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**TOWN OF RIDGECREST, LOUISIANA
GENERAL PURPOSE FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT**

YEAR ENDED DECEMBER 31, 1999

With

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

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

Release Date **JUL 19 2000**

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YEAR ENDED DECEMBER 31, 1999**

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SECTION I – GENERAL PURPOSE FINANCIAL STATEMENTS

SWITZER, HOPKINS & MANGE

Certified Public Accountants

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

JOHN M. JONES, CPA 1921 - 1983

INDEPENDENT AUDITOR'S REPORT

**Honorable David Cobb, Mayor
and Members of the Board of Aldermen
Town of Ridgcrest, Louisiana**

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2000 on our consideration of the Town of Ridgcrest, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the general-purpose financial statements of the Town of Ridgcrest, Louisiana. Such information has been subjected to the auditing procedures applied in the examination 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.

Ferriday, Louisiana
June 13, 2000

Switzer, Hopkins & Mange

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

TOWN OF RIDGECREST, LOUISIANA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

DECEMBER 31, 1999

	Governmental Fund Types		Proprietary Fund Type Enterprise	Accounting Groups		Totals	
	General	Debt Service		General Fixed Assets	Long-Term Debt	(Memorandum Only)	
ASSETS							
Cash	\$ 16,472	\$ -	\$ 4,073	\$ -	\$ -	\$ 20,545	\$ 18,405
Receivables:							
Taxes (Note B)	2,593	-	-	-	-	2,593	2,424
Accrued interest	-	-	163	-	-	163	172
Accounts	-	-	15,619	-	-	15,619	14,888
Grant	2,778	-	-	-	-	2,778	-
Due from other governments (Note C)	2,863	-	-	-	-	2,863	2,583
Restricted assets: (Note D)							
Cash	-	-	11,113	-	-	11,113	10,537
General fixed assets	-	-	-	438,397	-	438,397	436,748
Utility plant and equipment (Note E)	-	-	578,441	-	-	578,441	607,301
Amount to be provided for retirement of general long-term debt	-	-	-	-	45,707	45,707	52,084
TOTAL ASSETS	<u>24,706</u>	<u>-</u>	<u>609,409</u>	<u>438,397</u>	<u>45,707</u>	<u>1,118,219</u>	<u>1,145,142</u>
LIABILITIES							
Accounts payable	3,190	-	1,773	-	-	4,963	6,638
Current portion of long-term debt (Note F)	-	-	4,000	-	-	4,000	4,000
Payable from restricted assets:							
Customers' deposits (Note D)	-	-	11,113	-	-	11,113	10,537
Long-term debt (Note F)	-	-	3,414	-	45,707	49,121	59,765
TOTAL LIABILITIES	<u>3,190</u>	<u>-</u>	<u>20,300</u>	<u>-</u>	<u>45,707</u>	<u>69,197</u>	<u>80,940</u>
FUND EQUITY							
Contributed capital	-	-	353,085	-	-	353,085	353,085
Investment in general fixed assets	-	-	-	438,397	-	438,397	436,748
Retained earnings-							
Unreserved	-	-	236,024	-	-	236,024	259,697
Fund balance	21,516	-	-	-	-	21,516	14,672
Unreserved-							
TOTAL FUND EQUITY	<u>21,516</u>	<u>-</u>	<u>589,109</u>	<u>438,397</u>	<u>-</u>	<u>1,049,022</u>	<u>1,064,202</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 24,706</u>	<u>\$ -</u>	<u>\$ 609,409</u>	<u>\$ 438,397</u>	<u>\$ 45,707</u>	<u>\$ 1,118,219</u>	<u>\$ 1,145,142</u>

