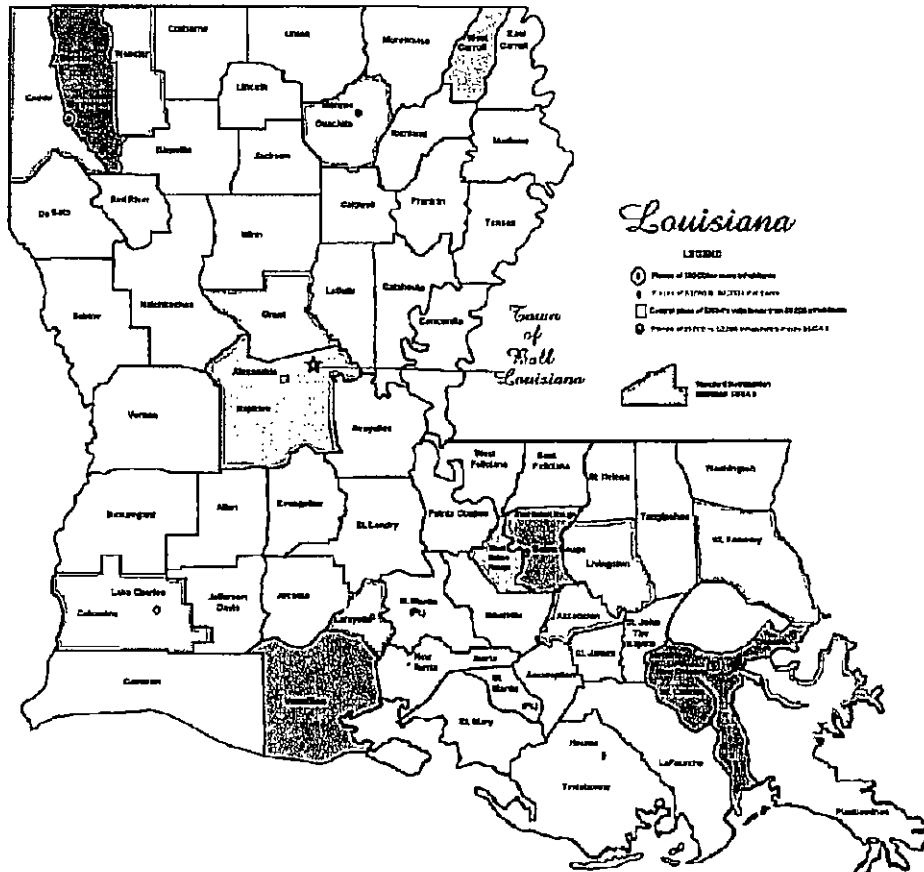


TOWN OF BALL, LOUISIANA
Basic Financial Statements
& Auditor's Report
For The Year Ended
December 31, 2009

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

Release Date 7/28/10

TOWN OF BALL, LOUISIANA



* The Town of Ball was incorporated May 31, 1972, under the provisions of the Lawrason Act. The Town operates under a Mayor-Board of Aldermen form of government. The accounting and reporting practices of the Town of Ball conform to generally accepted accounting principles as applicable to governmental units.

**TOWN OF BALL
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INDEPENDENT AUDITOR'S REPORT

The Honorable Roy Hebron, Mayor
& Members of the Town Council
Ball, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities and the aggregate remaining fund information of Town of Ball, Louisiana, as of and for the year ended December 31, 2009, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Ball, Louisiana's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and the aggregate remaining fund information of Town of Ball, Louisiana, as of December 31, 2009 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 1, 2010, on our consideration of the Town of Ball, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Town of Ball, Louisiana's basic financial statements. The graphs, supplemental statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The graphs, supplemental statements and schedules (except for that portion marked "unaudited" which was not audited by us, therefore, we do not express an opinion or any other form of assurance on it) have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

John R. Vercher PC

June 1, 2010
Jena, Louisiana

Town of Ball, Louisiana

PO Box 800

Ball, LA 71405

Telephone: (318) 640-9605

Fax: (318) 641-9847

MANAGEMENTS DISCUSSION AND ANALYSIS

As management of the Town, we offer readers of the Town of Ball's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2009. We encourage readers to consider the information presented here in conjunction with the Town's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Governmental Funds

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$2,444,009 (*net assets*). This is a \$278,748 or 13% increase from the previous year.
- The Town had total revenue of \$2,014,039, in which \$1,061,472 came from collection of taxes. This is a \$122,728 or 6% increase from last year's revenues.
- The Town had total expenditures of \$2,108,580. This is a \$379,785 or 22% increase from last year.

Enterprise Funds

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$6,514,331 (*net assets*). This is an \$869,063 or 15% increase from last year.
- The Town had total revenue of \$1,749,800, including operating revenues of \$943,851 and non-operating revenues of \$805,949. This is a \$650,404 or 59% increase from last year's total revenues.
- The Town had total expenses of \$1,069,490, in which \$1,039,278 was operating expenses and \$30,212 was non-operating expenses. This is a \$62,538 or 6% decrease from last year's total expenses.

MD&A

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements consist of two components: 1) fund financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The Town is a special-purpose entity engaged only in governmental activities. Accordingly, only fund financial statements are presented as the basic financial statements.

Effective, January 1, 2004, the Town adopted Governmental Accounting Standards (GASB) Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments*.

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

USING THIS ANNUAL REPORT

The Town's annual report consists of financial statements that show information about the Town's funds, enterprise funds and governmental funds.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. *Varying degrees of assurance are being provided by the auditor regarding the other information included in this report.* A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

Reporting the District's Most Significant Funds

The Town's financial statements provide detailed information about the most significant funds. The Town may establish other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other money. The Town's enterprise fund uses the following accounting approach:

All of the Town's services are reported in an enterprise fund. They are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The focus of proprietary funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

MD&A

**Balance Sheet
Governmental Funds**

The following table represents a condensed Comparative Balance Sheet as of December 31, 2009:

Assets	2008	2009	% Change
Current Assets	\$ 1,495,537	\$ 1,199,434	-20%
Capital Assets, Net	1,276,236	1,316,901	3%
Total Assets	2,771,773	2,516,335	-9%
Liabilities & Net Assets			
Liabilities			
Current Liabilities	155,552	71,746	-54%
Non-Current Liabilities	450,960	580	-100%
Total Liabilities	606,512	72,326	-88%
Net Assets			
Invested in Capital Assets, Net of Related Debt	733,294	1,309,537	79%
Unrestricted	1,075,453	1,028,809	-4%
Restricted	356,514	105,663	-70%
Total Net Assets	2,165,261	2,444,009	13%
Total Liabilities & Net Assets	\$ 2,771,773	\$ 2,516,335	9%

**Balance Sheet
Enterprise Funds**

The following table represents a condensed Balance Sheet as of December 31, 2009:

Assets	2008	2009	% Change
Current Assets	\$ 114,080	\$ 229,410	101%
Restricted Assets	556,673	477,886	-14%
Capital Assets, Net	5,757,895	6,510,763	13%
Total Assets	6,428,648	7,218,059	12%
Liabilities & Net Assets			
Liabilities			
Current Liabilities	36,058	24,781	-31%
Current Liabilities Payable From Restricted Assets	140,667	138,555	-2%
Non-Current Liabilities	606,655	540,392	-11%
Total Liabilities	783,380	703,728	-10%
Net Assets			
Invested in Capital Assets, Net of Related Debt	5,097,795	5,922,846	16%
Unrestricted	416,006	252,154	-39%
Restricted	131,467	339,331	158%
Total Net Assets	5,645,268	6,514,331	15%
Total Liabilities & Net Assets	\$ 6,428,648	\$ 7,218,059	12%

MD&A

Changes in Fund Balances Governmental Funds

The following table reflects the condensed Comparative Statement of Revenues, Expenses, and Changes in Fund Balances for the year ended December 31, 2009:

	<u>2008</u>	<u>2009</u>	<u>% Change</u>
Beginning Fund Balances	\$ 1,266,181	\$ 1,442,960	14%
Total Revenues	1,891,311	2,014,039	6%
Total Expenditures	<u>(1,728,795)</u>	<u>(2,108,580)</u>	22%
Increase (Decrease) in Fund Balances	<u>162,516</u>	<u>(94,541)</u>	-158%
Transfer	<u>14,263</u>	<u>(213,947)</u>	-1,600%
Net Change in Fund Balance	<u>176,779</u>	<u>(308,488)</u>	-275%
Ending Fund Balances	<u>\$ 1,442,960</u>	<u>\$ 1,134,472</u>	-21%

Changes in Net Assets Enterprise Funds

The following table reflects the condensed Comparative Statement of Revenues, Expenses, and Changes in Net Assets for the year ended December 31, 2009:

	<u>2008</u>	<u>2009</u>	<u>% Change</u>
Beginning Net Assets	\$ 5,716,491	\$ 5,645,268	-1%
Operating Revenues	896,678	943,851	5%
Non-Operating Revenues	<u>202,718</u>	<u>805,949</u>	298%
Total Revenues	<u>1,099,396</u>	<u>1,749,800</u>	59%
Operating Expenses	(1,095,806)	(1,039,278)	-5%
Non-Operating Expenses	<u>(36,222)</u>	<u>(30,212)</u>	-17%
Total Expenses	<u>(1,132,028)</u>	<u>(1,069,490)</u>	-6%
Transfers	<u>(14,263)</u>	<u>213,947</u>	1,600%
Increase (Decrease) in Net Assets	<u>(46,895)</u>	<u>894,257</u>	2,007%
Prior Period Adjustment	<u>(24,328)</u>	<u>(25,194)</u>	-4%
Ending Net Assets	<u>\$ 5,645,268</u>	<u>\$ 6,514,331</u>	-15%

MD&A

CAPITAL ASSETS

Capital Assets – Governmental Fund

At December 31, 2009, the Town had \$1,316,901 invested in capital assets, including land, buildings, and equipment.

