

Village of Tickfaw, Louisiana

Annual Financial Statements

As of June 30, 2018 and for the Year Then Ended

**Village of Tickfaw**

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# Village of Tickfaw

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## Independent Auditor's Report

The Honorable Mayor Anthony Lamonte  
and Members of the Board of Aldermen  
Village of Tickfaw, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Tickfaw, Louisiana as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Village of Tickfaw, Louisiana'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***

Our responsibility is to express opinions 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 from 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Opinions***

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 each major fund of the Village of Tickfaw, Louisiana, as of June 30, 2018, and the respective changes in 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, the budgetary comparison information, the schedule of employer's share of net pension liability, and the schedule of employer contributions on pages 7 through 14, 50 through 55, 56, and 57 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

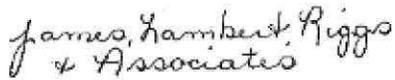
*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Tickfaw, Louisiana's basic financial statements. The schedule of compensation paid elected officials and the schedule of compensation, benefits, and other payments to agency head are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of compensation paid elected officials and the schedule of compensation, benefits, and other payments to agency head are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic 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 our opinion, the schedule of compensation paid elected officials and the schedule of compensation, benefits, and other payments to agency head are fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2018, on our consideration of the Village of Tickfaw, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village of Tickfaw, Louisiana's 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 the Village of Tickfaw, Louisiana's internal control over financial reporting and compliance.



James, Lambert, Riggs and Associates, Inc.  
Hammond, Louisiana

December 3, 2018

**Required Supplemental Information (Part I)**  
**Management's Discussion and Analysis**

## **Village of Tickfaw, Louisiana**

### **Management's Discussion and Analysis As of and for the Year Ended June 30, 2018**

#### **Introduction**

The Village of Tickfaw, Louisiana (the Village) is pleased to present its Annual Financial Statements developed in compliance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - For State and Local Governments* (GASB 34), and related standards.

The Village's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Village's financial activity, (c) identify changes in the Village's financial position, (d) identify any significant variations from the Village's financial plan, and (e) identify individual fund issues or concerns.

Since Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the Village's financial statements on pages 16 through 27 of this report.

#### **Financial Highlights**

- At June 30, 2018, the Village's assets and deferred outflow of resources exceeded its liabilities and deferred inflows of resources by \$3,392,359 (net position). Of this amount, \$233,378 (unrestricted net position) may be used to meet the Village's ongoing obligations to its citizens.
- For the year ended June 30, 2018, the Village's total net position decreased by \$41,226.
- At June 30, 2018, the Village's governmental funds reported combined ending fund balances of \$262,815, an increase of \$19,687 for the year. Of this amount, \$151,181 is available for spending at the Village's discretion (unassigned fund balances).
- At June 30, 2018, the Village's proprietary funds reported combined ending net position of \$2,709,231, a decrease of \$143,045 for the year.

#### **Overview of the Annual Financial Report**

The financial statement focus is on both the Village as a whole and on the major individual funds. Both perspectives, government-wide and major funds, allow the user to address relevant questions, broaden a basis for comparison, and enhance the Village's accountability. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The MD&A is intended to serve as an introduction to the Village's basic financial statements, which consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

## **Village of Tickfaw, Louisiana**

### **Management's Discussion and Analysis As of and for the Year Ended June 30, 2018**

#### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances in a manner similar to a private-sector business. Governmental and business-type activities are presented in separate columns along with a total column for the primary government.

The Statement of Net Position presents information on the Village's assets and liabilities using the accrual basis of accounting, in a manner similar to the accounting used by private business enterprises. The difference between the assets and liabilities is reported as net position. Over time, the increases or decreases in net position and changes in the components of net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The Statement of Activities presents information showing how the Village's net position changed during the most recent fiscal year, focusing on both the gross and net costs of various activities, both governmental and business-type, that are supported by the Village's general tax and other revenues. This is intended to summarize and simplify the reader's analysis of the cost of various governmental services and/or subsidy to various business -type activities.

In both of the government-wide financial statements, the Village's activities are divided into two types:

- Governmental activities - Most of the Village's basic services are reported here, including general government, public safety, court costs, highways and streets, and sanitation. These activities are financed primarily by property taxes, franchise taxes, sales taxes, taxes on insurance premiums, occupational licenses, sanitation fees and fines.
- Business-type activities - The Village charges a fee to customers to help cover all of the cost of the services provided. The Village's water and sewer utility systems are reported in this section.

The government-wide financial statements include the Village of Tickfaw, Louisiana (primary government) only and can be found on pages 16 through 17 of this report.

## **Village of Tickfaw, Louisiana**

### **Management's Discussion and Analysis As of and for the Year Ended June 30, 2018**

#### **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 Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. The Village uses two categories of funds to account for financial transactions: governmental funds and proprietary funds. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. Governmental funds are used to account for most of the Village's basic services. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances that are left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Village's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs. The basic governmental fund financial statements can be found on pages 19 through 22 of this report.

Proprietary funds account for water, and sewer utility services provided by the Village to its customers. Proprietary fund statements provide the same type of information as the government-wide financial statements, but the fund presentation provides more detail. The basic proprietary fund financial statements can be found on pages 23 through 27 of this report.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, there are differences in the information presented for governmental funds and for governmental activities in the government-wide financial statements. Review of these differences provides the reader of the financial statements insight on the long-term impact of the Village's more immediate decisions on the current use of financial resources. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The reconciliations can be found on pages 20 and 22 of this report.

#### **Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29 through 48 of this report.

**Village of Tickfaw, Louisiana**

**Management's Discussion and Analysis  
As of and for the Year Ended June 30, 2018**

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the Village's net assets for the current year as compared to the prior year. For more detailed information, see the Statement of Net Position on page 16 of this report.

<b>Net Position June 30, 2018 and 2017</b>				
	2018	2017	\$ Change	% Change
<b>Assets:</b>				
Current and other Assets	\$ 525,612	\$ 590,339	\$ (64,727)	-10.96%
Capital Assets	3,158,981	3,136,996	21,985	0.70%
Total Assets	3,684,593	3,727,335	(42,742)	-1.15%
Deferred Outflows of Resources	20,266	54,113	(33,847)	-62.55%
<b>Liabilities:</b>				
Other Liabilities	169,028	160,530	(8,498)	-5.29%
Net Pension Liability	90,543	100,383	9,840	9.80%
Total Liabilities	259,571	260,913	1,342	0.51%
Deferred Inflows of Resources	52,929	86,950	34,021	39.13%
<b>Net Position:</b>				
Net Investment in Capital Assets	3,158,981	3,136,996	21,985	0.70%
Unrestricted	233,378	296,589	(63,211)	-21.31%
Total Net Position	\$ 3,392,359	\$ 3,433,585	\$ (41,226)	-1.20%

Approximately 93% of the Village's net position reflects its net investment in capital assets (land, buildings, equipment, infrastructure, and improvements) net of any outstanding related debt used to acquire those capital assets. These capital assets are used to provide services to citizens and do not represent resources available for future spending.

Approximately 7% of the Village's net position are unrestricted and may be used to meet the Village's ongoing obligations to its citizens.

In order to further understand what makes up the changes in net position, the following table provides a summary of the results of the Village's activities for the current year as compared to the prior year. An analysis of the primary sources of these changes follows the table. For more detailed information, see the Statement of Activities on page 17 of this report.

**Village of Tickfaw, Louisiana**

**Management's Discussion and Analysis  
As of and for the Year Ended June 30, 2018**

**Changes in Net Position  
For the Years Ended June 30, 2018**

	<u>2018</u>	<u>2017</u>	<u>\$ Change</u>	<u>% Change</u>
Revenues:				
Program Revenues:				
Charges for Services	\$ 721,146	\$ 731,214	\$ (10,068)	-1.38%
Operating Grants and Contributions	16,500	37,257	(20,757)	-55.71%
Capital Grants and Contributions	7,775	167,317	(159,542)	-95.35%
General Revenues	262,183	242,892	19,291	7.94%
Total Revenues	<u>1,007,604</u>	<u>1,178,680</u>	<u>(171,076)</u>	-14.51%
Expenses:				
Governmental Activities	687,819	747,262	59,443	7.95%
Business-Type Activities	361,011	362,007	996	0.28%
Total Expenses	<u>1,048,830</u>	<u>1,109,269</u>	<u>60,439</u>	5.45%
Change in Net Position	(41,226)	69,411	(110,637)	-159.39%
Net Position, Beginning	<u>3,433,585</u>	<u>3,364,174</u>	69,411	2.06%
Net Position, Ending	<u>\$ 3,392,359</u>	<u>\$ 3,433,585</u>	<u>\$ (41,226)</u>	-1.20%

**Governmental Activities**

The Village's governmental net position increased by \$101,819 to \$683,128. The increase is due primarily to a transfer of \$80,000 from the utility fund to build a police station.

**Business-Type Activities**

The Village's business-type net position decreased by \$143,045 to \$2,709,231.

The decrease is due primarily to the transfer of \$80,000 to the General Fund to build a police station.

**Fund Financial Analysis**

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

## **Village of Tickfaw, Louisiana**

### **Management's Discussion and Analysis As of and for the Year Ended June 30, 2018**

#### **Governmental Funds**

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Village's net resources available for spending at the end of the year. The basic governmental fund financial statements can be found on pages 19 through 22 of this report.

The general fund is the chief operating fund of the Village. At the end of the current year, the total fund balance for the general fund was \$151,181, all of which was unassigned. During the current year the general fund had an increase in fund balance of \$11,191.

As a measure of the general fund's liquidity, it may be useful to compare the fund balance to fund expenditures. At June 30, 2018, the fund balance of \$151,181 is approximately 21% of total general fund expenditures of \$711,913.

#### **Proprietary Funds**

The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

## **Village of Tickfaw, Louisiana**

### **Management's Discussion and Analysis As of and for the Year Ended June 30, 2018**

#### **General Fund Budgetary Highlights**

For the general fund, actual revenues and other sources were \$9404 more than final budgeted amounts. Actual expenditures were \$2,787 less than final budgeted amounts. The net change in fund balance was \$12,191 more than final budgeted amounts.

