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VILLAGE OF TICKFAW

Tickfaw, Louisiana

FINANCIAL STATEMENT AND AUDITOR'S REPORTS

As of and for the Year Ended
June 30, 2008

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

Release Date 1-28-09
Anthony B. Baglio, C.P.A.
A Professional Accounting Corporation
Hammond, Louisiana

Village of Tickfaw, Louisiana
Annual Financial Statements
As of and for the Year Ended June 30, 2008
With Supplemental Information Schedules

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Village of Tickfaw, Louisiana
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ANTHONY B BAGLIO CPA
A PROFESSIONAL ACCOUNTING CORPORATION
2011 RUE SIMONE
HAMMOND, LOUISIANA 70403
PHONE: 985-542-4155 FAX: 985-542-4186

Independent Auditor's Report

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

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Tickfaw, as of and for the year ended June 30, 2008, which collectively comprise the Village's basic financial statements as listed in the table of contents. I also have audited the financial statements of each of the Village's non-major governmental funds presented in the accompanying combining and individual fund financial statements and schedules as of and for the year ended June 30, 2008, as listed in the table of contents. These financial statements are the responsibility of the Village's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as well as the aggregate non-major governmental funds of the Village of Tickfaw, Louisiana as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated December 29, 2008, on my consideration of the Village of Tickfaw's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my tests of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of my audit.

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

The management's discussion and analysis and budgetary comparison information on pages 7 through 15 and the required supplemental information (Part II) on pages 52-57 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Tickfaw's basic financial statements. The accompanying financial information, except for the schedule of insurance coverage in force (unaudited), listed in the table of contents as other supplemental information, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The schedule of insurance coverage in force (unaudited) has not been subjected to auditing procedures applied by me in the audit of the basic financial statements and, accordingly, I express no opinion on it.

Respectfully submitted,



Hammond, Louisiana
December 29, 2008

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, 2008

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 17 through 30 of this report.

Financial Highlights

- At June 30, 2008, the Village's assets exceeded its liabilities by \$2,736,444 (net assets). Of this amount, \$263,288 (unrestricted net assets) may be used to meet the Village's ongoing obligations to its citizens.
- For the year ended June 30, 2008, the Village's total net assets increased by \$88,249.
- At June 30, 2008, the Village's governmental funds reported combined ending fund balances of \$170,527, a decrease of \$136,454 for the year. Of this amount, \$170,527 is available for spending at the Village's discretion (unreserved fund balances).
- At June 30, 2008, the Village's proprietary funds reported combined ending net assets of \$1,988,889, an increase of \$67,000 for the year.
- For the year ended June 30, 2008, the Village's total long-term debt decreased by \$143,089.

Village of Tickfaw, Louisiana

Management's Discussion and Analysis As of and for the Year Ended June 30, 2008

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.

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 Assets 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 assets. Over time, the increases or decreases in net assets and changes in the components of net assets 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 assets 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, 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 17 through 19 of this report.

Village of Tickfaw, Louisiana

Management's Discussion and Analysis As of and for the Year Ended June 30, 2008

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 21 through 24 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 25 through 30 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 22 and 24 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 32 through 50 of this report.

Village of Tickfaw, Louisiana

Management's Discussion and Analysis
As of and for the Year Ended June 30, 2008

Government-Wide Financial Analysis

As noted earlier, net assets 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 Assets on page 17 of this report.

Net Assets
June 30, 2008 and 2007

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Assets:						
Current and Other Assets	\$ 190,504	\$ 319,349	\$ 186,284	\$ 90,053	\$ 376,788	\$ 409,402
Capital Assets	584,156	563,898	2,155,722	2,229,446	2,739,878	2,793,344
Total Assets	<u>774,660</u>	<u>883,247</u>	<u>2,342,006</u>	<u>2,319,499</u>	<u>3,116,666</u>	<u>3,202,746</u>
Liabilities:						
Long-Term Debt Outstanding	7,128	144,573	289,579	295,223	296,707	439,796
Other Liabilities	19,977	12,368	63,538	102,387	83,515	114,755
Total Liabilities	<u>27,105</u>	<u>156,941</u>	<u>353,117</u>	<u>397,610</u>	<u>380,222</u>	<u>554,551</u>
Net Assets:						
Invested in Capital Assets, Net of Related Debt	577,028	419,325	1,866,143	1,934,223	2,443,171	2,353,548
Restricted	-	142,730	29,985	17,986	29,985	160,716
Unrestricted	170,527	164,251	92,761	(30,320)	263,288	133,931
Total Net Assets	<u>\$ 747,555</u>	<u>\$ 726,306</u>	<u>\$ 1,988,889</u>	<u>\$ 1,921,889</u>	<u>\$ 2,736,444</u>	<u>\$ 2,648,195</u>

Approximately 89% of the Village's net assets reflects its 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. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

Approximately 1% of the Village's net assets represents resources that are subject to external restriction on how they may be used. The Village's restricted net assets consist of cash reserves required by revenue bond agreements and cash for customer deposits net of corresponding liabilities.

Approximately 10% of the Village's net assets are unrestricted and may be used to meet the Village's ongoing obligations to its citizens.

The Village's activities increased its total net assets by \$88,249 with governmental activities increasing net assets by \$21,249 and business-type activities increasing net assets by \$67,000.

Long-term debt decreased by \$143,089 from the prior year. This is due primarily to the pay off of the 1995 Sales Tax Bonds at December 1, 2007 in the amount of \$136,000.

Village of Tickfaw, Louisiana

Management's Discussion and Analysis
As of and for the Year Ended June 30, 2008

In order to further understand what makes up the changes in net assets, 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 pages 18 and 19 of this report.

Changes in Net Assets
For the Years Ended June 30, 2008 and 2007

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program Revenues:						
Charges for Services	\$ 414,034	\$ 422,334	\$ 204,796	\$ 214,432	\$ 618,830	\$ 636,766
Operating Grants and Contributions	13,326	27,295	53,500	-	66,826	27,295
Capital Grants and Contributions	-	-	-	-	-	-
General Revenues:						
Sales Taxes	137,329	183,094	45,776	-	183,105	183,094
Ad Valorem Taxes	29,574	27,307	-	-	29,574	27,307
Alcoholic Beverage Taxes	1,926	2,237	-	-	1,926	2,237
Tobacco Tax	-	1,046	-	-	-	-
Franchise Taxes	15,986	15,139	-	-	15,986	15,139
Interest Income	6,223	7,894	1,825	1,990	8,048	9,884
Insurance Reimbursement	15,008	-	-	-	15,008	-
Other Revenues	1,429	2,653	-	-	1,429	2,653
Sale of Fixed Assets	-	1,625	-	-	-	1,625
Operating Transfer	-	(27,140)	-	27,140	-	-
Total Revenues	634,835	663,484	305,897	243,562	940,732	906,000
Expenses:						
General and Administrative	171,292	144,788	-	-	171,292	144,788
Police Department	322,598	292,284	-	-	322,598	292,284
Street Department	40,970	30,682	-	-	40,970	30,682
Street Lights	17,374	16,777	-	-	17,374	16,777
Sanitation	27,702	27,700	-	-	27,702	27,700
Fire Protection	11,949	13,651	-	-	11,949	13,651
Depreciation on Infrastructure	16,946	16,946	-	-	16,946	16,946
Interest on Capital Lease	811	929	-	-	811	929
Interest on Sales Tax Bonds	3,944	8,180	-	-	3,944	8,180
Water, and Sewer Utility	-	-	238,897	282,605	238,897	282,605
Total Expenses	613,586	551,937	238,897	282,605	852,483	834,542
Change in Net Assets	21,249	111,547	67,000	(39,043)	88,249	71,458
Net Assets, Beginning	726,306	614,759	1,921,889	1,960,932	2,648,195	2,575,691
Net Assets, Ending	\$ 747,555	\$ 726,306	\$ 1,988,889	\$ 1,921,889	\$ 2,736,444	\$ 2,647,149

Village of Tickfaw, Louisiana

Management's Discussion and Analysis As of and for the Year Ended June 30, 2008

Governmental Activities

The Village's governmental net assets increased by \$21,249 to \$747,555. The increase is approximately 3% of the prior year ending net assets. In the prior year the governmental net assets increased by \$111,547. The current year increase is \$90,298 less than the prior year increase. This decrease was caused by a \$55,789 decrease in revenues and a \$61,649 increase in expenses respectively over prior year amounts. There was also a transfer to the Utility fund in the prior year of \$27,140.

The decrease in revenues is due primarily to the decrease in sales tax revenue recorded in the 1995 Sales Tax Fund. The Village voted to allocate one-half of the one % sales tax designated to the 1995 Sales Tax Fund to the Utility Fund.

Business-Type Activities

The Village's business-type net assets increased by \$67,000, to \$1,988,889. The increase in net assets is \$106,043 more than the prior year decrease of \$39,043. This difference is due to an increase in revenues of \$62,335 and a decrease in expenses of \$43,708. The increase in revenues consist mainly of sales tax revenue of \$45,777, grant revenue of \$53,500 and a decrease in operating transfer of \$27,140. The decrease in expenses is due to a decrease in repairs and maintenance.

Fund Financial Analysis

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

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 21 through 24 of this report.

At the end of the current year, the Village's governmental funds reported combined ending fund balances of \$170,527. Of this amount, \$170,527 is unreserved and available for spending at the Village's discretion.

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 \$119,927, all of which was unreserved. During the current year the general fund had a decrease in fund balance of \$10,683 compared to an increase in the prior year of \$65,264. The decrease in fund balance was due primarily to a decrease in revenues of \$9,103, an increase in expenditures of \$83,559 and decrease in other financial uses of \$16,715.

As a measure of the general fund's liquidity, it may be useful to compare the fund balance to fund expenditures. At June 30, 2008, the fund balance of \$119,927 is approximately 21% of total general fund expenditures of \$577,972.

Village of Tickfaw, Louisiana

Management's Discussion and Analysis As of and for the Year Ended June 30, 2008

Proprietary Funds

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

General Fund Budgetary Highlights

For the general fund, actual revenues were \$23,689 more than final budgeted amounts. Actual expenditures were \$2,552 more than final budgeted amounts. The net change in fund balance was \$18,637 more than final budgeted amounts.

For the general fund, original budgeted revenues were \$502,825 and final budgeted revenues were \$543,600. Original budgeted expenditures were \$496,615 and final budgeted expenditures were \$575,420.

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

- Insurance Reimbursements were added to the budget for \$15,000.
- Police fines were increased by \$40,000.
- Fees on insurance premiums were decreased by \$10,900.
- Capital Outlay was increased by \$47,000 due to the purchase of two 50 KW generators for \$29,993 and the purchase of a portable building for the senior citizens including the cost of renovation for \$25,944.
- Capital Outlay for the police department increased by \$7,600.
- Salaries for the police department increased by \$10,000.
- Supplies for the police increased \$5,100.

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

- Fees on insurance premiums exceeded the final budget amounts by \$27,040. A payment of \$30,295 was received in June 2008 that was not budgeted.
- There were no significant variations between actual expenditures and final budget amounts.

Village of Tickfaw, Louisiana

**Management's Discussion and Analysis
As of and for the Year Ended June 30, 2008**

Capital Assets and Debt Administration

Capital Assets

The Village's investment in capital assets for its governmental and business-type activities as of June 30, 2008 amounts to \$2,739,878 (net of depreciation). The total decrease in the Village's investment in capital assets for the current fiscal year was \$53,466. This is due primarily to depreciation expense of \$125,014.

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

- A building for the senior citizens was purchased and renovated at a cost of \$25,944.
- Four police cars were purchased at a cost of \$9,073.
- Two generators were purchased at a cost of \$29,993.