Capital Assets at Year-End

	2008	2009
Administration *	\$ 969,874	\$ 983,034
Police	520,405	580,596
Streets	803,114	839,008
Fire *	891,655	1,000,152
Accumulated Depreciation	(1,908,812)	(2,085,889)
Totals	\$ 1,276,236	\$ 1,316,901

* Land in the amount of \$50,000 in Administration and Construction in Progress in the amount of \$26,852 in Fire are not being depreciated.

Capital Assets – Enterprise Fund

At December 31, 2009, the Town had \$6,510,763 invested in capital assets, including the sewer system, machinery, and equipment.

Capital Assets at Year-End

	2008	2009
Sewer System *	\$ 10,862,265	\$ 11,839,754
Machinery and Equipment	342,202	370,146
Accumulated Depreciation	(5,446,572)	(5,699,137)
Totals	\$ 5,757,895	\$ 6,510,763

* Land in the amount of \$5,130 and Construction in Progress in the amount of \$882,678 are not being depreciated.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Roy Hebron, Mayor, at the Town of Ball, P.O. Box 800, Ball, Louisiana 71405.

Basic Financial Statements

**Town of Ball
Statement of Net Assets
December 31, 2009**

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash & Cash Equivalents	\$ 482,906	\$ 523,461	\$ 1,006,367
Investments	486,147	-0-	486,147
Receivables	81,709	104,222	185,931
Due From Other Funds	148,672	79,613	228,285
Capital Assets, Net of Depreciation	1,316,901	6,510,763	7,827,664
TOTAL ASSETS	2,516,335	7,218,059	9,734,394
LIABILITIES			
Accounts Payable	29,733	13,717	43,450
Due to Other Funds	35,229	-0-	35,229
Accrued Interest Payable	-0-	23,656	23,656
Deposits	-0-	78,438	78,438
Notes & Bonds Due Within One Year	6,784	47,525	54,309
Notes & Bonds Due in More Than One Year	580	540,392	540,972
TOTAL LIABILITIES	72,326	703,728	776,054
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	1,309,537	5,922,846	7,232,383
Restricted for Capital Projects	56,829	-0-	56,829
Restricted for Debt Service	48,834	339,331	388,165
Unrestricted	1,028,809	252,154	1,280,963
TOTAL NET ASSETS	\$ 2,444,009	\$ 6,514,331	\$ 8,958,340

The accompanying notes are an integral part of this statement.

Town of Ball
Statement of Activities
For the Year Ended December 31, 2009

	NET (EXPENSES) REVENUE & CHANGES IN NET ASSETS					
	PROGRAM REVENUES		PRIMARY GOVERNMENT			
	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business- Type Activities	Total
Functions/Programs						
Primary Government:						
Governmental Activities:						
General	\$ (1,497,603)	\$ 7,152	\$ 354,593	\$ -0-	\$ (1,135,858)	\$ (1,135,858)
Interest on Long-Term Debt	(23,741)	-0-	-0-	(23,741)	-0-	(23,741)
Total Governmental Activities	<u>(1,521,344)</u>	<u>7,152</u>	<u>354,593</u>	<u>-0-</u>	<u>(1,159,599)</u>	<u>(1,159,599)</u>
Business-Type Activities						
Sewer & Sanitation	(1,039,278)	821,904	8,562	804,523	595,711	595,711
Interest on Long-Term Debt	(30,212)	-0-	-0-	-0-	(30,212)	(30,212)
Total Business-Type Activities	<u>(1,069,490)</u>	<u>821,904</u>	<u>8,562</u>	<u>804,523</u>	<u>565,499</u>	<u>565,499</u>
Total Primary Government	<u>\$ (2,590,834)</u>	<u>\$ 829,056</u>	<u>\$ 363,155</u>	<u>\$ 804,523</u>	<u>\$ (1,159,599)</u>	<u>\$ (594,100)</u>
General Revenues:						
Taxes				1,061,472	89,617	1,151,089
Fines				334,880	-0-	334,880
Licenses & Permits				106,276	-0-	106,276
Intergovernmental				105,926	-0-	105,926
Investment Earnings				16,405	1,426	17,831
Miscellaneous				27,335	23,768	51,103
Total General Revenues				<u>1,652,294</u>	<u>114,811</u>	<u>1,767,105</u>
Transfers In/(Out)				(213,947)	213,947	-0-
Change in Net Assets				278,748	894,257	1,173,005
Prior Period Adjustments				-0-	(25,194)	(25,194)
Net Assets - Beginning				2,165,261	\$ 5,645,268	\$ 7,810,529
Net Assets - Ending				<u>2,444,009</u>	<u>\$ 6,514,331</u>	<u>\$ 8,958,340</u>

The accompanying notes are an integral part of this statement.

Town of Ball
Balance Sheet – Governmental Funds
December 31, 2009

	GENERAL	FIRE FUND	CAPITAL PROJECTS	DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash & Cash Equivalents	\$ 231,108	\$ 173,890	\$ 21,600	\$ 56,308	\$ 482,906
Investments	307,489	178,658	-0-	-0-	486,147
Receivables	53,954	-0-	-0-	27,755	81,709
Due From Other Funds	113,443	-0-	35,229	-0-	148,672
TOTAL ASSETS	705,994	352,548	56,829	84,063	1,199,434
LIABILITIES & FUND BALANCES					
LIABILITIES					
Accounts Payable	12,633	17,100	-0-	-0-	29,733
Due To Other Funds	-0-	-0-	-0-	35,229	35,229
TOTAL LIABILITIES	12,633	17,100	-0-	35,229	64,962
FUND BALANCES					
Restricted	-0-	-0-	56,829	48,834	105,663
Unrestricted	693,361	335,448	-0-	-0-	1,028,809
TOTAL FUND BALANCES	693,361	335,448	56,829	48,834	1,134,472
TOTAL LIABILITIES & FUND BALANCES	\$ 705,994	\$ 352,548	\$ 56,829	\$ 84,063	\$ 1,199,434

The accompanying notes are an integral part of this statement.

**Town of Ball
 Reconciliation of the Governmental Funds
 Balance Sheet to the Statement of Net Assets
 For the Year Ended December 31, 2009**

Fund balances – total governmental funds	\$	1,134,472
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Governmental Capital Assets	\$ 3,402,790	
Less Accumulated Depreciation	<u>(2,085,889)</u>	1,316,901
Long-term liabilities including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds.		
General Obligation Debt Payable	<u>(7,364)</u>	<u>(7,364)</u>
Net assets of governmental activities	\$	<u>2,444,009</u>

The accompanying notes are an integral part of this statement.

Town of Ball
Statement of Revenues, Expenditures, & Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2009

	GENERAL	FIRE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Taxes	\$ 805,179	\$ 167,324	\$ -0-	\$ 88,969	\$ 1,061,472
Licenses & Permits	106,276	-0-	-0-	-0-	106,276
Intergovernmental	105,926	-0-	-0-	-0-	105,926
Charges for Services	1,447	5,705	-0-	-0-	7,152
Fines	334,880	-0-	-0-	-0-	334,880
Interest	12,922	3,227	164	92	16,405
Miscellaneous	23,441	100	951	843	27,335
Grant Income	288,277	-0-	66,316	-0-	354,593
TOTAL REVENUES	1,680,348	176,356	67,431	89,904	2,014,039
EXPENDITURES					
Current:					
General Government	459,613	-0-	33,246	1,449	494,308
Police	450,861	-0-	-0-	-0-	450,861
Highways & Streets	296,316	-0-	-0-	-0-	296,316
Fire	-0-	90,033	-0-	-0-	90,033
Capital Acquisitions	109,245	108,497	-0-	-0-	217,742
Debt Service:					
Principal Retirement	176,682	-0-	-0-	358,897	535,579
Interest & Fiscal Charges	963	-0-	-0-	22,778	23,741
TOTAL EXPENDITURES	1,493,680	198,530	33,246	383,124	2,108,580
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	186,668	(22,174)	34,185	(293,220)	(94,541)
TRANSFERS	(218,801)	(3,332)	(128,597)	136,783	(213,947)
NET CHANGE IN FUND BALANCE	(32,133)	(25,506)	(94,412)	(156,437)	(308,488)
FUND BALANCES - BEGINNING OF YEAR	725,494	\$ 360,954	\$ 151,241	\$ 205,271	\$ 1,442,960
FUND BALANCES - END OF YEAR	693,361	335,448	56,829	48,834	1,134,472

The accompanying notes are an integral part of this statement.

Town of Ball
Reconciliation of the Statement of Revenues, Expenditures, & Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2009

Net change in fund balances before prior period adjustments – total governmental funds \$ (308,488)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlay	\$ 217,742	
Depreciation Expense	<u>(177,077)</u>	40,665

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The detail of these differences in the treatment of long-term debt and related items is as follows:

Addition of Accrued Vacation	(525)	
Issuance of New Long Term Debt	-0-	
Principal Payments	535,579	
Accrued Vacation Paid	<u>11,517</u>	<u>546,571</u>

Change in net assets of governmental activities \$ 278,748

The accompanying notes are an integral part of this statement.

