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VILLAGE OF TICKFAW, LOUISIANA
REPORT ON AUDIT OF
GENERAL PURPOSE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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.

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VILLAGE OF TICKFAW, LOUISIANA

REPORT ON AUDIT OF
GENERAL PURPOSE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 1999

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December 17, 1999

INDEPENDENT AUDITOR'S REPORT

The Honorable Sam J. Pigno, Mayor
and Members of the Board of Alderman
Village of Tickfaw, Louisiana

We have audited the accompanying general purpose financial statements of the Village of Tickfaw, Louisiana, as of June 30, 1999, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Village of Tickfaw, Louisiana's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Village of Tickfaw, Louisiana, as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund type for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated December 17, 1999, on our consideration of the Village of Tickfaw's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund, and individual account group financial statements and schedules listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not

VILLAGE OF TICKFAW, LOUISIANA

a required part of the general purpose financial statements of the Village of Tickfaw, Louisiana. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audits of the general purpose financial statements, and, in our opinion, is fairly presented in all material respects in relation to the respective general purpose financial statements taken as a whole.

The financial information for the preceding year which is included for comparative purposes was taken from the financial report for that year in which we expressed an unqualified opinion on the general purpose financial statements of the Village of Tickfaw, Louisiana.

Respectfully submitted,


DURNIN & JAMES, CPA'S

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

EXHIBIT A

Village of Tickfaw

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 1999

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPE ENTERPRISE	ACCOUNT GROUPS			TOTALS (MEMORANDUM ONLY) 06/30/99 06/30/98	
	GENERAL	DEBT SERVICE		CAPITAL PROJECTS		GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	TOTALS		
		SPECIAL REVENUE	DEBT SERVICE					CAPITAL PROJECTS		GENERAL FIXED ASSETS
<u>ASSETS AND OTHER DEBITS</u>										
<u>Assets:</u>										
Cash and cash equivalents	\$ 28,971	\$ 45,147	\$ -	\$ -	\$ 21,441	\$ -	\$ -	\$ 95,559	\$ 62,413	
Receivables (Net of Allowances for Uncollectibles)	4,987	5,968	-	-	10,562	-	-	21,517	26,886	
Due from other funds	11,017	33,974	-	-	11,472	-	-	56,463	41,377	
Due from other governmental units	1,678	-	-	-	-	-	-	1,678	1,276	
Other assets	-	-	-	-	7,535	-	-	7,535	7,757	
Restricted assets - cash	-	-	-	-	26,860	-	-	55,970	50,276	
Land, buildings, and equipment (net, where applicable, of accumulated depreciation)	-	-	-	-	1,871,088	218,353	-	2,089,441	2,125,855	
<u>Other Debits</u>										
Amount available for debt service	-	-	-	-	-	-	29,110	29,110	26,261	
Amount to be provided for retirement of general long-term debt	-	-	-	-	-	-	176,890	176,890	186,732	
Total Assets	\$ 46,653	\$ 85,089	\$ 29,110	\$ -	\$ 1,948,958	\$ 218,353	\$ 206,000	\$ 2,534,163	\$ 2,528,840	

(CONTINUED)

Village of Tickfaw

EXHIBIT A
(CONTINUED)

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS (CONTINUED)

June 30, 1999

	GOVERNMENTAL FUND TYPES				CAPITAL PROJECTS	PROPRIETARY FUND TYPE		ACCOUNT GROUPS			TOTALS (MEMORANDUM ONLY) 06/30/99 06/30/98	
	SPECIAL REVENUE	DEBT SERVICE	GENERAL	ENTERPRISE		GENERAL ASSETS	LONG-TERM DEBT	GENERAL	FIXED ASSETS	DEBT		
LIABILITIES AND FUND EQUITY												
<u>Liabilities:</u>												
Accounts Payable/Accrued Liabilities	\$ 13,307	\$ -	\$ -	\$ 369	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,765	\$ 26,247
Payable from Restricted Assets	-	-	-	10,502	-	-	-	-	-	-	10,502	10,402
Customers' Deposits	-	-	-	1,740	-	-	-	-	-	-	1,740	1,601
Accrued Bond Interest	-	-	-	330,452	-	-	-	-	-	-	330,452	332,184
Revenue Bonds Payable	-	-	-	387	-	-	-	-	-	-	387	200
Sales Tax Payable	33,974	-	-	22,490	-	-	-	-	-	-	56,464	41,376
Due to other funds	-	-	-	-	-	-	-	-	206,000	-	206,000	213,000
Sales tax bonds payable	-	-	-	-	-	-	-	-	-	-	-	-
Capital lease	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>47,281</u>	<u>1,089</u>	<u>-</u>	<u>365,940</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>218,353</u>	<u>206,000</u>	<u>-</u>	<u>620,310</u>	<u>625,010</u>
<u>FUND EQUITY</u>												
Contributed Capital	-	-	-	1,572,982	-	-	-	-	-	-	1,572,982	1,606,702
Investment in General Fixed Assets	-	-	-	-	-	-	-	218,353	-	-	218,353	214,631
Retained Earnings (Deficits):												
Reserved for Bond Retirement	-	-	-	10,982	-	-	-	-	-	-	10,982	10,567
Unreserved	-	-	-	(946)	-	-	-	-	-	-	(946)	(6,623)
Fund Balances:												
Reserved for capital projects	-	-	-	-	-	-	-	-	-	-	-	6,346
Reserved for debt service	-	-	-	-	-	-	-	-	-	-	29,110	26,261
Unreserved - undesignated	(628)	84,000	-	-	-	-	-	-	-	-	83,372	45,946
Total Fund Equity	<u>\$ (682)</u>	<u>\$ 84,000</u>	<u>\$ 29,110</u>	<u>\$ 1,583,018</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 218,353</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,913,853</u>	<u>\$ 1,903,830</u>
Total Liabilities and Fund Equity	<u>\$ 46,653</u>	<u>\$ 85,089</u>	<u>\$ 29,110</u>	<u>\$ 1,948,958</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 218,353</u>	<u>\$ 206,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,534,163</u>	<u>\$ 2,528,840</u>

The accompanying notes are an integral part of this statement.