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 8 to the financial statements on pages 42 and 43 of this report.

**Capital Assets (Net of Depreciation)
June 30, 2008 and 2007**

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$ 126,285	\$ 126,285	\$ 58,594	\$ 58,594	\$ 184,879	\$ 184,879
Buildings	265,110	236,947	2,121	2,121	267,231	239,068
Infrastructure	677,839	677,839	-	-	677,839	677,839
Vehicles and Equipment	232,120	188,736	100,739	100,739	332,859	289,475
Water Utility System	-	-	921,249	921,249	921,249	921,249
Sewer Utility System	-	-	2,105,316	2,105,316	2,105,316	2,105,316
Accumulated Depreciation	(717,198)	(665,909)	(1,032,297)	(958,573)	(1,749,495)	(1,624,482)
Capital Assets, Net	<u>\$ 584,156</u>	<u>\$ 563,898</u>	<u>\$ 2,155,722</u>	<u>\$ 2,229,446</u>	<u>\$ 2,739,878</u>	<u>\$ 2,793,344</u>

Village of Tickfaw, Louisiana

**Management's Discussion and Analysis
As of and for the Year Ended June 30, 2008**

Long-Term Debt

At June 30, 2008, the Village had total debt outstanding of \$296,707. Of this total, \$7,430 is due within one year and \$289,277 is due within greater than one year. The following table provides a summary of the Village's outstanding debt at the end of the current year as compared to the prior year. For more detailed information, see Note 11 to the financial statements on pages 44 and 45 of this report.

**Outstanding Debt
June 30, 2008 and 2007**

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Sales Tax Bonds, Series 1995	\$ -	\$ 136,000	\$ -	\$ -	\$ -	\$ 136,000
Sewer Revenue Bonds	-	-	289,579	295,223	289,579	295,223
Capital Lease, 2880 Copier	7,128	8,573	-	-	7,128	8,573
Total Outstanding Debt	\$ 7,128	\$ 144,573	\$ 289,579	\$ 295,223	\$ 296,707	\$ 439,796

Other Factors Affecting the Village

On December 1, 2007, the Village paid off the 1995 Sale Tax Bonds in the amount of \$136,000. In a special election in July 2007, citizens of the Village of Tickfaw voted to allocate one half of the one % sales tax designated to the 1995 Sales Tax Fund to the Water and Sewer Utility Funds. At June 30, 2008, sales tax revenue recorded in the Utility funds totaled \$45,776.

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, Louisiana

Statement A

Statement of Net Assets
June 30, 2008

Assets	Governmental Activities	Business - Type Activities	Total
Cash and Cash Equivalents	\$ 159,874	\$ 26,042	\$ 185,916
Taxes Receivable	25,090	7,086	32,176
Accounts Receivable, Net	-	1,709	1,709
Due From Other Funds	4,791	-	4,791
Due From Other Governments	547	24,500	25,047
Other Receivables	52	-	52
Utility Deposit	150	-	150
Restricted Cash and Cash Equivalents	-	63,706	63,706
Inventory	-	57,700	57,700
Unamortized Bond Issue Costs	-	5,541	5,541
Land	126,285	58,594	184,879
Capital Assets, Net	457,871	2,097,128	2,554,999
Total Assets	<u>774,660</u>	<u>2,342,006</u>	<u>3,116,666</u>
Liabilities			
Accounts Payable	4,779	22,557	27,336
Other Accrued Expenses	8,700	78	8,778
Accrued Salary Payable	5,100	912	6,012
Accrued Vacation Payable	1,204	392	1,596
Accrued Interest Payable	-	1,087	1,087
Due To Other Funds	-	4,791	4,791
Due To Entergy	194	-	194
Customer Deposits	-	33,721	33,721
Current Portion of Long-Term Debt	1,460	5,970	7,430
Non-Current Portion of Long-Term Debt	5,668	283,609	289,277
Total Liabilities	<u>27,105</u>	<u>353,117</u>	<u>380,222</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	577,028	1,866,143	2,443,171
Restricted for Debt Service	-	29,985	29,985
Unrestricted	170,527	92,761	263,288
Total Net Assets	<u>\$ 747,555</u>	<u>\$ 1,988,889</u>	<u>\$ 2,736,444</u>

The accompanying notes are an integral part of this statement.

Village of Tickfaw, Louisiana

Statement of Activities
For the Year Ended June 30, 2008

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General and Administrative	\$ 171,292	\$ 74,628	\$ -	\$ -
Police Department	322,598	303,658	13,326	-
Street Department	40,970	-	-	-
Street Lights	17,374	-	-	-
Sanitation	27,702	35,748	-	-
Fire Protection	11,949	-	-	-
Depreciation on Infrastructure	16,946	-	-	-
Interest on Capital Lease	811	-	-	-
Interest on Sales Tax Bonds Series 1995	3,944	-	-	-
Total Governmental Activities	613,586	414,034	13,326	-
Business-Type Activities:				
Water Utility	103,222	84,038	-	-
Sewer Utility	135,675	120,758	53,500	-
Total Business-Type Activities	238,897	204,796	53,500	-
Total Primary Government	\$ 852,483	\$ 618,830	\$ 66,826	\$ -

General Revenues:

Taxes:

Property Taxes

Franchise Taxes

Sales Taxes

Alcoholic Beverage Taxes

Interest Income

Miscellaneous

Total General Revenues

Change in Net Assets

Net Assets, Beginning

Net Assets, Ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and
Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (96,664)	\$ -	\$ (96,664)
(5,614)	-	(5,614)
(40,970)	-	(40,970)
(17,374)	-	(17,374)
8,046	-	8,046
(11,949)	-	(11,949)
(16,946)	-	(16,946)
(811)	-	(811)
(3,944)	-	(3,944)
<u>(186,226)</u>	<u>-</u>	<u>(186,226)</u>
-	(19,184)	(19,184)
-	38,583	38,583
<u>-</u>	<u>19,399</u>	<u>19,399</u>
<u>(186,226)</u>	<u>19,399</u>	<u>(166,827)</u>
29,574	-	29,574
15,986	-	15,986
137,329	45,776	183,105
1,926	-	1,926
6,223	1,825	8,048
16,437	-	16,437
<u>207,475</u>	<u>47,601</u>	<u>255,076</u>
21,249	67,000	88,249
726,306	1,921,889	2,648,195
<u>\$ 747,555</u>	<u>\$ 1,988,889</u>	<u>\$ 2,736,444</u>

Basic Financial Statements
Governmental Fund Financial Statements

Village of Tickfaw, Louisiana

Statement C

Balance Sheet
Governmental Funds
June 30, 2008

	General Fund	1995 Sales Tax Fund	Fire Protection Fund	Sales Tax Bonds Series 1995	Total
Assets					
Cash and Cash Equivalents	\$ 110,668	\$ 22,949	\$ 26,210	\$ 47	\$ 159,874
Taxes Receivable:					
Public Utility Franchise	3,834	-	-	-	3,834
Sales and Use Taxes	14,171	7,085	-	-	21,256
Due From Other Funds	9,838	-	-	-	9,838
Due From Other Governments:					
Louisiana Beer Tax	547	-	-	-	547
Other Receivables	52	-	-	-	52
Utility Deposit	-	-	150	-	150
Total Assets	\$ 139,110	\$ 30,034	\$ 26,360	\$ 47	\$ 195,551
Liabilities and Fund Balances					
Liabilities:					
Accounts Payable	\$ 4,457	\$ -	\$ 322	\$ -	\$ 4,779
Other Accrued Expenses	8,700	-	-	-	8,700
Accrued Salary	4,824	276	-	-	5,100
Accrued Vacation	1,008	196	-	-	1,204
Due to Other Funds	-	4,960	87	-	5,047
Due to Entergy	194	-	-	-	194
Total Liabilities	19,183	5,432	409	-	25,024
Fund Balances:					
Unreserved	119,927	24,602	25,951	47	170,527
Total Fund Balances	119,927	24,602	25,951	47	170,527
Total Liabilities and Fund Balances	\$ 139,110	\$ 30,034	\$ 26,360	\$ 47	\$ 195,551

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, 2008

Fund Balances, Governmental Funds, Statement C \$ 170,527

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

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

Capital Assets, Net of Depreciation 584,156

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds. These liabilities consist of:

Cannon Copier, Capital Lease (7,128)

Net Assets, Governmental Activities, Statement A \$ 747,555

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, 2008

Revenues	General Fund	1995 Sales Tax Fund	Fire Protection Fund	Sales Tax Bonds Series 1995	Total
Taxes	\$ 119,623	\$ 45,777	\$ 17,489	\$ -	\$ 182,889
Licenses, Permits and Fees	74,628	-	-	-	74,628
Intergovernmental	1,926	-	-	-	1,926
Fines and Forfeitures	303,658	-	-	-	303,658
Sanitation Services	35,748	-	-	-	35,748
Supplemental Pay	12,727	-	-	-	12,727
Fema	599	-	-	-	599
Interest Income	1,964	458	419	3,382	6,223
Other Revenues	16,416	21	-	-	16,437
Total Revenues	567,289	46,256	17,908	3,382	634,835
Expenditures					
General and Administrative	157,858	-	-	2,508	160,366
Police Department	303,454	-	-	-	303,454
Street Department	-	40,271	-	-	40,271
Street Lights	17,374	-	-	-	17,374
Sanitation	27,702	-	-	-	27,702
Fire Protection	-	-	8,375	-	8,375
Debt Service:					
Principal	1,445	-	-	136,000	137,445
Interest	811	-	-	3,944	4,755
Capital Outlay	69,328	-	2,219	-	71,547
Total Expenditures	577,972	40,271	10,594	142,452	771,289
Excess Revenues (Expenditures)	(10,683)	5,985	7,314	(139,070)	(136,454)
Other Financing Sources (Uses)					
Operating Transfers (Out) In	-	3,613	-	(3,613)	-
Total Other Financing Sources (Uses)	-	3,613	-	(3,613)	-
Net Changes in Fund Balances	(10,683)	9,598	7,314	(142,683)	(136,454)
Fund Balances, Beginning	130,610	15,004	18,637	142,730	306,981
Fund Balances, Ending	\$ 119,927	\$ 24,602	\$ 25,951	\$ 47	\$ 170,527

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, 2007

Net Change in Fund Balances, Governmental Funds, Statement E \$ (136,454)

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	71,547
Depreciation Expense	(51,289)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. These differences consist of:

Bond Principal Repayments	136,000
Capital Lease Principal Repayments	1,445

Change in Net Assets, Governmental Activities, Statement B \$ 21,249

The accompanying notes are an integral part of this statement.

Village of Tickfaw, Louisiana

Statement G

Statement of Net Assets
Proprietary Fund
June 30, 2008

Assets	Enterprise Fund
Current Assets:	
Cash and Cash Equivalents	\$ 26,042
Accounts Receivable, Net	1,709
Sales Tax Receivable	7,086
Grant Receivable	24,500
Total Current Assets	<u>59,337</u>
Restricted Assets:	
Sewer Contingency Account	11,559
Sewer Reserve Account	18,484
Sewer Bond Sinking Fund	476
Utility Customer Deposits	33,187
Total Restricted Assets	<u>63,706</u>
Property, Plant, and Equipment:	
Land	58,594
Plant and Equipment, at Cost	3,129,425
Less: Accumulated Depreciation	<u>(1,032,297)</u>
Net Property, Plant, and Equipment	<u>2,155,722</u>
Other Assets:	
Inventory	57,700
Bond Issue Costs	8,866
Less: Accumulated Amortization	<u>(3,325)</u>
Total Other Assets	<u>63,241</u>
Total Assets	<u>2,342,006</u>

(Continued)

The accompanying notes are an integral part of this statement.