For the general fund, original budgeted revenues and other financing sources were \$680,714 and final budgeted revenues and other financing sources were \$713,700. Original budgeted expenditures and other uses were \$725,714 and final budgeted expenditures were \$714,700.

Significant variations from the general fund's original budget amounts and final budget amounts are as follows:

- Police fines were decreased by \$15,314.
- Police security detail revenue was increased by \$4,600.
- Donations increased by \$7,000.
- Police salaries were decreased by \$20,014.
- Police security detail salaries increased by \$7,500.

#### **Capital Assets and Debt Administration**

##### **Capital Assets**

The Village's net investment in capital assets for its governmental and business-type activities as of June 30, 2018 amounts to \$3,158,981 (net of depreciation). The total increase in the Village's investment in capital assets for the current fiscal year was \$21,985 due primarily to depreciation expense of \$166,587 and asset additions \$188,572.

Major capital asset additions during the current fiscal year included the following:

- Completion of a water well project with additional cost of \$10,035.
- Completion of a police station for a total cost of \$108,585.
- Purchase of a tractor and accessories totaling \$69,952.

The following table provides a summary of the Village's capital assets (net of depreciation) at the end of the current year as compared to the prior year. For more detailed information, see Note 7 to the financial statements on pages 41 and 42 of this report.

**Village of Tickfaw, Louisiana**

**Management’s Discussion and Analysis  
As of and for the Year Ended June 30, 2018**

**Capital Assets (Net of Depreciation)  
June 30, 2018 and 2017**

	Governmental Activities		Business- Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Construction in Progress	\$ -	\$ -	\$ -	\$ 810,184	\$ -	\$ 810,184
Land	126,285	126,285	104,238	104,238	230,523	230,523
Buildings	442,429	333,844	2,121	2,121	444,550	335,965
Infrastructure	797,745	797,745	-	-	797,745	797,745
Vehicles and Equipment	221,893	235,906	453,362	388,927	675,255	624,833
Water Utility System	-	-	1,895,549	1,075,330	1,895,549	1,075,330
Sewer Utility System	-	-	2,141,553	2,141,553	2,141,553	2,141,553
Accumulated Depreciation	(1,044,833)	(1,022,379)	(1,981,361)	(1,856,758)	(3,026,194)	(2,879,137)
Capital Assets, Net	<u>\$ 543,519</u>	<u>\$ 471,401</u>	<u>\$ 2,615,462</u>	<u>\$ 2,665,595</u>	<u>\$ 3,158,981</u>	<u>\$ 3,136,996</u>

**Long-Term Debt**

At June 30, 2018, the Village had no debt outstanding.

**Other Factors Affecting the Village**

The Village of Tickfaw’s management approach is conservative. When possible, the Mayor and Council attempt to provide services for the Village based on existing revenues and to finance long-term projects only when absolutely necessary. The Village actively pursues grant funds to minimize the cost of major projects to its citizens. The Village also attempts to keep utility rates at the minimum required to cover the costs of utility system operation.

**Contacting the Village’s Financial Management**

This financial report is designed to provide the Village’s citizens, taxpayers, creditors and investors with a general overview of the Village’s finances and show the Village’s accountability for the money it receives. Questions regarding this report or requests for additional information should be addressed to the Honorable Anthony Lamonte, Mayor, Post Office Box 249, Tickfaw, Louisiana 70466, telephone (985) 542-9249.

# Basic Financial Statements

## Government-Wide Financial Statements

Village of Tickfaw

Statement A

Statement of Net Position  
For the Year Ended June 30, 2018

Assets	Governmental	Business- Type	Total
	Activities	Activities	
Cash	\$ 128,047	\$ 78,730	\$ 206,777
Investments in Certificates of Deposit	60,270	-	60,270
Investments in L.A.M.P.	-	46,035	46,035
Taxes Receivable	35,291	9,984	45,275
Accounts Receivable, Net	-	19,737	19,737
Due From Other Governments	7,914	-	7,914
Internal Balances	70,081	11,673	81,754
Utility Deposit	150	-	150
Inventory	-	57,700	57,700
Land	126,285	104,238	230,523
Capital Assets, Net	417,234	2,511,224	2,928,458
Total Assets	<u>845,272</u>	<u>2,839,321</u>	<u>3,684,593</u>
<b>Deferred Outflows of Resources</b>			
Pension Related	<u>20,266</u>	-	<u>20,266</u>
Total Deferred Outflows of Resources	<u>20,266</u>	-	<u>20,266</u>
<b>Liabilities</b>			
Accounts Payable	12,687	7,882	20,569
Other Accrued Expenses	5,364	19	5,383
Accrued Salary Payable	4,922	2,048	6,970
Accrued Vacation Payable	4,292	3,780	8,072
Internal Balances	11,673	70,081	81,754
Due to Other Governments	-	276	276
Net Pension Liability	90,543	-	90,543
Customers' Deposits	-	46,004	46,004
Total Liabilities	<u>129,481</u>	<u>130,090</u>	<u>259,571</u>
<b>Deferred Inflows of Resources</b>			
Pension Related	<u>52,929</u>	-	<u>52,929</u>
Total Deferred Inflows of Resources	<u>52,929</u>	-	<u>52,929</u>
<b>Net Position</b>			
Net Investment in Capital Assets	543,519	2,615,462	3,158,981
Unrestricted	<u>139,609</u>	<u>93,769</u>	<u>233,378</u>
Total Net Position	<u>\$ 683,128</u>	<u>\$ 2,709,231</u>	<u>\$ 3,392,359</u>

The accompanying notes are an integral part of this statement.

Village of Tickfaw

Statement B

Statement of Activities  
For the Year Ended June 30, 2018

Functions/ Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Governmental Activities:							
General and Administrative	\$ 193,487	\$ 56,104	\$ -	\$ -	\$ (137,383)	\$ -	\$ (137,383)
Police Department	322,320	332,384	16,500	-	26,564	-	26,564
Court Cost	25,909	27,478	-	-	1,569	-	1,569
Street Department	46,127	-	-	-	(46,127)	-	(46,127)
Street Lights	19,019	-	-	-	(19,019)	-	(19,019)
Sanitation	37,120	46,445	-	-	9,325	-	9,325
Mosquito Abatement	7,163	15,052	-	-	7,889	-	7,889
Fire Protection	16,731	-	-	-	(16,731)	-	(16,731)
Depreciation on Infrastructure	19,944	-	-	-	(19,944)	-	(19,944)
Total Government Activities	<u>687,819</u>	<u>477,463</u>	<u>16,500</u>	<u>-</u>	<u>(193,856)</u>	<u>-</u>	<u>(193,856)</u>
Business- Type Activities:							
Water Utility	156,154	95,068	-	7,775	-	(53,311)	(53,311)
Sewer Utility	204,857	148,615	-	-	-	(56,242)	(56,242)
Total Business- Type Activities	<u>361,011</u>	<u>243,683</u>	<u>-</u>	<u>7,775</u>	<u>-</u>	<u>(109,553)</u>	<u>(109,553)</u>
Total Primary Government	<u>\$ 1,048,830</u>	<u>\$ 721,146</u>	<u>\$ 16,500</u>	<u>\$ 7,775</u>	<u>(193,856)</u>	<u>(109,553)</u>	<u>(303,409)</u>
General Revenues:							
Taxes:							
Property Taxes					36,772	-	36,772
Franchise Taxes					22,996	-	22,996
Sales Taxes					133,700	44,581	178,281
Alcoholic Beverage Taxes					4,997	-	4,997
Interest Income					105	817	922
Donations					6,990	-	6,990
Sale of Capital Asset					9,653	-	9,653
Operating Transfers					80,000	(80,000)	-
Miscellaneous					462	1,110	1,572
Total General Revenues					<u>295,675</u>	<u>(33,492)</u>	<u>262,183</u>
Change in Net Position					101,819	(143,045)	(41,226)
Net Position, Beginning of Year					<u>581,309</u>	<u>2,852,276</u>	<u>3,433,585</u>
Net Position, End of Year					<u>\$ 683,128</u>	<u>\$ 2,709,231</u>	<u>\$ 3,392,359</u>

The accompanying notes are an integral part of this statement.

# Basic Financial Statements

## Governmental Fund Financial Statements

Village of Tickfaw, Louisiana

Statement C

**Balance Sheet**  
**Governmental Funds**  
**June 30, 2018**

	<u>Special Revenue Funds</u>			<b>Total</b>
	<b>General Fund</b>	<b>1995 Sales Tax Fund</b>	<b>Fire Protection Fund</b>	
<b>Assets</b>				
Cash	\$ 39,393	\$ 30,673	\$ 57,981	\$ 128,047
Investment in Certificates of Deposit	40,180	20,090	-	60,270
Taxes Receivable:				
Public Utility Franchise	5,339	-	-	5,339
Sales and Use Taxes	19,968	9,984	-	29,952
Due From Other Funds	15,279	-	21,863	37,142
Due From Proprietary Fund	70,081	-	-	70,081
Due From Other Governments:				
Louisiana Beer Tax	1,586	-	-	1,586
LAMATS	6,328	-	-	6,328
Utility Deposit	-	-	150	150
<b>Total Assets</b>	<u>\$ 198,154</u>	<u>\$ 60,747</u>	<u>\$ 79,994</u>	<u>\$ 338,895</u>
 <b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 12,323	\$ -	\$ 364	\$ 12,687
Other Accrued Expenses	5,364	-	-	5,364
Accrued Salary	4,417	505	-	4,922
Accrued Vacation	3,006	1,286	-	4,292
Due to Other Funds	21,863	15,279	-	37,142
Due to Proprietary Fund	-	11,673	-	11,673
<b>Total Liabilities</b>	<u>46,973</u>	<u>28,743</u>	<u>364</u>	<u>76,080</u>
 <b>Fund Balances:</b>				
Restricted for:				
Streets and Drainage	-	32,004	-	32,004
Fire Protection	-	-	79,630	79,630
Unassigned	151,181	-	-	151,181
<b>Total Fund Balances</b>	<u>151,181</u>	<u>32,004</u>	<u>79,630</u>	<u>262,815</u>
<b>Total Liabilities and     Fund Balances</b>	<u>\$ 198,154</u>	<u>\$ 60,747</u>	<u>\$ 79,994</u>	<u>\$ 338,895</u>

The accompanying notes are an integral part of this statement.