Village of Tickfaw

EXHIBIT B

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES

For the Year Ended June 30, 1999

	<u>GENERAL</u>	<u>SPECIAL</u> <u>REVENUE</u>	<u>DEBT</u> <u>SERVICE</u>	<u>CAPITAL</u> <u>PROJECT</u>	<u>TOTALS</u> <u>(MEMORANDUM ONLY)</u>	
					<u>1999</u>	<u>1998</u>
Revenues:						
Taxes	\$ 61,055	\$ 54,997	\$ -	\$ -	\$116,052	\$ 112,173
Licenses and Permits	51,762	-	-	-	51,762	31,873
Intergovernmental	23,775	-	-	-	23,775	17,791
Federal police grant	-	-	-	-	-	-
Other police grants	-	-	-	-	-	-
Fines	74,284	-	-	-	74,284	65,264
Charges for services	28,449	-	-	-	28,449	22,696
On behalf payments by state	14,400	-	-	-	14,400	13,530
Miscellaneous	<u>6,503</u>	<u>1,250</u>	<u>1,023</u>	<u>54</u>	<u>8,830</u>	<u>7,476</u>
Total Revenues	<u>260,228</u>	<u>56,247</u>	<u>1,023</u>	<u>54</u>	<u>317,552</u>	<u>270,803</u>
EXPENDITURES:						
General Government	87,517	4,434	-	-	91,951	92,805
Public Safety - Police	108,707	-	-	-	108,707	125,448
Public safety - Fire	-	4,200	-	-	4,200	4,200
Public works - Streets	7,575	12,684	-	6,400	26,659	26,205
Public works - Sanitation	27,283	-	-	-	27,283	29,232
Capital Outlay	3,812	-	-	-	3,812	6,625
Debt Service - Principal	-	-	7,000	-	7,000	9,935
Debt Service - Interest	-	-	<u>14,010</u>	-	<u>14,010</u>	<u>14,661</u>
Total Expenditures	<u>234,894</u>	<u>21,318</u>	<u>21,010</u>	<u>6,400</u>	<u>283,622</u>	<u>309,111</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>25,334</u>	<u>34,929</u>	<u>(19,987)</u>	<u>(6,346)</u>	<u>33,930</u>	<u>(38,308)</u>
Other Financing Sources (Uses)						
Operating Transfers In	-	-	22,836	-	22,836	23,136
Operating Transfers Out	-	<u>(22,836)</u>	-	-	<u>(22,836)</u>	<u>(23,136)</u>
TOTAL OTHER FINANCING SOURCES (USES)	-	<u>(22,836)</u>	<u>22,836</u>	-	-	-
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>25,334</u>	<u>12,093</u>	<u>2,849</u>	<u>(6,346)</u>	<u>33,930</u>	<u>(38,308)</u>
Fund Balance (Deficit) at Beginning of Year	<u>(25,962)</u>	<u>71,907</u>	<u>26,261</u>	<u>6,346</u>	<u>78,552</u>	<u>116,861</u>
Fund Balances at End of Year	<u>\$ (628)</u>	<u>\$ 84,000</u>	<u>\$ 29,110</u>	<u>\$ -</u>	<u>\$112,482</u>	<u>\$ 78,553</u>

The accompanying notes are an integral part of this statement.

Village of Tickfaw

EXHIBIT D

STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS - PROPRIETARY FUND TYPE

For the Years Ended June 30, 1999 and 1998

	<u>WATER WORKS</u>	<u>SEWER FUND</u>	<u>TOTALS</u>	
			<u>1999</u>	<u>1998</u>
Operating Revenues:				
Charges for Services:				
Water sales	\$ 29,547	\$ -	\$ 29,547	\$ 27,998
Sewer charges	-	70,531	70,531	66,433
Other charges	<u>6,244</u>	<u>708</u>	<u>6,952</u>	<u>4,778</u>
Total Operating Revenues	<u>\$ 35,791</u>	<u>\$ 71,239</u>	<u>\$107,030</u>	<u>\$ 99,209</u>
Operating Expenses:				
Salaries	\$ 12,388	\$ 7,103	\$ 19,491	\$ 15,528
Payroll Taxes and Benefits	1,026	698	1,724	1,908
Repairs	8,713	7,565	16,278	10,004
Supplies	2,709	2,854	5,563	5,047
Utilities and Telephone	5,498	9,423	14,921	13,438
Vehicle Fuel and Repairs	731	412	1,143	668
Office Expenses	1,286	862	2,148	2,661
Insurance	779	423	1,202	2,354
Depreciation	21,337	28,308	49,645	49,155
Sewerage analysis and licenses	-	222	222	1,363
Amortization	-	1,516	1,516	222
Miscellaneous	2,949	1,760	4,709	1,313
Accounting and Auditing	<u>3,903</u>	<u>5,238</u>	<u>9,141</u>	<u>14,704</u>
TOTAL OPERATING EXPENSES	<u>61,319</u>	<u>66,384</u>	<u>127,703</u>	<u>118,365</u>
Operating Income (Loss)	\$(25,528)	\$ 4,855	\$(20,673)	\$(19,156)
Non-Operating Revenues (Expenses):				
Interest Income	602	641	1,243	1,474
Interest Expense	<u>-</u>	<u>(15,672)</u>	<u>(15,672)</u>	<u>(16,049)</u>
Income (Loss) Before Operating Transfers	\$(24,926)	\$(10,176)	\$(35,102)	\$(33,731)
Operating Transfers In (Out)				
Operating transfers in	-	-	-	2,949
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,949)</u>
TOTAL OPERATING TRANSFERS IN (OUT)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET INCOME (LOSS)	\$(24,926)	\$(10,176)	\$(35,102)	\$(33,731)
Retained Earnings (Deficit) at Beginning of Year	16,479	(12,535)	3,944	(3,520)
AMORTIZATION OF CONTRIBUTIONS	<u>20,233</u>	<u>20,961</u>	<u>41,194</u>	<u>41,195</u>
Retained Earnings (Deficit) at End of Year	<u>\$ 11,786</u>	<u>\$ (1,750)</u>	<u>\$ 10,036</u>	<u>\$ 3,944</u>