Village of Tickfaw, Louisiana

Statement G

Statement of Net Assets
Proprietary Fund
June 30, 2008

	Enterprise Fund
Liabilities	
Current Liabilities (Payable From Current Assets):	
Accounts Payable	\$ 22,557
Accrued Salary Payable	912
Accrued Vacation Payable	392
Accrued Interest Payable	1,087
Other Accrued Expenses	78
Due to Other Funds	4,791
Revenue Bonds Payable	5,970
Total Current Liabilities (Payable From Current Assets)	<u>35,787</u>
Current Liabilities (Payable From Restricted Assets):	
Customer Deposits Payable	<u>33,721</u>
Total Current Liabilities (Payable From Restricted Assets)	<u>33,721</u>
Long-Term Liabilities:	
Revenue Bonds Payable	<u>283,609</u>
Total Long-Term Liabilities	<u>283,609</u>
Total Liabilities	<u>353,117</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	1,866,143
Restricted For Debt Service	29,985
Unrestricted	92,761
Total Net Assets	<u>\$ 1,988,889</u>

(Concluded)

The accompanying notes are an integral part of this statement.

Village of Tickfaw, Louisiana

Statement H

Statement of Revenues, Expenses, and Changes in Net Assets
 Proprietary Fund
 For the Year Ended June 30, 2008

	Enterprise Fund
Operating Revenues	
Water Sales	\$ 80,169
Service Connections	35
Penalties	1,877
Safe Drinking Water Fees	1,117
NSF Fees	380
Tap-in Fees	650
Sewer Charges	118,411
Service Connections	500
Penalties	1,657
Total Operating Revenues	<u>204,796</u>
Operating Expenses	
Accounting and Auditing	5,102
Amortization	222
Auto Fuel	3,582
Auto Repairs	989
Chlorine	5,487
Depreciation	73,725
Diesel	1,068
Dues	983
Equipment Rental	450
Insurance, Liability	2,588
Insurance, Property	3,659
Insurance, Vehicle	3,250
Insurance, Workers Compensation	2,552
Miscellaneous	212
Office Expense	1,542
Payroll Taxes	3,620

(Continued)

The accompanying notes are an integral part of this statement.

Village of Tickfaw, Louisiana

Statement H

Statement of Revenues, Expenses, and Changes in Net Assets
 Proprietary Fund
 For the Year Ended June 30, 2008

	Enterprise Fund
Professional	\$ 18,234
Repairs and Maintenance	16,978
Salaries	48,706
Safe Drinking Water Fees	803
Sewer Analysis	960
Supplies	1,115
Telephone	706
Utilities	26,980
Total Operating Expenses	<u>223,513</u>
Operating Income (Loss)	<u>(18,717)</u>
Nonoperating Revenues (Expenses)	
Grant	53,500
Insurance Reimbursement	16,564
Repairs and Maintenance	(16,564)
Sales Tax	45,776
Interest Revenue	1,825
Bond Interest Expense	<u>(15,384)</u>
Total Nonoperating Revenues (Expenses)	<u>85,717</u>
Change in Net Assets	67,000
Net Assets, Beginning	<u>1,921,889</u>
Net Assets, Ending	<u>\$ 1,988,889</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, 2008

	<u>Enterprise Fund</u>
Cash Flows From Operating Activities	
Received From Customers	\$ 204,366
Received For Meter Deposits	3,665
Payments For Operations	(138,070)
Payments For Employees	(54,588)
Net Cash Provided (Used) by Operating Activities	<u>15,373</u>
Cash Flows From Noncapital Financing Activities	
Receipts (Payments) For Interfund Services	<u>(57,267)</u>
Net Cash Flows Provided (Used) by Noncapital Financing Activities	<u>(57,267)</u>
Cash Flows From Capital and Related Financing Activities	
Received From Grants	29,000
Received From Insurance	16,564
Payments For Repairs & Maintenance	(16,564)
Received From Sales Tax	38,690
Principal Payments, Capital Lease	-
Principal Repayments, Revenue Bonds Payable	(5,644)
Interest Payments, Revenue Bonds Payable	(15,241)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>46,805</u>
Cash Flows From Investing Activities	
Receipt of Interest	<u>1,825</u>
Net Cash Provided (Used) by Investing Activities	<u>1,825</u>
Net Increase (Decrease) in Cash	6,736
Cash, Beginning of Year	<u>83,012</u>
Cash, End of Year	<u>\$ 89,748</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Assets	
Cash and Cash Equivalents, Unrestricted	\$ 26,042
Cash and Cash Equivalents, Restricted	<u>63,706</u>
Total Cash and Cash Equivalents	<u>\$ 89,748</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, 2008

	<u>Enterprise Fund</u>
Reconciliation of Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	\$ (18,717)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Depreciation	73,725
Amortization of Bond Issue Costs	222
Change in Accounts Receivable	(430)
Change in Inventory	(57,700)
Change in Accounts Payable	14,335
Change in Accrued Salary	(102)
Change in Accrued Vacation	392
Change in Accrued Expenses	(17)
Change in Customer Deposits	3,665
Net Cash Provided (Used) by Operating Activities	<u>\$ 15,373</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, 2008

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 Mayor and Aldermen are compensated per diem for each meeting attended; in addition, 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 642, as reported by the U.S. Census Bureau, Census 2000. 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 309 water customers, and 263 sewer customers inside and outside of the Village limits and 222 garbage customers. The Village employs 12 full-time employees and 1 part-time employee 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 assets 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.

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.

Village of Tickfaw, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2008

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 *Debt Service Fund* is used to account for financial resources set aside to pay interest and principal on long-term debt. The Sales Tax Bonds, Series 1995 Fund is considered a major fund for reporting purposes.

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 recovered primarily through user fees, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Village of Tickfaw, Louisiana

Notes to the Financial Statements As of and for the Year Ended June 30, 2008

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 governments 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.

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.

Investments for the Village are reported at fair value. The state investment pool (LAMP) operates in accordance with state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Village of Tickfaw, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2008

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	10.00	10.00
General Corporate Purposes	6.91	6.91
Total	<u>16.91</u>	<u>16.91</u>

At June 30, 2008, there were no taxpayers whose percentage of total assessed valuation was 5% or greater of the total assessed valuation.

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 for the purpose of constructing, improving, and maintaining streets and drainage facilities, including the overlaying of streets.

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."

Village of Tickfaw, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2008

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. Restricted Assets

For the proprietary fund, restricted assets consist of cash resources set aside for repayment of customer deposits and revenue bonds and interest in accordance with applicable bond covenants.

G. 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.

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

Village of Tickfaw, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2008

H. 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, 1/2 day per month
- Two (2) years of continuous service, 1/2 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, 2008

I. Long-Term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

J. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

K. Comparative Data

Comparative total data for the prior year have been presented only for individual enterprise funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds.

L. 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.

M. 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.

Village of Tickfaw, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2008

N. 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 assets 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.

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. The proposed expenditures were less than \$500,000; therefore, a public hearing was not required.
3. All action necessary to adopt and implement the budget must be completed prior to the beginning of the fiscal year. The budget was adopted on June 11, 2007.
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, special revenue funds and enterprise funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets for enterprise funds are presented on the accrual basis of accounting. Other 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).

The following funds had expenditures over appropriations for the fiscal year ended June 30, 2008:

<u>Fund</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund	\$ 496,615	\$ 575,420	\$ 577,972	\$ (2,552)

The unfavorable variances did not result in a violation of the Local Government Budget Act.

Village of Tickfaw, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2008

3. Cash and Cash Equivalents

At June 30, 2008, the Village has cash and cash equivalents (book balances) totaling \$249,622 as follows:

Cash on Hand	\$	600
Interest-Bearing Demand Deposits		<u>249,022</u>
	\$	<u>249,622</u>

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, 2008, the Village had \$229,122 in interest-bearing demand deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance and \$129,122 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Village that the fiscal agent has failed to pay deposited funds upon demand.

4. Investments

At June 30, 2008, the Village did not have any investments.

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.

Village of Tickfaw, Louisiana

**Notes to the Financial Statements
As of and for the Year Ended June 30, 2008**

The Governmental Funds receivables of \$25,689 at June 30, 2008, consist of the following:

Taxes:	
Public Utility Franchise	\$ 3,834
Sales and Use	21,256
Intergovernmental:	
State of Louisiana, Beer Tax Distribution	547
Energy Commissions	52
	<u>\$ 25,689</u>

The Enterprise Fund accounts receivable of \$33,295 at June 30, 2008, consist of the following:

Current	\$ 2,722
30 Days	459
60 Days	265
90 Days	400
Over 120 Days	(137)
Subtotal	3,709
Less Allowance for Bad Debt	2,000
Accounts Receivables, Net	1,709
Sales and Use	7,086
Grant	24,500
	<u>\$ 33,295</u>

6. Interfund Receivables/Payables

The following is a detailed list of interfund balances reported in the fund financial statements on June 30, 2008:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 9,838	\$ -
1995 Sales Tax Fund	-	4,960
Fire Protection Fund	-	87
Enterprise Fund	-	4,791
	<u>\$ 9,838</u>	<u>\$ 9,838</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 Enterprise Fund and 1995 Sales Tax Fund. At June 30, 2008, payroll and other expenses not reimbursed from the Enterprise Fund totaled \$4,791 and \$4,960 from the 1995 Sales Tax Fund. These amounts are expected to be paid back within one year.

Village of Tickfaw, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2008

The reason for the interfund payable in the Fire Protection Fund is due primarily because Ad valorem taxes for the General Fund were deposited in the Fire Protection Fund. The amount due to the General Fund is expected to be repaid in full within one year from the date of the financial statements.

7. Restricted Assets

Restricted assets applicable to the Enterprise Fund at June 30, 2008, consisted of cash reserved for bond requirements of \$30,519 and for customer deposits of \$33,187.