Village of Tickfaw, Louisiana

Statement D

Reconciliation of the Governmental Funds Balance Sheet to  
the Government-Wide Statement of Net Assets  
June 30, 2018

**Fund Balances, Governmental Funds, Statement C** \$ 262,815

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 governmental funds. These assets consist of:

Capital Assets, Net of Depreciation 543,519

Deferred outflows of resources used in governmental activities are not financial resources and therefore are not reported in these funds. This is the reported amount of deferred outflows of resources. 20,266

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in these funds. Long-term liabilities include the following:  
Net Pension Liability (90,543)

Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in these funds. (52,929)

**Net Position, Governmental Activities, Statement A** \$ 683,128

The accompanying notes are an integral part of this statement.

Village of Tickfaw, Louisiana

Statement E

Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds

For the Year Ended June 30, 2018

	<u>Special Revenue Funds</u>			<u>Total</u>
	<u>General Fund</u>	<u>1995 Sales Tax Fund</u>	<u>Fire Protection Fund</u>	
Revenues				
Taxes	\$ 127,039	\$ 44,567	\$ 21,863	\$ 193,469
Licenses, Permits and Fees	56,104	-	-	56,104
Intergovernmental	21,497	-	-	21,497
Fines and Forfeitures	322,036	-	-	322,036
Security Detail	10,348	-	-	10,348
Donations	6,990	-	-	6,990
Court Cost Revenue	27,478	-	-	27,478
Sanitation Services	46,445	-	-	46,445
Mosquito Abatement	15,052	-	-	15,052
Interest Income	-	59	46	105
Other Revenues	462	-	-	462
<b>Total Revenues</b>	<u>633,451</u>	<u>44,626</u>	<u>21,909</u>	<u>699,986</u>
Expenditures				
General and Administrative	185,897	-	-	185,897
Police Department	329,124	-	-	329,124
Street Department	-	45,384	-	45,384
Court Cost	25,719	-	-	25,719
Street Lights	19,019	-	-	19,019
Sanitation	37,120	-	-	37,120
Mosquito Abatement	6,449	-	-	6,449
Fire Protection	-	-	12,655	12,655
Capital Outlay	108,585	-	-	108,585
<b>Total Expenditures</b>	<u>711,913</u>	<u>45,384</u>	<u>12,655</u>	<u>769,952</u>
<b>Excess Revenues (Expenditures)</b>	<u>(78,462)</u>	<u>(758)</u>	<u>9,254</u>	<u>(69,966)</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Fixed Assets	9,653	-	-	9,653
Transfer in From Utility Fund	80,000	-	-	80,000
<b>Total Other Financing Sources (Uses)</b>	<u>89,653</u>	<u>-</u>	<u>-</u>	<u>89,653</u>
<b>Net Changes in Fund Balances</b>	11,191	(758)	9,254	19,687
<b>Fund Balances, Beginning</b>	<u>139,990</u>	<u>32,762</u>	<u>70,376</u>	<u>243,128</u>
<b>Fund Balances, Ending</b>	<u>\$ 151,181</u>	<u>\$ 32,004</u>	<u>\$ 79,630</u>	<u>\$ 262,815</u>

The accompanying notes are an integral part of this statement.

Village of Tickfaw, Louisiana

Statement F

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2018

Net Change in Fund Balances, Governmental Funds, Statement E \$ 19,687

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

Capital outlays are reported in governmental funds as expenditures. However in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. These differences consist of:

Capital Outlay	108,585
Depreciation Expense	(36,467)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as expenditures in governmental funds. These include the net change:

Non-employer Contributions to Cost-Sharing Pension plan	7,012
Pension Expense	3,002

Change in Net Position, Governmental Activities, Statement B \$ 101,819

The accompanying notes are an integral part of this statement.

Village of Tickfaw, Louisiana

Statement G

Statement of Net Position  
Proprietary Fund  
June 30, 2018

Assets	<b>Enterprise Fund</b>
Current Assets	
Cash	\$ 78,510
Accounts Receivable, Net	19,737
Sales Tax Receivable	9,984
Due From Other Funds	11,673
Total Current Assets	<u>119,904</u>
Restricted Assets	
Restricted Cash	220
Investments	46,035
Total Restricted Assets	<u>46,255</u>
Property, Plant, and Equipment	
Land	104,238
Plant and Equipment, at Cost	4,492,585
Less: Accumulated Depreciation	(1,981,361)
Net Property, Plant and Equipment	<u>2,615,462</u>
Other Assets	
Inventory	57,700
Total Other Assets	<u>57,700</u>
Total Assets	<u>2,839,321</u>
Liabilities	
Current Liabilities	
Accounts Payable	7,882
Accrued Payables	19
Accrued Salary	2,048
Accrued Vacation	3,780
Due to General Fund	70,081
Due to Other Governments	276
Total Current Liabilities	<u>84,086</u>
Current Liabilities (Payable from Restricted Assets)	
Customer Deposits Payable	46,004
Total Liabilities	<u>130,090</u>
Net Position	
Invested in Capital Assets	2,615,462
Unrestricted	93,769
Total Net Position	<u>\$ 2,709,231</u>

The accompanying notes are an integral part of this statement.

Village of Tickfaw, Louisiana

Statement H

Statement of Revenues, Expenses, and Changes in Net Position  
 Proprietary Fund  
 For the Year Ended June 30, 2018

	<b>Enterprise Fund</b>
Operating Revenues	
Water Sales	\$ 88,625
Penalties	4,044
Safe Drinking Water Fees	4,044
Tap in Fees	150
NSF Fees	234
Sewer Charges	146,586
Total Operating Revenues	<u>243,683</u>
Operating Expenses	
Accounting and Auditing	24,989
Auto Fuel	2,530
Chlorine	7,210
Depreciation	130,119
Diesel	706
Dues	370
Equipment Rental	96
Insurance, Liability	4,199
Insurance, Vehicle	2,184
Insurance, Workers Compensation	9,124
Insurance, Health	1,818
Miscellaneous	74
Office Expense	1,906
Payroll Taxes	8,218
Postage	1,690
Repairs and Maintenance	19,071
Salaries	108,388
Safe Drinking Water Fees	3,652
Sewer Analysis	1,560

(Continued)

The accompanying notes are an integral part of this statement.

**Statement H**

**Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Fund  
For the Year Ended June 30, 2018**

Telephone	\$	2,916
Utilities		30,191
Total Operating Expenses		<u>361,011</u>
Operating Loss		<u>(117,328)</u>
Nonoperating Revenues (Expenses)		
Grant		7,775
Sales Tax		44,581
Other Income		1,110
Interest Revenue		817
Operating Transfer In (Out)		<u>(80,000)</u>
Total Nonoperating Revenues (Expenses)		<u>(25,717)</u>
Change in Net Position		(143,045)
Net Position, Beginning		<u>2,852,276</u>
Net Position, Ending	\$	<u><u>2,709,231</u></u>

(Concluded)

The accompanying notes are an integral part of this statement.

**Village of Tickfaw, Louisiana**

**Statement I**

**Statement of Cash Flows  
Proprietary Fund  
For the Year Ended June 30, 2018**

	<u><b>Enterprise Fund</b></u>
Cash Flows From Operating Activities	
Received From Customers	\$ 245,415
Payments For Operations	(103,575)
Payments For Employees	(124,771)
Payments to Other Funds	25,187
Net Cash Provided by Operating Activities	<u>42,256</u>
Cash Flows From Noncapital Financing Activities	
Received From Sales Tax	41,630
Received From Grants	42,699
Received From Other Income	-
Transfer to General Fund	(80,000)
Net Cash Provided by Noncapital Financing Activities	<u>4,329</u>
Cash Flows From Capital and Related Financing Activities	
Purchases of Fixed Assets	(114,911)
Net Cash Used by Capital and Related Financing Activities	<u>(114,911)</u>
Cash Flows From Investing Activities	
Receipt of Interest	961
Proceeds From L.A.M.P Investment	40,384
Increase in Investment in L.A.M.P.	335
Net Cash Provided by Investing Activities	<u>41,680</u>
Net Decrease in Cash	(26,646)
Cash, Beginning of Year	105,376
Cash, End of Year	<u>\$ 78,730</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Assets	
Cash and Cash Equivalents, Unrestricted	\$ 78,510
Cash and Cash Equivalents, Restricted	220
Total Cash and Cash Equivalents	<u>\$ 78,730</u>

(Continued)

The accompanying notes are an integral part of this statement.

Village of Tickfaw, Louisiana

Statement I

Statement of Cash Flows  
Proprietary Fund  
For the Year Ended June 30, 2018

	<u>Enterprise Fund</u>
<b>Reconciliation of Net Operating Loss to Net Cash</b>	
Provided used Operating Activities	
Operating Loss	\$ (117,328)
Adjustments to Reconcile Operating Loss to Net Cash	
Provided by Operating Activities:	
Depreciation	130,119
Change in Accounts Receivable	2,109
Change in Other Receivable	275
Change in Accounts Payable	1,568
Change in Accrued Payable	19
Change in Accrued Salary	463
Change in Accrued Vacation	496
Change in Due From Other Funds	(9,463)
Change in Due To Other Funds	34,650
Change in Customer Deposits	(652)
Net Cash Provided by Operating Activities	<u>\$ 42,256</u>

(Concluded)

The accompanying notes are an integral part of this statement.

## Notes to the Financial Statements

## Village of Tickfaw, Louisiana

### Notes to the Financial Statements As of and for the Year Ended June 30, 2018

#### Introduction

The Village of Tickfaw, Louisiana was incorporated on April 15, 1957, under the provisions of the Lawrason Act. The Village operates under a Mayor/Board of Aldermen form of government. The Mayor and each of three aldermen are elected at large for four-year terms. The Aldermen are compensated per diem for each meeting attended. The Mayor receives a salary. The Village is located approximately 8 miles north of Hammond, Louisiana, on LA Highway 51 north of Interstate 12 and east of Interstate 55. The Village's total population is 694, as reported by the U.S. Census Bureau, Census 2010. The Village provides police protection, services to maintain and develop streets, drainage, and sanitation, general and administrative services, and utilities services for area residents. The Village provides water and sewer services to 299 water customers, and 247 sewer customers inside and outside of the Village limits and 219 garbage customers. The Village employs 10 full-time employees in addition to the Mayor and Board of Aldermen.