**Town of Ball
Statement of Net Assets
Proprietary Fund
December 31, 2009**

	<u>SANITATION</u>	<u>SEWER</u>	<u>TOTAL</u>
ASSETS			
Current Assets			
Cash & Cash Equivalents	\$ 10,994	\$ 34,581	\$ 45,575
Receivables, Net of Allowance	28,072	76,150	104,222
Due From Other Funds	-0-	79,613	79,613
Total Current Assets	<u>39,066</u>	<u>190,344</u>	<u>229,410</u>
Non-Current Assets			
Restricted:			
Cash & Cash Equivalents	29,590	448,296	477,886
Capital Assets:			
Sewer System	-0-	11,458,283	11,458,283
Machinery & Equipment	370,146	381,471	751,617
Less Accumulated Depreciation	(148,793)	(5,550,344)	(5,699,137)
Total Capital Assets, Net of Accum. Depreciation	<u>221,353</u>	<u>6,289,410</u>	<u>6,510,763</u>
Total Non-Current Assets	<u>250,943</u>	<u>6,737,706</u>	<u>6,988,649</u>
TOTAL ASSETS	<u>290,009</u>	<u>6,928,050</u>	<u>7,218,059</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	8,321	5,396	13,717
Notes Payable	11,064	-0-	11,064
Total Current Liabilities	<u>19,385</u>	<u>5,396</u>	<u>24,781</u>
Current Liabilities Payable From Restricted Assets:			
Customer Deposits	29,590	48,848	78,438
Bonds Payable	-0-	36,461	36,461
Accrued Interest	-0-	23,656	23,656
Total Current Liabilities Payable From Restricted Assets	<u>29,590</u>	<u>108,965</u>	<u>138,555</u>
Non-Current Liabilities			
Notes Payable Vehicles	38,425	-0-	38,425
Bonds Payable	-0-	501,967	501,967
Total Non-Current Liabilities	<u>38,425</u>	<u>501,967</u>	<u>540,392</u>
TOTAL LIABILITIES	<u>87,400</u>	<u>616,328</u>	<u>703,728</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	171,864	5,750,982	5,922,846
Restricted for Debt Service	-0-	339,331	339,331
Unrestricted	30,745	221,409	252,154
TOTAL NET ASSETS	<u>\$ 202,609</u>	<u>\$ 6,311,722</u>	<u>\$ 6,514,331</u>

The accompanying notes are an integral part of this statement.

Town of Ball
Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Fund
For the Year Ended December 31, 2009

	<u>SANITATION</u>	<u>SEWER</u>	<u>TOTAL</u>
OPERATING REVENUES			
Taxes	\$ 11,265	\$ 78,352	\$ 89,617
Sanitation Charges	351,584	-0-	351,584
Sewer Charges	-0-	436,872	436,872
Deposit/Connection Charges	63	4,520	4,583
Penalty Charges	1,875	26,990	28,865
Miscellaneous	502	23,266	23,768
Operating Grant	8,562	-0-	8,562
TOTAL OPERATING REVENUES	<u>373,851</u>	<u>570,000</u>	<u>943,851</u>
OPERATING EXPENSES			
Payroll & Related Taxes	167,780	76,856	244,636
Insurance	20,279	8,401	28,680
Contract Labor	-0-	9,765	9,765
Legal & Accounting	249	860	1,109
Repairs & Maintenance	45,294	140,467	185,761
Truck Expense	27,483	15,346	42,829
Office Expense	11,274	7,225	18,499
Retirement	14,268	7,949	22,217
Utilities	343	94,314	94,657
Miscellaneous	5,859	1,174	7,033
Discharge Permits	-0-	3,645	3,645
Dumping Fees	54,019	-0-	54,019
Depreciation	27,395	293,049	320,444
Travel & Seminars	5,572	412	5,984
TOTAL OPERATING EXPENSES	<u>379,815</u>	<u>659,463</u>	<u>1,039,278</u>
OPERATING INCOME (LOSS)	<u>(5,964)</u>	<u>(89,463)</u>	<u>(95,427)</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest Income	117	1,309	1,426
Interest Expense	(2,134)	(28,078)	(30,212)
Grants & Aids	-0-	804,523	804,523
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(2,017)</u>	<u>777,754</u>	<u>775,737</u>
TRANSFERS IN/(OUT)	<u>129,136</u>	<u>84,811</u>	<u>213,947</u>
CHANGE IN NET ASSETS	121,155	773,102	894,257
PRIOR PERIOD ADJUSTMENTS	(25,194)	-0-	(25,194)
NET ASSETS – BEGINNING OF YEAR	106,648	5,538,620	5,645,268
NET ASSETS – END OF YEAR	<u>\$ 202,609</u>	<u>\$ 6,311,722</u>	<u>\$ 6,514,331</u>

The accompanying notes are an integral part of this statement.

**Town of Ball
Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2009**

	<u>SANITATION</u>	<u>SEWER</u>	<u>TOTAL</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received From Customers & From Collection of Taxes	\$ 365,968	\$ 475,917	\$ 841,885
Cash Received From Operating Grant	8,562	-0-	8,562
Cash Paid to Suppliers	(185,343)	(291,912)	(477,255)
Cash Paid to Employees	(167,780)	(76,856)	(244,636)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>21,407</u>	<u>107,149</u>	<u>128,556</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers In/Out	129,136	84,811	213,947
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>129,136</u>	<u>84,811</u>	<u>213,947</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES			
Capital Grants	-0-	804,523	804,523
Purchase of Capital Assets	(121,017)	(977,489)	(1,098,506)
Interest on Bonds Payable Paid	(2,134)	(28,078)	(30,212)
Principal on Bond & Notes Payable	(26,315)	(45,868)	(72,183)
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	<u>(149,466)</u>	<u>(246,912)</u>	<u>(396,378)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	117	1,309	1,426
(Increases)/Decreases of Investments & Restricted Cash	(5,262)	84,049	78,787
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>(5,145)</u>	<u>85,358</u>	<u>80,213</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(4,068)	30,406	26,338
CASH & CASH EQUIVALENTS – BEGINNING OF YEAR	<u>15,062</u>	<u>4,175</u>	<u>19,237</u>
CASH & CASH EQUIVALENTS – END OF YEAR	<u>\$ 10,994</u>	<u>\$ 34,581</u>	<u>\$ 45,575</u>

The accompanying notes are an integral part of this statement.

Town of Ball
Reconciliation of Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2009

	<u>SANITATION</u>	<u>SEWER</u>	<u>TOTAL</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATION			
OPERATING INCOME (LOSS)	\$ <u>(5,964)</u>	\$ <u>(89,463)</u>	\$ <u>(95,427)</u>
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Depreciation	27,395	293,049	320,444
(Increase) Decrease in Accounts Receivable	(4,583)	(4,796)	(9,379)
(Increase) Decrease in Due From	-0-	(79,613)	(79,613)
Increase (Decrease) in Accounts Payable	(703)	(1,643)	(2,346)
Increase (Decrease) in Customers' Deposits	5,262	1,352	6,614
Increase (Decrease) in Accrued Interest	-0-	(2,063)	(2,063)
Increase (Decrease) in Due to Agency	-0-	(9,674)	(9,674)
TOTAL ADJUSTMENTS TO OPERATING INCOME (LOSS)	<u>27,371</u>	<u>196,612</u>	<u>223,983</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ <u>21,407</u>	\$ <u>107,149</u>	\$ <u>128,556</u>

The accompanying notes are an integral part of this statement.

Town of Ball
Statement of Fiduciary Net Assets
December 31, 2009

	<u>PAYROLL</u>	<u>AD VALOREM TAX</u>	<u>TOTAL AGENCY FUNDS</u>
ASSETS			
Cash & Cash Equivalents	\$ 152	\$ 193,056	\$ 193,208
TOTAL ASSETS	<u>152</u>	<u>193,056</u>	<u>193,208</u>
LIABILITIES			
Payroll Taxes Payable	152	-0-	152
Due to General Fund	-0-	113,443	113,443
Due to Sewer	-0-	79,613	79,613
TOTAL LIABILITIES	<u>\$ 152</u>	<u>\$ 193,056</u>	<u>\$ 193,208</u>

The accompanying notes are an integral part of this statement.

**Notes to the Basic
Financial Statements**

TOWN OF BALL, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Ball was incorporated under the provisions of the Lawrason Act. The Town operates under the Mayor-Board of Alderman form of government. The Town provides the following significant services to its residents as provided by its charter: public safety (police and fire), highways and streets, utilities (water, gas and sewer services) and general administrative functions, including coordination of related services with parish, state and federal governing bodies.

The Town applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

The accounting and reporting policies of the Town of Ball conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

Reporting Entity

The Town is governed by an elected mayor and five-member council. As required by generally accepted accounting principles, these financial statements present the Town (the primary government) and its component units, entities for which the government is considered to be financially accountable.

Component units are organizations for which the Town is financially accountable and all other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability exists if the Town appoints a voting majority of an organization's governing board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Town. The Town may be financially accountable for governmental organizations with a separately elected governing board, a governing board appointed by another government, or a jointly appointed board that is fiscally dependent on the Town. The financial statements of the component units may be discretely presented in a separate column from the primary government or blended with the financial statements of the primary government.

The financial statements of the following component units have been "blended" in the accompanying report because (i) their governing boards are substantially the same as the governing body of the Town, and (ii) the component unit provides services entirely or almost entirely to the citizenry.