8. Capital Assets

Capital assets and depreciation activity as of and for the year ended June 30, 2008 for governmental activities is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
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	236,947	28,163	-	265,110
Vehicles and Equipment	188,736	43,384	-	232,120
Infrastructure	677,839	-	-	677,839
Total Capital Assets Being Depreciated	<u>1,103,522</u>	<u>71,547</u>	<u>-</u>	<u>1,175,069</u>
Less Accumulated Depreciation for:				
Buildings	82,463	7,300	-	89,763
Vehicles and Equipment	125,905	27,043	-	152,948
Infrastructure	457,541	16,946	-	474,487
Total Accumulated Depreciation	<u>665,909</u>	<u>51,289</u>	<u>-</u>	<u>717,198</u>
Capital Assets Being Depreciated, Net	<u>437,613</u>	<u>20,258</u>	<u>-</u>	<u>457,871</u>
Governmental Activities Capital Assets, Net	<u>\$ 563,898</u>	<u>\$ 20,258</u>	<u>\$ -</u>	<u>\$ 584,156</u>

Depreciation was charged to governmental functions as follows:

General Administration	\$ 10,926
Police Protection	19,144
Street Department	699
Fire Protection	3,574
Infrastructure	16,946
	<u>\$ 51,289</u>

Village of Tickfaw, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2008

Capital assets and depreciation activity as of and for the year ended June 30, 2008 for business-type activities is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 58,594	\$ -	\$ -	\$ 58,594
Total Capital Assets Not Being Depreciated	<u>58,594</u>	<u>-</u>	<u>-</u>	<u>58,594</u>
Capital Assets Being Depreciated:				
Buildings	2,121	-	-	2,121
Vehicles and Equipment	100,739	-	-	100,739
Water Utility System	921,249	-	-	921,249
Sewer Utility System	2,105,316	-	-	2,105,316
Total Capital Assets Being Depreciated	<u>3,129,425</u>	<u>-</u>	<u>-</u>	<u>3,129,425</u>
Less Accumulated Depreciation for:				
Buildings	425	70	-	495
Vehicles and Equipment	40,246	9,302	-	49,548
Water Utility System	392,940	22,062	-	415,002
Sewer Utility System	524,962	42,290	-	567,252
Total Accumulated Depreciation	<u>958,573</u>	<u>73,724</u>	<u>-</u>	<u>1,032,297</u>
Capital Assets Being Depreciated, Net	<u>2,170,852</u>	<u>(73,724)</u>	<u>-</u>	<u>2,097,128</u>
Business-Type Activities Capital Assets, Net	<u>\$ 2,229,446</u>	<u>\$ (73,724)</u>	<u>\$ -</u>	<u>\$ 2,155,722</u>

9. Accounts, Salaries, and Other Payables

The payables of \$54,841 at June 30, 2008 are as follows:

	General Fund	1995 Sales Tax Fund	Fire Protection Fund	Proprietary Fund	Total
Accounts	\$ 4,457	\$ -	\$ 322	\$ 22,557	\$ 27,336
Salaries	4,824	276	-	912	6,012
Vacation	1,008	196	-	392	1,596
Withholdings	8,700	-	-	-	8,700
Due to Entergy	194	-	-	-	194
Sales Tax	-	-	-	78	78
Accrued Interest	-	-	-	1,087	1,087
Due to Other Funds	-	4,960	87	4,791	9,838
	<u>\$ 19,183</u>	<u>\$ 5,432</u>	<u>\$ 409</u>	<u>\$ 29,817</u>	<u>\$ 54,841</u>

10. Short-Term Debt

The Village had no short-term debt outstanding at June 30, 2008, other than current maturities of bonds disclosed in Footnote 11 - Long Term Obligations.

Village of Tickfaw, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2008

11. Long-Term Obligations

The following is a summary of long-term obligation transactions for the year ended June 30, 2008:

	Governmental Activities	Business-Type Activities	Total
Long-term obligations at Beginning of Year	\$ 144,573	\$ 295,223	\$ 439,796
Additions	-	-	-
Deductions	137,445	5,644	143,089
Long-term obligations at End of Year	<u>\$ 7,128</u>	<u>\$ 289,579</u>	<u>\$ 296,707</u>

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

	Governmental Activities	Business-Type Activities	Total
Current Portion	\$ 1,460	\$ 5,970	\$ 7,430
Long-Term Portion	5,668	283,609	289,277
	<u>\$ 7,128</u>	<u>\$ 289,579</u>	<u>\$ 296,707</u>

Long-term debt obligations at June 30, 2008, comprise the following:

Governmental Activities

Sales tax bonds, Series 1995, to construct and improve public streets within the Village, due in annual installments of \$6,000 to \$19,000 through December 1, 2015, with interest at 5.10 to 10.00 percent. (Payable solely from and secured by an irrevocable pledge and dedication of a special 1 % sales and use tax). On December 1, 2007, the Village of Tickfaw paid the bonds off.

Principal Outstanding
\$ -

The Village of Tickfaw entered into a capital lease purchase agreement with Cannon Financial Services effective May 1, 2007 to lease purchase a Cannon Color Image Runner 2880 copier/printer. The lease is payable in 60 monthly payments of \$188. The Village has the option to purchase the copier on the date the last rental payment is scheduled for the purchase price of \$1. The cost of the equipment and accumulated depreciation was \$8,800 and \$2053.

7,128

Total Long-term debt obligations - Governmental Activities

<u>\$ 7,128</u>

Business-Type Activities

\$346,000 Series 1992 Sewer Revenue Bonds due in monthly installments of \$1,740 through April 4, 2033; Interest Rate is 5.25%. (Payable solely by a lien on and pledge of the net revenues of the Sewer System. The Sewer Revenue Bonds are collateralized by the revenue of the Sewer System and the various special funds established by the bonding authorizing resolution.)

\$ 289,579

Total Long-term debt obligations - Business-Type Activities

<u>289,579</u>

Total Long-term debt obligations

<u>\$ 296,707</u>

Village of Tickfaw, Louisiana

**Notes to the Financial Statements
As of and for the Year Ended June 30, 2008**

The annual requirements to amortize all debt outstanding at June 30, 2008, including interest payments of \$230,585 are as follows:

Year Ending Date June 30	Capital Lease Copier	Sewer Revenue Bonds	Total
2009	\$ 2,256	\$ 20,885	\$ 23,141
2010	2,256	20,885	23,141
2011	2,256	20,885	23,141
2012	1,880	20,885	22,765
2013	-	20,885	20,885
2014 - 2018	-	104,425	104,425
2019 - 2023	-	104,425	104,425
2024 - 2028	-	104,425	104,425
2029 - 2033	-	100,944	100,944
	<u>\$ 8,648</u>	<u>\$ 518,644</u>	<u>\$ 527,292</u>

12. Interfund Transfers

The following is a detailed list of interfund transfers reported in the fund financial statements on June 30, 2008:

	Transfers From Other Funds	Transfers To Other Funds
Sales Tax Bonds Series 1995	\$ -	\$ 3,613
1995 Sales Tax Fund	3,613	-
	<u>\$ 3,613</u>	<u>\$ 3,613</u>

Cash in the Sales Tax Bonds Series 1995 sinking fund was transferred to the 1995 Sales Tax Fund after the 1995 Sales Tax Bonds were paid off.

13. 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 the 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, 2008

14. Flow of Funds and Restrictions on Use - Sewer Revenues

The Village, through its governing authority, adopted a resolution on September 14, 1992, authorizing the issuance of Sewer Revenue Bonds, Series 1992, in an amount not to exceed \$346,000 for acquiring and construction of extensions to its sewer system. The resolution also authorized the sale and delivery of said bonds to the United States Department of Agriculture, Farmers Home Administration; prescribing the form, fixing the details and providing for the payment of principal and interest on such bonds and entering into certain covenants and agreements in connection with the security and payment of said bonds. In that resolution, the revenues of the Sewer System are irrevocably pledged and dedicated in an amount sufficient for payment of the bonds authorized and interest as they become due and for other purposes. In that resolution, certain funds were required to be established to account for the receipt and disbursement of Sewer System revenues. An analysis of these accounts is provided as follows:

Sewer Revenue Fund - The bond resolution requires that all revenues of the Sewer System shall be deposited daily in a separate identifiable account to be established with the Village's fiscal agent bank and designated as the "Sewer Revenue Fund." The Village received permission from United States Department of Agriculture, Farmers Home Administration to deposit the revenues in the "Water Works Account" which is the operating account in the Utility Fund. The revenues shall be expended in the following priority:

From the Sewer Revenue Fund, the Village shall first pay all reasonable and necessary costs and expenses of operating and maintaining the Sewer System.

Sewer Revenue Bond and Interest Sinking Fund - After the payment of all reasonable and necessary costs and expenses of maintaining the Sewer System, monies from the Sewer Revenue Fund shall be transferred to a separately identifiable account to be established with the Village's fiscal agent bank and designated as the "Sewer Revenue Bond and Interest Sinking Fund" in amounts sufficient to pay promptly and fully the principal of and interest on the bonds as they severally become due and payable.

Monies from the Revenue Fund shall be transferred into the Sewer Revenue Bond and Interest Sinking Fund monthly in advance on or before the twentieth (20th) day of each month of each year a sum equal to one-twelfth (1/12) the interest falling due on the next interest payment date during the first year the Bond is outstanding and thereafter, a sum equal to the total amount of principal and interest falling due on the next principal and interest payment date.

The payments will continue monthly until April 2033, unless the bonds are called in advance of their maturity dates, in which event it is possible to reduce the required payments into the sinking fund.

During the fiscal year ending June 30, 2008, the Village of Tickfaw made monthly debt installments into the Sewer Revenue Bond and Interest Sinking Fund.

Sewer Revenue Bond Reserve Fund - From the Sewer Revenue Fund, there shall be transferred monthly in advance on or before the twentieth (20th) day of each month of each year commencing with the month following completion of and acceptance of the improvements and extensions financed with the proceeds of the bonds, to a separately identifiable account to be established with the Village's fiscal agent bank and designated as the "Sewer Revenue Bond Reserve Fund" a sum at least equal to 5% of the amount required to be paid into the Sewer Revenue Bond and Interest Sinking Fund for such month until such fund accumulates an amount equal to the scheduled maximum principal and interest requirements in any succeeding bond year.

Village of Tickfaw, Louisiana

Notes to the Financial Statements As of and for the Year Ended June 30, 2008

Money in the Reserve Fund is to be retained solely for the purpose of payment of the principal and interest on all obligations payable from the Sinking Fund for which sufficient funds are not on deposit in the Sinking Fund and as to which there would otherwise be default.

At June 30, 2008, the Sewer Revenue Bond Reserve Fund was adequately funded, with a balance maintained of \$18,484.

Sewer Depreciation and Contingency- From the Sewer Revenue Fund, there shall be transferred monthly on or before the twentieth (20th) day of each month of each year commencing with the month following completion of and acceptance of the improvements and extensions financed with the proceeds of the bonds to a separately identifiable account to be established with the Village's fiscal agent bank and designated as the "Sewer Depreciation and Contingency Fund" the sum of \$97 monthly. All monies in the Sewer Depreciation and Contingency Fund may be used for the purpose of paying the cost of any unusual and extraordinary maintenance and any repairs, replacements, extensions and improvements to the Sewer System. Money accumulated in this fund may also be used to pay principal and interest on the bonds falling due at any time there is not sufficient money for payment in the Sewer Revenue Bond and Interest Sinking Fund or the Sewer Revenue Bond Reserve Fund.

All monies remaining in the Revenue Fund after required deposits into the bond funds described herein shall be considered surplus and may be used for the purpose of retiring bonds in advance of their maturity or for any other lawful purpose. As of June 30, 2008, balances in the various funds created pursuant to the bond resolution were in accordance with the bond covenants.

At June 30, 2008, the Sewer Depreciation and Contingency Fund was adequately funded, with a balance maintained of \$11,559.

15. Compliance with Sewer Revenue Bond Covenants

The Village through its governing authority, adopted a resolution on September 14, 1992, authorizing the issuance of Sewer Revenue Bonds, Series 1992, in an amount not to exceed \$346,000 for construction of extensions to its sewage system. That bond resolution contained certain covenants and agreements in connection with the security and payment of the bonds. The major covenants contained in the bond resolution and agreement and the manner in which the Village has complied with these covenants is described as follows:

Rate Covenant - In the bond resolution, the Village covenants to fix, establish, maintain and collect such rates, fees, rents and other charges of the services and facilities of the Sewer System and to revise the rate whenever necessary as will always provide revenues in each fiscal year sufficient to pay the reasonable and necessary expenses of operating the System in each year, the principal and interest maturing on the bond in each year, and all reserves or sinking funds or other payments required for such year required by the bond resolution. The resolution further states that revenues must be provided in each year, after paying all reasonable and necessary expenses of operating and maintaining the system in such year, at least equal to 120% of the largest amount of principal and interest maturing on the bond in any future fiscal year and on any pari passu additional bonds hereinafter issued. In connection therewith, the Village adopted Ordinance No. 97 on September 14, 1993, which established sewer user classifications, set specific sewer rates, and provided a detailed procedure for annual review and adjustment of sewer rates.

For the fiscal year ended June 30, 2008, the Village of Tickfaw was in compliance with the above bond covenant.