The accompanying notes are an integral part of this statement.

STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE

For the Years Ended June 30, 1999 and 1998

	ENTERPRISE FUNDS		TOTALS	
	WATER FUND	SEWER FUND	1999	1998
Cash Flows From Operating Activities:				
Net income (loss)	\$ (24,926)	\$ (10,176)	\$ (35,102)	\$ (33,731)
Adjustments to Reconcile Net Operating Loss to net cash provided by operating activities:				
Depreciation	21,337	28,307	49,644	49,155
Amortization	-	222	222	222
(Increase)decrease in accounts receivable	1,934	182	2,116	(4,009)
(Increase)decrease in amounts due from other funds	-	(5,197)	(5,197)	(6,131)
Increase (decrease)in accounts payable	(9,805)	(1,960)	(11,765)	983
Increase (decrease)in amounts due to other funds	11,271	2,149	13,420	7,053
Increase in customer deposits	100	-	100	1,845
Increase (Decrease) in sales tax payable	187	-	187	(96)
(Decrease) Increase in retainage payable	(1,377)	-	(1,377)	1,377
Increase in bond interest payable	-	139	139	-
Total adjustments	<u>23,647</u>	<u>23,842</u>	<u>47,489</u>	<u>50,399</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(1,279)	13,666	12,387	16,668
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Construction of capital assets	(9,509)	-	(9,509)	(28,835)
Principal repayments	-	(1,732)	(1,732)	(4,835)
Grants	<u>7,475</u>	-	<u>7,475</u>	<u>15,000</u>
NET CASH (USED) FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(2,034)	(1,732)	(3,766)	(18,670)
NET INCREASE (DECREASE) IN CASH	(3,313)	11,934	8,621	(2,002)
CASH AT BEGINNING OF YEAR	<u>16,912</u>	<u>22,768</u>	<u>39,680</u>	<u>41,682</u>
CASH AT END OF YEAR	<u>\$ 13,599</u>	<u>\$ 34,702</u>	<u>\$ 48,301</u>	<u>\$ 39,680</u>
RECONCILIATION OF CASH				
Unrestricted	\$ 3,097	\$ 18,344	\$ 21,441	\$ 15,440
Restricted	<u>10,502</u>	<u>16,358</u>	<u>26,860</u>	<u>24,240</u>
	<u>\$ 13,599</u>	<u>\$ 34,702</u>	<u>\$ 48,301</u>	<u>\$ 39,680</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION				
Interest paid	<u>\$ -</u>	<u>\$ 15,672</u>	<u>\$ 15,672</u>	<u>\$ 16,049</u>

The accompanying notes are an integral part of this statement.

Village of Tickfaw

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

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Village of Tickfaw

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Tickfaw, Louisiana (the "Village") 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 Village provides the following services: public safety (police and fire), streets, drainage, sanitation, public improvements and general and administrative functions. Other services include water and sewer utilities.

The accounting and reporting policies of the Village of Tickfaw, Louisiana conform to generally accepted accounting principles as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principals. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

A. FINANCIAL REPORTING ENTITY

As the governing authority of the Village, for reporting purposes, the Village of Tickfaw is the financial reporting entity for Tickfaw, Louisiana. The financial reporting entity consists of (a) primary government (Board of Aldermen), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Village of Tickfaw for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Board of Aldermen to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Board of Aldermen.
2. Organizations for which the Board of Aldermen does not appoint a voting majority but are fiscally dependent on the Board.

Village of Tickfaw

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the application of the above criteria, it was determined the Village of Tickfaw has no potential component unit. As a result, this report includes all funds and account groups which are controlled by or dependent on the Village's executive and legislative branches (the Mayor and Board of Aldermen). Control by or dependence on the Village was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

B. FUND ACCOUNTING

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

GOVERNMENTAL FUNDS

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

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trust, or major capital projects) that are legally restricted to expenditures for specific purposes.

PROPRIETARY FUND

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

C. FIXED ASSETS AND LONG-TERM LIABILITIES

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

All governmental fund and expendable trust fund type operations are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheet.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, are not capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group.

The two account groups are not "funds." They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

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

Depreciation of all exhaustible fixed assets used by the proprietary fund is charged as an expense against its operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Water and Sewer Utility -

Water Well and Tanks	30 Years
Water Distribution Line	30 Years
Sewer Lines and Oxidation Pond	50 Years
Equipment and Vehicles	5 Years

All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair value on the date donated.

Village of Tickfaw

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

The Village's policy on interest incurred during construction is to capitalize the amount of interest paid during the construction of a project as part of the cost of constructing the project.

D. BASIS OF ACCOUNTING

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

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

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) principal and interest on long-term debt which is recognized when due; and (2) expendable operating supplies which are recorded as expenditures at the time of purchase under the "purchase method" (Note (1)G).

