

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA

Financial Report
For the Year Ended December 31, 2020



MAXWELL CPA, LLC, *Certified Public Accountant*, Sterlington, Louisiana

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
FOR THE YEAR ENDED DECEMBER 31, 2020

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report -----	1-3
Required Supplemental Information (Part A)	
Management's Discussion and Analysis -----	4-8

FINANCIAL STATEMENTS

Government-Wide Financial Statements	
Statement of Net Position-----	9
Statement of Activities -----	10
Fund Financial Statements	
Governmental Funds:	
Balance Sheet -----	11
Reconciliation of the Governmental Fund Balance Sheet to the Government-Wide Statement of Net Position-----	12
Statement of Revenues, Expenditures and Changes in Fund Balances -----	13
Reconciliation of the Statement of Revenues, Expenditures And Changes in Fund Balances to the Statement of Activities -----	14
Proprietary Funds:	
Statement of Net Position -----	15
Statement of Revenues, Expenses and Changes in Net Position -----	16
Statement of Cash Flows -----	17-18
Notes to Financial Statements -----	19-45

REQUIRED SUPPLEMENTAL INFORMATION (PART B)

Budgetary Comparison Schedules	
General Fund -----	46
Sales Tax Special Revenue Fund -----	47
Notes to the Budgetary Comparison Schedule -----	48
Schedule of Town's Proportionate Share of the Net Pension Liability -----	49
Schedule of Town's Contributions -----	50

OTHER SUPPLEMENTAL INFORMATION

Schedule of Compensation Paid to Elected Officials -----	51
Schedule of Compensation, Reimbursements, Benefits and Other Payments To Agency Head-----	52

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
FOR THE YEAR ENDED DECEMBER 31, 2020

TABLE OF CONTENTS

REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based On an Audit of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i> -----	53-54
Schedule of Findings and Reponses -----	55-57
Summary Schedule of Prior Audit Findings -----	58-59



INDEPENDENT AUDITOR'S REPORT

Honorable Milton Vining, Mayor
Members of the Board of Alderman
Town of Ringgold, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Ringgold, Louisiana (the Town), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted by the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Town as of December 31, 2020, and the respective changes in the financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of Town's proportionate share of net pension liability and the schedule of Town's contributions on pages 4-8 and 46-50, be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted by the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information of consistency with management's response to my inquires, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion, or provide any form of assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements as a whole. The accompanying other supplementary information, as listed the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplemental information, as listed in the table of contents, is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The supplemental information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Honorable Milton Vining, Mayor
Members of the Board of Alderman
Town of Ringgold, Louisiana
Page 3

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated April 24, 2025, on my consideration of the Town's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town's internal control over financial reporting and compliance.

Maxwell CPA, LLC

Sterlington, Louisiana
April 24, 2025

REQUIRED SUPPLEMENTAL INFORMATION (PART A)
MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF RINGGOLD, LOUISIANA

Management's Discussion and Analysis Year Ended December 31, 2020

The management of the Town of Ringgold, Louisiana offers readers of the Town of Ringgold, Louisiana's (hereafter referred to as the Town) financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2020. This management discussion and analysis ("MD&A") is designed to provide an objective analysis of the Town's financial activities based on currently known facts, decisions, and conditions. It is intended to provide readers with a broad overview of the Town's finances. It is also intended to provide readers with an analysis of the Town's short-term and long-term activities based on information presented in the financial report and fiscal policies that have been adopted by the Town. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the Town's financial activity, identify changes in the Town's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

The Town has presented its financial statements under the reporting model required by the Governmental Accounting Standards Board Statement No. 34. This reporting model changes the presentation of financial data, and also the manner in which the information is recorded. We encourage readers to consider the information presented here in conjunction with additional information presented throughout this report.

Financial Highlights

The following exhibits some of the more important highlights from the government-wide financial statements for the year ended December 31, 2020.

1. The Town's total net position from governmental activities increased \$119,531 from the beginning of the fiscal year as a result of operations during the year.
2. During the year ended December 31, 2020, the Town's total expenses were \$722,719 greater than the \$380,618 recognized as revenues from fees, fines and charges for services, made up of mostly water and sewer charges. However, if revenues, such as taxes, licenses and state grants are considered, the Town's revenues exceeded expenses in the amount of \$76,945;
3. The cost of operating programs of the Town was \$1,104,337, which represents a decrease in costs of operations over the prior year of \$50,517 or a 4.5% decrease;
4. The total revenues of the Town were \$1,181,282, which represents an increase in revenues from the prior year of \$125,441 or an 11.88% increase;
5. The general fund reported an unassigned fund balance of \$143,494.

Overview of the Financial Statements

The annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements include two (2) kinds of statements that present different views of the Town:

1. The first two statements are government-wide financial statements that provide both long-term and short-term information about the Town's overall financial status.

2. The remaining statements are fund financial statements that focus on individual parts of the Town's governmental operations, reporting the Town's operations in more detail than the government-wide statements.
3. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

Government-Wide Financial Statements

Financial reporting at this level uses a perspective like the private sector using the economic resources measurement focus and the accrual basis of accounting.

The first of these government-wide statements is the Statement of Net Position. This government-wide statement of position presents information that includes all the Town's assets and liabilities, with the difference reported as net position. An increase or decrease in net position may serve as a useful indicator or whether the financial position of the Town is improving or deteriorating. Evaluation of the overall health of the Town would extend to other non-financial factors, such as diversification of the taxpayer base, in addition to the financial information provided in this report.

The Second government-wide statement is the Statement of Activities, which reports how the Town's net position changed during the year. All current year revenues and expenses are included regardless of when they are received or paid. An important purpose of the design of the Statement of Activities is to show the financial reliance of the Town's distinct activities or functions on revenues provided by the Town's taxpayers.

Both above financial statements have separate columns for the two (2) different types of Town activities as follows:

Governmental Activities – The government-wide financial statements present governmental activities of the Town which are principally supported by taxes and intergovernmental revenues (grants). Most services normally associated with a town fall in this category, including general government, public safety, streets and parks and recreations.

Business-Type Activities - The government-wide financial statements present business-type activities that are normally intended to recover all or a significant portion of their costs through user fees and charges to external users of goods and services. The business type activity of the Town consists of the provision of water and sewer services to the citizens.

The government-wide financial statements are presented on pages 9-10.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Town uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Town's most significant funds, rather than the Town as a whole.

The Town uses two (2) fund categories, governmental funds and proprietary funds. It is important to note that these fund categories use different accounting approaches and should be interpreted differently.

Governmental Funds - The services provided by the Town are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources at the end of the year. Such information may be useful in evaluating the Town's near-term financing requirements. This approach is known as using the flow of financial resources measurement focus and the modified accrual basis of accounting. These governmental fund financial statements provide a detailed short-term view of the Town's finances and assist in determining whether there will be adequate resources available to meet the current needs of the Town.

Since focus of the governmental funds financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statement. Users may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statements of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and the governmental activities. These reconciliations are presented immediately following each governmental fund financial statement.

The Town has two (2) governmental funds, of which both are major funds and are presented in separate columns. The governmental funds are as follows:

Major Funds

General Fund

Special Revenue Fund – Sales Tax Fund

The general funds financial statements are presented on pages 11 through 14.

Proprietary Fund – The proprietary fund is used to show activities that operate more like those of commercial enterprises. Since this fund charges fees for services to outside customers, including local governments, it is known as an enterprise fund. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Like government-wide financial statements, proprietary fund financial statements use the accrual basis of accounting. There is no reconciliation needed between the government-wide financial statements for the business-type activities and the proprietary fund financial statements.

The Town has one enterprise fund (Water and Sewer Fund), which is considered a major proprietary fund for presentation purposes.

The proprietary fund financial statements are presented on pages 15 through 18.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 19 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's budget presentation. Budgetary comparison statements are included as "required supplementary information" for the General Fund and the Sales Tax

Fund. These statements demonstrate compliance with the Town's adopted budgets and can be found on pages 46 and 47 in this report.