Village of Tickfaw, Louisiana

Notes to the Financial Statements As of and for the Year Ended June 30, 2008

In connection with the rate covenant, the bond resolution also contained specific procedures with regards to delinquent sewer customers. The Village agreed that the failure of any person to pay the charges for any service rendered by the Sewer System within thirty (30) days of the date on which it is due shall cause such charge to become delinquent and a delinquent charge of ten percent (10%) of the delinquent amount shall be assessed. If a delinquent account is not paid within thirty (30) days of the date of delinquency, the Village will shut off water and sewer services to the affected premises. All delinquent accounts shall bear interest at the rate of six percent (6%) per annum.

At June 30, 2008, the Village was in non-compliance with the delinquent utility customers section of the bond resolution. The Village's ordinance calls for cut-off after 60 days.

For the fiscal year ended June 30, 2008 the Village of Tickfaw assessed a flat rate of \$6.00 to all delinquent accounts. This is sufficient to meet the 10% requirement.

The Village does not charge interest at 6% per annum on delinquent accounts.

Records and Accounts and Audit Requirements - In the bond resolution the Village is required to maintain and keep accurate records and accounts for the Sewer System separate and distinct from its other records and accounts. These Sewer System records shall be maintained in accordance with generally accepted government accounting standards and shall be audited annually no later than (3) months after the close of each fiscal year by an independent certified public accountant.

The Village was not in compliance with this covenant.

Insurance and Fidelity Bonds - In the bond resolution the Village is required to maintain full coverage of insurance on the system. The Village is also required to obtain fidelity bonds on all employees in a position of authority or in possession of money derived from the operation of the system.

As of June 30, 2008, the Village was in compliance with this bond covenant as all persons responsible for collection of receipts from customers were adequately bonded.

Other Requirements - The bond resolution contains additional covenants regarding utilization of funds, maintenance of the system and other miscellaneous provisions.

As of June 30, 2008, the Village was in compliance with these other bond covenants in all material respects.

Village of Tickfaw, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2008

16. 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 7.5% 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, 2008 was 16.25% 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, 2008, 2007 and 2006, were \$6,119, \$8,816 and \$8,312 respectively, equal to the required contributions for each year.

17. 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, 2008 was contributed by the Village.

18. Reserved and Designated Retained Earnings and Fund Balances

At June 30, 2008, the proprietary fund had restricted net assets of \$29,985, representing the Village's funds restricted by revenue bond debt covenants and contracts with customers for meter deposits, net of the related liability.

Village of Tickfaw, Louisiana
Notes to the Financial Statements
As of and for the Year Ended June 30, 2008

19. 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. 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.

20. On-Behalf Payments by the State of Louisiana

For the year ended June 30, 2008, 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 \$12,727 of on behalf payments as revenue and as expense in the general fund.

21. Litigation

At June 30, 2008, the Village of Tickfaw was involved in the following two suits:

The plaintiff filed a petition for Declaratory Judgement, Writ of Mandamus, Injunction, and Damages against the Village of Tickfaw. The plaintiff alleges that they purchased a piece of property for development in Tickfaw and that they were informed by officials for the Village of Tickfaw that the property was zoned as "light industrial." The plaintiff alleges that months later an official for the Village of Tickfaw asserted that the property was zoned as "agricultural." He intended to sell a portion of the property and the planned development for the property involved industrial use. He also contends that the Village of Tickfaw informed them on several occasions that the projected uses of the property would not violate the zoning of the property. The plaintiff alleges that since a councilman for the Village of Tickfaw disagreed with the zoning of the property as industrial, a cloud has been placed on the property. Furthermore, he claims that they have spent time and money to secure improved roads for the property and to develop the property. The plaintiff is making a claim for detrimental reliance and negligent representation. The plaintiff is also seeking to recover for all damages, attorney fees, costs, and prejudgement interest. He has indicated that they are out of pocket almost \$150,000 as a result of the zoning dispute. The Village attorneys are currently in the discovery phase of the proceeding.

The plaintiff filed a lawsuit against the Village of Tickfaw for injuries that were sustained in a vehicle accident on July 24, 2007. The plaintiff was driving a vehicle on Interstate 55 when she was rear-ended by a Tickfaw police officer. The petition alleges that the officer was intoxicated and was responding to a call when the accident occurred. At this time, we believe that liability is certain, and therefore we will obtain the plaintiff's medical records and evaluate this claim for possible settlement authority. We are unable to provide an expected range of damages at this time. However, the plaintiff has filed this suit in federal court and has alleged that her damages exceed \$75,000.

22. Compliance with Laws

The Village was not in compliance with Sewer Revenue Bond Covenants, bid law violations and grant reporting requirements.

Required Supplemental Information (Part II)

Village of Tickfaw, Louisiana

Schedule I

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 General Fund
 For the Year Ended June 30, 2008

Revenues	Budgeted Amounts		Actual Amounts: GAAP Basis	Variance with Final Budget: Favorable (Unfavorable)
	Original	Final		
Taxes:				
Sales and Use Taxes	\$ 93,100	\$ 96,000	\$ 91,552	\$ (4,448)
Ad Valorem Taxes	12,000	12,000	12,085	85
Public Utility Franchise Taxes	14,300	15,100	15,986	886
Licenses, Permits and Fees:				
Business Licenses and Permits	13,000	13,000	12,888	(112)
Fees on Insurance Premiums	45,600	34,700	61,740	27,040
Intergovernmental:				
Louisiana Beer Tax Distribution	2,500	2,000	1,926	(74)
Louisiana Tobacco Tax Distribution	-	-	-	-
State Supplemental Pay	14,400	11,800	12,727	927
Fines and Forfeits:				
Fines	265,000	305,000	303,658	(1,342)
State Grants:				
Police Grants	5,500	-	-	-
Sanitation Fees:				
Sanitation Fees	33,400	34,400	34,432	32
Sanitation Penalties	1,200	1,300	1,316	16
Other Revenues:				
FEMA	-	600	599	(1)
Insurance Reimbursement	-	15,000	15,008	8
Interest Income	1,700	1,800	1,964	164
Entergy Commissions	625	600	641	41
Other	500	300	767	467
Total Revenues	<u>502,825</u>	<u>543,600</u>	<u>567,289</u>	<u>23,689</u>

(Continued)

See accountant'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, 2008

Expenditures	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts: GAAP Basis	Final Budget: Favorable (Unfavorable)
General and Administrative:				
Accounting and Auditing	\$ 5,000	\$ 5,900	\$ 5,884	\$ 16
Assessor	410	400	441	(41)
Auto Fuel	4,000	-	60	(60)
Auto Expense	200	600	513	87
Beautification	-	100	47	53
Capital Outlay	10,000	57,000	57,897	(897)
Capital Lease Principal	-	-	1,445	(1,445)
Capital Lease Interest	-	-	811	(811)
City Hall Gas	3,000	3,200	2,987	213
City Hall Utilities	6,400	6,500	6,841	(341)
Contract Labor	400	300	300	-
Conventions and Travel	-	3,500	430	3,070
Copier Lease	3,700	3,500	1,365	2,135
Coroner	350	350	-	350
Dues, Bonds and Licenses	1,500	1,000	943	57
Insurance, E&O, PO liability	2,400	2,400	2,426	(26)
Insurance, Health	1,600	1,800	1,747	53
Insurance, Property	1,800	1,600	1,470	130
Insurance, Liability	3,700	5,500	5,506	(6)
Insurance, Vehicles	1,500	1,500	1,351	149
Insurance, Workers Compensation	2,900	3,000	2,781	219
Internet	120	120	-	120
Janitorial Services and Supplies	600	700	765	(65)
Kitchen supplies	300	200	201	(1)
Legal	16,000	20,100	20,014	86
Magistrate	6,000	6,300	6,300	-
Miscellaneous	2,500	1,100	1,002	98
Office Expense	3,600	5,800	5,822	(22)
Official Journal	4,400	2,500	2,377	123
Park Expense	275	800	732	68
Payroll Taxes	3,950	4,200	5,644	(1,444)
Pest Control	1,000	900	885	15
Postage	2,500	2,700	2,749	(49)
Public Relations	1,000	1,700	1,601	99
Repairs and Maintenance, City Hall	1,500	3,000	2,743	257
Salaries, Clerk	30,000	31,400	32,363	(963)
Salaries, Mayor and Council	21,600	23,600	24,000	(400)

(Continued)

See accountant'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, 2008

	Budgeted Amounts		Actual Amounts: GAAP Basis	Variance with Final Budget: Favorable (Unfavorable)
	Original	Final		
Telephone	\$ 5,200	\$ 6,000	\$ 5,998	\$ 2
Unemployment	400	900	1,070	(170)
Zoning Contract	10,000	8,500	8,500	-
Total General and Administrative	159,805	218,670	218,011	659
Police Department:				
Accounting and Auditing	5,000	5,900	5,884	16
Advertising	1,000	600	548	52
Air Net Cards	2,500	2,100	1,746	354
Auto Fuel	26,000	28,000	30,155	(2,155)
Auto Repairs	6,000	5,400	5,611	(211)
Building Improvements	-	6,000	6,075	(75)
Capital Outlay, Vehicles	3,500	10,000	9,073	927
Capital Outlay, Other	1,500	2,600	2,358	242
Communications	-	-	310	(310)
Conventions and Travel	200	2,000	1,952	48
Copier Lease	-	700	773	(73)
Dues	300	300	300	-
Drug & Psychological Testing	1,000	250	250	-
Employee Evaluations	1,000	200	165	35
Insurance, Health	3,900	2,500	2,517	(17)
Insurance, Liability (personnel)	9,500	8,200	8,743	(543)
Insurance, Liability	-	2,000	1,835	165
Insurance, Property	900	900	1,437	(537)
Insurance, Vehicles	7,300	6,700	7,766	(1,066)
Insurance, Workers Compensation	8,500	8,300	8,278	22
Law Enforcement Fees	9,360	9,500	9,198	302
Miscellaneous	700	500	1,203	(703)
Payroll Taxes	8,550	9,500	10,192	(692)
Police Retirement	9,800	6,100	6,119	(19)
Postage	600	200	177	23
Prisoner Housing	800	200	132	68
Public Relations	1,200	400	369	31
Repairs and Maintenance, Equipment	2,700	2,000	1,166	834
Salaries	145,000	155,000	154,947	53

(Continued)

See accountant's report.

