT FINDINGS

As of and for the Year Ended December 31, 2003

Section 1 - Internal Control and Compliance Material to the Financial Statements**2003-1: Payroll reporting**

During the review of payroll procedures, the following items were noted:

- Form 941 for the 4th quarter of 2003 does not appear to have been filed with the IRS, although 941 deposits were made.
- Payments of Louisiana state withholding should be made to the Department of Revenue and not the Office of Regulatory Services or Department of Labor.
- The Town maintains a separate bank account from which it processes its payroll activity for all departments. The Town then transfers money from the individual funds to reimburse the payroll account for net payroll paid to employees and related payroll and retirement expenses. The process of transferring money to the payroll account allows for proper recognition of expenses in each individual fund. However, during 2003, we noted instances where the Town failed to transfer funds to the payroll account on a timely basis or even at all. In addition, the calculation of expenses for retirement and taxes must be reviewed upon preparation of payroll checks to ensure that the appropriate amount is being transferred and recognized in the individual funds.
- Noted employer withholdings and matching contributions have not been remitted to the New York Life retirement account on behalf of the Town's employees for most of 2003.
- Noted advance payments made to an employee for vacation pay. This is not appropriate according to Article VII, Section 14 of the 1974 Louisiana Constitution.
- Town has no formal written policy concerning the personal use of vehicles. The current water superintendent is allowed to take a non-specialized town-owned vehicle home each day. As of 12/31/2003, no compensation was added to this employee's W-2 for personal use of a vehicle.

2003-2: Controls of utility billings and meter deposits

The Town needs to improve controls over Water and Sanitation Fund receivables and customer meter deposits.

- Water clerk needs to continue to revise/learn procedures of new software to be able to efficiently and correctly execute the utility billings process and make corrections for prior year entries made to establish/remove meter deposits for customers.
- The Water and Sanitation Fund accounts receivable balance in the general ledger is not reconciled monthly with the detailed accounts receivable customer listing. No yearly activity is posted to the general ledger during the year for recelables and adjustments to receivables. The only activity posted to the ledger during the year is cash collections.

TOWN OF RINGGOLD, LOUISIANA

CURRENT YEAR AUDIT FINDINGS

As of and for the Year Ended December 31, 2003

- Absence of timely reviews and approvals over billing systems activity, which would detect mistakes such as creation of duplicate customer accounts in computer system.
- The meter deposit bank account balances and customer deposit liability account balance in the general ledger are not reconciled monthly with the detailed listing of customers' meter deposits. At December 31, 2003, the cash balances in the meter deposit bank and investment accounts total \$33,755, while the customer deposits payable in the general ledger before adjustment for 2003 activity remained \$21,631, which was the prior year audited balance, and the customer deposits in the detailed accounts receivable customer listing total \$24,037, differences ranging from \$9,728 to \$12,124 from the cash balances in the meter deposit bank accounts.
- The water clerk performs a variety of duties relating to fund receivables and customer meter deposits that are incompatible for a proper system of checks and balances. The water clerk enters meter readings into the computer system, prepares the customers' bills, collects payments and customer meter deposits, posts the payments into the system, makes customer billing adjustments, and prepares the bank deposit.
- Lack of enforcement of cutoff procedures for overdue accounts.
- Evidence of failure to perform tasks such as reconciliations and timely corrections to errors. Daily deposit reports used to detail cash collections contain several mathematical errors, indicating this detail is not reconciled to deposits made to bank accounts.
- Former water clerk failed to maintain organized documentation detailing adjustments made to computer system.
- During 2003, non-residential customers were incorrectly treated as exempt from sales tax. The computer setup for customers must be reviewed to ensure customers are being billed correctly.

The Town should (1) reconcile the accounts receivable balances in the general ledger with the detailed accounts receivable customer listing on a monthly basis; (2) reconcile the customer meter deposit detailed listing to the related general ledger bank account balances and customer deposit liability on a monthly basis; (3) separate the cash collection duties of the Water clerk from the posting of payments and preparation of bank deposits; (4) require the mayor or town clerk to approve all billing adjustments before they are made.