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

TOWN OF RIDGECREST, LOUISIANA

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - ALL GOVERNMENTAL FUND TYPES**
YEAR ENDED DECEMBER 31, 1999

	<u>Governmental Fund Type</u>		<u>Totals</u>	
	<u>General</u>	<u>Debt Service</u>	<u>(Memorandum Only)</u>	
			<u>1999</u>	<u>1998</u>
Revenues:				
Taxes	\$ 30,324	\$ -	\$ 30,324	\$ 31,677
Licenses and permits	2,700	-	2,700	2,525
Intergovernmental	40,295	-	40,295	39,677
Charges for services	405	-	405	50
Fines	192	-	192	110
Interest income	460	-	460	783
State grant income	14,997	-	14,997	15,001
Miscellaneous	4,023	-	4,023	2,663
Total revenues	<u>93,396</u>	<u>-</u>	<u>93,396</u>	<u>92,486</u>
 Expenditures:				
General government	38,669	-	38,669	32,764
Public safety -				
Police	5,371	-	5,371	5,633
Fire	7,369	-	7,369	6,636
Capital outlay	1,649	-	1,649	13,698
Street sanitation	34,994	-	34,994	39,574
Debt Service -				
Principal retirement	-	6,377	6,377	6,007
Interest expense	-	2,952	2,952	3,322
Total expenditures	<u>88,052</u>	<u>9,329</u>	<u>97,381</u>	<u>107,634</u>
 Excess (deficiency) of revenues over expenditures	 5,344	 (9,329)	 (3,985)	 (15,148)
 Other financing sources:				
Operating transfers in (out)	<u>1,500</u>	<u>9,329</u>	<u>10,829</u>	<u>7,629</u>
 Excess (deficiency) of revenues and other sources over expenditures and other uses	 6,844	 -	 6,844	 (7,519)
 Fund balances, beginning	 <u>14,672</u>	 <u>-</u>	 <u>14,672</u>	 <u>22,191</u>
 Fund balances, ending	 <u>\$ 21,516</u>	 <u>\$ -</u>	 <u>\$ 21,516</u>	 <u>\$ 14,672</u>

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

TOWN OF RIDGECREST, LOUISIANA
GENERAL FUND

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED DECEMBER 31, 1999

	GENERAL FUND			DEBT SERVICE FUND		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	\$ 29,196	\$ 30,324	\$ 1,128	\$ -	\$ -	\$ -
Licenses and permits	2,625	2,700	75	-	-	-
Intergovernmental	40,100	40,295	195	-	-	-
Charges for services	400	405	5	-	-	-
Fines	190	192	2	-	-	-
Interest income	460	460	-	-	-	-
Grant income	12,230	14,997	2,767	-	-	-
Miscellaneous	3,384	4,023	639	-	-	-
Total revenues	88,585	93,396	4,811	-	-	-
Expenditures:						
General government	37,312	38,669	(1,357)	-	-	-
Public safety						
Police	5,437	5,371	66	-	-	-
Fire	7,609	7,369	240	-	-	-
Capital outlay	1,660	1,649	11	-	-	-
Street and sanitation	35,005	34,994	11	-	-	-
Debt Service						
Principal retirement	-	-	-	6,377	6,377	-
Interest expense	-	-	-	2,952	2,952	-
Total expenditures	87,023	88,052	(1,029)	9,329	9,329	-
Excess of revenues over expenditures	1,562	5,344	3,782	(9,329)	(9,329)	-
Other financing sources:						
Operating transfers in (out)	1,300	1,500	200	9,329	9,329	-
Excess of revenues and other sources over expenditures	2,862	6,844	3,982	-	-	-
Fund balances, beginning	14,672	14,672	-	-	-	-
Fund balances, ending	\$ 17,534	\$ 21,516	\$ 3,982	\$ -	\$ -	\$ -

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

TOWN OF RIDGECREST
ENTERPRISE FUND
UTILITY FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
YEAR ENDED DECEMBER 31, 1999

	<u>1999</u>	(Memorandum Only) <u>1998</u>
Operating revenues:		
Charges for services	\$ 121,237	\$ 122,103
Operating expenses:		
Salaries	46,630	42,139
Chemicals and supplies	18,080	22,819
Depreciation	28,860	29,275
Utilities and telephone	17,874	15,278
Insurance	9,922	11,917
Laboratory tests	520	730
Payroll taxes	4,227	3,205
Repairs	3,978	16,476
Other expenses	3,634	9,604
Accounting	-	500
Total operating expenses	<u>133,725</u>	<u>151,943</u>
Operating (loss)	<u>(12,488)</u>	<u>(29,840)</u>
Non-operating income (expenses):		
Interest earned	472	-
Interest expense	(828)	(1,104)
	<u>(356)</u>	<u>(1,104)</u>
(Loss) before operating transfers and other	(12,844)	(30,944)
Other financing sources (uses):		
Transfer (to) debt service fund	(9,329)	(9,329)
Transfer (to) from general fund	(1,500)	1,700
Total transfers	<u>(10,829)</u>	<u>(7,629)</u>
Net (loss)	(23,673)	(38,573)
Retained earnings, beginning	<u>259,697</u>	<u>298,270</u>
Retained earnings, ending	<u>\$ 236,024</u>	<u>\$ 259,697</u>