Village of Tickfaw, Louisiana

Schedule I

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 General Fund
 For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts: GAAP Basis	Variance with Final Budget: Favorable (Unfavorable)
	Original	Final		
Salaries, Supplemental Pay	\$ 14,400	\$ 11,800	\$ 12,727	\$ (927)
Supplies, Police	4,000	9,100	9,301	(201)
Supplies, Office	2,000	-	-	-
Telephone	6,800	6,800	5,762	1,038
Training	1,600	3,600	3,000	600
Uniforms	2,200	2,000	2,387	(387)
Utilities	3,200	2,500	2,429	71
Total Police Department	<u>291,010</u>	<u>311,850</u>	<u>314,885</u>	<u>(3,035)</u>
Street Lights and Sanitation:				
Street Lights	17,300	17,200	17,374	(174)
Sanitation Collection	28,500	27,700	27,702	(2)
Total Street Lights and Sanitation	<u>45,800</u>	<u>44,900</u>	<u>45,076</u>	<u>(176)</u>
Total Expenditures	<u>496,615</u>	<u>575,420</u>	<u>577,972</u>	<u>(2,552)</u>
Excess Revenues (Expenditures)	<u>6,210</u>	<u>(31,820)</u>	<u>(10,683)</u>	<u>21,137</u>
Other Financing Sources (Uses)				
Sale of Fixed Assets, Police	2,500	2,500	-	(2,500)
Operating Transfer Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>2,500</u>	<u>2,500</u>	<u>-</u>	<u>(2,500)</u>
Net Change in Fund Balance	8,710	(29,320)	(10,683)	18,637
Fund Balance, Beginning	140,188	130,610	130,610	-
Fund Balance, Ending	<u>\$ 148,898</u>	<u>\$ 101,290</u>	<u>\$ 119,927</u>	<u>\$ 18,637</u>

(Concluded)
 See accountant'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, 2008

Revenues	Budgeted Amounts		Actual Amounts: GAAP Basis	Variance with Final Budget: Favorable (Unfavorable)
	Original	Final		
Sales and Use Taxes	\$ 50,430	\$ 58,600	\$ 45,777	\$ (12,823)
Interest Income	500	500	458	(42)
Miscellaneous	-	-	21	21
Total Revenues	<u>50,930</u>	<u>59,100</u>	<u>46,256</u>	<u>(12,844)</u>
Expenditures				
Accounting and Auditing	5,000	5,900	5,884	16
Auto Fuel	400	1,600	1,767	(167)
Auto Repairs	-	-	10	(10)
Diesel	800	1,200	1,382	(182)
Insurance, Liability	-	400	397	3
Insurance, Property	-	1,300	1,154	146
Insurance, Workers Compensation	500	800	748	52
Insurance, Vehicle	1,300	1,500	1,481	19
Miscellaneous	200	100	59	41
Payroll Taxes	1,385	1,100	1,033	67
Repairs and Maintenance	5,300	10,900	10,518	382
Salaries	18,100	13,500	13,574	(74)
Street Repairs	900	2,000	1,817	183
Street Signs	-	-	47	(47)
Supplies	100	200	400	(200)
Total Expenditures	<u>33,985</u>	<u>40,500</u>	<u>40,271</u>	<u>229</u>
Excess Revenues (Expenditures)	<u>16,945</u>	<u>18,600</u>	<u>5,985</u>	<u>(12,615)</u>
Other Financing Sources (Uses)				
Operating Transfers (Out)	153	-	-	-
Operating Transfers (In)	-	-	3,613	3,613
Total Other Financing Sources (Uses)	<u>153</u>	<u>-</u>	<u>3,613</u>	<u>3,613</u>
Net Change in Fund Balance	17,098	18,600	9,598	(9,002)
Fund Balance, Beginning	<u>33,604</u>	<u>15,004</u>	<u>15,004</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 50,702</u>	<u>\$ 33,604</u>	<u>\$ 24,602</u>	<u>\$ (9,002)</u>

See accountant'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, 2008

Revenues	Budgeted Amounts		Actual Amounts: GAAP Basis	Variance with Final Budget: Favorable (Unfavorable)
	Original	Final		
Ad Valorem Taxes	\$ 16,100	\$ 16,100	\$ 17,489	\$ 1,389
Interest Income	400	400	419	19
Total Revenues	<u>16,500</u>	<u>16,500</u>	<u>17,908</u>	<u>1,408</u>
Expenditures				
Building Improvements	1,000	2,200	2,219	(19)
Fire Protection	4,200	4,200	4,200	-
Insurance	800	800	723	77
Miscellaneous	200	200	-	200
Repairs	1,500	500	340	160
Utilities	<u>3,300</u>	<u>3,200</u>	<u>3,112</u>	<u>88</u>
Total Expenditures	<u>11,000</u>	<u>11,100</u>	<u>10,594</u>	<u>506</u>
Net Change in Fund Balance	5,500	5,400	7,314	1,914
Fund Balance, Beginning	19,183	18,637	18,637	-
Fund Balance, Ending	<u>\$ 24,683</u>	<u>\$ 24,037</u>	<u>\$ 25,951</u>	<u>\$ 1,914</u>

See accountant's report.

Other Supplemental Information

Village of Tickfaw, Louisiana

Schedule 4

Comparative Schedule of Net Assets
Proprietary Fund
June 30, 2008 and 2007

Assets	Enterprise Fund	
	2008	2007
Current Assets:		
Cash and Cash Equivalents	\$ 26,042	\$ 34,970
Accounts Receivable, Net	1,709	1,279
Sales Tax Receivable	7,086	-
Grant Receivable	24,500	-
Total Current Assets	<u>59,337</u>	<u>36,249</u>
Restricted Assets:		
Sewer Contingency Account	11,559	10,368
Sewer Reserve Account	18,484	1,398
Sewer Bond Sinking Fund	476	2,182
Utility Customer Deposits	33,187	34,094
Total Restricted Assets	<u>63,706</u>	<u>48,042</u>
Property, Plant, and Equipment:		
Land	58,594	58,594
Plant and Equipment, at Cost	3,129,425	3,129,425
Less: Accumulated Depreciation	<u>(1,032,297)</u>	<u>(958,573)</u>
Net Property, Plant, and Equipment	<u>2,155,722</u>	<u>2,229,446</u>
Other Assets:		
Inventory	57,700	-
Bond Issue Costs	8,866	8,866
Less: Accumulated Amortization	<u>(3,325)</u>	<u>(3,104)</u>
Total Other Assets	<u>63,241</u>	<u>5,762</u>
Total Assets	<u>2,342,006</u>	<u>2,319,499</u>

(Continued)
See accountant's report.

Village of Tickfaw, Louisiana

Schedule 4

Comparative Schedule of Net Assets
Proprietary Fund
June 30, 2008 and 2007

Liabilities

	Enterprise Fund	
	2008	2007
Current Liabilities (Payable From Current Assets):		
Accounts Payable	\$ 22,557	\$ 8,220
Accrued Salary Payable	912	1,014
Accrued Vacation Payable	392	-
Accrued Interest Payable	1,087	944
Other Accrued Expenses	78	95
Due to Other Funds	4,791	62,058
Revenue Bonds Payable	5,970	5,803
Total Current Liabilities (Payable From Current Assets)	<u>35,787</u>	<u>78,134</u>
Current Liabilities (Payable From Restricted Assets):		
Customer Deposits Payable	33,721	30,056
Total Current Liabilities (Payable From Restricted Assets)	<u>33,721</u>	<u>30,056</u>
Long-Term Liabilities:		
Revenue Bonds Payable	283,609	289,420
Total Long-Term Liabilities	<u>283,609</u>	<u>289,420</u>
Total Liabilities	<u>353,117</u>	<u>397,610</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	1,866,143	1,934,223
Restricted For Debt Service	29,985	17,986
Unrestricted	92,761	(30,320)
Total Net Assets	<u>\$ 1,988,889</u>	<u>\$ 1,921,889</u>

(Concluded)

See accountant's report.

Village of Tickfaw, Louisiana

Schedule 5

Comparative Schedule of Revenues, Expenses, and Changes in Net Assets
 Proprietary Fund
 For the Years Ended June 30, 2008 and 2007

	Enterprise Fund	
	2008	2007
Operating Revenues		
Water Sales	\$ 80,169	\$ 79,936
Service Connections	35	2,315
Penalties	1,877	1,683
Safe Drinking Water Fees	1,117	1,117
NSF Fees	380	388
Tap-in Fees	650	-
Sewer Charges	118,411	121,366
Service Connections	500	1,650
Sewer Penalty Revenue	1,657	1,479
Total Operating Revenues	<u>204,796</u>	<u>209,934</u>
Operating Expenses		
Accounting and Auditing	5,102	3,926
Amortization	222	222
Auto Fuel	3,582	2,966
Auto Repairs	989	138
Bad Debt	-	-
Chlorine	5,487	5,625
Depreciation	73,725	70,225
Diesel	1,068	786
Dues	983	1,446
Equipment Rental	450	-
Interest	-	3,660
Insurance, Liability	2,588	3,416
Insurance, Property	3,659	4,426
Insurance, Vehicle	3,250	2,666
Insurance, Workers Compensation	2,552	2,045
Licenses	-	110
Miscellaneous	212	27
Office Expense	1,542	2,636
Payroll Taxes	3,620	2,902
Postage	-	80
Professional Fees	18,234	-

(Continued)
 See accountant's report.

Village of Tickfaw, Louisiana

Schedule 5

Comparative Schedule of Revenues, Expenses, and Changes in Net Assets
 Proprietary Fund
 For the Years Ended June 30, 2008 and 2007

	Enterprise Fund	
	2008	2007
Repairs & Maintenance	\$ 16,978	\$ 83,378
Salaries	48,706	38,684
Safe Drinking Water Fees	803	804
Sewer Analysis	960	1,210
Supplies	1,115	537
Telephone	706	691
Utilities	26,980	29,593
Total Operating Expenses	<u>223,513</u>	<u>262,199</u>
Operating Income (Loss)	<u>(18,717)</u>	<u>(52,265)</u>
Nonoperating Revenues (Expenses)		
Grant	53,500	-
Insurance Reimbursement	16,564	4,498
Repairs & Maintenance	(16,564)	(4,498)
Sales Tax	45,776	-
Interest Revenue	1,825	1,990
Operating Transfer In	-	27,140
Bond Interest Expense	(15,384)	(15,908)
Total Nonoperating Revenues (Expenses)	<u>85,717</u>	<u>13,222</u>
Change in Net Assets	67,000	(39,043)
Net Assets, Beginning	<u>1,921,889</u>	<u>1,960,932</u>
Net Assets, Ending	<u>\$ 1,988,889</u>	<u>\$ 1,921,889</u>

(Concluded)
 See accountant's report.

Village of Tickfaw, Louisiana

Schedule 6

Comparative Schedule of Cash Flows
Proprietary Fund
For the Years Ended June 30, 2008 and 2007

	Enterprise Fund	
	2008	2007
Cash Flows From Operating Activities		
Received From Customers	\$ 204,366	\$ 210,179
Received For Meter Deposits	3,665	1,962
Payments For Operations	(138,070)	(142,800)
Payments For Employees	(54,588)	(43,204)
Net Cash Provided (Used) by Operating Activities	<u>15,373</u>	<u>26,137</u>
Cash Flows From Noncapital Financing Activities		
Receipts (Payments) For Interfund Services	<u>(57,267)</u>	<u>48,955</u>
Net Cash Provided (Used) by Noncapital Financing Activities:	<u>(57,267)</u>	<u>48,955</u>
Cash Flows From Capital and Related Financing Activities		
Received From Grants	29,000	-
Received From Insurance	16,564	4,498
Payments For Repairs & Maintenance	(16,564)	(4,498)
Received From Sales Tax	38,690	-
Principal Payments, Capital Lease	-	(31,346)
Principal Repayments, Revenue Bonds Payable	(5,644)	(5,445)
Interest Payments, Capital Lease	-	-
Interest Payments, Revenue Bonds Payable	(15,241)	(15,440)
Net Cash Used by Capital and Related Financing Activities	<u>46,805</u>	<u>(52,231)</u>
Cash Flows From Investing Activities		
Receipt of Interest	<u>1,825</u>	<u>1,990</u>
Net Cash Provided (Used) by Investing Activities	<u>1,825</u>	<u>1,990</u>
Net Increase (Decrease) in Cash	6,736	24,851
Cash, Beginning of Year	<u>83,012</u>	<u>58,161</u>
Cash, End of Year	<u>\$ 89,748</u>	<u>\$ 83,012</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Assets		
Cash and Cash Equivalents, Unrestricted	\$ 26,042	\$ 34,970
Cash and Cash Equivalents, Restricted	<u>63,706</u>	<u>48,042</u>
Total Cash and Cash Equivalents	<u>\$ 89,748</u>	<u>\$ 83,012</u>

(Continued)
See accountant's report.