TOWN OF BALL, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED

The Ball Volunteer Fire Department

The Ball Volunteer Fire Department's board is composed of 7 commissioners, one being the mayor of the town and the remaining commissioners appointed by the mayor and approved by the board of aldermen. The department is thus considered a component unit of the town and the transactions of the Ball Volunteer Fire Department are presented (or blended) in the financial statements as a special revenue fund. The commissioners, their terms of office and salary are as follows:

NAME	TERM OF OFFICE	ADDRESS	SALARY
Roy Hebron	Continuous	PO Box 800, Ball, LA 71405	-0-
Willie Bishop	Continuous	PO Box 800, Ball, LA 71405	-0-
Walt Chance	Continuous	PO Box 800, Ball, LA 71405	-0-
Wade Kilgo	Continuous	PO Box 800, Ball, LA 71405	-0-
Herb Pruett	Continuous	PO Box 800, Ball, LA 71405	-0-
Roland Davis	Continuous	PO Box 800, Ball, LA 71405	-0-
Genny Poteet	Continuous	PO Box 800, Ball, LA 71405	-0-

A. GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. 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 government-wide Statement of Net Assets reports all financial and capital resources of the Town (excluding fiduciary funds). It is displayed in a format of assets less liabilities equals net assets, with the assets and liabilities shown in order of their relative liquidity. Net assets are required to be displayed in three components: 1) invested in capital assets, net of related debt, 2) restricted, and 3) unrestricted. Invested in capital assets, net of related debt is capital assets net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Restricted net assets are those with constraints placed on their use by either: 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation. All net assets not otherwise classified as restricted, are shown as unrestricted. Generally, the Town would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

TOWN OF BALL, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED

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 meetings 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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, & 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 and fiduciary 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.

Property taxes, 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. All other revenue items are considered to be measurable and available only when cash is received by the government.

C. BASIC FINANCIAL STATEMENTS—FUND FINANCIAL STATEMENTS

The financial transactions of the Town are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

TOWN OF BALL, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED

The following fund types are used by the Town:

Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Town:

- **General Fund** is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.
- **Special Revenue Funds** are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- **Debt Service Funds** are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt.
- **Capital Projects Funds** are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds).

Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Town:

- **Enterprise Funds** are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

Operating revenues and expenses have been reported separately from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The primary operating revenue of the enterprise fund is derived from billed revenue. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, 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.

Cash and cash equivalents, as it relates to the cash flow statement, are defined as the operating cash account.

TOWN OF BALL, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED

Fiduciary Funds:

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Town programs. The reporting focus is on net assets and changes in net assets and is reported using accounting principles similar to proprietary funds.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combines) for the determination of major funds. The Town electively added funds, as major funds, which either had debt outstanding or specific community focus.

D. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual:

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

(2) CASH & INVESTMENTS (C.D.'s IN EXCESS OF 90 DAYS):

Deposits

It is the Town's policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The Town's deposits are categorized to give an indication of the level of risk assumed by the Town at year end. The categories are described as follows:

TOWN OF BALL, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED

- *Category 1* – Insured or collateralized with securities held by the Town or by its agent in the Town’s name.
- *Category 2* – Collateralized with securities held by the pledging financial institution’s trust department or agent in the Town’s name.
- *Category 3* – Uncollateralized.

<u>Bank</u>	<u>Bank Balance At 12/31/2009</u>
Capital One Bank	\$ 501,839
Chase Bank	73,555
Red River Bank	752,835
Southern Heritage Bank	225,278
Sabine State Bank	200,179
Total	\$ 1,753,686

Amounts on deposit are secured by the following pledges:

<u>Description</u>	<u>JP Morgan Chase Market Value</u>	<u>Capital One Bank Market Value</u>	<u>Southern Heritage Market Value</u>	<u>Red River Bank Market Value</u>	<u>Sabine State Bank Market Value</u>	<u>Total Market Value</u>
FDIC (Category 1)	\$ 73,555	\$ 251,824	\$ 225,278	\$ 468,109	\$ 200,179	\$ 1,218,945
Securities (Category 2)	-0-	434,918	281,321	1,115,786	-0-	1,832,025
Total	\$ 73,555	\$ 686,742	\$ 506,599	\$ 1,583,895	\$ 200,179	\$ 3,050,970

(3) RECEIVABLES

A summary of receivables by fund at December 31, 2009 are as follows:

	<u>Capital Projects</u>	<u>Special Revenue</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Sanitation Fund</u>	<u>Sewer Fund</u>
Accounts Receivable	\$ -0-	\$ -0-	\$ 31,012	\$ -0-	\$ 29,550	\$ 58,127
Sales Tax Receivable	-0-	-0-	-0-	-0-	-0-	-0-
Other Taxes Receivable	-0-	-0-	-0-	-0-	-0-	-0-
Ad Valorem Receivable	-0-	-0-	22,942	27,755	-0-	20,929
Allowance for Bad Debts	-0-	-0-	-0-	-0-	(1,478)	(2,906)
Total Receivables	\$ -0-	\$ -0-	\$ 53,954	\$ 27,755	\$ 28,072	\$ 76,150

The allowance for bad debts for the sewer and sanitation fund has been established at 5% of total accounts receivable. The allowance for bad debts for the general fund, special revenue fund and debt service fund was determined to be immaterial and, therefore, is not presented.

TOWN OF BALL, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED

(4) FIXED ASSETS

Property Enterprise Fund: Plant and Equipment:

A summary of enterprise fund property, plant and equipment at December 31, 2009, is as follows:

	<u>Balance</u> <u>12-31-2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12-31-2009</u>
<u>Sewer Fund</u>				
Sewer System *	\$ 10,862,265	\$ 977,489	\$ -0-	\$ 11,839,754
Accumulated Depreciation	(5,257,295)	(293,049)	-0-	(5,550,344)
Net	5,604,970	684,440	-0-	6,289,410
<u>Sanitation Fund</u>				
Equipment	342,202	121,017	(93,073)	370,146
Accumulated Depreciation	(189,277)	(27,395)	67,879	(148,793)
Net	\$ 152,925	\$ 93,622	\$ (25,194)	\$ 221,353

* Land in the amount of \$5,130 and Construction in Progress in the amount of \$882,678 are not being depreciated.

Enterprise fund assets are recorded at cost and depreciated on the straight-line basis using the following useful lives:

Sewer Plant	40 Years
Water Plant	40 Years
Equipment	5-10 Years

Governmental Fund:

A summary of governmental fund depreciable assets at December 31, 2009, is as follows:

	<u>Balance</u> <u>12-31-2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12-31-2009</u>
Administration *	\$ 969,874	\$ 13,160	\$ -0-	\$ 983,034
Police	520,405	60,191	-0-	580,596
Streets	803,114	35,894	-0-	839,008
Fire *	891,655	108,497	-0-	1,000,152
Total	3,185,048	217,742	-0-	3,402,790
Accumulated Depreciation	(1,908,812)	(177,077)	-0-	(2,085,889)
Net	\$ 1,276,236	\$ 40,665	\$ -0-	\$ 1,316,901

* Land in the amount of \$50,000 in the Administration and Construction in Progress in the amount of \$26,852 in the Fire are not being depreciated.

Government fund assets are recorded at cost and depreciated on the straight-line basis using the following useful lives:

Equipment	5-10 Years
Buildings	40 Years

TOWN OF BALL, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED

(5) CHANGES IN LONG-TERM DEBT

The following is a summary of bond transactions of the Town for the year ended December 31, 2009:

	Bank One Sewer Fund	92-02 Sewer Fund	Sewer District # 1	Sewer Fund	1997 Sewer Improv.	Total
Bonds Pay 12/31/2008	\$ 100,650	\$ 474,238	\$ 91,948	\$ 91,948	\$ 175,000	\$ 933,784
Additions	-0-	-0-	-0-	-0-	-0-	-0-
Bonds Retired	(14,264)	(22,196)	(91,948)	(91,948)	(175,000)	(395,356)
Bonds Pay 12/31/2009	<u>\$ 86,386</u>	<u>452,042</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>538,428</u>

The following is a summary of notes and other debt transactions of the Town for the year ended December 31, 2009:

	Notes & Debts Payable At 12/31/2008	New Debt	Principal Paid	Notes & Debts Payable At 12/31/2009
2009 Ford F-750 – Street	\$ 70,605	\$ -0-	\$ (70,605)	\$ -0-
2009 Ford F-250 – Street	19,795	-0-	(19,795)	-0-
John Deer Tractor/Loader – Street	19,306	-0-	(19,306)	-0-
Komatsu Excavator – Street	8,556	-0-	(8,556)	-0-
2009 Crown Vic – Police	22,613	-0-	(22,613)	-0-
2009 Crown Vic – Police	13,828	-0-	(6,464)	7,364
2009 Crown Vic – Police	15,588	-0-	(15,588)	-0-
2009 Crown Vic – Police	10,214	-0-	(10,214)	-0-
2005 Crown Vic – Police	3,541	-0-	(3,541)	-0-
International Chassis – Sanitation	75,804	-0-	(75,804)	-0-
2009 Garbage Truck – Sanitation	-0-	58,352	(8,863)	49,489
2005 Chevy 4 x 4 – Sewer	9,408	-0-	(9,408)	-0-
Accrued Compensated Absences	10,993	524	(11,517)	-0-
Total	<u>\$ 280,251</u>	<u>\$ 58,876</u>	<u>\$ (282,274)</u>	<u>\$ 56,853</u>

TOWN OF BALL, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED

Bonds payable at December 31, 2009 are comprised of the following:

*Revenue bonds and notes administered by the sewer enterprise fund and sanitation fund secured by revenues of the enterprise fund:

\$228,000 sewer revenue bonds due in annual installments of \$20,801.97 to a maturity date of March 9, 2023; interest at 5% per annum.	\$	86,386
\$771,000 sewer revenue bonds due in annual installments of \$45,713 to a maturity date of March 9, 2023; interest at 5% per annum.		452,042
Southern Heritage Bank – Sanitation note for a garbage truck in the amount of \$58,352.35 payable in 60 monthly installments of \$1,085.36 beginning March 27, 2009 and ending February 27, 2014; interest at 4.35%.		49,489

Notes and other debts payable administered by the general fund and fire fund:

Southern Heritage Bank – Police lease purchase for a 2009 Ford Crown Vic in the amount of \$19,483 payable in 36 monthly installments of \$582.59 beginning February 2008 and ending January 2011; interest at 4.78%.		7,364
Total	\$	<u>595,281</u>

Debt service requirements including interest of Town in five year increments:

	<u>Accrued Vacation</u>	<u>Bonds</u>	<u>Notes</u>	<u>Total</u>
2010	\$ -0-	\$ 66,515	\$ 20,015	\$ 86,530
2011	-0-	66,515	13,607	80,122
2012	-0-	66,515	13,024	79,539
2013	-0-	66,515	13,024	79,539
2014	-0-	66,515	2,171	68,686
2015-2019	-0-	228,565	-0-	228,565
2020-2024	-0-	182,852	-0-	182,852
Total	\$ -0-	\$ 743,992	\$ 61,841	\$ 805,833

(6) ACCRUED COMPENSATED ABSENCES

On March 21, 2000 the Town adopted ordinance #148/2000 that states the accumulation of leave and/or any other type compensatory time shall not be allowed by any Town employee for any time period, and in no event shall the Town be liable for payment of compensatory or leave time to any employee, who, upon separation from employment has any credited leave for compensatory time which has not been utilized during the applicable time period. The accrued compensated absence below was incurred before the addition of ordinance #148/2000. As of December 31, 2009 the Town owes no balance for accumulated vacation.