Governmental Accounting Standards Board (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 Village 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 of other state and local governments. As used in GASB Statement No. 14, fiscally independent means that the Village 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. There are no other component units which the Village of Tickfaw has an oversight relationship.

#### 1. Summary of Significant Accounting Policies

##### A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) 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 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.

## Village of Tickfaw, Louisiana

### Notes to the Financial Statements As of and for the Year Ended June 30, 2018

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

#### **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.

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. Only the portion of special assessment receivable, if any, 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 Village reports the following major governmental funds:

The *General Fund* is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in other funds.

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are restricted by legal and regulatory provisions to finance specific activities. The 1995 Sales Tax Fund and the Fire Protection Fund are considered major funds for reporting purposes.

The 1995 Sales Tax Fund is funded by one half of a one percent sales tax for the purpose of constructing, improving, and maintaining streets and drainage facilities, including the overlaying of streets.

## **Village of Tickfaw, Louisiana**

### **Notes to the Financial Statements As of and for the Year Ended June 30, 2018**

The Fire Protection Fund is funded by a 10 mill property tax for the purpose of providing a fire department in Tickfaw.

The Village reports the following major proprietary funds:

The Enterprise Fund accounts for operations (a) that are financed and operated in a manner similar to private business enterprise where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule, if applicable, are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these 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 fund's principal ongoing operations. The principal operating revenues of the proprietary funds are user charges for the services provided by the enterprise funds. Operating expenses for enterprise funds and internal service 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 Village's policy to use restricted resources first, then unrestricted resources as they are needed.

**Village of Tickfaw, Louisiana**

**Notes to the Financial Statements  
As of and for the Year Ended June 30, 2018**

**C. Deposits and Investments**

The Village’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Village’s investment policy allow the Village to invest in collateralized certificates of deposit, government- backed securities, commercial paper, the state-sponsored investment pool and mutual funds consisting solely of government-backed securities.

The Village maintains investments in the Louisiana Asset Management Pool (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of Louisiana to operate as a local government investment pool. LAMP invests its assets only in securities and other obligations permissible under Louisiana law for local governments. Investments in LAMP are highly liquid and are considered to be cash equivalents.

**D. Receivables and Payables**

Activity between 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.”

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectible amounts.

Property taxes are levied on a calendar year basis and become due on January 1 of each year. The following is a summary of authorized and levied ad valorem taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>
Fire Protection	10	10
General Corporate Purposes	6.82	6.82
Total	<u>16.82</u>	<u>16.82</u>

At June 30, 2018, there were no taxpayers whose percentage of total assessed valuation was 5% or greater of the total assessed valuation.

## **Village of Tickfaw, Louisiana**

### **Notes to the Financial Statements As of and for the Year Ended June 30, 2018**

The Village assesses a 2% sales and use tax. Proceeds are dedicated to the following purposes:

The 1984 1% sales tax is to be used for the purpose of providing funds for the general fund of the Village and for additional purpose of providing funds for other lawful purposes of the Village. This tax is accounted for in the general fund.

In July 2007, citizens of the Village of Tickfaw voted to allocate one half of the 1995 1% sales tax to the Water and Sewer Utility Funds and one half to the 1995 Sales Tax Fund.

The sales tax is collected by the Tangipahoa Parish School Board and remitted to the Village in the month following the receipt by the School Board. The School Board receives the sales tax approximately one month after collection by vendors. Sales taxes collected by the School Board in June and July (which represent sales for May and June) and received by the Village in July and August have been accrued and are included under the caption "Taxes Receivable."

#### **E. Inventories and Prepaid Items**

All inventories are valued at cost using the first-in/first-out method. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

#### **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 Village 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 assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

**Village of Tickfaw, Louisiana**

**Notes to the Financial Statements  
As of and for the Year Ended June 30, 2018**

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

Buildings	20-40 Years
Improvements	20-40 Years
Vehicles and Equipment	2-15 Years
Infrastructure	20-40 Years
Water Utility System	20-40 Years
Sewer Utility System	20-40 Years

**G. Compensated Absences**

The Village has the following policy relating to vacation and sick leave:

**Vacation**

Employees shall earn vacation by the following schedule:

- One (1) year of continuous service, 5 days (40 hours)
- Two (2) years of continuous service, 5 days (40 hours)
- Three (3) years of continuous service, 10 days (80 hours)
- Four (4) years of continuous service, 10 days (80 hours)
- Five (5) years of continuous service, 15 days (120 hours)

**Sick Leave**

Employees earn one day of sick leave per month. The maximum amount of sick leave that may be accrued is 24 days.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the governmental fund when leave is taken.

In accordance with GASB-16, *Accounting for Compensated Absences*, no liability has been accrued for unused employee sick leave.

The Police Department has the following policy relating to vacation and sick leave:

**Vacation**

- One (1) year of continuous service, ½ day per month
- Two (2) years of continuous service, ½ day per month
- Three (3) years of continuous service, 1 day per month
- Four (4) years of continuous service, 1 day per month
- Five (5) years of continuous service, 1 1/2 days per month

## Village of Tickfaw, Louisiana

### Notes to the Financial Statements As of and for the Year Ended June 30, 2018

#### H. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the municipality, which are either unusual in nature or infrequent in occurrence.

#### I. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amount 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 reported period. Actual results could differ from those estimates.

#### J. Reconciliations of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position is presented in Statement D of the basic financial statements. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities is presented in Statement F of the basic financial statements.

#### K. Fund Balance Reporting Footnote

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

1. *Nonspendable*, such as fund balance associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned),
2. *Restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,
3. *Committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a resolution of the Board of Aldermen (the Village's highest level of decision making authority),
4. *Assigned* fund balance classification are intended to be used by the Village for specific purposes but do not meet the criteria to be classified as restricted or committed. The Board of Aldermen are authorized to assign amounts to a specific purpose, and

## Village of Tickfaw, Louisiana

### Notes to the Financial Statements As of and for the Year Ended June 30, 2018

5. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

It is the Village's policy to first apply restricted resources when an expenditure is incurred for which both restricted and unrestricted fund balance or net position is available. The Village considers committed amounts to be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for which amounts in any of these unrestricted fund balance classifications could be used.

#### **L. Net Position**

For the government-wide statement of net position, equity is classified and displayed in three components:

1. Net Investment in Capital Assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted Net Position- consists of net position with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or by (b) laws through constitutional provisions or enabling legislation.
3. Unrestricted Net Position- consist of all other net position that does not meet the definition of the above two components and is available for general use by the Village.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, management applies restricted resources first, then unrestricted resources as they are needed.

#### **M. Deferred Outflows / Inflows of Resources**

The Statement of Financial Position will often report of a separate section for deferred outflows and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time.

## **Village of Tickfaw, Louisiana**

### **Notes to the Financial Statements As of and for the Year Ended June 30, 2018**

#### **2. Stewardship, Compliance and Accountability**

Budgetary procedures applicable to the Village are defined in state law, Louisiana Revised Statutes 39:1301-15. The major requirements of the Local Government Budget Act are summarized as follows:

1. The Village must adopt a budget each year for the general fund and each special revenue fund, if applicable.
2. The chief executive officer or equivalent must prepare a proposed budget and submit the proposed budget to the Board of Aldermen for consideration no later than fifteen days prior to the beginning of each fiscal year. At the same time, if total proposed expenditures are \$500,000 or more, a notice of public hearing on the proposed budget must be published in the official journal in each parish in which the Village has jurisdiction.
3. All action necessary to adopt and implement the budget must be completed prior to the beginning of the fiscal year.
4. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving the increase in expenditures resulting from revenues exceeding amounts estimated, require the approval of the Board of Aldermen.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. Budgets for the general fund and special revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Governmental funds are presented on the modified accrual basis of accounting. Accordingly, the budgetary comparison schedules present actual expenditures in accordance with the accounting principles generally accepted in the United States on a basis consistent with the legally adopted budgets as amended. All budgetary amounts presented reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

There were no individual funds with actual expenditures and other uses that exceeded the budgeted amounts for the year ended June 30, 2018.

## Village of Tickfaw, Louisiana

### Notes to the Financial Statements As of and for the Year Ended June 30, 2018

#### 3. Cash and Cash Equivalents

As reflected on Statement A, the Village has cash and cash equivalents totaling \$206,777 and investments in certificates of deposit totaling \$60,270 at June 30, 2018. 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 at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2018, the Village had \$206,777 in demand deposits (collected bank balances) and \$60,270 in certificates of deposit secured from risk by \$250,000 of federal deposit insurance and pledged collateral of \$17,191.

#### Custodial Credit Risk – Deposits

In case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. As of June 30, 2018, \$17,181 of the Village's bank balance was exposed to custodial credit risk because it was uninsured or collateralized with securities held by the pledging institution's trust department or agent, but not in the entities name.

#### 4. Investments in LAMP

Investments held at June 30, 2018 consist of \$46,035 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. LAMP is administered by the Louisiana Asset Management Pool, Inc., a non-profit corporation organized under the laws of the State of Louisiana. The primary objective of LAMP is to provide a safe environment for the placement of 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 LA-R.S. 33:2955.

LAMP is an external investment pool that is not registered with the SEC as an investment company, but nevertheless operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company ACT of 1940. GASB 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, requires the reporting of investment positions in 2a-7 like pools (such as LAMP) be based on the pool's share price.

The following disclosures are required by GASB Statement No. 31:

- The Village uses the quoted market prices to estimate the fair value of investments.
- None of the investments are reported at amortized cost.
- The Village has investments in one investment pool. The investment pool is LAMP, and the fair value of the position is the same as the value of the pool shares.
- There is no involuntary participation in an external investment pool.