Village of Tickfaw, Louisiana

Schedule 6

Comparative Schedule of Cash Flows
 Proprietary Fund
 For the Years Ended June 30, 2008 and 2007

	Enterprise Fund	
	2008	2007
Reconciliation of Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	\$ (18,717)	\$ (52,265)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	73,725	70,225
Amortization of Bond Issue Costs	222	222
Change in Accounts Receivable	(430)	245
Change in Inventory	(57,700)	-
Change in Accounts Payable	14,335	5,299
Change in Accrued Salary	(102)	427
Change in Accrued Vacation	392	-
Change in Accrued Expenses	(17)	22
Change in Customer Deposits	3,665	1,962
Net Cash Provided (Used) by Operating Activities	\$ <u>15,373</u>	\$ <u>26,137</u>

(Concluded)
 See accountant's report.

Village of Tickfaw, Louisiana

Schedule 7

Combining Schedule of Revenues, Expenses, and Changes in Net Assets
 Proprietary Fund
 For the Year Ended June 30, 2008

	Water Utility System	Sewer Utility System	Total Enterprise Fund
Operating Revenues			
Water Sales	\$ 80,169	\$ -	\$ 80,169
Service Connections	35	-	35
Penalties	1,877	-	1,877
Safe Drinking Water Fees	1,117	-	1,117
NSF Fees	190	190	380
Tap-in Fees	650	-	650
Sewer Charges	-	118,411	118,411
Service Connections	-	500	500
Sewer Penalty Revenue	-	1,657	1,657
Total Operating Revenues	<u>84,038</u>	<u>120,758</u>	<u>204,796</u>
Operating Expenses			
Accounting and Auditing	2,551	2,551	5,102
Amortization	-	222	222
Auto Fuel	1,791	1,791	3,582
Auto Repairs	298	691	989
Chlorine	3,339	2,148	5,487
Depreciation	29,556	44,169	73,725
Diesel	534	534	1,068
Dues	983	-	983
Equipment Rental	-	450	450
Insurance, Liability	1,294	1,294	2,588
Insurance, Property	2,562	1,097	3,659
Insurance, Vehicle	1,625	1,625	3,250
Insurance, Workers Compensation	1,263	1,289	2,552
Miscellaneous	171	41	212
Office Expense	771	771	1,542
Payroll Taxes	1,810	1,810	3,620

(Continued)

See accountant's report.

Village of Tickfaw, Louisiana

Schedule 7

Combining Schedule of Revenues, Expenses, and Changes in Net Assets
 Proprietary Fund
 For the Year Ended June 30, 2008

	Water Utility System	Sewer Utility System	Total Enterprise Fund
Professional	\$ 10,974	\$ 7,260	\$ 18,234
Repairs and Maintenance	11,011	5,967	16,978
Salaries	24,353	24,353	48,706
Safe Drinking Water Fees	803	-	803
Sewer Analysis	-	960	960
Supplies	546	569	1,115
Telephone	706	-	706
Utilities	6,281	20,699	26,980
Total Operating Expenses	<u>103,222</u>	<u>120,291</u>	<u>223,513</u>
Operating Income (Loss)	<u>(19,184)</u>	<u>467</u>	<u>(18,717)</u>
Nonoperating Revenues (Expenses)			
Grant	-	53,500	53,500
Insurance Reimbursement	-	16,564	16,564
Repairs and Maintenance	-	(16,564)	(16,564)
Sales Tax	22,888	22,888	45,776
Interest Revenue	1,732	93	1,825
Bond Interest Expense	-	(15,384)	(15,384)
Total Nonoperating Revenues (Expenses)	<u>24,620</u>	<u>61,097</u>	<u>85,717</u>
Change in Net Assets	5,436	61,564	67,000
Net Assets, Beginning	<u>572,309</u>	<u>1,349,580</u>	<u>1,921,889</u>
Net Assets, Ending	<u>\$ 577,745</u>	<u>\$ 1,411,144</u>	<u>\$ 1,988,889</u>

(Concluded)
 See accountant's report.

Village of Tickfaw, Louisiana

Schedule 8

Schedule of Revenues, Expenses, and Changes in Net Assets
 Budget (GAAP Basis) and Actual
 Proprietary Fund - Water Utility System
 For the Year Ended June 30, 2008

	Budget	Actual	Variance: Favorable (Unfavorable)
Operating Revenues			
Water Sales	\$ 80,900	\$ 80,169	\$ (731)
Service Connections	100	35	(65)
Penalties	1,900	1,877	(23)
Safe Drinking Water Fees	1,200	1,117	(83)
NSF Fees	200	190	(10)
Tap-in Fees	700	650	(50)
Total Operating Revenues	<u>85,000</u>	<u>84,038</u>	<u>(962)</u>
Operating Expenses			
Accounting and Auditing	4,800	2,551	2,249
Auto Fuel	1,600	1,791	(191)
Auto Repairs	300	298	2
Chlorine	2,900	3,339	(439)
Depreciation	27,300	29,556	(2,256)
Diesel	300	534	(234)
Dues	1,000	983	17
Insurance, Liability	1,300	1,294	6
Insurance, Property	2,600	2,562	38
Insurance, Vehicle	1,700	1,625	75
Insurance, Workers Compensation	1,300	1,263	37
Miscellaneous	100	171	(71)
Office Expense	800	771	29
Payroll Taxes	1,800	1,810	(10)
Postage	400	-	400
Professional	-	10,974	(10,974)
Repairs and Maintenance	8,500	11,011	(2,511)
Salaries	23,900	24,353	(453)
Safe Drinking Water Fees	800	803	(3)
Supplies	500	546	(46)
Telephone	700	706	(6)
Utilities	6,200	6,281	(81)
Total Operating Expenses	<u>88,800</u>	<u>103,222</u>	<u>(14,422)</u>
Operating Income (Loss)	<u>(3,800)</u>	<u>(19,184)</u>	<u>(15,384)</u>

(Continued)

See accountant's report.

Village of Tickfaw, Louisiana

Schedule 8

Schedule of Revenues, Expenses, and Changes in Net Assets
 Budget (GAAP Basis) and Actual
 Proprietary Fund - Water Utility System
 For the Year Ended June 30, 2008

	Budget	Actual	Variance: Favorable (Unfavorable)
Nonoperating Revenues (Expenses)			
Interest Revenue	\$ 1,800	\$ 1,732	\$ (68)
Sales Tax Revenue	18,700	22,888	4,188
Total Nonoperating Revenues (Expenses)	<u>20,500</u>	<u>24,620</u>	<u>4,120</u>
Change in Net Assets	<u>\$ 16,700</u>	<u>\$ 5,436</u>	<u>\$ (11,264)</u>

(Concluded)
 See accountant's report.

Village of Tickfaw, Louisiana

Schedule 9

Schedule of Revenues, Expenses, and Changes in Net Assets
 Budget (GAAP Basis) and Actual
 Proprietary Fund - Sewer Utility System
 For the Year Ended June 30, 2008

	Budget	Actual	Variance: Favorable (Unfavorable)
Operating Revenues			
Sewer Charges	\$ 119,500	\$ 118,411	\$ (1,089)
Service Connections	500	500	-
Sewer Penalty Revenue	1,600	1,657	57
NSF Fees	200	190	(10)
Total Operating Revenues	<u>121,800</u>	<u>120,758</u>	<u>(1,042)</u>
Operating Expenses			
Accounting and Auditing	4,800	2,551	2,249
Amortization	222	222	-
Auto Fuel	1,600	1,791	(191)
Auto Repairs	50	691	(641)
Chlorine	1,800	2,148	(348)
Depreciation	45,100	44,169	931
Diesel	400	534	(134)
Equipment Rental	400	450	(50)
Insurance, Liability	1,300	1,294	6
Insurance, Property	1,500	1,097	403
Insurance, Vehicle	1,700	1,625	75
Insurance, Workers Compensation	1,300	1,289	11
Miscellaneous	-	41	(41)
Office Expense	800	771	29
Payroll Taxes	1,800	1,810	(10)
Postage	100	-	100
Professional Fees	-	7,260	(7,260)
Repairs and Maintenance	20,100	5,967	14,133
Salaries	17,100	24,353	(7,253)
Sewer Analysis	1,210	960	250
Supplies	600	569	31
Utilities	19,300	20,699	(1,399)
Total Operating Expenses	<u>121,182</u>	<u>120,291</u>	<u>891</u>
Operating Income (Loss)	<u>618</u>	<u>467</u>	<u>(151)</u>

See accountant's report.
 (Continued)

Village of Tickfaw, Louisiana

Schedule 9

Schedule of Revenues, Expenses, and Changes in Net Assets
 Budget (GAAP Basis) and Actual
 Proprietary Fund - Sewer Utility System
 For the Year Ended June 30, 2008

	Budget	Actual	Variance: Favorable (Unfavorable)
Nonoperating Revenues (Expenses), Sewer			
Grant	\$ 29,000	\$ 53,500	\$ 24,500
Insurance Reimbursement	16,600	16,564	(36)
Repairs and Maintenance	(16,600)	(16,564)	36
Sales Tax	18,700	22,888	4,188
Sewer-interest income	100	93	(7)
Sewer-bond interest expense	(15,100)	(15,384)	(284)
Total Nonoperating Revenues (Expenses)	<u>32,700</u>	<u>61,097</u>	<u>28,397</u>
Change in Net Assets	\$ <u>33,318</u>	\$ <u>61,564</u>	\$ <u>28,246</u>

(Concluded)
 See accountant's report.

Village of Tickfaw, Louisiana

Schedule 10

Schedule of Utility Fund Customers and Rate Schedules
Year Ended June 30, 2008

At June 30, 2008, the Village of Tickfaw had the following customers:

Water Customers	<u>310</u>
Sewer Customers	<u>261</u>

At June 30, 2008, the Village of Tickfaw charged flat rates for water and sewer service as follows:

<u>Category of Service</u>	<u>Rate/mo.</u>
Water Service - Inside Village	\$15.00
Water Service - Outside Village	\$21.25
Sewer Service - Inside Village	\$27.50
Sewer Service - Outside Village	\$31.25
Commercial & Multi-Family	Various

See accountant's report.

Village of Tickfaw, Louisiana

Schedule 11

Schedule of Insurance (unaudited)
Year Ended June 30, 2008

Insurance Company	Coverage	Amount	Period
LA Risk Management Agency Policy # LML-141-12354	Commercial General Liability:		05/01/08 -
	Premises/Operations	\$500,000	05/01/09
	Products & Completed Work	500,000	
	Medical Payments:		
	Per Person	1,000	
	Per Occurrence	10,000	
	Fire Legal Liab-Per Occurrence	50,000	
LA Risk Management Agency Policy # LML-141-12354	Law Enforcement Liability		05/01/08 -
	Total Limit	\$500,000	05/01/09
	Each Wrongful Act		
LA Risk Management Agency Policy # LML-141-12354	Business Auto:		05/01/08 -
	Liability Limit	\$500,000	05/01/09
Scottsdale Insurance Company Policy Number CPS0802678	City Hall	\$ 151,222	11/14/07 -
	Business Personal Property	52,000	11/14/08
	Lift Station, 49256 Hwy 51	64,240	
	Water Tower, 14377 Hwy 442	427,244	
	Water Tower, 50215 Abene Rd	38,733	
	Building/Pumps, 49256 Hwy 51	135,433	
	Fire Station, 14994 3 rd St	100,000	
	Maintenance Bldg, 50089 Hwy 51	84,000	
Foremost Insurance Company Policy # 444-0018921502	Police Mobile Home Office:		08/12/07 -
	Building	\$24,000	08/12/08
	Contents	12,000	
LA Risk Management Agency Policy Number WC-170	Workers' Compensation & Employer's Liability:		01/01/08 -
	Single Combined Limit-Each Line of Coverage	\$500,000	01/01/09
LA Risk Management Agency Policy # LML-141	Public Officials Errors & Omissions	\$500,000	05/01/07 - 05/01/08
Employer's Mutual Policy # T224563	Public Employees Position Schedule Bond	\$150,000	02/16/08 - 02/16/09

See accountant's report.