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. Unbilled utility services receivable for the Water and Sewer Enterprises Funds are not recorded at year end as the amount is not material. The Village applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

E. BUDGETS AND BUDGETARY ACCOUNTING

The Village follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The Village Clerk and Mayor prepare a proposed budget and submits same to the Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year. The proposed budget was submitted to the Board of Aldermen on May 11, 1998.

Village of Tickfaw

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called. The proposed budget for the year ended June 30, 1999, was published in the official journal on May 26, 1998.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing. A public hearing on the proposed budget for the year ended June 30, 1999, was held on June 15, 1998.
4. After holding the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance. The proposed budget for the year ended June 30, 1999, was adopted by ordinance on June 30, 1998.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen. The budget for the year ended June 30, 1999, was amended on May 10, 1999.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). A budget was also adopted for the Water and Sewer Enterprise Fund. Formal budgetary integration is not employed for Debt Service Funds because effective budgetary control is alternatively achieved through general obligation bond indenture provisions.

The Village of Tickfaw did not comply with certain provisions of state law which require the budget to be amended when actual expenditures and other uses exceed budgeted expenditures and other uses by five percent or more.

F. CASH AND INVESTMENTS

Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. Under state law, the Village may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the Village may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash. Investments are stated at cost.

Village of Tickfaw

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

G. INVENTORY

The Village utilizes the "purchase method" of accounting for supplies in governmental funds whereby expendable operating supplies are recognized as expenditures when purchased. The Village did not record any inventory at June 30, 1999, as the amount is not material.

H. BAD DEBTS

Uncollectible amounts due for ad valorem taxes and customer's utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. No allowance for uncollectible amounts is recorded at June 30, 1999.

I. ACCUMULATED COMPENSATED ABSENCES

In accordance with the provisions of GASB Statement No. 16, vacation leave is accrued as a liability when earned by the employees since the employees "right to receive compensation is already rendered and it is probable that the Village will compensate the employees for benefits through paid time off or through cash payments at termination." A liability for sick pay is not recorded since sick pay does not vest.

Vacation leave liability that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that is responsible for payment. Amounts that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts.

J. PENSION PLAN

The Village has a pension plan which covers all of the Village's police employees. This pension plan is a defined contribution plan administered by the statewide Louisiana Municipal Police Employees' Retirement System (MPERS). The pension plan is funded by contributions from employees through payroll withholding deductions and matching contributions from the Village.

K. UNBILLED ENTERPRISE FUND RECEIVABLES/REVENUE

The Village's receivable for unbilled Enterprise Fund revenue is considered immaterial and has not been recorded at June 30, 1999.

L. PAYABLE FROM RESTRICTED ASSETS

Certain assets of the Tickfaw Water and Sewer Systems have been restricted for payment of the following:

Village of Tickfaw

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

	<u>BALANCE AT JUNE 30, 1999</u>
Water Enterprise Fund:	
Customer Deposits	\$10,502
Sales Tax Payable	<u> 387</u>
	<u>\$10,889</u>
Sewer Enterprise Fund:	
Accrued Revenue Bond Interest	\$ 1,740
Revenue Bonds	<u> 3,636</u>
	<u>\$ 5,376</u>
Debt Service Fund:	
1995 Sales tax bond requirements	<u>\$29,110</u>

M. ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

Uncollectible amounts due for ad valorem taxes, and customers' utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. The following details the description and amount of the allowance for uncollectible accounts at June 30, 1999.

	<u>BALANCE AT JUNE 30, 1999</u>
1. General Fund	
a. Allowance for Uncollectible Ad Valorem Taxes	\$ <u> -</u>
b. Sewer and Water Enterprises Funds Allowance for Uncollectible Sewer and Water Fees	<u>\$ 2,000</u>

N. TOTAL COLUMN ON COMBINED STATEMENTS - OVERVIEW

Total column on the combined statements - overview is captioned Memorandum Only to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

O. STATEMENT OF CASH FLOWS

In accordance with Governmental Accounting Standards Board Statement No. 9, the Village is presenting a statement of cash flows. For purposes of the statement of cash flows, the Water and Sewer Enterprise Funds consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Village of Tickfaw

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

2. **AD VALOREM TAXES**

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Village in September or October and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

The Village bills and collects its own property taxes using the assessed values determined by the tax assessor of Tangipahoa Parish.

For the year ended June 30, 1999, taxes of 17.29 mills were levied on property with taxable assessed valuations totaling \$952,770 and were dedicated as follows:

General Corporate Purposes	6.91 Mills
Fire Protection	<u>10.38</u> Mills
Total	<u>17.29</u> Mills

Total taxes levied were \$16,215. Taxes receivable were \$14 at June 30, 1999. The allowance for uncollectible ad valorem taxes totaled \$-0- at June 30, 1999.