Financial Analysis of Governmental-Wide Activities

Net Position

The Town's combined net position (governmental and business-type activities) increased during 2020 by \$76,945 or 9.42% from the \$816,761 at December 31, 2019, as shown in the following table:

	2020 Total	2019 Total
<u>Assets</u>		
Current and Other Assets	\$ 470,199	\$ 1,384,184
Capital Assets (Net)	2,070,436	2,180,215
Total Assets	2,540,634	3,564,399
Deferred Outflows of Resources	168,482	184,730
<u>Liabilities</u>		
Current Liabilities	227,302	1,216,810
Long-Term Liabilities	1,430,323	1,560,142
Total Liabilities	1,657,625	2,776,952
Deferred Inflows of Resources	157,785	155,416
<u>Net Position</u>		
Net Investment in Capital Assets	1,397,264	1,443,862
Restricted	177,043	181,133
Unrestricted	(680,601)	(808,234)
Total Net Position	\$ 893,706	\$ 816,761

Changes in Net Position

The following condensed Government-Wide Statement of Activity illustrates the major changes in operations for the Town as compared to 2019:

	2020 Total	2019 Total
<u>Revenues</u>		
Governmental	\$ 755,868	\$ 626,734
Business-Type	425,414	429,108
Total Revenues	1,181,282	1,055,842
<u>Expenses</u>		
Governmental	636,337	617,784
Business-Type	468,000	537,070
Total Expenses	1,104,337	1,154,854
Increase (Decrease) in Net Position	\$ 76,945	\$ (99,012)

Financial Analysis of Individual's Funds

As noted above, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Fund

The focus of the Town's governmental fund is to provide information on the near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. An unrestricted fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the year.

At December 31, 2020, the Town's general fund, reported an ending fund balance of \$143,494 an increase of \$96,601 compared to the calendar year 2019. The general fund is the chief operating fund of the Town.

Proprietary Fund

The Town's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. The Town's proprietary fund (Water and Sewer Fund) reported operating expenses of \$415,724, which was \$82,026 more than operating revenues of \$333,698, for the year ended December 31, 2020. This was a decrease in operating loss of \$65,705 compared to 2019. The proprietary fund reported a decrease of \$42,586 in net position in the calendar year 2020 compared to a decrease of \$107,962 in the calendar year 2019.

Budgetary Highlights

Formal budgetary integration is employed as a management control device during the calendar year. The budget policy of the Town complies with state law, as amended and as set forth in Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA-R.S. 39:1302 et seq).

Capital Asset Administration

The Town's investment in capital assets for its governmental and business-type activities at December 31, 2020 totaled \$5,961,759 less accumulated depreciation of \$3,891,323, leaving a \$2,070,435 balance in net capital assets. The investment in capital assets consists of land, buildings, equipment, and water and sewer improvements. The total increase in the Town's investment in capital assets for the year ended December 31, 2020, totaled \$5,237.

Debt Administration

No new bond issuances were originated during the year. The Town has made its regularly scheduled payments on all of its long-term debt. During 2020, \$52,992 in principal payments were made. Additional information on debt can be found in Note 10 on pages 32 and 33 of this report.

Contacting the Town's Financial Management

The financial report is designed to provide a general overview of the Town's finances, comply with finance-related laws and regulations, and demonstrate the Town's commitment to public accountability. If you have any questions about this report, contact the Town Clerk, P.O. Box 565 Ringgold, LA 71068.

PRIMARY GOVERNMENT FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2020

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 110,459	\$ 7,557	\$ 118,016
Investments	1,684	14,058	15,742
Receivables, Net	110,919	48,479	159,398
Due To/From Other Funds	567,084	(567,084)	-
Restricted Cash	-	177,043	177,043
Capital Assets, Net	159,304	1,911,131	2,070,435
<u>TOTAL ASSETS</u>	<u>\$ 949,450</u>	<u>\$ 1,591,184</u>	<u>\$ 2,540,634</u>
<u>Deffered Outflows of Resources</u>			
Deferred Outflows - Pension	\$ 129,616	\$ 38,866	\$ 168,482
<u>LIABILITIES</u>			
Accounts Payable	\$ 39,960	\$ 21,990	\$ 61,950
Accrued Expenses	29,280	12,948	42,228
Current Portion of Long-Term Obligations	-	51,500	51,500
Paid out of Restricted Assets:			
Customer Deposits	-	71,624	71,624
Long Term Liabilities:			
Net Pension Liability	595,274	213,378	808,652
Non-Current Portion of Long-Term Obligations	-	621,671	621,671
<u>TOTAL LIABILITIES</u>	<u>\$ 664,514</u>	<u>\$ 993,111</u>	<u>\$ 1,657,625</u>
<u>Deffered Inflows of Resources</u>			
Deferred Inflows - Pension	\$ 145,434	\$ 12,351	\$ 157,785
<u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 159,304	\$ 1,237,960	\$ 1,397,264
Restricted for Debt Service	-	177,043	177,043
Unrestricted, Unreserved	109,814	(790,415)	(680,601)
<u>TOTAL NET POSITION</u>	<u>\$ 269,118</u>	<u>\$ 624,588</u>	<u>\$ 893,706</u>

See independent auditor's report and notes to the financial statements.

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Function/Program Activities							
Government Activities:							
General Government	\$ 305,606	\$ -	\$ -	\$ -	\$ (305,606)	\$ -	\$ (305,606)
Public Safety	326,241	46,920	-	-	(279,321)	-	(279,321)
Culture and Recreation	4,490	-	-	-	(4,490)	-	(4,490)
Total Governmental Activities	636,337	46,920	-	-	(589,417)	-	(589,417)
Business-Type Activities:							
Water and Sewer	468,000	333,698	-	-	-	(134,302)	(134,302)
Total Business-Type Activities	468,000	333,698	-	-	-	(134,302)	(134,302)
<u>Total Government</u>	<u>\$ 1,104,337</u>	<u>\$ 380,618</u>	<u>\$ -</u>	<u>\$ -</u>	(589,417)	(134,302)	(723,719)
General Revenues:							
Taxes					567,119	29,048	596,167
Licenses and Permits					7,650	-	7,650
Intergovernmental					250	-	250
Miscellaneous					2,825	-	2,825
Use of Money & Property					192,236	1,536	193,772
Transfers					(61,132)	61,132	-
Total General Revenues and Transfers					708,948	91,716	800,664
<u>Changes in Net Position</u>					119,531	(42,586)	76,945
<u>Net Position - Beginning</u>					149,587	667,174	816,761
<u>Net Position - Ending</u>					<u>\$ 269,118</u>	<u>\$ 624,588</u>	<u>\$ 893,706</u>

See independent auditor's report and notes to the financial statements.

FUND FINANCIAL STATEMENTS

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	<u>Major Funds</u>		<u>Total</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 110,110	\$ 349	\$ 110,459
Investments	1,684	-	1,684
Receivables	31,833	79,086	110,919
Due From Other Funds	461,245	497,977	959,222
<u>TOTAL ASSETS</u>	<u>\$ 604,872</u>	<u>\$ 577,412</u>	<u>\$ 1,182,284</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 39,960	\$ -	\$ 39,960
Accrued Expenses	29,280	-	29,280
Due To Other Funds	392,138	-	392,138
Total Liabilities	461,378	-	461,378
<u>FUND BALANCES</u>			
Assigned	-	577,412	577,412
Unassigned	143,494	-	143,494
Total Fund Balance	143,494	577,412	720,906
<u>TOTAL LIABILITIES AND</u>			
<u>FUND BALANCES</u>	<u>\$ 604,872</u>	<u>\$ 577,412</u>	<u>\$ 1,182,284</u>

See independent auditor's report and notes to the financial statements.

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
RECONCILIATION OF GOVERNMENTAL
FUND BALANCE TO STATEMENT OF NET POSITION
DECEMBER 31, 2020

Total Governmental Fund Balances	\$ 720,906
----------------------------------	------------

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Governmental Capital Assets	442,065	
Less: Accumulated Depreciation	(282,761)	
	159,304	159,304

Net pension liability:

Town's unfunded proportionate share of the unfunded liability in MERS and MPERS	(595,274)
---	-----------

Deferred outflows and inflows of resources are not available to pay current period expenditures and therefore are not reported in governmental funds.

Deferred outflows of resources - Pension	129,616	
Deferred inflows of resources - Pension	(145,434)	
	(15,818)	(15,818)

Net Position of Governmental Activities	\$ 269,118
---	------------

See independent auditor's report and notes to the financial statements.