Village of Tickfaw, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended June 30, 2018

5. Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts are based upon historical trends and the period aging and write-off of accounts receivable. Major receivables balances for the governmental activities include sales taxes, franchise taxes, and grants. Business-type activities report utilities earnings, sales taxes and grants as their major receivable.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales taxes, franchise taxes, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded only if paid within 60 days since they would be considered both measurable and available. Proprietary fund revenues consist of all revenues earned at year-end and not yet received. Utility accounts receivable, sales taxes and grants comprise the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging and write-off of accounts receivable.

The Governmental Funds receivables of \$43,205 at June 30, 2018, consist of the following:

Taxes:

Public Utility Franchise	\$	5,339
Sales and Use		29,952

Intergovernmental:

State of Louisiana, Beer Tax Distribution		1,586
LAMATS		6,328
	\$	<u>43,205</u>

**Village of Tickfaw, Louisiana**

**Notes to the Financial Statements  
As of and for the Year Ended June 30, 2018**

The Enterprise Fund accounts receivable of \$19,737 at June 30, 2018, consist of the following:

Active Accounts	
0 to 30 Days	\$ 3,318
31 to 60 Days	2,175
61 to 90 Days	551
Over 90 Days	<u>15,693</u>
Total Accounts Receivables	21,737
Allowance for Bad Debts	<u>(2,000)</u>
Total Accounts Receivable, Net	<u><u>\$ 19,737</u></u>

**6. Interfund Receivables/Payables and Transfers**

The following is a detailed list of interfund balances reported in the fund financial statements on June 30, 2018:

	<b>Due From Other Funds</b>	<b>Due to Other Funds</b>
General Fund	\$ 85,360	\$ 21,863
1995 Sales Tax Fund	-	26,952
Utility Fund	11,673	70,081
Fire Protection Fund	<u>21,863</u>	<u>-</u>
	<u><u>\$ 118,896</u></u>	<u><u>\$ 118,896</u></u>

The reasons for the interfund receivables/payables balances are as follows:

The reason for the interfund receivable in the General Fund is payroll and other expenses are paid in the General Fund for the 1995 Sales Tax Fund and Utility Fund. All amounts are expected to be repaid in full within one year from the date of the financial statements.

Property taxes are collected in the General Fund and transferred to the Fire Protection Fund.

**Village of Tickfaw, Louisiana**

**Notes to the Financial Statements  
As of and for the Year Ended June 30, 2018**

**7. Capital Assets**

Capital assets and depreciation activity as of and for the year ended June 30, 2018 for governmental activities is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated:				
Land	\$ 126,285	\$ -	\$ -	\$ 126,285
Total Capital Assets Not Being Depreciated	<u>126,285</u>	<u>-</u>	<u>-</u>	<u>126,285</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	333,844	108,585	-	442,429
Vehicles and Equipment	249,600	-	27,707	221,893
Infrastructure	797,745	-	-	797,745
Total Capital Assets Being Depreciated	<u>1,381,189</u>	<u>108,585</u>	<u>27,707</u>	<u>1,462,067</u>
Less Accumulated Depreciation for:				
Buildings	162,315	11,733	-	174,048
Vehicles and Equipment	238,762	4,790	27,707	215,845
Infrastructure	634,996	19,944	-	654,940
Total Accumulated Depreciation	<u>1,036,073</u>	<u>36,467</u>	<u>27,707</u>	<u>1,044,833</u>
Capital Assets Being Depreciated, Net	<u>345,116</u>	<u>72,118</u>	<u>-</u>	<u>417,234</u>
Governmental Activities Capital Assets, Net	<u>\$ 471,401</u>	<u>\$ 72,118</u>	<u>\$ -</u>	<u>\$ 543,519</u>

Depreciation was charged to governmental functions as follows:

General Administration	\$ 7,590
Police Protection	3,211
Court Cost	190
Street Department	743
Mosquito Abatement	714
Fire Protection	4,076
Infrastructure	19,944
	<u>\$ 36,467</u>

**Village of Tickfaw, Louisiana**

**Notes to the Financial Statements  
As of and for the Year Ended June 30, 2018**

Capital assets and depreciation activity as of and for the year ended June 30, 2018 for business-type activities is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated:				
Construction in Progress	\$ 810,184	\$ 10,035	\$ 820,219	\$ -
Land	104,238	-	-	104,238
Total Capital Assets Not Being Depreciated	<u>914,422</u>	<u>10,035</u>	<u>820,219</u>	<u>104,238</u>
Capital Assets Being Depreciated:				
Buildings	2,121	-	-	2,121
Vehicles and Equipment	383,410	69,952	-	453,362
Water Utility System	1,075,330	820,219	-	1,895,549
Sewer Utility System	2,141,553	-	-	2,141,553
Total Capital Assets Being Depreciated	<u>3,602,414</u>	<u>890,171</u>	<u>-</u>	<u>4,492,585</u>
Less Accumulated Depreciation for:				
Buildings	1,131	71	-	1,202
Vehicles and Equipment	238,074	58,774	-	296,848
Water Utility System	662,733	27,487	-	690,220
Sewer Utility System	949,303	43,788	-	993,091
Total Accumulated Depreciation	<u>1,851,241</u>	<u>130,120</u>	<u>-</u>	<u>1,981,361</u>
Capital Assets Being Depreciated, Net	<u>1,751,173</u>	<u>760,051</u>	<u>820,219</u>	<u>2,511,224</u>
Business- Type Activities Capital Assets, Net	<u>\$ 2,665,595</u>	<u>\$ 770,086</u>	<u>\$ 820,219</u>	<u>\$ 2,615,462</u>

**Village of Tickfaw, Louisiana**

**Notes to the Financial Statements  
As of and for the Year Ended June 30, 2018**

**8. Accounts, Salaries, and Other Payables**

The payables of \$206,170 at June 30, 2018 are as follows:

	<u>General Fund</u>	<u>1995 Sales Tax Fund</u>	<u>Fire Protection Fund</u>	<u>Proprietary Fund</u>	<u>Total</u>
Accounts	\$ 12,323	\$ -	\$ 364	\$ 7,882	\$ 20,569
Accrued Payables	-	-	-	19	19
Salaries	4,417	505	-	2,048	6,970
Vacation	3,006	1,286	-	3,780	8,072
Withholdings	5,364	-	-	-	5,364
Due to Other Funds	21,863	26,952	-	70,081	118,896
Due to Other Government	-	-	-	276	276
Customer Deposit	-	-	-	46,004	46,004
	<u>\$ 46,973</u>	<u>\$ 28,743</u>	<u>\$ 364</u>	<u>\$ 130,090</u>	<u>\$ 206,170</u>

**9. Short-Term Debt**

The Village had no short-term debt outstanding at June 30, 2018.

**10. Dedication of Proceeds of Flow of Funds - Sales and Use Tax**

The Village assesses a 2% sales and use tax. Proceeds are dedicated to the following purpose:

- A. The 1984 1% sales tax is to be used for the purpose of providing funds for general fund of the Village and for the additional purpose of providing funds for any other lawful purposes of the Village. This tax is accounted for in the general fund.
- B. One half of the 1995 1% sales tax is to be used for the purpose of constructing, improving, and maintaining streets and drainage facilities, including the overlaying of streets and to fund bonds used for street overlay construction. One half of the 1995 1% sales tax is to be deposited into the Utility Fund for the additional purpose of providing funds for any other lawful purposes of the Utility Fund. This tax is accounted for one half in the 1995 Sales Tax Fund and One half in the Utility Fund.

## Village of Tickfaw, Louisiana

### Notes to the Financial Statements As of and for the Year Ended June 30, 2018

#### 11. Pension Plan

Some of the police department employees of the Village of Tickfaw are members of the Municipal Police Employees' Retirement System of Louisiana (System). This system is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Pertinent information relative to the plan follows:

*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% 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 (225) 929-7411.

*Funding Policy.* Plan members are required by state statute to contribute 10% of their annual covered salary and the Village of Tickfaw is required to contribute at an actuarially determined rate. The contribution rate for the fiscal year ended June 30, 2018 was 30.75% of annual covered payroll. The contribution requirements of plan members and the Village of Tickfaw are established and may be amended by state statute. As provided by R.S. 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 Village of Tickfaw's contributions to the System for the years ending June 30, 2018, 2017 and 2016, were \$9,266, \$9,830, and \$8,850 respectively, equal to the required contributions for each year.

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

At June 30, 2018, the Employer reported a liability of \$90,543 for its proportionate share of the Net Pension liability. The Net Pension Liability was measured as of June 30, 2017 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Village's proportion of the Net Pension Liability was based on a projection of the Village's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the Village's proportion was .010371% which was a decrease of .000339% from its proportion of .010710% measured as of June 30, 2016.

**Village of Tickfaw, Louisiana**

**Notes to the Financial Statements  
As of and for the Year Ended June 30, 2018**

For the year ended June 30, 2018, the Village recognized a credit to pension expense of \$7,008 representing its proportionate share of the System's net expense, including amortization of deferred amounts.

At June 30, 2018, the District 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	\$ 593	\$ 696
Changes of assumptions	6,443	-
Net difference between projected and actual earnings on pension plan investments	3,964	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	52,233
Employer contributions subsequent to the measurement date	9,266	-
Total	\$ 20,266	\$ 52,929

\$9,266 reported as deferred outflows of resources related to pensions resulting from Village contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2019. 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, 2018	(31,877)
June 30, 2019	(10,512)
June 30, 2020	2,586
June 30, 2021	(2,126)

## Village of Tickfaw, Louisiana

### Notes to the Financial Statements As of and for the Year Ended June 30, 2018

#### *Actuarial Assumptions*

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2017 are as follows:

<b>Valuation Date</b>	June 30, 2017
<b>Actuarial Cost Method</b>	Entry Age Normal Cost
<b>Actuarial Assumptions:</b>	
<b>Expected Remaining Service Lives</b>	2017 – 4 years 2016 – 4 years 2015 – 4 years 2014 – 4 years
<b>Investment Rate of Return</b>	7.325% net of investment expense
<b>Inflation Rate</b>	2.70%

The discount rate used to measure the total pension liability was 7.325%. 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 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.