3. **CASH AND INVESTMENTS**

Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. Under state law, the Village may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the Village may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

As reflected on Exhibit A, the Village of Tickfaw has cash totaling \$151,529 and investments totaling \$0 at June 30, 1999. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the bank. These pledged securities are held by and in the name of the fiscal agent bank but pledged to the Village. The following is a summary of the cash and investments (bank balances) at June 30, 1999, with the related federal deposit insurance and pledged securities:

Village of Tickfaw

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

	CONFIRMED BANK BALANCES <u>JUNE 30, 1999</u>	FDIC INSURANCE	BALANCE UNINSURED
Cash:			
Demand Deposits	\$ -	\$ -	\$ -
Interest Bearing Demand Deposits	152,896	100,000	52,896
Time Deposits	<u>-</u>	<u>-</u>	<u>-</u>
Total Cash	\$152,896	\$100,000	\$ 52,896
Investments:			
Certificates of Deposit	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$152,896</u>	<u>\$100,000</u>	<u>\$ 52,896</u>
Uncollateralized -			
Securities in the Name of and Held by the Fiscal Agent Pledged to the Village			<u>300,188</u>
Excess of FDIC Insurance and Pledged Securities Over Cash and Investment Bank Balances			<u>\$247,292</u>

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. INTERFUND TRANSFERS

The following is a summary of the operating transfers between funds during the fiscal year ended June 30, 1999:

	<u>TRANSFER IN FROM</u>	<u>TRANSFER OUT TO</u>
Debt Service Fund:		
1995 Sales Tax Fund	\$ 22,836	\$ -
Total Debt Service Fund	<u>\$ 22,836</u>	<u>\$ -</u>
Special Revenue Funds:		
1995 Sales Tax Fund:		
Debt Service Fund	\$ -	\$ 22,836
Total Special Revenue Funds	<u>\$ -</u>	<u>\$ 22,836</u>
Water Enterprise Fund:		
Sewer Enterprise Fund	\$ -	\$ -
Total Water Enterprise Fund	<u>\$ -</u>	<u>\$ -</u>

Village of Tickfaw

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

	<u>TRANSFER IN FROM</u>	<u>TRANSFER OUT TO</u>
Sewer Enterprise Fund:		
Water Enterprise Fund	\$ -	\$ -
Total Sewer Enterprise Fund	\$ -	\$ -
Total All Funds	<u>\$ 22,836</u>	<u>\$ 22,836</u>

5. **DUE FROM OTHER GOVERNMENTAL UNITS**

Amounts due from other governmental units at June 30, 1999, consisted of the following:

General Fund:		
Alcoholic Beverage Tax Due from the State of Louisiana		\$ 914
Tobacco Tax Due from the State of Louisiana		<u>764</u>
Total General Fund		\$ 1,678
Special Revenue Funds:		
Sales Taxes Due from Tangipahoa Parish School System		<u>\$ 5,960</u>
Total All Funds		<u>\$ 7,638</u>

6. **RESTRICTED ASSETS - PROPRIETARY FUND TYPE**

Restricted assets were applicable to the following at June 30, 1999:

\$346,000 Series 1992 Sewer Revenue Bond Revenue Fund	\$ -
\$346,000 Series 1992 Sewer Revenue Bond Sinking Fund	1,744
\$346,000 Series 1992 Sewer Revenue Bond Reserve Fund	8,167
\$346,000 Series 1992 Sewer Revenue Bond Contingency Fund	<u>6,447</u>
Total For Sewer Revenue Bond Debt Service	\$16,358
Customer Deposits	<u>10,502</u>
Total Restricted Assets	<u>\$26,860</u>

Village of Tickfaw

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

7. **CHANGES IN GENERAL FIXED ASSETS**

A summary of changes in general fixed assets follows:

	BALANCE	CURRENT YEAR		BALANCE
	JULY 1, 1998	ADDITIONS	DELETIONS	JUNE 30, 1999
Land	\$ 10,000	\$ -	\$ -	\$ 10,000
Buildings	117,400	-	-	117,400
Equipment	<u>87,231</u>	<u>3,722</u>	<u>-</u>	<u>90,953</u>
Total General Fixed Assets	<u>\$214,631</u>	<u>\$ 3,722</u>	<u>\$ -</u>	<u>\$218,353</u>

A summary of proprietary fund type property, plant and equipment at June 30, 1999, follows:

	<u>WATER</u>	<u>SEWER</u>	<u>TOTAL</u>
Enterprise Funds:			
Sewer Lines, Lift Station, Oxidation Pond	\$ -	\$1,381,865	\$1,381,865
Water Tanks and Well	309,507	-	309,507
Water Distribution Lines	575,121	-	575,121
Equipment and Vehicle	<u>2,000</u>	<u>3,660</u>	<u>5,660</u>
Total	\$886,628	\$1,385,525	\$2,272,153
Less: Accumulated Depreciation	<u>219,559</u>	<u>220,600</u>	<u>440,159</u>
	\$667,069	\$1,164,925	\$1,831,994
Land	<u>9,835</u>	<u>29,259</u>	<u>39,094</u>
Net	<u>\$676,904</u>	<u>\$1,194,184</u>	<u>\$1,871,088</u>

Depreciation expense on the proprietary fund type property, plant and equipment for the year ended June 30, 1999, totaled \$49,645.

8. **CHANGES IN LONG-TERM DEBT**

The following is a summary of debt transactions of the Village of Tickfaw for the year ended June 30, 1999:

	BALANCE	NOTES ISSUED	BONDS RETIRED	BALANCE
	JULY 1, 1998	AND OTHER INCREASES	AND OTHER REDUCTIONS	JUNE 30, 1999
General Long-Term Debt:				
Sales Tax Bonds, Series 1995	\$213,000	\$ -	\$ 7,000	\$206,000
Capital Lease	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	\$213,000	\$ -	\$ 7,000	\$206,000
Enterprise Fund Long-Term Debt:				
Sewer Revenue Bonds	<u>332,184</u>	<u>-</u>	<u>1,732</u>	<u>330,452</u>
	<u>\$545,184</u>	<u>\$ -</u>	<u>\$ 8,732</u>	<u>\$536,452</u>

Village of Tickfaw

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

Long-term debt payable at June 30, 1999, is comprised of the following:

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. \$206,000

Payments of sales tax bonds, Series 1995 are payable solely from and secured by an irrevocable pledge and dedication of a special 1% sales and use tax.