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Major Funds</u>		<u>Total</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
<u>Revenues</u>			
Taxes:			
Ad Valorem Tax	\$ 30,004	\$ -	\$ 30,004
Beer License Tax	1,289	-	1,289
Insurance Premium Tax	38,118	-	38,118
Sales Tax	-	419,565	419,565
Franchise Taxes	78,143	-	78,143
Licenses and Permits	7,650	-	7,650
Fines and Forfeitures	46,920	-	46,920
Use of Money & Property	192,236	-	192,236
Intergovernmental	250	-	250
Miscellaneous	2,800	25	2,825
Total Revenues	397,410	419,590	817,000
<u>Expenditures</u>			
General Government	289,847	10,607	300,454
Public Safety	354,402	-	354,402
Culture and Recreation	4,490	-	4,490
Total Expenditures	648,739	10,607	659,346
<u>Excess (Deficiency) of Revenues</u>			
<u>Over Expenditures</u>	(251,329)	408,983	157,654
<u>Other Financing Sources and (Uses)</u>			
Transfers In	357,930	-	357,930
Transfers (Out)	(10,000)	(409,062)	(419,062)
Net Other Financing Sources (Uses)	347,930	(409,062)	(61,132)
<u>Net Change in Fund Balance</u>	96,601	(79)	96,522
<u>Fund Balance - Beginning</u>	46,893	577,491	624,384
<u>FUND BALANCE - ENDING</u>	\$ 143,494	\$ 577,412	\$ 720,906

See independent auditor's report and notes to the financial statements.

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

Net Change in Fund Balances - Total		\$	96,522
Governmental Funds			

*Amounts reported for governmental activities in
the statement of activities are different because:*

Government funds report capital outlays as expenditures
while governmental activities report depreciation
expense to allocate those expenditures over the life of
the assets:

Capital Assets Purchased	-		
Depreciation Expense	(17,930)		(17,930)

The changes in other long-term assets and liabilities are
reported in the statement of activities, but do not affect
current financial resources of governmental funds. The
changes are as follows:

Net pension liability and related deferred outflows and deferred inflows:			40,939

Change in Net Position in Governmental Activities		\$	119,531

See independent auditor's report and notes to the financial statements.

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2020

	<u>Total</u> <u>Water & Sewer</u>
<u>ASSETS</u>	
<u>Current Assets</u>	
Cash and Cash Equivalents	\$ 7,557
Investments	14,058
Accounts Receivable, Net	48,479
Total Current Assets	70,094
<u>Non-Current Assets</u>	
Restricted Assets:	
Restricted Cash and Cash Equivalents	177,043
Capital Assets:	
Land	1,926
Machinery and Equipment	5,517,768
Less: Accumulated Depreciation	(3,608,563)
Total Capital Assets	1,911,131
<u>TOTAL ASSETS</u>	<u>\$ 2,158,268</u>
<u>Deffered Outflows of Resources</u>	
Deferred Outflows - Pension	38,866
<u>LIABILITIES</u>	
<u>Current Liabilities</u>	
Accounts Payable	\$ 21,990
Interest Payable	12,948
Due To (From) Other Funds	567,084
Bonds Payable - Current Portion	51,500
Payable from Restricted Assets:	
Customer Deposits	71,624
Total Current Liabilities	725,146
<u>Noncurrent Liabilities</u>	
Net Pension Liability	213,378
Bonds Payable - Long-Term	629,391
Deferred Bond Discount (net)	(7,720)
Total Noncurrent Liabilities	835,049
<u>TOTAL LIABILITIES</u>	<u>\$ 1,560,195</u>
<u>Deffered Inflows of Resources</u>	
Deferred Inflows - Pension	12,351
<u>NET POSITION</u>	
Net Investment in Capital Assets	1,237,960
Restricted for Capital Projects	177,043
Unrestricted	(790,415)
Total Net Position	\$ 624,588

See independent auditor's report and notes to the financial statements.

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Total</u> <u>Water & Sewer</u>
<u>Operating Revenues</u>	
Water Charges	\$ 231,914
Sewer Chargers	73,699
Penalties/Service Charges	4,940
Other Revenues	23,145
Total Operating Revenues	333,698
<u>Operating Expenses</u>	
Personnel Services	161,793
Materials and Supplies	9,466
Repairs and Maintenance	40,421
Other Services & Charges	106,957
Depreciation	97,087
Total Operating Expenses	415,724
<u>Operating Income (Loss)</u>	(82,026)
<u>Non-Operating Revenues (Expenses)</u>	
Ad Valorem Taxes	29,048
Interest Expense	(52,276)
Interest Earnings	1,536
Total Non-Operating Revenues (Expenses)	(21,692)
Income (Loss) Before Transfers	(103,718)
Other Financing Sources (Uses)	
Transfers In	61,132
Transfers Out	-
	61,132
<u>Changes in Net Position</u>	(42,586)
Net Position - Beginning of the Year	667,174
NET POSITION - END OF THE YEAR	\$ 624,588

See independent auditor's report and notes to the financial statements.

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Total</u> <u>Water & Sewer</u>
<u>Cash Flows From Operating Activities</u>	
Receipts from Customers	\$ 349,770
Payments to Suppliers	(149,992)
Payments to Employees	(182,255)
Net Cash Provided by Operating Activities	17,523
<u>Cash Flows From Noncapital Financing Activities</u>	
Increase in Customer Deposits	3,032
Non-Operating Transfers (Net)	50,928
Net Cash Provided by Noncapital Financing Activities	53,960
<u>Cash Flows From Capital and Related Financing Activities</u>	
Acquisition of Capital Assets	(5,237)
Receipt of Ad Valorem Taxes	38,548
Principal Paid on Bonds	(52,292)
Payments for Interest on Long-Term Financing	(50,218)
Net Cash Used by Capital and Related Financing Activities	(69,199)
<u>Cash Flows From Investing Activities</u>	
Interest Received	28
<u>Net Increase in Cash and Cash Equivalents</u>	2,312
Cash and Cash Equivalents at Beginning of Year	61,772
<u>CASH AND CASH EQUIVALENTS AT END OF YEAR</u>	<u>\$ 64,084</u>
Classified As:	
Cash	\$ 7,557
Meter Deposits	54,070
Water Sinking and Reserve Accounts	2,457
<u>NET CASH AND CASH EQUIVALENTS</u>	<u>\$ 64,084</u>

See independent auditor's report and notes to the financial statements.

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Total</u> <u>Water & Sewer</u>
<u>Reconciliation of Operating Loss to Net Cash</u>	
<u>Provided (Used) by Operating Activities:</u>	
Operating Income (Loss)	\$ (82,026)
Adjustments to Reconcile Net Losses to Net	
Cash Provided (Used) by Operating Activities	
Depreciation	97,087
(Increase) Decrease in Accounts Receivable	16,071
Increase (Decrease) in Pension Related Items	(20,462)
Increase (Decrease) in Accounts Payable	6,853
Total Adjustments	<u>99,549</u>
<u>Net Cash Provided (Used) by Operating Activities</u>	<u><u>\$ 17,523</u></u>

See independent auditor's report and notes to the financial statements.

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Introduction

The Town of Ringgold was incorporated under the provisions of the Lawrason Act (Louisiana Revised Statutes 33:321-463). The Town is located in the parish of Bienville 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 Town provides the following services as authorized by its charter: police and fire protection, water and sewerage, streets, and general administrative services.

GASB Statement No. 14, The Reporting Entity established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Town is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent means that the Town may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt.

Note 1 - Summary of Significant Accounting Policies

The accompanying financial statements of the Town have been prepared in conformity with U.S. generally accepted accounting principles 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.

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and Intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 1 - Summary of Significant Accounting Policies (continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivables due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Town reports the following governmental funds:

General Fund - is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Special Revenue Fund - is used to account for the receipt and use of the Town's two percent (2%) sales and use tax levied by the Town of Ringgold that is legally restricted to expenditures for specific purposes.