TOWN OF BALL, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED

(7) FLOW OF FUNDS; RESTRICTIONS ON USE - ENTERPRISE FUNDS

Sewer System Revenues

Under the terms of the bond indenture on outstanding sewer revenue bonds dated March 9, 1983 and March 9, 1995, all income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from operation of the Sewer System are pledged and dedicated to the retirement of said bonds and are to be set aside into the following special funds:

Out of the revenue, there shall be set aside into a "Sewer Plant and System Revenue Fund" amounts sufficient to provide for the payment of reasonable and necessary expenses of operating and maintaining the system.

Each month there will be set aside into a "Bond and Interest Sinking Fund" an amount constituting 1/12 of the next maturing installment of principal and 1/12 of the next maturing installment of interest on the outstanding bonds. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due and may be used only for such payments. There shall also be set aside into a "Sewer Revenue Bond Reserve Fund" an amount equal to 5% of the amounts paid to the Revenue Fund until such time as there has accumulated in the reserve account an amount equal to the highest combined principal and interest requirement in any succeeding fiscal year on the outstanding principal amount of the bond. Such amounts may be used only for the payment of maturing bonds and interest coupons, in the event that sufficient funds are not on deposit in the Bond and Interest Sinking Fund and as to which there would otherwise be default.

Funds will also be set aside into a "Depreciation and Contingency Fund" in the amount of \$285 per month. Money in this fund may be used for making extraordinary repairs or replacements to the system which are necessary to keep the system in operating condition and for which money is not available as a maintenance and operating expense. Money in this fund may also be used to pay principal and interest on the bonds falling due any time there is not sufficient money for payment in the other bond funds.

Funds set aside in the construction accounts are restricted to approved construction activity of the Town's sewer system.

All of the revenues received in any fiscal year and not required to be paid in such fiscal year into any of the above notes funds shall be regarded as surplus and may be used for any lawful corporate purpose.

Reservations of retained earnings have been made for funds in restricted accounts that exceed current interest and principal requirements.

TOWN OF BALL, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED

At December 31, 2009 restricted assets were applicable to the following:

	Sanitation	Sewer	Total
Bond Reserve Account	\$ -0-	\$ 81,639	\$ 81,639
Depreciation Account	-0-	81,639	81,639
Sinking Fund	-0-	233,336	233,336
DEQ Stimulus Project	-0-	100	100
Customer Deposit Savings	29,590	51,582	81,172
Total	\$ 29,590	\$ 448,296	\$ 477,886

(8) TAXES

Ad Valorem Taxes

For the year ended December 31, 2009, 17.11 mills were levied on property with assessed valuations totaling \$13,418,458 and were dedicated as follows:

General Corporate Purposes	5.48 mills
Debt Service	3.13 mills
Sewer Revenue Bonds	5.00 mills
Debt Service	3.50 mills
Total	17.11 mills

Total taxes levied after exemptions were \$229,595. Property taxes attach as an enforceable lien on property as of January 1. The Town of Ball bills and collects its own property taxes which are payable on December 31. Property tax revenues are recognized as revenues in the year in which they are levied.

Sales Taxes

The Town has a 1 ½ cent sales tax dedicated as follows:

Police	22%
Streets	44%
Fire Department	34%
Total	100%

The Town has a 2 cent sales tax dedicated as follows:

Administration	5% of total
Administration	30% remaining
Police	40% remaining
Streets	15% remaining
Fire Department	15% remaining
Total	100% remaining

TOWN OF BALL, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED

(9) USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles 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 and expenses during the reporting period. Actual results could differ from those estimates.

(10) BUDGETS & BUDGETARY ACCOUNTING

A.) The Town follows these procedures in establishing the budgetary data in these financial statements:

1. The town clerk prepares a proposed budget for the General and Fire Funds and submits same to the Mayor and Board of Aldermen prior to the beginning of each year.
2. A summary of the proposed budget is published and a public hearing is held.
3. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the year for which the budget is being adopted.
4. All budgetary appropriations lapse at the end of each fiscal year.
5. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Aldermen. The budget for the General Fund was amended for the year ended December 31, 2009.

B.) Capital project budgets are prepared on a "Project Wide" basis which may extend beyond one year. Therefore, a budgetary comparison is not presented.

(11) INTERFUND RECEIVABLES & PAYABLES:

	2009	
	Interfund Receivables	Interfund Payables
General Fund	\$ 113,443	\$ -0-
Debt Service Funds	-0-	35,229
Ad Valorem Tax Agency Fund	-0-	193,056
Sewer Fund	79,613	-0-
Capital Projects	35,229	-0-
Total	\$ 228,285	\$ 228,285

Amounts from the Agency Fund were not disbursed as of year end.

TOWN OF BALL, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED

(12) ELECTED OFFICIALS SALARIES:

<u>Name</u>	<u>Date of Service</u>	<u>Position</u>	<u>Annual Salary</u>
Roy Hebron	01/01/2007 – 12/31/2010	Mayor	\$ 73,135
Jay Barber	07/15/2008 – 12/31/2010	Police Chief	44,191
Willie Bishop	01/01/2007 – 12/31/2010	Alderman	6,000
Curtis Robertson	01/01/2007 – 12/31/2010	Alderman	6,000
Bryan Adams	01/01/2007 – 12/31/2010	Alderman	6,000
Jerry Giddings	01/01/2007 – 12/31/2010	Alderman	6,000
Genny Potet	01/01/2007 – 12/31/2010	Alderman	\$ 6,000

(13) RETIREMENT SYSTEMS:

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

A: Municipal Employees Retirement System of Louisiana (System)

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

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. [Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. [Under Plan B, employees who retire at or after age 60 with at least 10 years of creditable service at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2 percent of their final-average monthly salary in excess of \$100 for each year of creditable service.]

Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60, with the basic benefit reduced 3 percent for each year retirement precedes age 62, unless he has at least 30 years of creditable service. In any case, monthly retirement benefits paid under Plan B cannot exceed 100 percent of final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee

TOWN OF BALL, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED

contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (504) 925-4810.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.25% of their annual covered salary and the Town of Ball is required to contribute at an actuarially determined rate of annual covered payroll. The rate for the Town for the year ending December 31, 2009 was 13.50%. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town of Ball 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 Ball contributions to the System under Plan A for the year ending December 31, 2009, was \$50,796.52, equal to the required contributions for each year.

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

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

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (504) 929-7411.

TOWN OF BALL, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED

Funding Policy. Plan members are required by state statute to contribute 7.5% of their annual covered salary and the Town of Ball is required to contribute at an actuarially determined rate of annual covered payroll. The rate for the Town at January 1, 2009 was 9.5% and changed to 11.00% on July 1, 2009. The contribution requirement of plan members and the Town of Ball 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 Ball contributions to the System for the year ending December 31, 2009 was \$15,511.92, equal to the required contributions for each year.

(14) AGENCY FUND

The Agency Fund is used to collect ad valorem taxes assessed by the Town and pay payroll taxes. Below is a summary of transaction activity in the fund during the year:

	Payroll Agency Fund	Ad Valorem Tax Agency Fund
Cash Balance 12/31/2008	\$ 118	\$ 246,953
Deposits	167,880	244,644
Expenses	(168)	(3,687)
Transfers To General Fund	-0-	(10,188)
Transfers To Sewer Fund & Debt Service	-0-	(284,666)
Payroll & Taxes	(167,678)	-0-
Cash Balance 12/31/2009	\$ 152	\$ 193,056

(15) CONTINGENCIES & SUBSEQUENT EVENTS

During 2009 FEMA officials began reviewing records related to FEMA grants received by the Town in 2009. The review could result in the Town repaying some grant money to FEMA.

(16) TRANSFERS BETWEEN FUNDS

	Transfer To	Transfer In
General	\$ (218,801)	\$ -0-
Fire	(3,332)	-0-
Capital Projects	(128,597)	-0-
Debt Service	-0-	136,783
Sanitation	-0-	129,136
Sewer	-0-	84,811
Total	\$ (350,730)	\$ 350,730

Transfers were made from the General, Fire, Capital Projects, Debt Service, Sanitation, and Sewer Funds to cover expenses and to pay off debt.

TOWN OF BALL, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-CONTINUED

(17) PRIOR PERIOD ADJUSTMENT

A prior period adjustment was made to the Sanitation Fund in the amount of \$(25,194). This adjustment was made to correct fixed assets in the Sanitation Fund.