Sewer Revenue Bonds:

\$346,000 Series 1992 Sewer Revenue Bonds due in monthly installments of \$1,740; Interest Rate is 5.25% \$330,452

Payments of Sewer Revenue Bonds' principal and interest are secured 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 bond authorizing resolution.

The annual requirements to amortize all debt outstanding at June 30, 1999, including interest payments of \$497,630 are as follows:

YEAR ENDED <u>JUNE 30,</u>	1995 SALES <u>TAX BONDS</u>	SEWER REVENUE <u>BONDS</u>	<u>TOTAL</u>
2000	\$ 19,553	\$ 20,885	\$ 40,438
2001	18,870	20,885	39,755
2002	19,186	20,885	40,071
2003	18,494	20,885	39,379
2004	18,827	20,885	39,712
2005-2033	<u>232,611</u>	<u>602,116</u>	<u>834,727</u>
	<u>\$327,541</u>	<u>\$706,541</u>	<u>\$1,034,082</u>

9. 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.

Village of Tickfaw

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

B. The 1995 1% sales tax is to be levied through December 31, 2017, 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. The proceeds from this 1% sales tax have been irrevocably pledged and dedicated to secure the payment of \$225,000 of sales tax bonds, Series 1995, dated December 1, 1995.

10. **FLOW OF FUNDS: 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 and 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 separately identifiable account to be established with the Village's fiscal agent bank and designated as the "Sewer Revenue Fund". The revenues deposited into the Sewer Revenue Fund 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.

Village of Tickfaw

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

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.

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.

Money in the Reserve Fund is to be retained solely for the purpose of payment of the principal of 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.

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. All monies in the Sewer Depreciation and Contingency Fund may be used for the purpose of paying the costs 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 all 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, 1999, balances in the various funds created pursuant to the bond resolution were in accordance with the bond covenants.

11. 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:

Village of Tickfaw

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

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 (i) the reasonable and necessary expenses of operating the System, (ii) one hundred five percent (105%) of the required deposits to the Sinking Fund for such fiscal year, (iii) all other payments required for such fiscal year by the bond resolution and loan agreement, and (iv) all other obligations or indebtedness payable out of the revenues for such fiscal year. 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.

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, 1999, the Village was in compliance with this bond covenant.

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.

As of June 30, 1999, the Village was not in compliance with this bond covenant as the financial statements were not audited within three months after the close of the fiscal year (June 30).

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, 1999, 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.

Village of Tickfaw

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

As of June 30, 1999, the Village was in compliance with these other bond covenants in all material respects.

12. SALES TAX BONDS, SERIES 1995 - FLOW OF FUNDS

The Village through its governing authority, adopted a resolution on November 13, 1995, authorizing the issuance of Sales Tax Bonds, Series 1995 for the purpose of constructing and improving streets within the Village including overlaying such streets. Pursuant to a special election held on July 15, 1995, the proceeds of a special 1% sales and use tax have been irrevocably pledged and dedicated to secure the payments of Sales Tax Bonds, Series 1995. In that resolution, certain funds were required to be established for the receipt and disbursement of the proceeds of the 1% sales and use tax.

Sales Tax Account - The bond resolution requires that proceeds of this 1% sales and use tax be deposited daily in a separate and special bank account designated as the "1% Street and Drainage Sales Tax Account" (Sales Tax Account). The Village accounts for this bank account in the 1995 Sales Tax Fund which is a special revenue fund. However, the bank account is incorrectly titled "1995 Sales Tax Reserve Fund". The proceeds of the tax deposited into the Sales Tax Account shall be expended in the following priority.

From the Sales Tax Account, the Village shall first pay all reasonable and necessary expenses of collection and administration of tax.

Sales Tax Bond Sinking Fund (Sinking Fund) - After payment of all reasonable and necessary expenses of collection and administration of tax, monies from the Sales Tax Account shall be transferred to a special account held by the designated fiscal agent of the Village sufficient in amount to pay promptly and fully the principal of and interest on the bonds as they severally become due and payable.

Monies from the Sales Tax Account shall be transferred into the Sinking Fund monthly in advance on or before the Twentieth (20th) day of each month of each year a sum equal to one-sixth (1/6) of the interest due on the next interest payment date and one-twelfth (1/12) of the principal falling due on the next principal payment date.

Sales Tax Bond Reserve Fund (Reserve Fund) - From the Sales Tax Account, there shall be transferred to the Sales Tax Bond Reserve Fund upon delivery of bonds from the proceeds thereof, a sum of \$13,000, and monthly in advance on or before the twentieth (20th) day of each month of each year, beginning December 1995, a sum of \$225 per month until a sum equal to the Reserve Fund requirement for all outstanding bonds payable from the Sinking Fund is on deposit in the Reserve Fund.

All monies remaining in the Sales Tax Account on the twentieth (20th) day of each month in excess of all reasonable and necessary expenses of collection and administration of the tax and after making required payments to the Sinking Fund and to the Reserve Fund, shall be considered surplus. Such surplus may be used for any purpose authorized by the tax or for the purpose of retiring bonds in advance of their maturities.

Village of Tickfaw

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

13. SALES TAX BONDS, SERIES 1995 RESOLUTION COVENANTS

The Village through its governing authority, adopted a resolution on November 13, 1995, authorizing the issuance of \$225,000 Sales Tax Bonds, Series 1995, for street improvements and construction. The following describe the covenants made in the bonds resolution and how the Village complied with them.

Legal Right to Levy and Collect Tax - In providing for the issuance of bonds, the Village does hereby covenant that it has a legal right to levy and collect the 1% sales and use tax and to pledge the tax revenues for payment of bonds.