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, 2009 through June 30, 2014 and review of similar law enforcement mortality. 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 were compared to those produced by using a set-back of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

**Village of Tickfaw, Louisiana**

**Notes to the Financial Statements  
As of and for the Year Ended June 30, 2018**

	June 30, 2017	
Asset Class	Target Allocation	Long-Term Expected Portfolio Real Rate of Return
Equity	53.00%	3.66%
Fixed Income	21.00%	0.52%
Alternative	20.00%	1.10%
Other	6.00%	0.16%
Totals	100.00%	5.44%
Inflation		2.75%
Expected Nominal Return		8.19%

**Sensitivity to Changes in Discount Rate:**

The following presents the net pension liability of the participating employers calculated using the discount rate of 7.325%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 6.325% or one percentage point higher 8.325% than the current rate as of June 30, 2017.

	Changes in Discount Rate		
	1% Decrease 6.325%	Current Discount Rate 7.325%	1% Increase 8.325%
Net Pension Liability	\$ 125,094	\$ 90,543	\$ 61,557

**12. Retirement System**

Employees of the Village are members of the social security system. In addition to employee payroll deductions, Village funds are remitted to match the employee contributions. Aggregate contributions to the social security system for the year ended June 30, 2018 was contributed by the Village.

**13. Risk Management**

The Village is exposed to various risks of loss related to theft, damage, or destruction of assets, torts, injuries, natural disasters, and many other unforeseeable events. The Village purchases commercial insurance policies and bonds for any and all claims related to the aforementioned risks. The Village's payment of the insurance policy deductible is the only liability associated with these policies and bonds.

## **Village of Tickfaw, Louisiana**

### **Notes to the Financial Statements As of and for the Year Ended June 30, 2018**

There has been no significant decrease in insurance coverage from the prior year, and the amount of settlements has not exceeded the insurance coverage for the past three fiscal years.

#### **14. On-Behalf Payments by the State of Louisiana**

For the year ended June 30, 2018, the State of Louisiana made on behalf payments in the form of supplemental pay to the Village's policemen. In accordance with GASB 24, the Village has recorded \$16,500 of on behalf payments as revenue and as expense in the general fund.

#### **15. Litigation**

At June 30, 2018, the Village of Tickfaw was not involved in any litigation.

#### **16. Subsequent Events**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 3, 2018, and determined that no events occurred that requires disclosure.

## Required Supplemental Information (Part II)

Village of Tickfaw, Louisiana

Schedule 1

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
 General Fund  
 For the Year Ended June 30, 2018

Revenues	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts: GAAP Basis	Final Budget: Favorable (Unfavorable)
Taxes:				
Sales and Use Taxes	\$ 86,600	\$ 80,200	\$ 89,133	\$ 8,933
Ad Valorem Taxes	17,100	17,100	14,910	(2,190)
Public Utility Franchise Taxes	25,600	25,600	22,996	(2,604)
Licenses, Permits and Fees:				
Business Licenses and Permits	9,200	9,200	9,925	725
Taxes on Insurance Premiums	50,500	50,500	44,399	(6,101)
Building & Mobile Home Permits	1,300	1,300	1,780	480
Intergovernmental:				
Louisiana Beer Tax Distribution	4,200	4,200	4,997	797
State Supplemental Pay	21,000	18,000	16,500	(1,500)
Fines and Forfeits:				
Fines	330,614	315,300	322,036	6,736
Security Detail	6,000	10,600	10,348	(252)
Donation	-	7,000	6,990	(10)
Municipal Court Revenue:				
Court Cost Revenue	27,900	27,500	27,378	(122)
Witness Fee Reimbursement	200	100	100	-
Sanitation Fees:				
Sanitation Fees	40,300	44,200	44,752	552
Sanitation Penalties	1,400	1,800	1,693	(107)
Mosquito Abatement Revenue:				
Mosquito Abatement Fees	10,100	14,500	15,052	552
Other Revenues:				
Other	5,700	1,500	462	(1,038)
Total Revenues	<u>637,714</u>	<u>628,600</u>	<u>633,451</u>	<u>4,851</u>

See auditor's report.

Continued

Village of Tickfaw, Louisiana

Schedule 1

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
 General Fund  
 For the Year Ended June 30, 2018

Expenditures	Budgeted Amounts		Amounts:	Final Budget:
	Original	Final	GAAP Basis	Favorable (Unfavorable)
General and Administrative:				
Accounting and Auditing	\$ 6,000	\$ 6,000	\$ 8,000	\$ (2,000)
Animal Control	2,100	2,200	-	2,200
Assessor	500	500	467	33
Auto Expense	500	300	10	290
Beautification	500	300	-	300
Capital Outlay	1,200	-	-	-
Christmas Decorations	200	-	-	-
City Hall Gas	1,100	2,300	1,930	370
City Hall Utilities	1,800	2,100	2,161	(61)
Conventions and Travel	8,800	4,100	4,063	37
Computer Maintenance	-	-	1,191	(1,191)
Copier Lease	1,500	1,500	1,189	311
Coroner	400	400	-	400
Data Backup	1,500	1,700	388	1,312
Drug Testing	100	-	-	-
Dues, Bonds and Licenses	1,000	1,300	1,315	(15)
Insurance, E&O, PO liability	3,400	3,200	3,119	81
Insurance, Health	7,500	7,900	8,631	(731)
Insurance, Property	1,400	6,900	6,905	(5)
Insurance, Liability	7,000	4,100	3,648	452
Insurance, Vehicles	1,000	900	860	40
Insurance, Workers Compensation	600	600	647	(47)
Janitorial Services and Supplies	200	700	733	(33)
Kitchen Supplies	1,000	500	435	65
Legal	25,000	27,600	27,636	(36)
Miscellaneous	1,800	1,100	853	247
Office Expense	6,600	7,600	7,940	(340)
Official Journal	2,200	1,000	1,068	(68)
Payroll Taxes	6,200	6,200	6,256	(56)
Pest Control	2,000	1,100	1,102	(2)
Postage	800	900	724	176
Professional Fees	4,500	-	-	-
Public Relations	1,500	300	621	(321)
Repairs and Maintenance, City Hall	600	-	-	-
Salaries, Clerk	37,100	37,200	36,234	966
Salaries, Mayor and Council	42,500	42,800	42,325	475
Salary, Janitor	-	2,500	2,550	(50)
Telephone and Internet	6,900	5,600	6,120	(520)
Unemployment	1,100	800	899	(99)
Uniforms and Mats	3,900	5,700	5,877	(177)
Total General and Administrative	\$ 192,000	\$ 187,900	\$ 185,897	\$ 2,003

See auditor's report.

Village of Tickfaw, Louisiana

Schedule 1

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
**General Fund**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts		Amounts:	Final Budget:
	Original	Final	GAAP Basis	Favorable (Unfavorable)
Police Department:				
Accounting and Auditing	\$ 6,000	\$ 6,000	\$ 8,000	\$ (2,000)
Auto Fuel	17,500	19,500	18,463	1,037
Auto Repairs	11,400	7,200	7,176	24
Capital Outlay, Cars	8,000	1,400	-	1,400
Capital Outlay, Police Station	85,000	108,600	108,585	15
Conventions and Travel	500	500	480	20
Dues	100	100	100	-
Drug & Psychological Testing	1,400	-	-	-
Insurance, Health	4,000	6,000	5,704	296
Insurance, Buildings	1,500	2,300	1,743	557
Insurance, Liability (Personnel)	15,200	11,200	11,664	(464)
Insurance, Vehicles	8,300	6,000	5,790	210
Insurance, Workers Compensation	18,900	19,000	19,579	(579)
Internet	1,700	400	449	(49)
Law Enforcement Fees	10,100	9,700	9,803	(103)
Legal Fees	-	400	306	94
Professional Fees	500	-	-	-
Miscellaneous	1,300	800	1,010	(210)
Payroll Taxes	14,900	13,200	13,353	(153)
Police Retirement	9,700	9,100	9,266	(166)
Prisoner Housing	200	-	-	-
Repairs and Maintenance, Equipment	700	1,800	1,406	394
Salaries	190,114	170,100	171,060	(960)
Salaries, Overtime	8,000	1,200	2,312	(1,112)
Salaries, Security Detail	5,300	12,800	12,149	651
Salaries, Supplemental Pay	21,000	18,000	16,500	1,500
Supplies, Police	500	-	-	-
Supplies, Office	2,700	2,800	3,627	(827)
Telephone	4,000	4,400	3,938	462
Tracking	2,300	1,100	1,080	20
Training	1,500	2,800	2,328	472
Uniforms	800	1,400	1,148	252
Utilities	-	900	690	210
Total Police Department	<u>453,114</u>	<u>438,700</u>	<u>437,709</u>	<u>991</u>

See auditor's report.

Village of Tickfaw, Louisiana

Schedule 1

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual  
 General Fund  
 For the Year Ended June 30, 2018

	Budgeted Amounts		GAAP Basis	Favorable (Unfavorable)
	Original	Final		
Municipal Court Cost				
Bailliff	\$ 400	\$ 500	\$ 586	\$ (86)
Capital Outlay	500	-	-	-
Court Magistrate	7,200	7,200	7,200	-
Court Prosecutor	4,800	4,800	4,400	400
Credit Card Fees	2,400	2,000	1,868	132
Credit Card Lease	500	500	490	10
Legal	500	100	70	30
Miscellaneous	400	800	805	(5)
Office Expense	600	-	-	-
Payroll Taxes	700	700	742	(42)
Salaries, Court Clerk	8,600	8,500	9,283	(783)
Witness Fee	300	100	200	(100)
Workers Compensation	100	100	75	25
Total Municipal Court Cost	<u>27,000</u>	<u>25,300</u>	<u>25,719</u>	<u>(419)</u>
Street Lights and Sanitation:				
Park Utilities	-	200	304	(104)
Street Lights	18,200	19,000	18,715	285
Sanitation Collection	32,300	37,000	37,120	(120)
Total Street Lights and Sanitation	<u>50,500</u>	<u>56,200</u>	<u>56,139</u>	<u>61</u>
Mosquito Abatement:				
Capital Outlay	1,000	-	-	-
Payroll Taxes	100	100	93	7
Salaries	1,500	1,600	1,481	119
Supplies	400	4,900	4,875	25
Workers Compensation	100	-	-	-
Total Mosquito Abatement	<u>3,100</u>	<u>6,600</u>	<u>6,449</u>	<u>151</u>
Total Expenditures	<u>725,714</u>	<u>714,700</u>	<u>711,913</u>	<u>2,787</u>
Excess Revenues (Expenditures)	<u>(88,000)</u>	<u>(86,100)</u>	<u>(78,462)</u>	<u>7,638</u>
Other Financing Sources (Uses)				
Sale of Fixed Assets	3,000	5,100	9,653	4,553
Transfer in From Utility Fund	40,000	80,000	80,000	-
Total Other Financing Sources (Uses)	<u>43,000</u>	<u>85,100</u>	<u>89,653</u>	<u>4,553</u>
Net Change in Fund Balance	(45,000)	(1,000)	11,191	12,191
Unassigned Fund Balance, Beginning	144,832	139,990	139,990	-
Unassigned Fund Balance, Ending	<u>\$ 99,832</u>	<u>\$ 138,990</u>	<u>\$ 151,181</u>	<u>\$ 12,191</u>

(Concluded)

See auditor's report.