The Town reports the following proprietary funds:

Water and Sewer Fund - is used to account for the provision of water and sewer services to the 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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 1 - Summary of Significant Accounting Policies (continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(continued)

Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

The content and certain titles of the GWFS were changed upon the adoption by the Town in 2012 of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement provides reporting guidance for deferred outflows of resources and deferred inflow of resources, and adds them, when applicable, as elements of the GWFS, because they are distinct from assets and liabilities. In addition, because these additional elements may affect the residual amount of all the elements presented in a statement of financial position, GASB 63 renames that measure as net position rather than net assets. The Town had deferred outflows and inflows of resources at December 31, 2017, related to pensions.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of those charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds' principal ongoing operations. The principal operating revenues of the proprietary funds include water and sewer services to the residents of the Town. Operating expenses for enterprise funds include the costs of sales and services, administrative expenses, supplies, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Deposits and Investments

The Town's cash and cash equivalents are considered to be demand deposits, interest-bearing demand deposits, and investments with original maturities of three months or less from the date of the acquisition. State law and the Town's investment policy allows the Town to invest in collateralized

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 1 - Summary of Significant Accounting Policies (continued)

C. Deposits and Investments (continued)

certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities. Investments for the Town are reported at fair value. The state investment pool (LAMP) operates in accordance with state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

D. Receivables and Payables

Activity between the funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

In the government-wide financial statement, receivables consist of all revenues earned at year end and not yet received. Major receivables for the governmental activities include franchise taxes and sales and use taxes. Business-type activities report customers’ utilities service charges as its major receivables. Uncollectible amounts due for ad valorem taxes and customers’ utility accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the collectability of the particular receivable.

E. Restricted Assets

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 20th 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.
3. There shall be set aside into “Revenue Bond Reserve Fund.” A sum at least equal to five percent (5%) of the principal and interest payments required by paragraph (2)

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 1 - Summary of Significant Accounting Policies (continued)

E. Restricted Assets (continued)

4. above, and shall continue until there has been accumulated in the Reserve Fund a sum equal to the highest combined principal and interest falling due in any year on the Bond. The money is to be retained solely for the purpose of paying principal and interest on bonds payable from the Revenue Bond and Interest Sinking Fund as to which there would otherwise be default.
5. Funds shall be set aside into a "Revenue Bond Depreciation and Contingency Fund," monthly the sum of \$122 for the Sewer Bond. Money in the Depreciation and Contingency Fund shall be used to care for depreciation, extensions, additions, improvements, and replacements necessary to operate the system properly. Money shall also be used to pay the principal and interest on the bond for which there is not sufficient money in the Revenue Bond and Interest Sinking Fund or the Bond Reserve Fund and Interest Fund or the Bond Reserve Fund, but if so used, such money shall be 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 sued 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. The amounts shall be deposited into the Principal Account as necessary to pay principal of the Bonds.

Restricted assets include cash and cash investments in the Proprietary Funds which are restricted to their use. These restrictions are principally related to requirements of bond issues and utility meter deposits. It is the Town's policy to use restricted assets before unrestricted assets for their intended purposes.

F. Capital Assets

Capital Assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital Assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Town maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 1 - Summary of Significant Accounting Policies (continued)

F. Capital Assets (continued)

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Building Improvements	10-40 Years
Improvements other than Buildings	10-33 Years
Vehicles	5-15 Years
Equipment	5-10 Years

G. Compensated Absences

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 leaves an employee may have at any time is twenty days. Sick leave may be used only after it has been earned. No payments will be made for unused sick leave.

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 1,500 hours in the service year preceding his anniversary date. Earned vacation can be accrued by one year and must be used the following year or be lost. 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.

H. Long-Term Obligations

In the government-wide financial statements, and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

I. Fund Equity

The Town implemented GASB 54 in a prior year. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on government's fund balance more transparent. When fund balance resources are available for a specific purpose in multiple classifications the Town would use the most restrictive funds first in the following order:

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 1 - Summary of Significant Accounting Policies (continued)

I. Fund Equity (continued)

restricted, committed, assigned, and unassigned as they are needed. However, it reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds. There are no material reservations or designations for the year ended December 31, 2020.

J. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from the estimates.

K. Risk Management

The Town is exposed to various risks related to torts: theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the Town maintains commercial insurance policies covering its vehicles, professional liability and surety bond coverage. No claims were paid on any of the policies which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 2020.

L. Sales Tax

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

Revenues derived from the remaining 1% sales and use taxes 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 the sewerage collection lines have been constructed which will permit all residence within the town to be connected with such collection lines, then said 25% is to be used for acquiring, constructing,

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 1 - Summary of Significant Accounting Policies (continued)

L. Sales Tax (continued)

improving, operating and /or maintain 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, building, 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 purpose of the Town.

Note 2 - Stewardship, Compliance, and Accountability

Budget Information – The Town adopted budgets for the years ended December 31, 2020, for the General Fund and Special Revenue Fund on a basis consistent with generally accepted accounting principles (GAAP). The Town follows the following procedures in establishing the budgetary data reflected in the financial statements. During the December meeting, the Town Clerk submits to the board of aldermen a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and expenses and the means of financing them. During the December meeting, the budget is legally enacted through passage of an ordinance. The public is invited to attend all meetings. The Town Clerk is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures or expenses of any fund must be approved by the board of aldermen. Appropriations lapse at the end of the year.

Note 3 - Cash and Cash Equivalents

At December 31, 2020, the Town has cash and cash equivalents (book balances) totaling \$118,016 as follows:

Demand Deposits	\$ 114,523
Interest-Bearing Demand Deposits	<u>3,493</u>
Total	\$ 118,016

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance, or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must always equal the amount on deposit with the fiscal agent. These securities are held

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 3 - Cash and Cash Equivalents (continued)

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, 2020, the Town has \$153,294 in deposits (collected bank balances). These deposits are secured from risk by \$153,294 of federal deposit insurance and \$-0- of pledge securities held by the custodial bank in the name of the fiscal agent bank. (GASB Category 3).

Even though any pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Town that the fiscal agent has failed to pay deposited funds upon demand.

Note 4 - Investments

Certificates of Deposit – Investments include one certificate of deposit with a maturity of six months that has been included as investments on the basic financial statements. Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the Town or its agent in the Town's name
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Town's name
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the town's name

At fiscal year-end, the Town's investment balances were as follows:

<u>Type of Investment</u>	<u>Category</u>		
	<u>1</u>	<u>2</u>	<u>3</u>
Certificate of Deposit	<u>\$ 14,058</u>	<u>-</u>	<u>-</u>
Total Investments	<u><u>\$ 14,058</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

<u>Carrying Amount</u>			
<u>Fair Value</u>	<u>Amortized Cost</u>	<u>Cost</u>	<u>Total</u>
<u>\$ 14,058</u>	<u>-</u>	<u>-</u>	<u>\$ 14,058</u>
<u><u>\$ 14,058</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>\$ 14,058</u></u>

LAMP – The Town has the following amounts invested with the Louisiana Asset Management Pool, Inc (LAMP) as of December 31, 2020:

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 4 - Investments (continued)

General Fund	\$ -
Enterprise Fund	-
Sales Tax Fund	-
Total	<u>\$ -</u>

Investments held at the Town include \$0 in the LAMP, a local government investment pool. In accordance with GASB Code Sec. 150.126, the investment in LAMP at the Town is not categorized in the three risk categories provided by GASB Code Sec. 150.125 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 one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those 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. 512, Act 701) enacted LSA-R.S. 33:19SS(A)(I)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "Investment grade (A-I/P-I) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to no more than 60 days and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

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.

Hancock Bank Reserves – 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

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 4 - Investments (continued)

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 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, 2020, are as follows:

Debt Reserve	\$ 65,240
Interest Account	42,009
Principal Account	<u>13,267</u>
Total	<u>\$ 120,516</u>

Red River Valley Bidco, Inc. – On August 19, 2002, the Town purchased 100 shares of Preferred Series A stock in Red River Valley Bidco, Inc. for \$10,000. The investment was made to participate in funding Red River Valley Bidco, 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 10-parish area of Northwest Louisiana. Red River Valley Bidco, 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 rule. The value of the Town's investment in this stock may change over time due to its share of the venture's net income or loss. During 2020, the Town received \$-0- in non-dividend distributions as a return of capital, resulting in a value of \$1,684 at December 31, 2020. As of December 31, 2020, it was estimated that there was no change in the fair value of the investment in Red River Valley Bidco, Inc. over the original investment.

Note 5 - Receivables

The receivables of \$159,398 at December 31, 2020, are as follows:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Water and Sewer Fund</u>	<u>Total</u>
Taxes				
Ad Valorem	\$ 5,311	\$ -	\$ 10,559	\$ 15,870
Sales and Use	-	79,086	-	79,086
Other Taxes, Penalties, and Interest	411	-	-	411
Accounts	-	-	37,920	37,920
Other	<u>26,111</u>	<u>-</u>	<u>-</u>	<u>26,111</u>
Total	<u>\$ 31,833</u>	<u>\$ 79,086</u>	<u>\$ 48,479</u>	<u>\$159,398</u>

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 5 – Receivables (continued)

All receivables are considered fully collectible and, therefore, no allowance for uncollectible amounts is provided. If amounts become uncollectible, they are charged to operations when that determination is made.