Records and Accounts - As long as bonds are outstanding and unpaid, the Village shall maintain and keep proper books of records and accounts, separate from all other records and accounts in which shall be made full and correct entries of all transactions relating to the collection and expenditure of the tax. These records shall be audited annually no later than three months after the close of each fiscal year by an independent certified public accountant.

Fidelity Bonds - The Village is required to obtain a blanket fidelity and faithful performance bond, or independent fidelity bonds written by a responsible indemnity company in amounts adequate to protect the Village from loss.

Flow of Funds - The Village is required to monthly transfer amounts to certain funds set up by the bond resolution.

During the year ended June 30, 1999, the Village has complied with the covenants regarding legal right to levy and collect tax and fidelity bonds. However, the financial statements were not audited within three months after the close of the fiscal year (June 30th).

14. EMPLOYEES PENSION PLAN (POLICE OFFICERS)

Full-time police employees of the Village of Tickfaw participate in the Municipal Police Employees Retirement System ("Police System"), a multiple-employer public employee retirement system. The payroll for employees covered by the Police System for the year ended June 30, 1999, was \$16,718; the Village's total payroll was \$105,107.

All Village employees who participate in the plan shall be eligible for retirement if he has 20 years or more of creditable service and is at least age 50, or 12 years or more of creditable service and is at least age 55. Retirement benefits are equal to 3 1/3 percent of average final compensation multiplied by the number of years of creditable service and is payable monthly for life. Average final compensation is the average annual earned compensation of an employee for any period of thirty-six successive or joined months of service during which the earned compensation was the highest. Benefits are not considered fully vested until the employee has attained both the age and years of service requirements which entitle them to regular retirement benefits. The Police System also provides death and disability benefits. Benefits are established by state statute.

Village of Tickfaw

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

The contribution rate for employees is 7.50% of earnable compensation and is established by state statute.

The employer contribution rate is 9.00% of members earnings.

The Village's total payroll in the fiscal year ended June 30, 1999, was \$105,107, and the Village's contributions were based on a payroll of \$16,718. Both the Village and the covered employees made the required contributions, amounting to \$2,758. There were no related party transactions.

Trend Information

Contributions required by state statute:

<u>Fiscal Year</u> <u>June 30</u>	<u>Required</u> <u>Contribution</u>	<u>Percentage</u> <u>Contribution</u>
1997	\$ 1,664	100%
1998	\$ 3,002	100%
1999	\$ 2,758	100%

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.

All employees of the Village of Tickfaw, Louisiana are also members of the Social Security System.

15. DEFICITS IN INDIVIDUAL FUNDS

At June 30, 1999, the General Fund had a deficit in fund balance - unreserved - undesignated of \$628.

At June 30, 1999, the Sewer Enterprise Fund had a deficit in retained earnings - unreserved - undesignated of \$12,732, but due to contributed capital, total fund equity was \$920,328 at June 30, 1999.

16. EXPENDITURES OVER APPROPRIATIONS

Expenditures in individual funds exceeded amounts appropriated as follows:

<u>FUND</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>UNFAVORABLE</u> <u>VARIANCE</u>	<u>PERCENT</u>
Special Revenue Funds - Fire Protection	\$4,200	\$4,670	\$470	11.19%

Village of Tickfaw

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

The Louisiana Municipal Budget Law requires a local government to amend its operating budget whenever variances between budgeted and actual revenues and other sources or expenditures exceed 5%.

17. **SEGMENT INFORMATION FOR ENTERPRISE FUNDS**

The Village maintains two Enterprise Funds which provide water and sewer services. Segment information for the year ended June 30, 1999 is as follows:

For the Year Ended June 30, 1999

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total Enterprise Funds</u>
Operating Revenues	\$ 35,791	\$ 71,239	\$ 107,030
Depreciation and Amortization	21,337	28,530	49,867
Operating Income (Loss)	(25,528)	4,855	(20,673)
Net Income (Loss)	(24,926)	(10,176)	(35,102)
Current Capital Contributions	-	7,475	7,475
Net Working Capital	(13,827)	34,443	20,616
Total Assets	694,216	1,254,742	1,948,958
Bonds Payable from Operating Revenues	-	330,452	330,452
Total Equity	662,690	920,328	1,583,018

18. **ON BEHALF PAYMENTS MADE BY STATE OF LOUISIANA**

For the year ended June 30, 1999, the State of Louisiana made on behalf payments in the form of supplemental pay to Village's police. In accordance with GASB 24, the Village has recorded \$14,400 of on behalf payments as revenue and as expenses in the General Fund.

19. **CONTRIBUTED CAPITAL**

The following is a summary of changes in contributed capital:

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Balance at June 30, 1998	\$663,662	\$943,040	\$1,606,702
Additions	<u>7,475</u>	<u>-</u>	<u>7,475</u>
	\$671,137	\$943,040	\$1,614,177
Less Amortization	<u>(20,233)</u>	<u>(20,962)</u>	<u>(41,195)</u>
Balance at June 30, 1999	<u>\$650,904</u>	<u>\$922,078</u>	<u>\$1,572,982</u>

Village of Tickfaw

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

20. **COMPENSATION TO ELECTED OFFICIALS**

Compensation paid to the Mayor, Chief of Police, and members of the Board of Aldermen for the year ended June 30, 1999:

Anthony Lamonte, Mayor	\$ 1,230
Sam Pigno, Mayor	3,900
Jimmy Sparacello, Chief of Police	16,236
<u>Board of Aldermen</u>	
Margaret Muscarello	1,235
Fran K. Monistere	680
Julius Fekete	680
Anthony Lamonte	570
Peter Bentivegna	<u>570</u>
	<u>\$ 25,101</u>

21. **COMPLIANCE MATTERS**

The Village of Tickfaw's budgets for the general fund and 95 Sales Tax Special Revenue fund both had unfavorable variances over 5% allowed. See finding 98-1 for more detail.