Village of Tickfaw, Louisiana

Schedule 2

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

1995 Sales Tax Fund

For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts: GAAP Basis	Variance with Final Budget: Favorable (Unfavorable)
	Original	Final		
Revenues				
Sales and Use Taxes	\$ 41,800	\$ 40,100	\$ 44,567	\$ 4,467
Interest Income	25	20	59	39
Total Revenues	<u>41,825</u>	<u>40,120</u>	<u>44,626</u>	<u>4,506</u>
Expenditures				
Auto Fuel	1,700	1,400	1,356	44
Capital Outlay	1,500	-	-	-
Diesel	1,400	2,000	1,156	844
Insurance, Health	-	1,700	1,645	55
Insurance, Liability	500	500	455	45
Insurance, Property	500	500	-	500
Insurance, Workers Compensation	2,700	3,700	3,893	(193)
Insurance, Vehicle	1,600	1,500	1,456	44
Miscellaneous	500	-	-	-
Payroll Taxes	1,700	2,200	2,196	4
Repairs and Maintenance	8,200	6,300	5,965	335
Salaries	21,800	26,500	27,262	(762)
Street Repairs	100	-	-	-
Street Signs & Supplies	400	-	-	-
Total Expenditures	<u>42,600</u>	<u>46,300</u>	<u>45,384</u>	<u>916</u>
Net Change in Fund Balance	(775)	(6,180)	(758)	5,422
Restricted Fund Balance, Beginning	32,890	32,762	32,762	-
Restricted Fund Balance, Ending	<u>\$ 32,115</u>	<u>\$ 26,582</u>	<u>\$ 32,004</u>	<u>\$ 5,422</u>

See auditor's report.

Village of Tickfaw, Louisiana

Schedule 3

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Fire Protection Fund

For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts: GAAP Basis	Final Budget: Favorable (Unfavorable)
Revenues				
Ad Valorem Taxes	\$ 22,700	\$ 22,700	\$ 21,862	\$ (838)
Interest Income	50	50	46	(4)
Total Revenues	<u>22,750</u>	<u>22,750</u>	<u>21,908</u>	<u>(842)</u>
Expenditures				
Building Improvements	1,750	-	-	-
Capital Outlay	1,000	1,000	-	1,000
Miscellaneous	200	-	-	-
Insurance	800	800	-	800
Utilities	5,200	5,500	5,031	469
Fire Protection	4,200	4,200	4,200	-
Repairs & Maintenance	4,000	4,400	3,424	976
Total Expenditures	<u>17,150</u>	<u>15,900</u>	<u>12,655</u>	<u>3,245</u>
Net Change in Fund Balance	5,600	6,850	9,253	2,403
Restricted Fund Balance, Beginning	<u>70,029</u>	<u>70,377</u>	<u>70,377</u>	<u>-</u>
Restricted Fund Balance, Ending	<u>\$ 75,629</u>	<u>\$ 77,227</u>	<u>\$ 79,630</u>	<u>\$ 2,403</u>

See auditor's report.

Village of Tickfaw

Schedule 4

Schedule of Employer's Share of Net Pension Liability  
For the Year Ended June 30, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Employer's Proportion of the Net Pension Liability (Asset)	0.010371%	0.010710%	0.018800%	0.029081%	0.017086%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 90,543	\$ 100,383	\$ 148,054	\$ 181,933	\$ 136,490
Employer's Covered-Employee Payroll	\$ 30,057	\$ 30,960	\$ 30,000	\$ 50,546	\$ 82,764
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	301.24%	324.23%	493.51%	359.94%	164.91%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.08%	66.04%	70.73%	75.10%	66.71%

*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

See auditor's report.

**Village of Tickfaw**

**Schedule 5**

**Schedule of Employer Contributions  
For the Year Ended June 30, 2018**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 9,266	\$ 9,830	\$ 8,850	\$ 15,922	\$ 24,378
Contributions in relation to the contractually required contribution	<u>(9,266)</u>	<u>(9,830)</u>	<u>(8,850)</u>	<u>(15,922)</u>	<u>(24,378)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered-employee payroll	\$ 30,057	\$ 30,960	\$ 30,000	\$ 50,546	\$ 86,619
Contributions as a percentage of covered-employee payroll	30.83%	31.75%	29.50%	31.50%	28.14%

See auditor's report.

## Other Supplemental Information

Village of Tickfaw, Louisiana

Schedule 6

Schedule of Compensation Paid Elected Officials  
Year Ended June 30, 2018

The schedule of compensation paid board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature:

<u>Elected Official</u>	<u>Term Expires</u>	<u>Compensation Received</u>
Anthony "Tony" Lamonte, Mayor 14304 Nuccio Road Tickfaw, LA 70466 (985)345-8796	12/31/2018	\$ 31,360
Joseph M. Fedele, Alderman 49361 Fedele Rd Tickfaw, LA 70466 (985) 507-4805	12/31/2018	3,660
Stephen C. Galafaro 50092 East Railroad Ave Tickfaw, LA 70466 (985) 542-9712	12/31/2018	3,660
Guy J. Ribando 14339 Thomas Street Tickfaw, LA 70466 (985) 662-0503	12/31/2018	3,645
Frank E. Dibenedetto, JR, Chief of Police 14372 Oak Street Tickfaw, LA 70466 (985) 345-4677	12/31/2018	30,057
		\$ <u><u>72,382</u></u>

See auditor's report.

Village of Tickfaw, Louisiana

Schedule 7

Schedule of Compensation, Benefits and Other Payments to Agency Head  
Year Ended June 30, 2018

Agency Head Name: Anthony Lamonte, Mayor

Salary	\$	31,360
Benefits - Insurance		-
Benefits - Retirement		-
Benefits - Payroll Taxes		2,399
Car Allowance		-
Vehicle Provided by Government		-
Per Diem		-
Reimbursements		-
Travel		-
Registration Fees		125
Conference Travel		355
Continuing Professional Education		-
Housing		-
Unvouchered Expenses		-
Special Meals		-
Cell Phone		1,011
Total	\$	<u>35,250</u>

See auditor's report.

## Other Independent Auditor's Reports and Findings and Recommendations

Dennis E. James, CPA  
Lyle E. Lambert, CPA  
Paul M. Riggs, Jr., CPA

J. Bryan Ehricht, CPA  
Samantha D. Wagner, CPA  
Christie J. Barado  
Megan E. Lynch  
B. Jacob Steib  
Debbie G. Faust, EA  
Ramona K. Huckabee, EA



JAMES  
LAMBERT RIGGS  
& ASSOCIATES, INC.  
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Member of  
American Institute of CPAs  
Society of Louisiana CPAs

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 *Government Auditing Standards*

The Honorable Mayor Anthony Lamonte  
and Members of the Board of Aldermen  
Village of Tickfaw, Louisiana

We have audited, 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, the financial statements of the governmental activities, the business-type activities, and each major fund, of the Village of Tickfaw, Louisiana, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Village of Tickfaw, Louisiana's, basic financial statements, and have issued our report thereon dated December 3, 2018.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Village of Tickfaw, Louisiana's, internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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 Village of Tickfaw, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Tickfaw, Louisiana's, internal control.

*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. *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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village of Tickfaw, Louisiana's financial statements are free from 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of current year audit findings and responses as item 2018-001.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our 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.

*James, Lambert, Riggs  
& Associates*

James, Lambert, Riggs and Associates, Inc.  
Hammond, Louisiana

December 3, 2018

**Village of Tickaw, Louisiana**  
**Current Year Audit Findings and Responses**  
**For the Year Ended June 30, 2018**

We have audited, 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, the financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Tickfaw, Louisiana as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Village of Tickfaw’s basic financial statements, and have issued our report thereon dated December 3, 2018. Our audit of the basic financial statements resulted in an unmodified opinion.

**Section I Summary of Auditor’s Reports**

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

Internal Control:

Material Weakness	___	Yes	___	No
Significant Deficiencies	___	Yes	___	No

Compliance:

Compliance Material to the Financial Statements	___	Yes	___	No
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2. Management Letter

Was a management letter issued?	___	Yes	___	No
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**Section II Financial Statement Findings**

**Internal Control over Financial Reporting**

None

**Compliance and Other Matters**

**2018-001 – Cut Off Procedures for Water & Sewer Services**

**Condition:**

During our audit and testing of accounts receivable for utilities, it was noted that the Village had a total of \$16,243.85 in outstanding utility system receivables over 60 days old. Further procedures were performed and it was found that this balance is due to many customers still receiving services after 60 days of nonpayment. Customers are not having utility services cut off in accordance with the Village of Tickfaw’s Ordinance on Water and Sewer Services.

**Criteria:**

According to the Village of Tickfaw Ordinance Number 97 Section 17, “*Payment of the water bills must be made to the Village of Tickfaw on or before the 24<sup>th</sup> day of each month. In the event the bill*

**Village of Tickaw, Louisiana**  
Current Year Audit Findings and Responses  
For the Year Ended June 30, 2018

*is not paid in full by the 24<sup>th</sup> day of the month, a delinquent payment fee of \$6.00 shall be added and the customer will have until the 15<sup>th</sup> day of the following month to pay the account in full. If the account is not paid in full by the 15<sup>th</sup> day of the month all services will be disconnected off with no further notice.”*

**Cause:**

The cause appears to be leniency on the part of management by sending out notices prior to cut off dates giving customers additional time for payment.