**Required Supplementary
Information
(Unaudited)**

**Town of Ball
General Fund
Schedule of Revenues, Expenditures, & Changes in Fund Balances
Budget and Actual on a Budgetary Basis
For the Year Ended December 31, 2009
(Unaudited)**

	BUDGETED AMOUNTS		ACTUAL GENERAL	FAVORABLE (UNFAVORABLE) VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 802,798	\$ 1,017,000	\$ 805,179	\$ (211,821)
Licenses & Permits	129,152	-0-	106,276	106,276
Intergovernmental	100,680	-0-	105,926	105,926
Charges for Services	2,839	-0-	1,447	1,447
Fines	312,235	538,000	334,880	(203,120)
Interest	3,252	-0-	12,922	12,922
Miscellaneous	4,100	-0-	25,441	25,441
Grant Income	1,000	-0-	288,277	288,277
TOTAL REVENUES	<u>1,356,056</u>	<u>1,555,000</u>	<u>1,680,348</u>	<u>125,348</u>
EXPENDITURES				
Current:				
General Government	432,773	407,000	459,613	(52,613)
Police	477,010	590,000	509,866	80,134
Highways & Streets	410,144	450,000	414,956	35,044
Capital Outlay	36,129	111,000	109,245	1,755
TOTAL EXPENDITURES	<u>1,356,056</u>	<u>1,558,000</u>	<u>1,493,680</u>	<u>64,320</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ -0-	\$ (3,000)	\$ 186,668	\$ 189,668
TRANSFERS			<u>(218,801)</u>	
NET CHANGE IN FUND BALANCE			<u>(32,133)</u>	
FUND BALANCES - BEGINNING OF YEAR			<u>725,494</u>	
FUND BALANCES - END OF YEAR			<u>\$ 693,361</u>	

The notes to the financial statements are an integral part of this statement.

Town of Ball
Special Revenue Fund
Schedule of Revenues, Expenditures, & Changes in Fund Balances
Budget and Actual on a Budgetary Basis
For the Year Ended December 31, 2009
(Unaudited)

	BUDGETED AMOUNTS		ACTUAL FIRE	FAVORABLE (UNFAVORABLE) VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 114,284	\$ 152,000	\$ 167,324	\$ 15,324
Charges For Services	5,200	5,800	5,705	(95)
Interest	636	350	3,227	2,877
Miscellaneous	5	8,900	100	(8,800)
TOTAL REVENUES	<u>120,125</u>	<u>167,050</u>	<u>176,356</u>	<u>9,306</u>
EXPENDITURES				
Fire Expense	57,661	208,000	90,033	117,967
Capital Outlay	62,464	-0-	108,497	(108,497)
TOTAL EXPENDITURES	<u>120,125</u>	<u>208,000</u>	<u>198,530</u>	<u>9,470</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>-0-</u>	<u>\$ (40,950)</u>	<u>(22,174)</u>	<u>\$ 18,776</u>
TRANSFERS			<u>(3,332)</u>	
NET CHANGE IN FUND BALANCE			<u>(25,506)</u>	
FUND BALANCES - BEGINNING OF YEAR			<u>360,954</u>	
FUND BALANCES - END OF YEAR			<u>\$ 335,448</u>	

The notes to the financial statements are an integral part of this statement.

**Other Supplemental
Information**

**Town of Ball
Insurance Schedule
(Unaudited)**

Description	Coverage	Amount	Expiration Date
Town Hall and Contents	Fire and Lighting, Ext. Coverage Vandalism and Malicious Mischief	\$515,000	8-2-10
Employees	Workmen's Compensation	\$100,000 – Statutory	12-31-10
Surety Bonds	Honesty Blanket Position	\$10,000	12-12-10
Surety Bonds	Tax Collector and Fire Chief	\$5,000	11-2-10
Joint Project for Improvement of Gravel Streets	Bodily Injury	\$1,100	5-1-10
	Property Damage	\$1,100	5-1-10
General Liability	Bodily Injury	\$500,000	5-1-10
General Liability	Property Damage	\$500,000	5-1-10
Automobile Liability	Bodily Injury	\$500,000	5-1-10
Surety	Position Bond - Clerk	\$70,000	10-31-10
Equipment Shop and Office	Property Damage	\$65,000	8-2-10
Fire Department	Property Damage	\$40,000	5-1-10
Senior Citizen Building	Liability	\$136,000	8-2-10



Other Reports

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**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***

The Honorable Roy Hebron, Mayor
& Members of the Town Council
Ball, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities and the aggregate remaining fund information of Town of Ball, Louisiana, as of and for the year ended December 31, 2009 which collectively comprise the Town of Ball, Louisiana's basic financial statements and have issued our report thereon dated June 1, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Ball's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Ball's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Ball's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did identify one deficiency in internal control over financial reporting that we consider to be a material weakness, as defined above. The following material internal control weakness is described in the "Schedule of Findings and Questioned Costs."

(2009-I-1 Audit Adjustments and Restricted Cash Accounts)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Ball's financial statements are free of material misstatement, we 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Town of Ball's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Town of Ball's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, management, federal awarding agencies and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a public document and its distribution is not limited.

John R. Vercher PC

Jena, Louisiana

June 1, 2010

**TOWN OF BALL
BALL, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Year Ended December 31, 2009**

We have audited the financial statements of the Town of Ball, Louisiana, as of and for the year ended December 31, 2009 and have issued our report thereon dated June 1, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Our audit of the financial statements as of December 31, 2009 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses Yes No Other Conditions Yes No

Compliance

Compliance Material to Financial Statements Yes No

b. Federal Awards (Not Applicable)

Internal Control

Material Weaknesses Yes No Other Conditions Yes No

Type of Opinion On Compliance Unqualified Qualified

For Major Programs Disclaimer Adverse

Are the findings required to be reported in accordance with Circular A-133, Section .510(a)?

Yes No

c. Identification Of Major Programs:

CFDA Number (s)

Name Of Federal Program (or Cluster)

Dollar threshold used to distinguish between Type A and Type B Programs: \$

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133? Yes No

**TOWN OF BALL
BALL, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)
For the Year Ended December 31, 2009**

Section II Financial Statement Findings Required To Be Reported In Accordance With GAGAS

No items to report.

Section III – Internal Control

2009-I-1 Audit Adjustments and Restricted Cash Accounts

CONDITION: Audit adjustments and certain restricted cash accounts are not recorded on the Town's books.

CRITERIA: All approved audit adjustments are normally recorded on the Town's books and all cash accounts and funds and the transactions there of are accounted for in the Town's accounting system.

CAUSE OF CONDITION: The Town has not recorded audit adjustments in the past and has not recorded certain restricted cash accounts and the transactions there of in the Town's accounting system.

EFFECT OF CONDITION: Books and records of the Town do not agree with the audited financial statements.

RECOMMENDATION: All approved audit adjustments should be recorded on the Town's books and all cash accounts and funds and the transactions there of should be accounted for in the town's accounting system.

CLIENT RESPONSE: We discussed this item with the Mayor and clerk on 05/19/10 and they agreed to post all audit adjustments and cash accounts in the Town's accounting system.

Section IV Federal Awards Findings and Questioned Costs

Not applicable.

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MANAGEMENT LETTER COMMENTS

During the course of our audit, we observed conditions and circumstances that may be improved. Below are findings noted for improvement, our recommendation for improvement and the Town of Ball's plan for corrective action.

CURRENT YEAR MANAGEMENT LETTER COMMENTS

2009-M-1 Documentation of Expenditures

CONDITION: During the test of a sample of expenditures, the auditor found that there were 2 (two) expenditures out of a sample of 160 expenditures, one made to Children's Miracle Network for \$100 and one to St. Mary's Challenge for \$200, did not include documentation as to the benefit to the Town or the purpose of the expenditure. The auditor also found an expenditure for meals that did not have documentation of the persons participating in the meal or the business purpose of the meal.

CRITERIA: Good accounting practices require that all expenditures be documented as to the description of the expenditure and the business purpose, unless readily determinable from the documentation.

CAUSE OF CONDITION: Not adequately documenting expenditure at time of purchase.

EFFECT OF CONDITION: Inadequate documentation of expenditures and possible non-compliance.

RECOMMENDATION: All expenditures should be documented as to the description and the business purpose of the expenditure, unless readily determinable from the documentation.

CLIENT RESPONSE: The Mayor reported that the 2 expenditures to Children's Miracle Network and St. Mary's Challenge were for advertising. All expenditures will be documented as to the description and the business purpose of the expenditure, unless readily determinable from the documentation.

**TOWN OF BALL
BALL, LOUISIANA
DECEMBER 31, 2009**

**MANAGEMENT'S CORRECTIVE ACTION
FOR CURRENT YEAR AUDIT FINDINGS**

CURRENT YEAR FINDINGS

	DESCRIPTION OF FINDINGS	CORRECTIVE ACTION PLANNED	CONTACT PERSON	ANTICIPATED COMPLETION DATE
2009-I-1	Adjustments for Restricted Cash	All approved audit adjustments will be recorded on the Town's books and all cash accounts and funds and the transactions there of will be accounted for in the town's accounting system.	Roy Hebron	December 31, 2010
2009-M-1	Documentation of Expenditures	All expenditures will be documented as to the description and the business purpose of the expenditure, unless readily determinable from the documentation.	Roy Hebron	December 31, 2010

**TOWN OF BALL
BALL, LOUISIANA**

**MANAGEMENT'S SUMMARY
OF PRIOR YEAR FINDINGS**

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana 70804-9397

The management of the Town of Ball, Louisiana has provided the following action summaries relating to audit findings brought to their attention as a result of their financial audit for the year ended December 31, 2008.