Note 6 – Ad Valorem Taxes

For the year ended December 31, 2020, taxes of \$55,538 were levied on property with assessed valuations totaling \$3,376,195 and were dedicated as follows:

General Corporate Purposes	6.510 Mills
10-Year Water Maintenance Tax	4.970 Mills
10-Year Sewer Maintenance Tax	4.970 Mills

The following are the principal taxpayers and related property tax revenue for the Town:

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>	<u>Ad Valorem Tax Revenue for Town</u>
Ringgold Property Company	Real Estate	464,468	13.76%	7,641
Bank of Montgomery	Financial Institute	417,012	12.35%	6,860
RDS National Group	Commercial	202,950	6.01%	3,339
Total		<u>1,084,430</u>	<u>32.12%</u>	<u>17,840</u>

Ad valorem taxes are attached as an enforceable lien on property as of January 1st of each year. Taxes are levied by the Town in September or October and are billed to the taxpayer in November. Billed taxes become delinquent on January 1st 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 value determined by the Bienville parish tax assessor.

Note 7 – Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of December 31, 2020, is as follows:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 461,245	\$ 392,138
Sales Tax	497,977	-
Water and Sewer Fund	-	567,084
Total	<u>\$ 959,222</u>	<u>\$ 959,222</u>

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 8 – Capital Assets

Capital assets and depreciation activity as of and for the period ended December 31, 2020, (beginning January 1, 2020), for the primary government is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 29,913	\$ -	\$ -	\$ 29,913
Capital Assets Being Depreciated:				
Buildings And Improvements	171,359	-	-	171,359
Vehicles	160,951	-	-	160,951
Machinery And Equipment	79,842	-	-	79,842
Total Capital Assets Being Depreciated	412,152	-	-	412,152
Less-Accumulated Depreciation	<u>(264,831)</u>	<u>(17,930)</u>	<u>-</u>	<u>(282,761)</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 147,321</u>	<u>\$ (17,930)</u>	<u>\$ -</u>	<u>\$ 129,391</u>
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,926	\$ -	\$ -	\$ 1,926
Capital Assets Being Depreciated:				
Improvements Other Than				
Buildings	5,140,268	-	-	5,140,268
Vehicles	77,107	-	-	77,107
Machinery And Equipment	295,156	5,237	-	300,393
Total Capital Assets Being Depreciated	5,512,531	-	-	5,517,768
Less-Accumulated Depreciation	<u>(3,511,476)</u>	<u>(97,087)</u>	<u>-</u>	<u>(3,608,563)</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 2,001,055</u>	<u>\$ (91,850)</u>	<u>\$ -</u>	<u>\$ 1,909,205</u>

Note 9 – Long-Term Obligations

Depreciation expenses of \$17,930 and \$97,087 for the year ended December 31, 2020, was charged to general fund and water and sewer fund, respectively.

The following summary of the long-term obligation transactions for the year ended December 31, 2020:

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 9 – Long-Term Obligations (continued)

	Water Revenue Refunding Bonds	Sewer Revenue Bonds	Total
Long-Term Obligations at 1/1/2020	\$ 447,000	\$ 286,883	\$ 733,883
Additions	-	-	-
Deductions	40,000	12,992	52,992
Long-Term Obligations at 12/31/2020	<u>\$ 407,000</u>	<u>\$ 273,891</u>	<u>\$ 680,891</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of December 31, 2020:

	Water Revenue Refunding Bonds	Sewer Revenue Bonds	Total
Current Portion	\$ 42,000	\$ 13,688	\$ 55,688
Long-Term Portion	365,000	260,203	625,203
Total	407,000	273,891	680,891
Less-Unamortized Bond Discount	(7,720)	-	(7,720)
Long-Term Obligations	<u>\$ 399,280</u>	<u>\$ 273,891</u>	<u>\$ 673,171</u>

The Bonds payable at December 31, 2020, are 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 5.500% due in semiannual installments through January 1, 2028.	\$ 407,000	\$ 80,957
\$459,000 Sewer Revenue Bonds, dated 12/14/94, bearing interest at 5.25% due in monthly installments of \$2,309 through 12/24/34.	273,891	114,128
Total	<u>\$ 680,891</u>	<u>\$ 195,085</u>

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 9 – Long-Term Obligations (continued)

The annual requirements to amortize all debt outstanding at December 31, 2020, including interest of \$875,976 are as follows:

Year Ending December 31,	Water Revenue Refunding Principal	Sewer Revenue Principal	Interest	Total
2021	\$ 42,000	\$ 13,688	\$ 35,248	\$ 90,936
2022	44,000	14,424	32,146	90,570
2023	47,000	15,200	28,868	91,068
2024	49,000	16,017	25,411	90,428
2026-2030	225,000	93,972	56,974	375,946
2031-2035	-	120,590	16,438	137,028
Total	<u>\$ 407,000</u>	<u>\$273,891</u>	<u>\$ 195,085</u>	<u>\$ 875,976</u>

Note 10 – Retirement

Substantially all employees of the Town 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:

1. Pension and Retirement Plans

Effective December 31, 2015, the Town implemented Governmental Accounting Standards Board Statement No. 68, Accounting for Financial Reporting and Pensions – an amendment of GASB Statement No. 27, and Statement No. 71- Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68. These statements required the Town to recognize its proportionate share of the net pension liability for the four defined benefit plans in which its employees participate.

Cost-Sharing Multiple-Employer Retirement Systems

The Town participates in two state-administered cost-sharing multiple-employer retirement systems: Municipal Employee's Retirement System (MERS) and Municipal Police Employee's Retirement System (MPERS) of the State of Louisiana. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Article 10, Section 29 of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions to the state legislature. The systems issue annual, publicly available financial reports that include financial statements and required supplementary information for the systems. Although separately administered by their respective boards of trustees, these systems are

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 10 – Retirement (continued)

established and regulated by acts of the Louisiana Legislature with respect to membership and contribution requirements, plan benefits, and actuarial determination of funding requirements as provided by the state constitution. The Town of Ringgold implemented Government Accounting Standards Board (GASB) Statement 68 on Accounting and Financial Reporting for Pensions and Statement 71 on Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB 68. Additional disclosures with respect to GASB 68 to the Town's participation in this system are provided below. The reports for MERS and MPERS may be obtained at www.mersla.com and www.lampers.org, respectively.

Municipal Police Employee's Retirement System

All full-time police department employees engaged in law enforcement are required to participate in the Municipal Police Employee's Retirement System. The System is the administrator of a cost-sharing multiple-employer plan. 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 Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (225) 929-7411.

Membership Prior to January 1, 2013

A Member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years creditable service and is age 55. A member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age with an actuarially reduced benefit.

Benefit rates are three and one-third percent of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from forty to sixty percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives benefits equal to 10 percent of the members' average final compensation or \$200 per month, whichever is greater.

Membership Commencing January 1, 2013

Member eligibility for regular retirement, early retirement, disability and survivor benefits are based on Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the Non-Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60/ Under both sub plans, a member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55.

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 10 – Retirement (continued)

Under the Hazardous and Non-Hazardous Duty sub plans, the benefit rates are three percent and two and a half percent, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from twenty-five to fifty-five percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives ten percent of the average final compensation or \$200 per month whichever is greater. If deceased member had less than ten years of service, beneficiary will receive a refund of employee contributions only.

Cost of Living Adjustments

The Board of Trustees is authorized to provide annual cost-of-living adjustments computed on the amount of the current regular retirement, disability, beneficiary or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility.

No regular retiree, survivor or beneficiary shall be eligible to receive a cost-of-living adjustment until benefits have been received at least one full fiscal year and the payment of such COLA, when authorized, shall not be effective until the lapse of at least one-half of the fiscal year.

Members who elect early retirement are not eligible for a cost-of-living adjustment until they reach regular retirement age.

Deferred Retirement Option Plan

A member is eligible to elect to enter the deferred retirement option plan (DROP) when he is eligible for a cost-of-living adjustment until they reach regular retirement age.