Village of Tickfaw, Louisiana

Schedule 12

Schedule of Compensation Paid Elected Officials
Year Ended June 30, 2008

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>Board Member</u>	<u>Term Expires</u>	<u>Compensation Received</u>
Anthony "Tony" Lamonte, Mayor 14304 Nuccio Road Tickfaw, LA 70466 (985) 345-8796	12/31/10	\$ 15,600
William Watts, Councilman Post Office Box 221 Tickfaw, LA 70466 (985) 969-3113	12/31/10	2,800
Ronald Tanis, Councilman 14087 Manina Lane Tickfaw, LA 70466 (985) 542-4781	12/31/10	2,800
Toni Basso, Councilwoman Post Office Box 576 Tickfaw, LA 70466 (985) 345-6509	12/31/10	2,800
Jimmy Lee Sparacello, Chief of Police Post Office Box 131 Tickfaw, LA 70466 (985) 542-1716	12/31/10	32,677
		\$ <u>56,677</u>

See accountant's report.

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

**ANTHONY B BAGLIO CPA
A PROFESSIONAL ACCOUNTING CORPORATION
2011 RUE SIMONE
HAMMOND, LOUISIANA 70403
PHONE: 985-542-4155 FAX: 985-542-4186**

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

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

I have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Tickfaw, Louisiana (hereinafter referred to as "Village") as of and for the year ended June 30, 2008, which collectively comprise the Village's basic financial statements and have issued my report thereon dated December 29, 2008. I have conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weakness. However, as discussed below, I identified certain deficiencies in internal control over financial reporting that I consider to be significant deficiencies.

A control deficiency 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 misstatement on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Village of Tickfaw's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Village's financial statements that is more than inconsequential will not be prevented or detected by the Village of Tickfaw's internal control. I consider the deficiencies described in the accompanying schedule of current year audit findings and recommendations as item 08-01 to be a significant deficiency in internal control over financial reporting.

Honorable Mayor Anthony Lamonte and
Members of the Board of Aldermen
Village of Tickfaw
Tickfaw, Louisiana
December 29, 2008
Page 2

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Village's internal control.

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, I believe that none of the significant deficiencies described above are a material weakness.

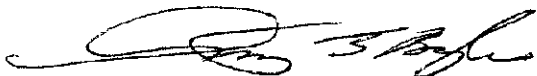
Compliance and Other Matters

As part of obtaining reasonable assurance about whether, the Village's financial statements are free of material misstatements, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts.

However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of current year audit findings numbers 08-02 through 08-04.

The Village's response to the findings identified in my audit, are described in the accompanying schedule of managements corrective action plan for current year audit findings. I did not audit the Village's response and, accordingly, I express no opinion on it.

This report is intended for the information and use of the audit committee, management, the Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Anthony B. Baglio, CPA
A Professional Accounting Corporation
Hammond, Louisiana
December 29, 2008

Schedule of Current Year Audit Findings

Village of Tickfaw
Tickfaw, Louisiana

Schedule of Current Year Audit Findings
As of and For the Year Ended June 30, 2008

INTERNAL CONTROL

FINDING NO. 08-01

Lack of Segregation of Duties

The Village clerk is the sole employee involved in recording, processing, summarizing, and reporting the Village's financial data.

An adequate system of internal control requires an appropriate segregation of duties consistent with control objectives. This deficiency could adversely affect the entity's ability to record, process, summarize and report financial data consistent with management's objectives.

The limited size of the Village precludes an adequate segregation of duties and other features of an adequate system of internal control, although to employ such controls may not be cost beneficial. No change is recommended.

COMPLIANCE

FINDING NO. 08-02

Compliance Violations Concerning Sewer Revenue Bond Covenants

A. Bond resolution concerning delinquent utility customers not followed.

In connection with the rate covenant, the bond resolution also stated matters concerning delinquent sewer customers. The resolution states that if a delinquent account is not paid within thirty (30) days of the date of delinquency, the Village will shut off water and sewer services to the affected premises.

The Village was in non-compliance with the delinquent utility customers section of the bond resolution since there were several accounts that were 30 days past due, in which the Village did not adhere to thirty (30) day cut-off.

It is recommended the bond resolution be followed.

Village of Tickfaw
Tickfaw, Louisiana

Schedule of Current Year Audit Findings
As of and For the Year Ended June 30, 2008

B. Bond resolution concerning timely audit preparation not followed

The bond resolution also states that sewer system records shall be maintained in accordance with generally accepted government accounting standards and shall be audited annually no later than three (3) months after the close of each fiscal year by an independent certified public accountant.

The Village did not have its audit completed by September 30, 2008, as required by this covenant.

It is recommended that the Village make arrangements to have the audit done by the September 30 deadline.

FINDING 08-03

Bid Law Violation

- A. The Village purchased sewer pumps from Wholesale Pump & Supply totaling \$25,015.93 and did not comply with the bid law.**

R.S. 38:2212.1 Purchases of materials and supplies totaling \$20,000 or more must be bid:

- i. Advertised and let by contract to lowest bidder according to specifications.

- B. The Village purchased a mobile home for use as the senior center for \$15,325.00 and did not obtain quotes.**

R.S. 38:2212.1 Purchases of \$10,000 but less than \$20,000.

- i. Three telephone or fax quotes;
ii. Obtain written confirmation of accepted offer;
iii. If lower quote than the accepted quote, reasons for rejection required.

It is recommended that the Village establish controls to insure that the public bid laws are being followed.

Village of Tickfaw
Tickfaw, Louisiana

Schedule of Current Year Audit Findings
As of and For the Year Ended June 30, 2008

FINDING 08-04

Compliance with Grant Reporting Requirements

The Village was issued a grant by the state for Line Item Appropriations Cooperative Endeavor Agreement in the amount of \$20,000. This agreement required the Village to submit written quarterly progress reports and quarterly cost reports which provide detailed information outlining the use of the appropriated funds. No reporting has been completed and they are in delinquent status.

It is recommended that the Village complete the necessary reports and establish controls to ensure proper reporting for grants.

Summary Schedule of Prior Audit Findings

VILLAGE OF TICKFAW

Tickfaw, Louisiana

Status of Prior Audit Findings

Year Ended June 30, 2008

Ref No	Fiscal Year Finding Initially Occurred	Description of Finding	Management's Corrective Action Taken	Planned Corrective Action/Partial Corrective Action Taken
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Section I - Internal Control and Compliance Material to the Financial Statements:

Internal Control

2007-04	June-04	Lack of segregation of duties	No	See Finding No. 08-01
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2007-05	June-04	Employee Policy Manual	Yes	
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Compliance Violations Concerning Sewer Revenue Bond Covenants

2007-01 A)	June-04	Rate covenants not fulfilled.	Yes	
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2007-01 (B)	June-04	Bond resolution concerning delinquent utility customers not followed.	No	See Finding No. 08-02 (A)
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2007-01 (C)	June-04	Bond resolution concerning Timely Audit Preparation not followed.	No	See Finding No. 08-02 (B)
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2007-01 (D)	June-07	Sewer Revenue Fund Not Being Used	Yes	
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Sales Tax Bond, Series 1995-Resolutions Not Followed

2007-02	June-04	Bond resolution concerning Timely Audit Preparation not followed.	Yes	
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2007-03		Enterprise Fund Deficit	Yes	
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**Management's Corrective Action Plan for
Current Year Audit Findings**

Village of Tickfaw
Tickfaw, Louisiana
Management's Corrective Action Plan for Current Year Audit Findings
Year Ended June 30, 2008

Ref	Description of Findings	Management Response
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Compliance and Internal Control

Section I Internal Control

08-01 **Lack of Segregation of Duties** *

An adequate system of internal control requires an appropriate segregation of duties consistent with control objectives. This deficiency could adversely affect the entity's ability to record, process, summarize and report financial data consistent with management's objectives.

Section II Compliance

08-02 **Compliance Violations Concerning Sewer Revenue Bond Covenants**

A. Bond resolution concerning delinquent utility customers not followed *

The Village was in non-compliance with the delinquent utility customers section of the bond resolution since there were several accounts that were 30 days past due in which the Village did not adhere to thirty (30) day cut-off.

B. Bond resolution concerning timely audit preparation not followed *

The Village did not have its audit completed by September 30, 2008, as required by this covenant.

Village of Tickfaw
Tickfaw, Louisiana
Management's Response
June 30, 2008

Compliance and Internal Control

Internal Control

08-01 Lack of Segregation of Duties

An adequate system of internal control requires an appropriate segregation of duties consistent with control objectives. The deficiency could adversely affect the entity's ability to record, process, summarize and report financial data consistent with management's objectives.

Management's Response

It is not cost effective to have enough employees to have appropriate segregation of duties. The Village has an outside CPA review the financial statements on a monthly basis. The financial statements are presented to the Board of Commissioners on a monthly basis for review.

Compliance

08-02 A. Bond Resolution concerning delinquent utility customers not-followed

The Village was in non-compliance with delinquent utility customers section of the bond resolution since there were several accounts that were 30 days past due in which the Village did not adhere to the thirty (30) day cut-off.

Management's Response

Many of the accounts that are more than 30 days past due are inactive. The total accounts receivable balance at June 30, 2008 was \$3,709.83 compared to \$3,278.32 at June 30, 2007. The increase is due to an increase in customers. The Village has continued its efforts to contact delinquent customers by phone and mail. The Village continues to cutoff customers that are not in compliance with the Village ordinance 60 days past due.

08-02 B. Bond Resolution concerning timely audit preparation not followed

The Village did not have its audit completed by September 30, 2008, as required by this covenant.

Management's Response

The Village engages an auditor prior to the end of the fiscal year. Compiled financial statements were presented to the auditor by August 31, 2008. However, due to illness in the family of the auditor, the audit was not completed by September 30, 2008.

Continued

Village of Tickfaw
Tickfaw, Louisiana
Management's Response
June 30, 2008

08-03 A. Bid Law Violation

The Village purchased sewer pumps from Wholesale Pump & Supply totaling \$25,015.93 and did not comply with the bid law.

Management's Response

The Village obtained quotes from Wholesale Pump & Supply and Industrial Electric. The Village chose the lowest quote but did not properly advertise and let out by contract as required by the statutes. This was an oversight on the part of management. Any purchase over \$20,000 will be properly advertised and let by contract to the lowest bidder according to specifications.

08-03 B. Bid Law Violation

The Village purchased a mobile home for use as the senior center for \$15,325 and did not obtain quotes.

Management's Response

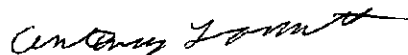
The Mayor obtained two quotes and chose the lowest quote. He did not maintain a copy of the second quote. In the future management will obtain three telephone quotes or fax quotes and maintain a folder for all quotes received.

08-04 Grant Reporting Requirements

The Village was issued a grant by the state for Line Item Appropriations Cooperative Endeavor Agreement in the amount of \$20,000. This agreement required the Village to submit written quarterly progress reports and quarterly cost reports which provide detailed information on out lining the use of the appropriated funds. No reporting has been completed and they are in delinquent status.

Management's Response

On January 16, 2009, the Municipal Clerk contacted the grantor and filed the appropriate cost reports.



Anthony Lamonte, Mayor
Village of Tickfaw

Concluded