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

TOWN OF RIDGECREST

COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>1999</u>	<u>(Memorandum Only) 1998</u>
Cash flows from operating activities:		
Cash received from customers	\$ 120,506	\$ 124,393
Cash payments to suppliers for goods and services	(58,119)	(80,714)
Cash payments to employees for services	(46,630)	(42,139)
Net cash provided by operating activities	<u>15,757</u>	<u>1,540</u>
 Cash flows from non-capital financing activities:		
Operating transfers (to) other funds	(10,829)	(7,629)
(Decrease) in consumer deposits	576	(298)
Net cash (used) by non-capital financing activities	<u>(10,253)</u>	<u>(7,927)</u>
 Cash flows from capital and related financing activities:		
Interest paid on notes	(828)	(1,104)
Principal paid on notes	(4,267)	(3,994)
Net cash (used) by capital and related financing activities	<u>(5,095)</u>	<u>(5,098)</u>
 Cash flows from investing activities:		
Investment income	<u>481</u>	<u>-</u>
 Net increase (decrease) in cash and cash equivalents	890	(11,485)
 Cash and cash equivalents at January 1, 1999	<u>14,296</u>	<u>25,781</u>
 Cash and cash equivalents at December 31, 1999	<u>\$ 15,186</u>	<u>\$ 14,296</u>
 Reconciliation of operating (loss) to net cash provided by operating activities:		
Operating (loss)	\$ (12,488)	\$ (29,840)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:		
Depreciation	28,860	29,275
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	(731)	2,290
Increase (decrease) in accounts payable	116	(186)
 Net cash provided by operating activities	<u>\$ 15,757</u>	<u>\$ 1,539</u>

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

TOWN OF RIDGECREST, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
December 31, 1999

INTRODUCTION

The Town of Ridgcrest, Louisiana was incorporated under the provisions of the Lawrason Act as a Town in 1962.

The purpose of the municipality is to provide utility services, public safety (police and fire), streets, sanitation and general administrative services.

The Board of Aldermen consists of five elected members and they are paid \$50 per month except for the Mayor Pro-tem who is paid \$100 per month.

The Town is located in the north east portion of Concordia Parish, Louisiana. Concordia Parish is located in east central Louisiana.

The population of Ridgcrest, Louisiana is 835 persons.

The Town of Ridgcrest, Louisiana has three full time employees and one part time employees.

The Town of Ridgcrest, Louisiana has approximately 320 utility customers.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Financial Reporting Entity

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

2. Fund Accounting

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

TOWN OF RIDGECREST, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
December 31, 1999

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -- CONTINUED

Governmental Funds –

General Fund

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

Debt Service Fund

Debt Service Funds is used to account for the accumulation of resources for, and payment of, general long-term principal interest and related costs.

Proprietary Fund –

Enterprise Fund

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

3. Fixed Assets

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

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types purchased. No depreciation has been provided on general fixed assets.

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

Depreciation of all exhaustible fixed assets used by proprietary funds is charges 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:

TOWN OF RIDGECREST, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
December 31, 1999

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -- CONTINUED

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

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

4. Basis of Accounting

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

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income and gross receipts are considered “measurable” when in the hands of collecting governments and is recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

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

5. Budgets and budgetary accounting

The Town has total revenues of less than \$250,000 and does not have the same budgetary process that is required of municipalities with total revenues of greater than \$250,000. The Town’s budget is prepared by the Town Clerk and is adopted at a regular meeting of the Board of Aldermen. The Board of Aldermen may amend it during the year. All budgetary appropriations lapse at the end of each fiscal year.

TOWN OF RIDGECREST, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
December 31, 1999

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -- CONTINUED

6. Bad Debts

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

7. Accumulated Unpaid Vacation Pay

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

8. Total Columns on Combined Statements – Overview

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

9. Cash Flows

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

NOTE B – PROPERTY TAXES

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

NOTE C – DUE FROM OTHER GOVERNMENTS

Amounts due from other governmental units at December 31, 1999 consisted of the following:

Garbage fees due from Concordia Parish Police Jury	\$ <u>2,863</u>
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NOTE D – RESTRICTED ASSETS – PROPRIETARY FUND TYPE

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

Customer meter deposits	\$ <u>11,113</u>
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TOWN OF RIDGECREST, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
December 31, 1999

NOTE E – CHANGES IN FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>Balance</u> <u>12/31/98</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/99</u>
Land	1,700	-	-	1,700
Building	63,002	-	-	63,002
Equipment	373,046	1,649	-	373,695
Total	<u>\$ 437,748</u>	<u>\$ 1,649</u>	<u>\$ -</u>	<u>\$ 438,397</u>

A summary of proprietary fund type property, plant and equipment at December 31, 1999 follows:

Water system	\$ 877,508
Sewer system	219,733
Equipment	<u>52,758</u>
Total	1,149,999
Accumulated depreciation	<u>(571,558)</u>
Net	<u>\$ 578,441</u>

NOTE F – LONG-TERM DEBT

The following is a summary of long-term debt at December 31, 1999:

8% unsecured note due bank, payable in equal monthly installments of principal and interest of approximately \$425 thru 2001	\$ 7,414
Less amount due within one year	<u>(4,000)</u>
	<u>\$ 3,414</u>

The annual requirements to amortize the notes payable as of December 31, 1999 are as follows:

TOWN OF RIDGECREST, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
December 31, 1999

NOTE F – LONG-TERM DEBT – CONTINUED

<u>Year Ended</u> <u>December 31.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 4,000	\$ 995	\$ 4,995
2001	3,414	706	4,120
	<u>\$ 7,414</u>	<u>\$ 1,701</u>	<u>\$ 9,115</u>

General Long Term Debt

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

\$ 45,707

The annual requirements to amortize all debt as of December 31, 1999 are as follows:
The annual requirements to amortize all debt as of December 31, 1999 are as follows:

<u>Year Ended</u> <u>December 31.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 6,525	\$ 2,804	\$ 9,329
2001	6,928	2,401	9,329
2002	7,355	1,974	9,329
2003	7,808	1,521	9,329
2004	8,290	1,039	9,329
2005	8,801	289	9,090
	<u>\$ 45,707</u>	<u>\$ 10,028</u>	<u>\$ 55,735</u>

NOTE G – RETIREMENT COMMITMENTS

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

NOTE H – OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

All bank balances are insured 100% by the FDIC.

TOWN OF RIDGECREST, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
December 31, 1999

NOTE I – RISK MANAGEMENT

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

NOTE J – SUMMARY OF GRANTS

Funding from the following State grant was received during the year ended December 31, 1999:

Office of Rural Development – water system repairs	\$ <u>14,997</u>
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SECTION II – SUPPLEMENTAL INFORMATION SCHEDULES

GENERAL FUND

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

TOWN OF RIDGECREST, LOUISIANA
GENERAL FUND

COMPARATIVE BALANCE SHEET
DECEMBER 31, 1999

	<u>1999</u>	(Memorandum Only) <u>1998</u>
<u>ASSETS</u>		
Cash	\$ 16,472	\$ 14,646
Receivables:		
Ad valorem taxes	2,593	2,424
Grant	2,778	-
Due from other governmental units	2,863	2,586
Total assets	<u>24,706</u>	<u>19,656</u>
<u>LIABILITIES AND FUND BALANCES</u>		
Liabilities:		
Accounts payable	<u>3,190</u>	<u>4,981</u>
Fund balance - unreserved	21,516	14,672
Total liabilities and fund balance	<u>\$ 24,706</u>	<u>\$ 19,653</u>

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

TOWN OF RIDGECREST, LOUISIANA
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL

Year Ended December 31, 1999

With Comparative Totals for Year Ended December 31, 1998

	1999			(Memorandum Only) 1998 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
Revenues:				
Taxes	\$ 29,196	\$ 30,324	\$ 1,128	\$ 31,677
Licenses and permits	2,625	2,700	75	2,525
Intergovernmental	40,100	40,295	195	39,677
Charges for services	400	405	5	50
Fines	190	192	2	110
Interest earned	460	460	-	783
Grant income	12,230	14,997	2,767	15,001
Miscellaneous	3,384	4,023	639	2,663
Total revenue	88,585	93,396	4,811	92,486
Expenditures:				
General government	37,312	38,669	(1,357)	32,764
Public safety				
Police	5,437	5,371	66	5,633
Fire	7,609	7,369	240	6,636
Capital outlay	1,660	1,649	11	13,698
Street and sanitation	35,005	34,994	11	39,574
Total expenditures	87,023	88,052	(1,029)	98,305
Excess (deficiency) of revenues over expenditures	1,562	5,344	3,782	(5,819)
Other financing sources:				
Operating transfers in (out)	1,300	1,500	200	(1,700)
Excess (deficiency) of revenues and other sources over expenditures and other uses	2,862	6,844	3,982	(7,519)
Fund balance, beginning	14,672	14,672	-	22,191
Fund balance, ending	\$ 17,534	\$ 21,516	\$ 3,982	\$ 14,672

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

TOWN OF RIDGECREST, LOUISIANA
GENERAL FUND

STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)