Deferred Retirement Option Plan

A member is eligible to elect to enter the deferred retirement option plan (DROP) when he is eligible for regular retirement based on the members' sub plan participation. Upon filing the application for the program, the employee's active membership in the System is terminated. At the entry date into the DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participation at date of application. The duration of participation in the DROP is thirty six months or less. If employment is terminated after the three-year period the participant may receive his benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership into the System shall resume and upon later termination, he shall receive additional retirement benefit based on the additional service. For those eligible to enter DROP participation at a rate of half of one percentage point below the percentage rate of return of the

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 10 – Retirement (continued)

System's investment portfolio as certified by the actuary on an annual basis but will never lose money. For those eligible to enter DROP subsequent to January 1, 2024, an irrevocable election is made to earn interest based on the System's investment return. This could result in a negative earnings rate being applied to the account. If the member elects a money market investment return, the funds are transferred to a government money market account.

Initial Benefit Option Plan

In 1999, the State Legislature authorized the System to establish an Initial Benefit Option Program. Initial Benefit Option is available to members who are eligible for regular retirement and have not participated in DROP. The Initial Benefit Option program provides both a one-time single sum payment of up to 36 months of regular monthly retirement benefit, plus a reduced monthly retirement for life. Interest is computed on the balance based on same criteria as DROP.

Contributions

Plan members are required by state statute to contribute 10% of their annual covered salary and the Town of Ringgold is required to contribute at an actuarially determined rate. The current rate for the year ended December 31, 2020, was 33.75% of annual covered payroll. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of Ringgold, Louisiana's contributions to the System, for the year ending December 31, 2020 was \$48,181.

The System also receives insurance premium tax monies as additional employer contributions. The tax is considered supported from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions during the measurement period of \$10,703 is recognized as revenue and is excluded from pension expense for December 31, 2020.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2020, the Town reported a liability of \$453,808 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the Town's proportion was 0.049101% which was a decrease of 0.008278% from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the Town recognized pension expense of \$30,569 representing its proportionate share of the System's net expense, including amortization of deferred amounts.

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 10 – Retirement (continued)

At December 31, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ -	\$ 17,875
Changes in Assumptions	10,784	11,199
Net Difference between Projected and Actual Earnings on Pension Plan Investment	54,443	-
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	11,448	108,171
Employer Contributions Subsequent to the Measure Date	27,173	-
Total	\$ 103,848	\$ 137,245

The Town reported a total of \$27,173 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2020, which will be recognized as a reduction in net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2021	\$ (32,304)
2022	(31,731)
2023	(6,876)
2024	10,341
	<u>\$ (60,570)</u>

Actuarial Methods and Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2020 are as follows:

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal Cost
Investment Rate of Return	6.950%, Net of Investment Expense
Expected Remaining Service Lives	4 Years
Inflation Rate	2.50%

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 10 – Retirement (continued)

	<u>Years of Service</u>	<u>Salary Growth Rate</u>
Salary Increase, including	1 & 2	12.30%
Inflation and Merit	Above 2	4.70%

The forecasted long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The resulting forecasted long-term rate of return is 7.19% for the year ended June 30, 2020.

Best estimates of arithmetic nominal rates of return for each major asset class included in the System's target allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Equity	48.50%	3.08%
Fixed Income	33.50%	0.54%
Alternatives	18.00%	1.02%
Other	0.00%	0.00%
Totals	100.00%	4.64%
Inflation		
Expected Arithmetic Nominal		2.55%
Return		7.19%

The discount rate used to measure the total pension liability was 6.950%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendations of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period July 1, 2014 through June 30, 2019 and review of similar law enforcement mortality. The data was then assigned credibility weighting and combined with a

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 10 – Retirement (continued)

standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

Sensitivity to Changes in Discount Rate

The following present the Town's proportionate share of the net pension liability calculated using the discount rate of 6.950%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.950%) or one percentage point higher (7.950%) than the current rate:

	1% Decrease 5.950%	Current Discount Rate 6.950%	1% Increase 7.950%
Town's Proportionate Share of the Net Pension Liability	\$ 637,551	\$ 453,808	\$ 300,206

Municipal Employees' Retirement System of Louisiana

The Municipal Employees' Retirement System of Louisiana is the administrator of a cost-sharing multiple-employer defined benefit pension plan. The System was originally established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana.

The System provides retirement benefits to employees of all incorporated villages, towns and cities within the State which do not have their own retirement System, and which elect to become members of the System.

The following is a description of the plan and its benefits and is provided for general information purposes only. The Town is a contributing municipality of Plan A.

Eligibility Requirements:

Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least thirty-five hours per week. Those individuals paid jointly by a participating employer and the parish are not eligible for membership in the System with exceptions as outlined in the statutes.

Retirement Benefits

1. Any age with twenty-five (25) or more years of creditable service.
2. Age 60 with a minimum of ten (10) years of creditable service.
3. Any age with five (5) years of creditable service eligible for disability benefits.

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 10 – Retirement (continued)

4. Survivor's benefits require five (5) years creditable service at death of member.
5. Any age with 20 years of creditable service, exclusive of military service with an actuarially reduced early benefit.

Eligibility for Retirement for Plan A members hired on or after January 1, 2013 is as follows:

1. Age 67 with seven (7) or more years of creditable service
2. Age 62 with ten (10) or more years of creditable service
3. Age 55 with thirty (30) or more years of creditable service

Any age with twenty five years of creditable service, exclusive of military service and unused side leave. However, any member retiring under this subsection shall have their benefit actuarially reduced from the earliest age of which the member would be entitled to a vested deferred benefit under any provision of this section, if the member had continued in service to that age.

Generally, the monthly amount of the retirement allowance for any member of Plan A shall consist of an amount equal to three percent of the member's monthly average final compensation multiplied by his years of creditable service. However, under certain conditions as outlined in the status, the benefits are limited to specified amounts.

Survivor Benefits

Upon death of any member of Plan A with five (5) or more years of creditable service, not eligible for retirement, the plan provides for benefits for the surviving spouse and/or minor children as outlined in the statutes.

Any member of Plan A who is eligible for normal retirement at time of death and who leaves a surviving spouse will be deemed to have retired and selected Option 2 benefits on behalf of the surviving spouse on the date of death. Such benefits will begin only upon proper application and are paid in lieu of any other survivor benefits.

DROP Benefits:

In lieu of terminating employment and accepting a service retirement allowance, any member of Plan A or B who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable, but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund. Interest is earned when the member has completed DROP participation. Interest earnings are based upon that actual rate of return on the investment identified as DROP funds for the period. In addition, no cost-of-living increases are payable to participants until employment, which made them eligible to become members of the System has been terminated for at least one full year.

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 10 – Retirement (continued)

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the board of trustees. If a participant dies during participation in the DROP, a lump sum equal to the balance in his account shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the DROP fund cease and the person resumes active contributing membership in the System.

Disability Benefits:

For Plan A, a member shall be eligible to retire and receive a disability benefit if he has at least five years of creditable service, is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of forty-five percent of his final average compensation or three percent of his final average compensation multiplied by his years of creditable service whichever is greater or an amount equal to three percent of the member's final average compensation multiplied by his years of creditable service projected to his earliest normal retirement age.

Cost of Living Increases

The System is authorized under state law to grant a cost-of-living increase to members who have been retired for a least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income more than normal requirements. State law allows the System to grant an additional cost of living increase to all retirees and beneficiaries who are age sixty-five and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.

Deferred Benefits:

Both plans provide for deferred benefits for members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable. Benefits are based on statutes in effect at time of withdrawal.

Contributions

Plan members are required by state statute to contribute 9.5% of their annual covered salary and the Town of Ringgold is required to contribute at an actuarially determined rate. The current rate for the year ended December 31, 2020 was 29.5% of annual covered payroll. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 10 – Retirement (continued)

prior fiscal year. The Town of Ringgold, Louisiana's contributions to the System, for the year ending December 31, 2020, was \$44,804.

In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities but are not considered special funding situations. Non-employer contributions of \$5,568 during the measurement period are recognized as revenue and are excluded from pension expense for December 31, 2020.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2020, the Town reported a liability of \$354,844 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2020, the Town's proportion was 0.082075% which was a decrease of 0.05889% from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the Town recognized pension expense of \$16,011, representing its proportionate share of the System's net expense, including amortization of deferred amounts.