2003-03 Bank Statements Should Be Reconciled Timely

Bank statements and related deposits and uncashed checks are not reconciled timely to the book balances. Reconciling the bank balances with the book balances is necessary to ensure that (1) all receipts and disbursements are recorded by the Town (an essential process in ensuring complete and accurate monthly financial statements); (2) checks are clearing the bank in a reasonable time; (3) reconciling items (errors, unrecorded deposits and checks, etc.) are appropriate and are being recorded; and (4) the reconciled cash agrees to the general

TOWN OF KINGGOLD, LOUISIANA

CURRENT YEAR AUDIT FINDINGS

As of and for the Year Ended December 31, 2003

ledger cash balance. In addition, R.S. 12:4-406(d)(2) allows the town 30 days to examine bank statements and cancelled checks for unauthorized signatures or alterations. After 30 days, the town is precluded from asserting a claim against a bank for unauthorized signatures or alterations.

We did not begin the audit until assured that all bank statements were reconciled through December 31, 2003. Without reconciling the bank accounts timely, the town cannot be assured that all receipts and disbursements have been recorded which is important in preparing timely and accurate monthly financial statements.

The town should implement procedures requirement timely preparation and supervisory review and approval of all bank reconciliations.

2003-4 Fixed Asset Records Should Be Complete

Detailed general fixed asset records for equipment are not current, the equipment is not tagged, and physical inventories of these assets are not conducted annually. R.S. 24:515(D)(1) requires the town to maintain records of all land, buildings, improvements other than buildings, equipment, and any other general fixed assets, which were purchased or otherwise acquired. The records should include information as to the date of purchase of such property or equipment and the initial cost. Good internal controls over fixed assets require that (1) detailed fixed asset records be current; (2) every asset include a tag identifying it with a number that can be cross-referenced to the detailed fixed asset records; and (3) a physical inventory be conducted at least on an annual basis.

Our tests of assets revealed that:

- A physical inventory was not conducted during our audit period and the last time a physical inventory was conducted by the town may have been several years ago.
- Equipment items are not tagged identifying it with a number that can be cross-referenced to the detailed listing.
- The description of many equipment items is not adequate to properly identify the assets. There is a need for more detailed description with make, model, and serial number.

The town should (1) define assets that will be inventoried, including the minimum value for inclusion of the list of fixed assets; (2) prepare a detailed list of fixed assets (the list should include the date of purchase and the initial cost and an accurate description of the item); (3) take a physical inventory at least annually and follow up on items not found during the physical inventory; and (4) identify (tag) assets that belong to the town and include a tag number on the detailed listing of fixed assets.

TOWN OF RINGGOLD, LOUISIANA

CURRENT YEAR AUDIT FINDINGS

As of and for the Year Ended December 31, 2003

2003-5 Local Government Budget Laws

Town did not amend budget for variance in excess of 5%. During our audit, we reviewed the budget process of the town. LSA-R.S. 38:1310 concerns budgetary control. The town is to amend the budget in accordance with R.S. 39 whenever there is a variance of 5% (five percent) or more between actual and remaining projections as compared to budget amounts for revenues, expenditures or beginning fund balance. For the year ended December 31, 2003, the Town had adopted and amended the budget in an effort to be in compliance with the Local Government Budget Laws, however, during our audit we noted that total revenues received in the Sales Tax Fund were 36% less than the amounts budgeted to be received. For good internal control over revenues and compliance with the state budget laws we recommended the town continue to periodically review the actual revenues, expenditures and beginning fund balances with the original approved budget amounts and make necessary formal budget amendments.

Section II - Internal Control and Compliance Material to Federal Awards

The results of our auditing procedures of the general purpose financial statements as of and for the year ended December 31, 2003, of the Town of Ringgold, Louisiana, disclosed no items that are required to be reported in accordance with OMB Circular A-133.

Section III - Management Letter

The following items were detailed in the management letter for the town's consideration. These items did not meet the criteria of being material to the general purpose financial statements.

- Town needs to improve controls over disbursements.
- Town needs to improve documentation of deposits.
- Town needs to improve controls over determining accrual of vacation available for employees.
- Bonds should be deposited into a bank account.