Year Ended December 31, 1999

With Comparative Actual Amounts for Year Ended December 31, 1998

	1999		Variance Favorable (Unfavorable)	(Memorandum Only) 1998 Actual
	<u>Budget</u>	<u>Actual</u>		
General government:				
Salaries	\$ 11,276	\$ 11,435	\$ (159)	\$ 14,419
Legal and other professional	1,250	986	264	986
Insurance and interest	1,603	2,197	(594)	3,711
Publication expense	1,254	1,427	(173)	809
Payroll taxes	-	845	(845)	1,363
Other expenses	3,938	3,935	3	4,545
Telephone	1,419	1,390	29	1,059
Supplies	2,645	2,671	(26)	4,055
Repairs	12,219	12,219	-	69
Utilities	1,708	1,564	144	1,748
Total general government	37,312	38,669	(1,357)	32,764
Police:				
Salaries	5,400	5,325	75	5,550
Payroll taxes	-	-	-	83
Other expenses	37	46	(9)	-
Total police department	5,437	5,371	66	5,633
Fire:				
Utilities	1,971	1,961	10	1,723
Repairs	-	126	(126)	263
Salaries	600	550	50	600
Payroll taxes	-	46	(46)	54
Other expenses	5,038	4,686	352	3,996
Total fire department	7,609	7,369	240	6,636
Capital outlay	1,660	1,649	(11)	13,698
Street and sanitation:				
Repairs	805	794	11	3,874
Garbage collection	34,200	34,200	-	34,200
Audit expense	-	-	-	1,500
Total street and sanitation	35,005	34,994	11	39,574
Total expenditures	\$ 87,023	\$ 88,052	\$ 1,029	\$ 98,305

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

**TOWN OF RIDGECREST, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 1999**

COMPENSATION PAID ALDERMEN

The schedule of compensation paid to aldermen is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the aldermen is included in the Legislative expenditures of the General Fund. In accordance with Louisiana Revised Statute 33:405 (G), the aldermen have passed an ordinance that sets their compensation at \$50.00 per month and \$100 per month for the Mayor Pro-tem.

TOWN OF RIDGECREST, LOUISIANA
SCHEDULE OF COMPENSATION PAID ELECTED OFFICIALS
FOR THE YEAR ENDED DECEMBER 31, 1999

<u>NAME</u>	<u>COMPENSATION</u>
Kevin Graham	\$ 450
Ronald Barnhill	600
Michael Roberts	600
Guy Lain	600
Housley Varnado	<u>1,200</u>
TOTAL	<u><u>\$ 3,450</u></u>

SECTION III – COMPLIANCE/INTERNAL CONTROL

SWITZER, HOPKINS & MANGE

Certified Public Accountants

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

JOHN M. JONES, CPA 1921 - 1983

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

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

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

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Ridgecrest, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

**Honorable David Cobb, Mayor
Town of Ridgecrest, Louisiana
Page Two**

However, we noted a certain matter 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 judgement, could adversely affect the Town of Ridgecrest, Louisiana's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. A reportable condition is described in the accompanying schedule of findings and questioned costs are item 99-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions, and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness.

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

**Ferriday, Louisiana
June 13, 2000**

Switzer, Hopkins & Mingo

**SECTION IV – SCHEDULE OF FINDINGS
AND QUESTIONED COSTS**

TOWN OF RIDGECREST, LOUISIANA

**Schedule of Findings and Questioned Costs
Year Ended December 31, 1999**

Summary of Audit Results

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

Findings – Financial Statement Audit

Reportable Conditions

99-1 - Segregation of Duties

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

TOWN OF RIDGECREST, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
December 31, 1999

INTERNAL CONTROL FINDINGS

98-1 – Segregation of Duties

Condition: We noted that the Town of Ridgecrest, Louisiana does not have adequate segregation of duties.

Current status: This finding still applies and is noted in the current audit for the year ended December 31, 1999. (See current finding 99-1)

SECTION V – RESPONSE

TOWN OF RIDGECREST
116 FOSTER DRIVE
RIDGECREST, LOUISIANA 71334

David Cobb, Mayor

Pauline Palmer, Clerk

Johnny Jones, Chief of Police

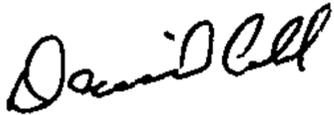
June 12, 2000

Switzer, Hopkins & Mange
P. O. Box 478
Ferriday, LA 71334

Dear Mr. Hopkins:

In regard to the segregation of duties internal control problem discussed in our audit for the year ended December 31, 1999, there is nothing we plan to do about the problem. We have only one employee and do not plan to hire any additional employees at this time. There is no way to segregate duties when you have only one employee.

Sincerely,



David Cobb
Mayor