At December 31, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows or Resources</u>
Difference between Expected and Actual Experience	\$ 165	\$ 2,012
Changes of Assumptions	5,970	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	35,411	-
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	-	18,528
Employer Contributions subsequent to the Measurement Date	23,087	-
Total	<u><u>\$ 64,633</u></u>	<u><u>\$ 20,540</u></u>

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 10 – Retirement (continued)

The Town reported a total of \$23,087 as deferred outflow of resources related to pension contributions made after the measurement period of June 30, 2020, which will be recognized as a reduction in net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:		
2021	\$	3,796
2022		3,973
2023		8,046
2024		5,190
	\$	<u>21,005</u>

Actuarial Methods and Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2020, are as follows:

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal Actuarial Assumptions:
Investment Rate of Return	6.95%, Net of Investment Expense
Projected Salary Increases	-1 to 4 Years Service: 6.40% (2.50% Inflation, 3.90% Merit) -4+ Years Service: 4.50% (2.50% Inflation, 2.00% Merit)
Mortality Rates	PubG-2010(B) Employee Table for Active Members PubG-2010(B) Healthy Annuitant Table for Healthy Annuitants PubNS-2010(B) Disabled Lives Mortality Tables for Disabled Annuitants
Expected Remaining Service Lives	3 Years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases, not yet authorized by the Board of Trustees.

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 10 – Retirement (continued)

The mortality rate assumption used was verified by combining data from this plan with three other statewide plans which have similar workforce composition to produce a credible experience. The aggregated data was collected over the period July 1, 2013, through June 30, 2018. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality was compared to those produced by using a setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.70% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 6.95% for the year ended June 30, 2020.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2020, are summarized in the following table:

Asset Class	Long-Term Target Asset Allocation	Expected Portfolio Real Rate Return
Public Equity	53%	2.33%
Public Fixed Income	38%	1.67%
Alternatives	9%	0.40%
Totals	100%	4.40%
Inflation		2.60%
Expected Arithmetic Nominal Return		7.00%

The discount rate used to measure the total pension liability was 6.95%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PERSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Note 10 – Retirement (continued)

Sensitivity to Changes in Discount Rate

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.95%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.95%) or one percentage point higher (7.95%) than the current rate:

	Changes in Discount Rate		
	1% Decrease 5.95%	Current Discount Rate 6.95%	1% Increase 7.95%
Town's Proportionate Share of the Net Pension Liability	\$ 461,613	\$ 354,844	\$ 264,566

Other Retirement Plans

For employees who do not qualify to participate in either the Municipal Employees Retirement System or the Municipal Police Employees 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 (maximum match of 7.5%) are calculated using the same percentage contributed for members of municipal systems based on department of employee.

Note 11 – Contingent Liabilities

The Town is exposed to a variety of risks that may result in losses. These risks include possible loss from acts of God, injury to employees, property damage, or breach of contract. The Town finances these potential losses through purchasing insurance from several commercial companies. The level of coverage has remained constant. The Town is not a member of a risk pool. The Town has a pending lawsuit involving a previous employee. All claims currently filed are adequately covered by the policies in place with no outstanding liabilities expected for the Town.

Note 12 – On Behalf Payments for Salaries

The Town recognizes as general fund revenues and expenses supplemental pay made by the State of Louisiana to the Town's police employees. For the year December 31, 2020 and 2019, the State made contributions of \$23,250 and \$23,583, respectively.

Note 13 – Subsequent Events

In preparing these financial statements, the Town has evaluated events and transactions for potential recognition or disclosure through April 24, 2025, the date the financial statements were available to be issued. During 2024, the Town failed to renew the millage rates for the water and sewer maintenance tax. Until appropriate actions are taken, there will be no tax revenues collectable, beginning in 2025.

REQUIRED SUPPLEMENTAL INFORMATION (PART B)

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted Amounts</u>			Variance With Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
BUDGETARY FUND BALANCE BEGINNING OF YEAR	\$ 87,086	\$ 87,086	\$ 46,893	\$ (40,193)
Resources				
Taxes:				
Ad Valorem Tax	26,000	26,000	30,004	4,004
Beer License Tax	1,500	1,500	1,289	(211)
Insurance Premium Tax	37,500	37,500	38,118	618
Franchise Fees	82,000	82,000	78,143	(3,857)
Licenses and Permits	12,500	12,500	7,650	(4,850)
Fines and Forfeitures	100,000	100,000	46,920	(53,080)
Use of Money & Property	55,000	55,000	192,236	137,236
Intergovernmental	1,250	1,250	250	(1,000)
Miscellaneous	1,250	1,250	2,800	1,550
Transfers From Other Funds	325,500	325,500	357,930	32,430
Total Resources	<u>642,500</u>	<u>642,500</u>	<u>755,340</u>	<u>112,840</u>
Amounts Available for Appropriations	<u>729,586</u>	<u>729,586</u>	<u>802,233</u>	<u>72,647</u>
Charges to Appropriations				
Current				
General Government	306,530	306,530	289,847	16,683
Police Protection	333,075	333,075	354,402	(21,327)
Parks: Culture and Recreation	2,750	2,750	4,490	(1,740)
Transfers To Other Funds	-	-	10,000	(10,000)
Total Charges to Appropriations	<u>642,355</u>	<u>642,355</u>	<u>658,739</u>	<u>(16,384)</u>
BUDGETARY FUND BALANCE END OF YEAR	<u>\$ 87,231</u>	<u>\$ 87,231</u>	<u>\$ 143,494</u>	<u>\$ 56,263</u>

See independent auditor's report and notes to the financial statements.

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Schedule 1</u>			
	<u>Budgeted Amounts</u>			<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
	<u>Budget</u>	<u>Budget</u>		<u>Positive</u>
				<u>(Negative)</u>
BUDGETARY FUND BALANCE				
BEGINNING OF YEAR	\$ 557,526	\$ 557,526	\$ 577,491	\$ 19,965
Resources				
Taxes	-	-	419,565	419,565
Interest Income	-	-	25	25
Total Resources	-	-	419,590	419,590
Amounts Available for Appropriations	557,526	557,526	997,081	439,555
Charges to Appropriations				
General Government	-	-	10,607	(10,607)
Other Financing Sources				
Transfers To Other Funds	-	-	409,062	(409,062)
BUDGETARY FUND BALANCE				
END OF YEAR	<u>\$ 557,526</u>	<u>\$ 557,526</u>	<u>\$ 577,412</u>	<u>\$ 859,224</u>

See independent auditor's report and notes to the financial statements.

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020

Note: General Budget Practices

A proposed budget is prepared and submitted by the Mayor to the Town Council prior to the beginning of each year. A proposed budget ordinance is published in the Town's official journal several weeks before the scheduled meeting to finalize the budgets. After budgets are published for public inspection, the budgets are adopted through the passage of the ordinance at the Town's December board meeting.

The operating budget is prepared on a basis used by the Town which is basically a cash basis. The Town prepares annual budgets for the general and enterprise funds. Budget amendments are approved by the Town Council and are also approved by ordinance.

All budgetary appropriations lapse at the end of each year.

TOWN OF RINGGOLD, LOUISIANA
RINGGOLD, LOUISIANA
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2020

Year Ending June 30,	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
<u>MERS</u>					
2020	0.082075%	354,844	156,250	227.10%	64.52%
2019	0.087964%	367,572	157,134	233.92%	64.68%
2018	0.116820%	377,481	167,617	225.20%	63.94%
2017	0.116820%	488,707	179,629	272.06%	63.49%
2016	0.117320%	480,861	215,020	223.64%	63.34%
2015	0.109566%	391,387	208,359	187.84%	66.18%
<u>MPERS</u>					
2020	0.049101%	453,808	145,452	312.00%	70.95%
2019	0.057379%	521,097	146,433	355.86%	71.01%
2018	0.071826%	607,221	213,520	284.39%	71.88%
2017	0.065907%	575,396	195,887	293.74%	70.08%
2016	0.070283%	658,750	166,346	396.01%	66.04%
2015	0.073010%	571,957	212,437	269.24%	70.73%

The schedule will contain ten years of historical information once such information becomes available.

See accompanying notes to required supplementary information and independent auditor's report.