Town of Ringgold

P.O. Box 365

Ringgold, Louisiana 71068

318-894-4000 - FAX 318-894-5990



COMMISSIONERS

Bobby Davis

John Hambleton

Larry Kennedy

David Smith

Ferry Thomas

Robert P. Corley
Mayor

John Chaloyer
Clerk

James C. Bradley
Chief of Police

June 28, 2004

Response to corrective action plan for current year audit findings as of and for the year ended December 31, 2003.

2003-1: Payroll reporting

Form 941 for the 4th quarter of 2003 was filed with the IRS, but was filed late, however 941 deposits were made on time. I will try to make sure that all forms are completed in a timely manner and that a money transfers are made at the time needed. I will also try to see that all other liabilities are paid at the proper time.

As for the vacation pay, we do not agree with this finding. We feel that when an employee takes a vacation, they have already accrued and earned the hours for this time all throughout the prior year, therefore, they should not have to wait until they come back to work after a vacation to receive vacation pay.

We also do not agree with the position concerning the personal use of vehicles. The only employee who is allowed to take a vehicle home is the Public Works Superintendent. He is on call 24 hours a day. If he is called out, the vehicle is used for the work to be done. It is equipped with tools that may be needed for the job. When the vehicle is not being used for purpose of work for the Town of Ringgold, it is not used for personal use, it is parked in the Superintendent's yard. Therefore, it is not necessary to add compensation to the employee's W-2 for personal use of a vehicle.

2003-2: Controls of utility billings and water deposits.

In the year 2003, we tried to make corrections in the way the water and sanitation fund and receivable were handled. However, we had a new software program for this department and the water clerk had not completely learned to use the software efficiently. Errors we made, toward the end of the year she left us with out notice and we had to go through the billing process again with a new water clerk. At the present time, we have a very good water clerk and we feel that we

will be better able to handle the reports and reconciliations in a more timely manner, due to the fact that we are leaving the system leases. The Water Clerk and I, the Town Clerk, do work closely together. She does get approval from the Mayor Corley or myself before making decisions regarding changes or adjustments. As for separating the duties of the water clerk, ours is a very small work staff and some duties of the duties cannot be separated. She does the work of the water clerk and I do the duties of the town clerk.

2003-2: Bank Statements

Once again the same problem exists, with a limited staff, it is not easy to get all the necessary work done in a timely manner. However, I am trying to make a greater effort to complete the work more efficiently.

2003-4: Fixed Asset records

This has not been done on a regular basis in the past because, as a small town with small budget, not very many pieces of new equipment has been purchased with a grant to help finance it. It has been easy to add to previous inventory or delete items from it.

This year we will have each department inventory everything in their own department. They will be required to list and tag all such equipment and inventory.

2003-5: Local Government Budget Laws

The Town of Kingsport did budget the yearly sales tax receivable correctly. However, some of the money from previous years income was used for different projects and was not recorded as a receivable for the year 2003 but was recorded in the expense budget. Had we recorded all prior years funds as income we would have been with -to 1% of budget. In the future we will be sure to record all money correctly in both income and expenses.



Town of Ringgold

P.O. Box 362

Ringgold, Louisiana 71068

318-894-4699 - FAX 318-894-3990



Robert P. Carley
Mayor

J. Alan Thompson
Clerk

Thomas G. Bradley
Caldwell Baker

COUNCILMEM

Bobby Davis
Pete Newlin
Barry Kennedy
David Cook
Ferry Thomas

June 29, 2004

Response to management letter:

1. Town needs to improve controls over disbursement.

We will try to be more accurate in our calculations. We make sure that invoices support charges.

We will try to insure that all checks writes have dual signatures.

2. Town needs to improve documentation deposits.

We have already implemented a system to insure that all deposits for tickets show detailed information.

3. Controls over vacation accrual.

We have also implemented a system to insure that all vacation hours are used properly.

4. Bonds should be deposited in a separate bank account.

We have decided that we will deposit the bond money in the general account and then write a check to the person posting the bond if the bond is returned.