**Effect:**

The Village of Tickfaw is failing to follow the Town’s Ordinance Enacting Rules and Regulations for Water and Sewer Services. Additionally, this is causing an increase accounts receivable balance and possible loss of revenue to the Village due to uncollectable accounts.

**Recommendation:**

We recommend the Village of Tickfaw either adhere to the established Ordinance on Water and Sewer Services and enforce cut off procedures for customers in the stated time frame or amend the Ordinance on Water and Sewer Services to extend the time frame.

**Management’s Response:**

See management’s response dated December 10, 2018.

**Village of Tickaw, Louisiana**  
Summary Schedule of Prior Year Audit Findings  
For the Year Ended June 30, 2018

**Internal Control over Financial Reporting**

None

**Compliance and Other Matters**

None

# Village of Tickfaw

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50081 Hwy. 51  
P.O. Box 249  
Tickfaw, Louisiana 70466

December 4, 2018

James Lambert Riggs & Associates, Inc  
P.O. Drawer 369  
Hammond, LA 70404

REF: Policies and Procedures

- **Written Policies and Procedures**

The Village of Tickfaw Council will be introducing to amend Ordinance 97 Section 17 for payment of the water bill each month in the event the bill is not paid in full by the 24<sup>th</sup> of the month and setting a Public Hearing at the monthly meeting to be held on December 11, 2018.

All other required Policies and Procedures are being developed to be approved at future monthly meetings.

Anthony "Tony" Lamonte, Mayor



MAYOR

Anthony "Tony" Lamonte

MAYOR PRO TEM

Steve Galofaro

Ruby LeTard, Municipal Clerk



CHIEF OF POLICE

Frank DiBenedetto

COUNCIL

Michael Joseph Fedele

Steve Galofaro

Guy Ribando

ATTORNEY AT LAW

Maurice Trippi

MUNICIPAL CLERK

Ruby LeTard

**VILLAGE OF TICKFAW, LOUISIANA**

**STATEWIDE AGREED UPON PROCEDURES ENGAGEMENT**

**FOR THE YEAR ENDED JUNE 30, 2018**

Dennis E. James, CPA  
Lyle E. Lambert, CPA  
Paul M. Riggs, Jr., CPA

J. Bryan Ehricht, CPA  
Samantha D. Wagner, CPA  
Christie J. Barado  
Megan E. Lynch  
B. Jacob Steib  
Debbie G. Faust, EA  
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American Institute of CPAs  
Society of Louisiana CPAs

## Independent Accountants' Report on Applying Agreed-Upon Procedures

To Honorable Anthony Lamonte, Mayor  
and Village Aldermen  
Tickfaw, Louisiana and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Village of Tickfaw, Louisiana and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2017 through June 30, 2018. The Village's management is responsible for those control and compliance areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are detailed in Schedule "A"

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those control and compliance areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those control and compliance areas identified in the SAUPs, and the results of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*James Lambert Riggs  
& Associates*

James Lambert Riggs & Associates, Inc.  
Hammond, Louisiana

December 3, 2018

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

- a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget

Results: No exceptions noted to the above procedures.

- b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

Results: No exceptions noted to the above procedures.

- c) **Disbursements**, including processing, reviewing, and approving

Results: The Village had written procedures for disbursements, but additional procedures are needed concerning the signing of cash disbursement checks.

- d) **Receipts / Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

Results: The Village had written procedures for receipts / collections over utility billing processes, but additional procedures are needed concerning receipts / collections for all other revenues of the Village.

- e) **Payroll / Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked

Results: No exceptions noted to the above procedures.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

Results: The Village had written procedures for contracting concerning public bid contracts only. Additional procedures are needed over other non-public bid contracts.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)

Results: No exceptions noted to the above procedures.

- h) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

**Results:** The Village did not have any written policies and procedures for travel and expense reimbursements.

- i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

**Results:** The Village did not have any written policies and procedures for ethics.

- j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure / EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements

**Results:** The Village did not have any written policies and procedures for debt service.

### **Bank Reconciliations**

2. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

**Results:** Management provided us with the required listing of bank accounts as well as management's representation that the listing is complete.

- a) Bank reconciliations include evidence that they were prepared within 2 monthly of the related statement closing date (e.g., initialed and dated, electronically logged);

**Results:** For the five (5) bank accounts selected, bank reconciliations were prepared for all twelve months for the period July 1, 2017 through June 30, 2018.

- b) Bank reconciliations include evidence that a member of management / board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

**Results:** For the five (5) bank accounts selected, evidence existed that the bank statements and bank reconciliations were reviewed by a member of management for the period July 1, 2017 through June 30, 2018.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

**Results:** For the five (5) bank accounts selected, one (1) account had a single check that was outstanding for more than 12 months as of June 30, 2018; however, management had documentation that they had researched this outstanding check.

Collections

3. Obtain a listing of deposit sites for the fiscal period where deposits for cash / checks / money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

**Results:** Management provided us with the required listing of cash deposit sites as well as management's representation that the listing is complete.

4. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers / registers.

**Results:** The Village does not have separate cash drawers for each employee.

- b) Each employee responsible for collecting cash is not responsible for preparing / making bank deposits, unless another employee / official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

**Results:** Three employees are responsible for collecting cash (including the Village Clerk). Two of these employees are able to prepare deposits and one of these employees (the Village Clerk) is responsible for recording the transactions and reconciling the bank account. The Village's outside CPA reviews the monthly bank reconciliations and journal entries, however.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee / official is responsible for reconciling ledger postings to each other and to the deposit.

**Results:** The Village Clerk is a backup for collecting cash and is responsible for recording and posting transactions to the general ledger.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and / or subsidiary ledgers, by revenue source and / or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation

**Results:** The Village Clerk is a backup for collecting cash and is responsible for reconciling the bank accounts.

5. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

**Results:** All employees who have access to cash are covered by a bond or insurance policy for theft.

6. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

a) Observe that receipts are sequentially pre-numbered.

**Results:** All of the observed receipts were sequentially pre-numbered.

b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

**Results:** We traced the sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip without exception.

c) Trace the deposit slip total to the actual deposit per the bank statement.

**Results:** All observed deposit slip totals were traced to the actual deposit per the bank statement without exception.

d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

**Results:** All deposits were made within one week, as the Village’s depository bank is more than 10 miles from the collection location.

e) Trace the actual deposit per the bank statement to the general ledger.

**Results:** We traced the actual deposits per the bank statement to the general ledger.

**Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)**

7. Obtain a listing of locations that process payments for the fiscal period and management’s representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

**Results:** Management provided us with the listing of locations that process payments for the fiscal period and management’s representation that the listing is complete.

8. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order / making the purchase.

**Results:** The Mayor and the Village Clerk are responsible for initiating purchases.

- b) At least two employees are involved in processing and approving payments to vendors.

**Results:** The Mayor and the Village Clerk are responsible for initiating purchases.

- c) The employee responsible for processing payments is prohibited from adding / modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

**Results:** The Village Clerk has the ability to add / modify vendor files, but the mayor is responsible for periodically reviewing new vendors when approving checks.

- d) Either the employee / official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

**Results:** The Village Clerk and Mayor are both required to sign each check. The Village Clerk is then responsible for mailing the payments.

9. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original invoice / billing statement.

**Results:** The observed disbursements matched the related original invoice / billing statement without exception.

- b) Observe that the disbursement documentation included evidence (e.g., initial / date, electronic logging) of segregation of duties tested under #9, as applicable.

**Results:** The observed disbursement documentation did not include evidence of segregation of duties.

**Credit Cards / Debit Cards / Fuel Cards / P-Cards**

10. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

**Results:** Management provided us with the required listing of credit cards and fuel cards, including the card numbers and the names of the persons who maintained possession of the cards, as well as management's representation that the listing is complete.

11. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit / debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.])

**Results:** All observed monthly statements and supporting documentation was reviewed and approved, in writing, by the Mayor, who is named on several of the selected cards. The Mayor is responsible for approving / writing checks; however, the Village Clerk reviews the statements, collects the documentation and is also responsible for signing checks.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

**Results:** For the five (5) credit cards / fuel cards selected, no finance charges or late fees were assessed.

12. Using the monthly statements or combined statements selected under #11 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business / public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

**Results:** For the five (5) credit cards / fuel cards selected, all itemized receipts were available and included documentation of the business / public purpose. No meals were charges made to the credit cards / fuel cards tested.

# Village of Tickfaw

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P.O. Box 249  
Tickfaw, Louisiana 70466

December 4, 2018

James Lambert Riggs & Associates, Inc  
P.O. Drawer 369  
Hammond, LA 70404

## REF: Policies and Procedures

- Written Policies and Procedures

The Village of Tickfaw Council will be adopting the following Policies and Procedures at the monthly meeting to be held on December 11, 2018.

1. Bank Reconciliation Policy
2. Budget & Capital Assets
3. Customer Utility Accounts
4. Purchasing & Disbursement
5. Payroll
6. Travel Advance
7. Traffic Tickets

All other required Policies and Procedures are being developed to be approved at future monthly meetings.

- Collections

The Village will develop a Policy and Procedure concerning Receipts/Collections for all monies received for revenues due the Village to be adopted by the Village Council in addition to the Customer Utility Accounts Policy to include managements actions to determine the completeness of all collections for each type of revenue or agency

- Disbursement

The Village Council will be adopting at the December 11, 2018 monthly meeting Purchasing & Disbursement Policy that includes processing, reviewing, and approving

Anthony "Tony" Lamonte, Mayor

  
MAYOR

Anthony "Tony" Lamonte

MAYOR PRO TEM

Steve Galofaro

COUNCIL

Michael Joseph Fedele

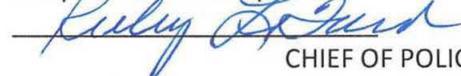
Steve Galofaro

Guy Ribando

ATTORNEY AT LAW

Maurice Trippi

Ruby LeTard, Municipal Clerk

  
CHIEF OF POLICE

Frank DiBenedetto

MUNICIPAL CLERK

Ruby LeTard