PRIOR YEAR FINDINGS

2008-I-1 Ad Valorem Tax Agency Fund (Resolved)

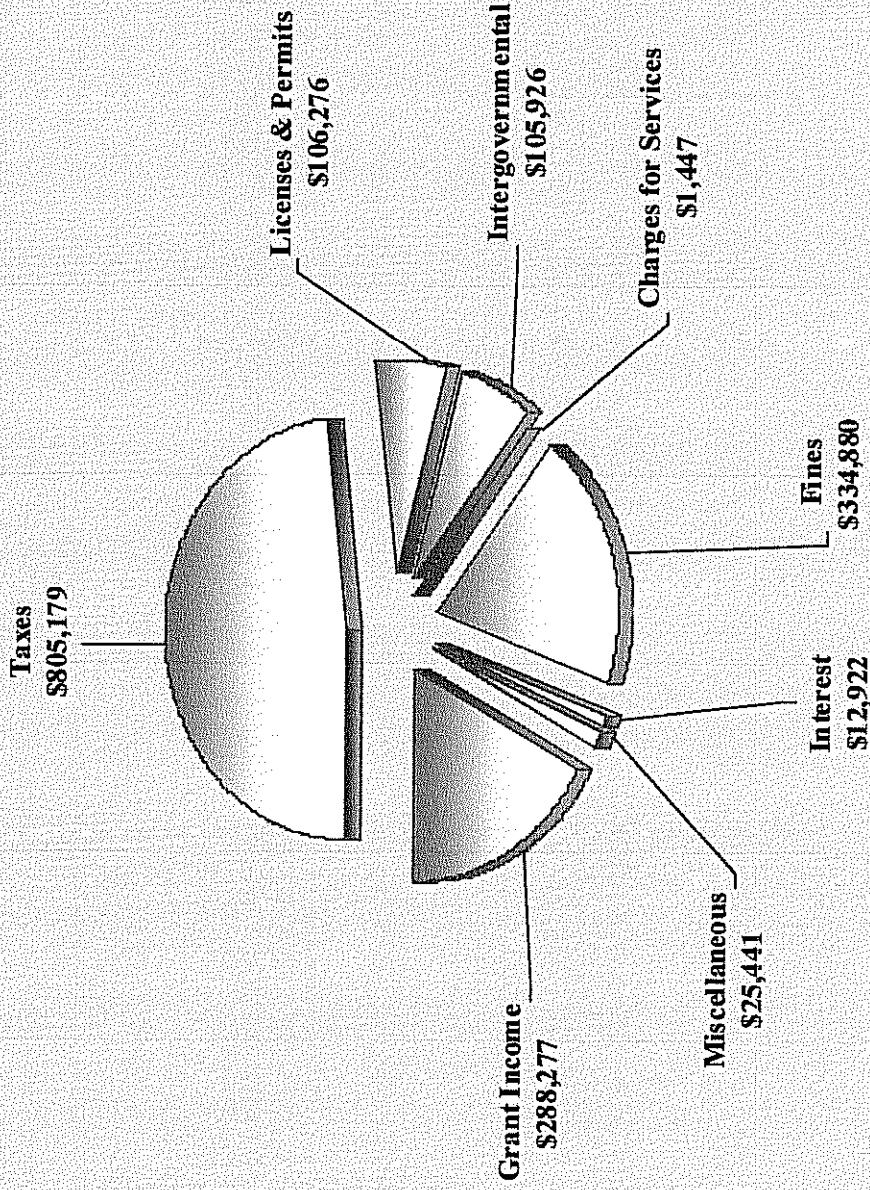
Finding: The Town did not disburse its ad valorem taxes from its Ad Valorem Tax Agency Fund in a timely manner to the various funds to which the taxes are dedicated. Also, the Town paid for projects and expenses of the various funds and it is necessary to determine and/or allocate these expenditures to the various funds to which it applied at year end. This allocation process is subject to errors and miscalculations that could result in dedicated funds being spent in areas or on projects that the funds were not intended or dedicated.

Town's Corrective Action: The Town began distributing ad valorem taxes from the Tax Agency Fund in a timely manner and discontinued making expenditures for projects and equipment of various funds.