TOWN OF RINGGOLD, LOUISIANA
RINGGOLD, LOUISIANA
SCHEDULE OF THE EMPLOYER'S PENSION CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2020

<u>Year Ending June 30,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Exmloyer's Covered Employee Payroll</u>	<u>Contributions as % of Covered Employee Payroll</u>
<u>MERS</u>					
2020	44,804	44,804	-	156,250	28.67%
2019	42,232	42,232	-	157,134	26.88%
2018	42,540	42,540	-	167,617	25.38%
2017	42,530	42,530	-	179,629	23.68%
2016	45,939	45,939	-	215,020	21.36%
2015	41,151	41,151	-	208,359	19.75%
<u>MPERS</u>					
2020	48,181	48,181	-	145,452	33.13%
2019	47,417	47,417	-	146,433	32.38%
2018	67,305	67,305	-	213,520	31.52%
2017	66,366	66,366	-	195,887	33.88%
2016	55,492	55,492	-	166,346	33.36%
2015	64,742	64,742	-	212,437	30.48%

The schedule will contain ten years of historical information once such information becomes available.

See accompanying notes to required supplementary information and independent auditor's report.

OTHER SUPPLEMENTAL INFORMATION

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO THE ELECTED OFFICIALS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Compensation</u>
Milton Vining, Mayor	\$ 12,000
Keith Johnson, Mayor Pro Tempore	5,400
Freddy Peterson, Chief of Police	39,000
Sarah Allums, Alderwoman	4,200
Alan Clayborn, Alderman	4,200
Eddy Higginbotham, Alderman	4,200
Kenya Iverson, Alderwoman	4,200

See independent auditor's report and notes to the financial statements.

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS
AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2020

Agency Head

Milton Vining, Mayor

Salary	\$	12,000
--------	----	--------

Benefits

Benefits - Medicare & Social Security	918	
---------------------------------------	-----	--

Reimbursements	304	
----------------	-----	--

Travel	-	
--------	---	--

Total Benefits	-	1,222
----------------	---	-------

Total	\$	13,222
-------	----	--------

See independent auditor's report and notes to the financial statements.

REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*



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

Honorable Milton Vining, Mayor
Members of the Board of Alderman
Town of Ringgold, Louisiana

I have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, and each major fund, of the Town of Ringgold, Louisiana (the Town), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued my report thereon dated April 24, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, I do not express an opinion on the effectiveness of the Town's internal control.

My consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, significant deficiencies or material weaknesses may exist that were not identified. However, as described in the accompanying schedule of findings and responses, I identified one deficiency in internal control over financial reporting that I consider to be material weaknesses and one deficiency that I consider to be a significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. I consider the deficiency described in the accompanying schedule of findings and responses listed as 2020-01 to be a material weakness.



Honorable Milton Vining, Mayor
Members of the Board of Alderman
Town of Ringgold, Louisiana

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. I consider the deficiency described in the accompanying schedule of findings and responses listed as 2020-03 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2020-02 and 2020-04.

Town of Ringgold, Louisiana's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town's response to the findings identified in my audit and described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Maxwell CPA, LLC

Sterlington, Louisiana
April 24, 2025

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2020

Honorable Mayor and Board of Aldermen of
Ringgold, Louisiana

I have audited the financial statements of the governmental activities and each major fund of the Town of Ringgold, as of and for the year ended December 31, 2020, which collectively comprise the basic financial statements and have issued our report thereon dated April 25, 2025. I conducted my 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. My audit of the financial statements as of December 31, 2020, resulted in an unmodified opinion.

Section I- Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on the basic financial statements of the Town of Ringgold, Louisiana.
2. Two significant deficiencies relating to the audit of the basic financial statements are reported, one of which is considered to be a material weakness.
3. Two instances of noncompliance relating to the basic financial statements of the Town of Ringgold, Louisiana, were disclosed during the audit.
4. No federal single audit was required under Circular A-133 relating to the financial statements of the Town of Ringgold, Louisiana.

Section II - Financial Statement Findings

2020-01 Inadequate Segregation of Duties

Criteria:

Good internal control procedures require that an entity separate certain duties by personnel.

Condition:

Due to the small number of administrative personnel, the Town did not have adequate segregation of duties.

Cause:

The Town does not have the budget to hire additional staff to separate duties properly.

Effect:

The Town could be susceptible to misuse of its assets or fraud.

Recommendation:

The utility clerk and town clerk should receive training in the applicable software to be able to perform tasks as needed to maintain adequate internal controls. The Town should establish internal controls to monitor all receipts and disbursements. The Mayor and/or someone on the Town Council should review bank reconciliations and bank statements each month.

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020

2020-01 Inadequate Segregation of Duties (continued)

Management's Response:

Management agrees with the recommendations and intends to implement them immediately and provide training for the staff as deemed necessary.

2020-02 Compliance with Annual Filing Deadline

Criteria:

Louisiana Revised Statute 24:513 requires timely filing of annual reports within six months after the end of the fiscal year.

Condition:

The Town did not timely file its annual reports for the year ending December 31, 2020.

Cause:

The Town did not file its report for December 31, 2020, within six months of the end of its fiscal year.

Effect:

The Town was not in compliance with state statute.

Recommendation:

The Town should work with its outside accounting firm to get the financial information ready earlier so that it can be submitted to the Legislative Auditor in a timely manner.

Response:

In the future the Town will work with its contracted accounting firm to make sure that all financial information is available earlier in the year.

2020-03 Inadequate Cash Balance to Cover the Customer Meter Deposit Liability Balance

Criteria:

Louisiana law does not require a municipality to collect a meter deposit from utility customers. However, once established and deposits collected, the municipality should maintain a deposit account for deposit monies received.

Condition:

The Town's cash account set aside for water deposits had a balance that was approximately \$17,500 less than the related meter deposit liability at December 31, 2020.

Cause:

The Town did not maintain a cash balance equal to or in excess of this meter deposit liability. Funds were withdrawn on two occasions during the 2020 year totaling \$24K, with no corresponding reduction in the liability account. In fact, the meter deposit liability account increased by over \$3K during the year.

Effect:

The Town has a deficit of approximately \$17,500 in the cash account used to secure customer water meter deposits.

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020

2020-03 Inadequate Cash Balance to Cover the Customer Meter Deposit Liability Balance (continued)

Recommendation:

The Town should work towards increasing the water deposit cash account to match the respective liability balance.

Response:

The Town will work to increase the meter deposits cash balance until it is enough to cover the liability amount of customer deposits they are holding.

2020-04 Compliance with Local Government Budget Act

Condition:

For the year ended December 31, 2020, the Town's Sales Tax Fund's had unfavorable budget variances of more than 5%.

Criteria:

Louisiana Revised Statute 39:1311 requires that the Town's budget be amended if there is a 5% or greater overage in budgeted revenues as compared to actual revenues or a 5% or greater overage in actual expenditures as compared to budgeted expenditures.

Cause:

The Town did not amend the budget for the unfavorable variances.

Effect:

The Town was not in compliance with the Local Government Budget Act.

Recommendation:

The Town should monitor the budget closely and make amendments as needed to avoid having negative variances of greater than 5%.

Response:

The Town will monitor revenues and expenditures better throughout the year as compared to budgeted revenues and expenditures and amend budgets as necessary to be in compliance with Louisiana Revised Statute 39:1311.

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020

2019-01 Accounting Staff

Condition

As is common in small operations, management has chosen to engage the auditor to propose certain year-end adjusting journal entries and to prepare the Town's annual financial statements. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established, nor does management have the ability to perform these functions in-house. Under generally accepted auditing standards, this condition represents a control deficiency that is also considered to be a material weakness in internal controls

Recommendation

Whether or not it would be cost effective to correct a control deficiency is not a factor in applying SAS 115's reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all deficiencies reported under SAS 115.

Current Status

Finding was resolved in 2020.

2019-02 Inadequate Internal Control

Condition

In attempting to test certain revenue and disbursement of transactions to original documents for support, we determined the overall internal control for the Town is inadequate. This is a repeat finding.

Recommendation

We recommend the utility clerk and town clerk receive training in the applicable software to be able to perform tasks as needed to maintain adequate internal controls. We recommend the Town establish internal controls to monitor all receipts and disbursements.

Current Status

Finding is repeated as 2020-02.

2019-03 Filing of Audit Report

Condition

The audit report was not submitted to the Legislative Auditor within 180 days of the close of the entity's fiscal year as required by state statute.

Current Status

Finding is repeated as 2020-03.

TOWN OF RINGGOLD
RINGGOLD, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020 (continued)

2019-04 Budget Variance

Condition

The Town had unfavorable variances of more than 5% in its General Fund and Sales Tax Fund during the year. The Budget Act requires that budget be amended when variances exceed 5%.

Recommendation

We recommend that Town management monitor the budget throughout the year and make necessary amendments.

Current Status

Finding is repeated as 2020-04.