Graphs

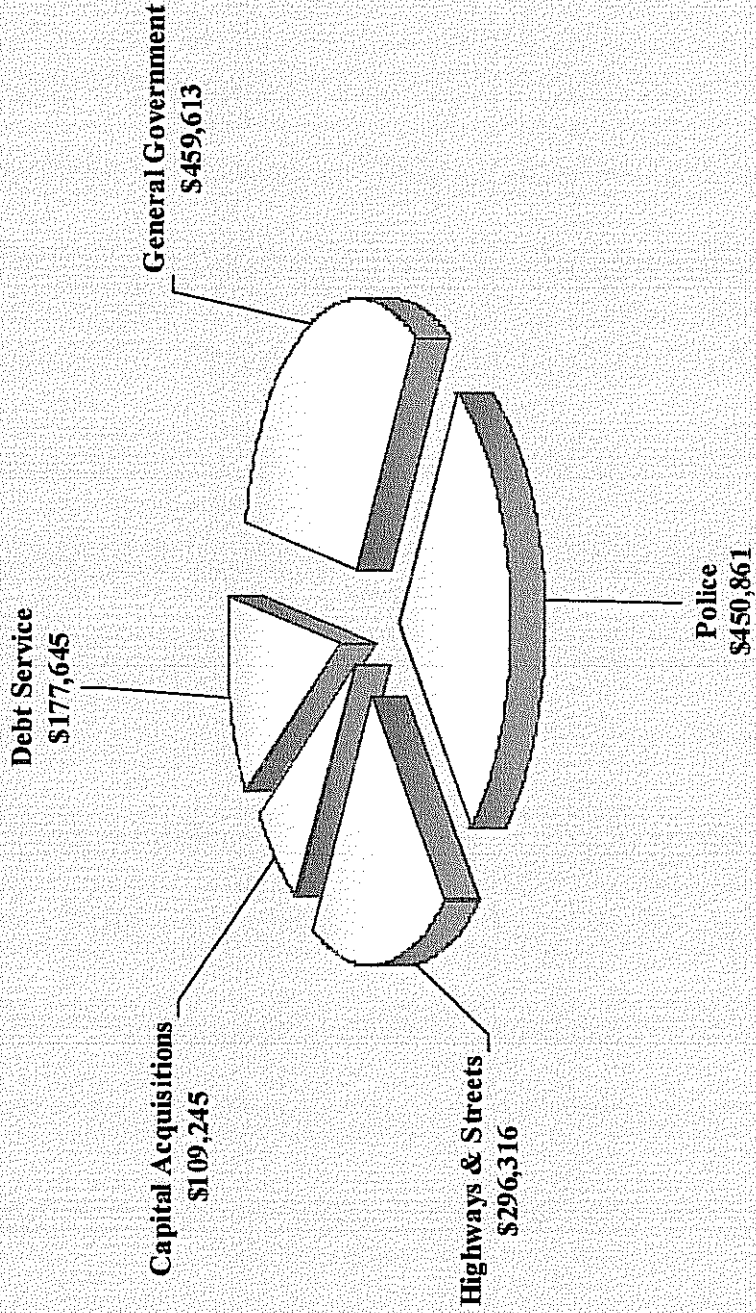
**Town of Ball
Louisiana**

General Fund Revenues



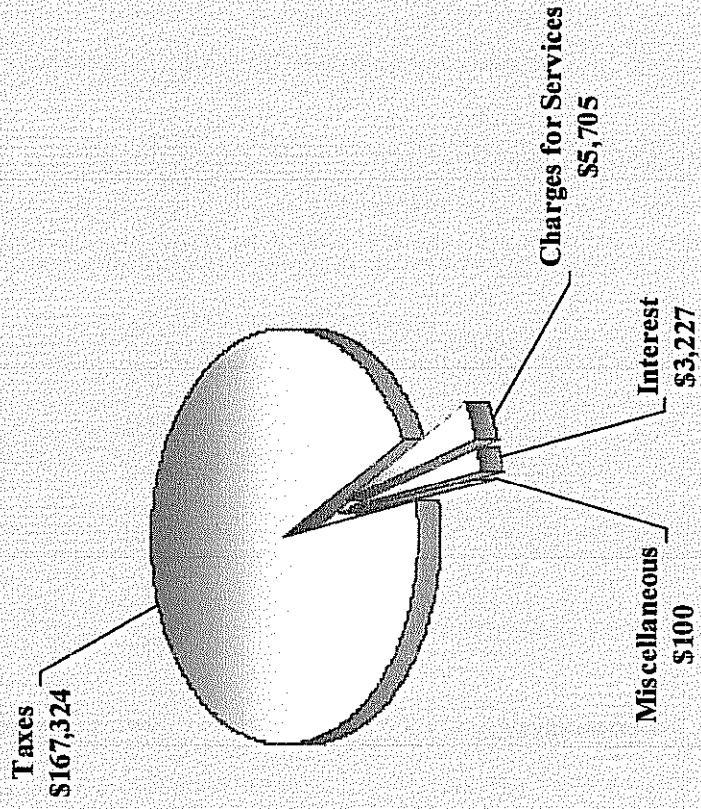
**Town of Ball
Louisiana**

General Fund Expenditures



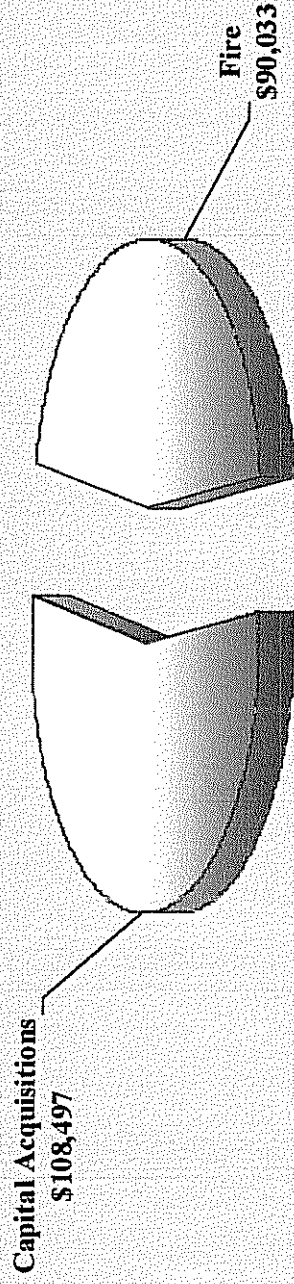
**Town of Ball
Louisiana**

Fire Fund Revenues



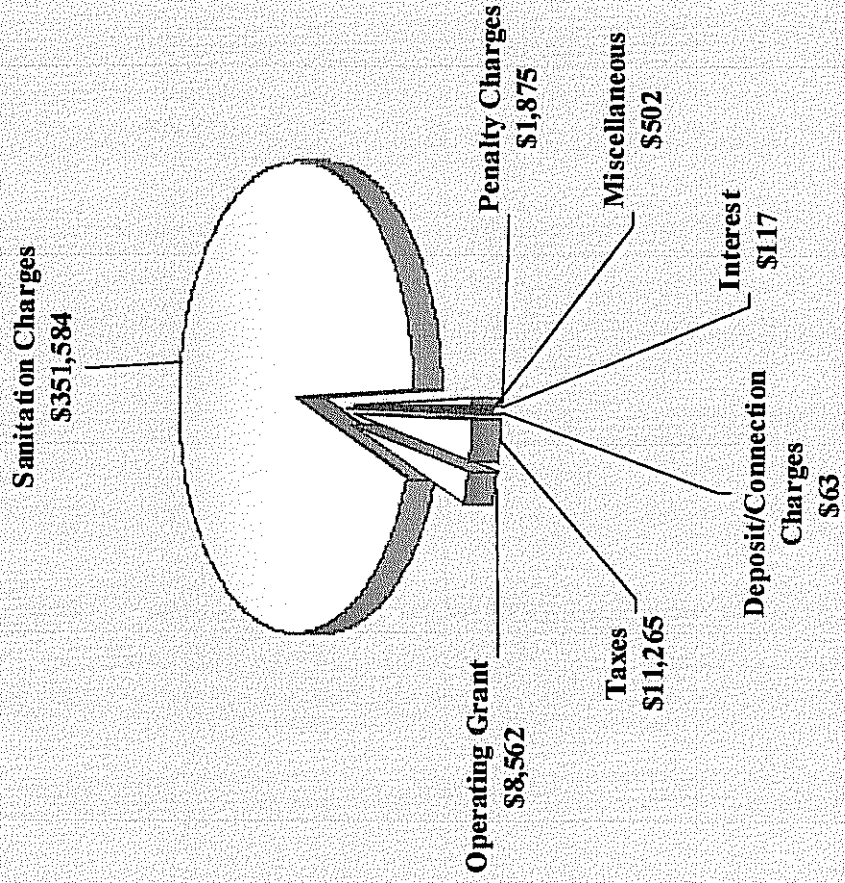
**Town of Ball
Louisiana**

Fire Fund Expenditures



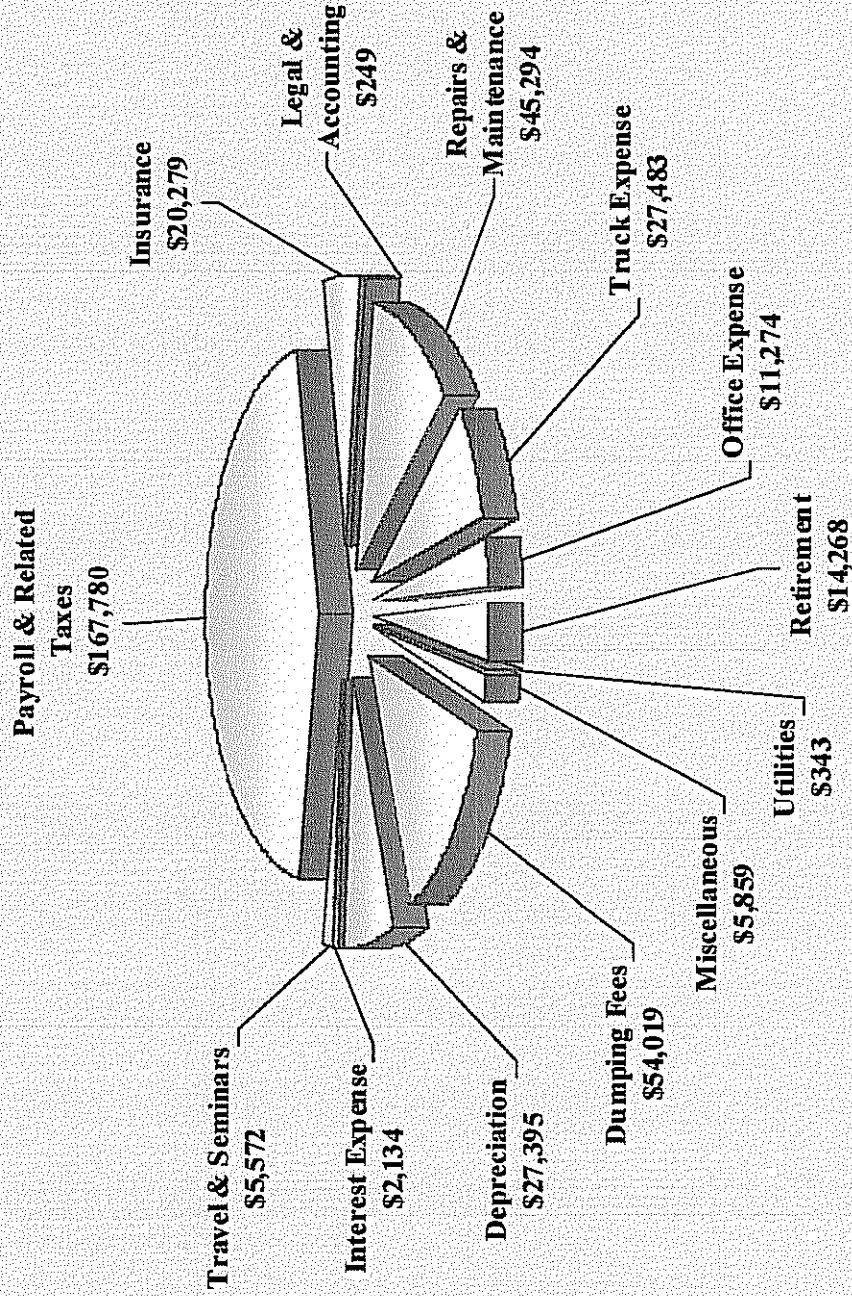
**Town of Ball
Louisiana**

Sanitation Revenues



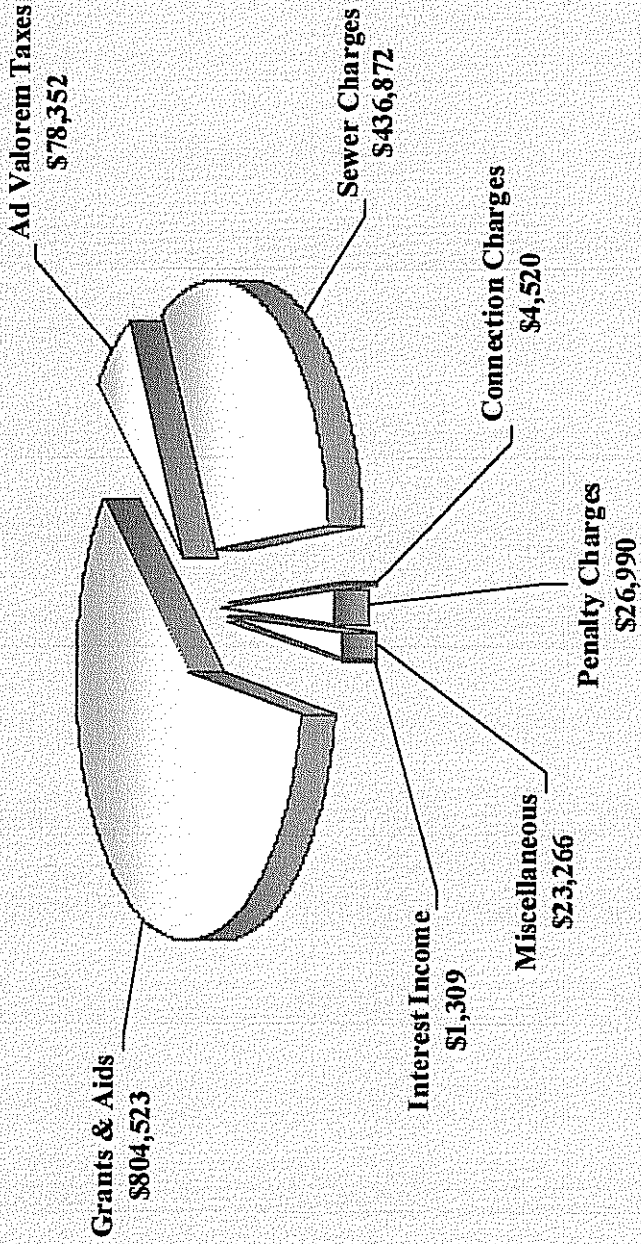
**Town of Ball
Louisiana**

Sanitation Expenses



Town of Ball Louisiana

Sewer Revenues



Town of Ball Louisiana

Sewer Expenses