Restricted funds were used for operating purposes. See finding 98-3 for more detail.

Both the Sewer Bonds Covenant and 95 Sales Tax Covenant require the financial statements to be audited within three months after the close of the fiscal year. The audit was not completed until January 2000.

22. **YEAR 2000 ISSUE**

The Year 2000 Issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government's operations as early as fiscal year 1999.

The Village of Tickfaw has completed an inventory of computer systems and other electronic equipment that may be affected by the Year 2000 Issue and that are necessary for conducting the Village's operations. Based on this inventory, the Village is in the remediation stage in that hardware and software have been acquired believed to be year 2000 compliant for the financial reporting systems. Testing and validation of the systems have been completed.

Because of the unprecedented nature of the Year 2000 Issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Village is or will be year 2000 ready, that the Village's remediation efforts will be successful in whole or in part, or that parties with whom the Village does business will be year 2000 ready.

SUPPLEMENTARY INFORMATION AND SCHEDULES

FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS
AND ACCOUNT GROUPS

GENERAL FUND

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

Village of Tickfaw

EXHIBIT F

GENERAL FUND

BALANCE SHEET

June 30, 1999 and 1998

ASSETS

	<u>1999</u>	<u>1998</u>
Cash	\$ 28,971	\$ 8,288
Account Receivable	2,703	2,643
Ad Valorem Taxes Receivable	6	6
Franchise Taxes Receivable	2,278	2,110
Due from Other Governmental Units	1,678	1,276
Due from Other Funds	<u>11,017</u>	<u>2,796</u>
 Total Assets	 <u>\$ 46,653</u>	 <u>\$ 17,119</u>

LIABILITIES AND FUND BALANCE

Liabilities:		
Accounts Payable	\$ 9,709	\$ 8,688
Accrued Liabilities	3,598	2,311
Due to Other Funds	<u>33,974</u>	<u>32,081</u>
 Total Liabilities	 \$ 47,281	 \$ 43,080
 Fund Balance (Deficit):		
Unreserved - Undesignated	(628)	(25,961)
 Total Liabilities and Fund Balance	 <u>\$ 46,653</u>	 <u>\$ 17,119</u>

See auditor's report.

Village of Tickfaw

EXHIBIT F-1

GENERAL FUND

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

For the Year Ended June 30, 1999

With Comparative Actual Amounts for the Year Ended June 30, 1998

	1999		VARIANCE FAVORABLE (UNFAVORABLE)	1998 ACTUAL
	AMENDED BUDGET	ACTUAL		
Revenues:				
Taxes	\$ 55,540	\$ 61,055	\$ 5,515	\$ 59,108
Licenses and Permits	31,254	51,762	20,508	31,873
Intergovernmental	12,904	23,775	10,871	17,791
Fines and Forfeitures	97,320	74,284	(23,036)	65,264
Sanitation Service Fees	27,285	28,449	1,164	22,696
On Behalf Payments by State	12,630	14,400	1,770	13,530
Miscellaneous	<u>4,145</u>	<u>6,503</u>	<u>2,358</u>	<u>4,620</u>
Total Revenues	\$241,078	\$260,228	\$ 19,150	\$214,882
Expenditures:				
Current:				
General Government	\$ 74,869	\$ 87,517	\$ (12,648)	\$ 86,343
Public Safety	124,723	108,707	16,016	125,448
Public Works	33,698	34,858	(1,160)	35,779
Capital Outlay	-	3,812	(3,812)	6,625
Debt Service	-	-	-	4,188
Total Expenditures	<u>233,290</u>	<u>234,894</u>	<u>(1,604)</u>	<u>258,383</u>
Excess (Deficiency) of Revenues over Expenditures	\$ 7,788	\$ 25,334	\$ 17,546	\$ (43,501)
Other Financing Sources (Uses):				
Operating Transfers In	-	-	-	-
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ 7,788	\$ 25,334	\$ 17,546	\$ (43,501)
Fund Balance (Deficit) at Beginning of Year	<u>(24,945)</u>	<u>(25,962)</u>	<u>(1,017)</u>	<u>17,540</u>
Fund Balance (Deficit) at End of Year	<u>\$(17,157)</u>	<u>\$(628)</u>	<u>\$ 16,529</u>	<u>\$(25,961)</u>

See auditor's report.

Village of Tickfaw

EXHIBIT F-2

GENERAL FUND

STATEMENT OF REVENUES COMPARED TO BUDGET
(GAAP BASIS) AND ACTUAL

For the Year Ended June 30, 1999
With Comparative Actual Amounts for the Year Ended June 30, 1998

	1999		VARIANCE	1998
	AMENDED	ACTUAL	FAVORABLE	ACTUAL
	BUDGET		(UNFAVORABLE)	
Taxes:				
Ad Valorem	\$ 6,375	\$ 7,145	\$ 770	\$ 6,242
Public Utilities Franchise	8,165	9,148	983	9,245
Sales Tax	<u>41,000</u>	<u>44,762</u>	<u>3,762</u>	<u>43,621</u>
Total Taxes	<u>\$ 55,540</u>	<u>\$ 61,055</u>	<u>\$ 5,515</u>	<u>\$ 59,108</u>
Licenses and Permits:				
Occupational Licenses	\$ 30,000	\$ 50,360	\$ 20,360	\$ 29,836
Building and Trailer Permits	<u>1,254</u>	<u>1,402</u>	<u>148</u>	<u>2,037</u>
Total Licenses & Permits	<u>\$ 31,254</u>	<u>\$ 51,762</u>	<u>\$ 20,508</u>	<u>\$ 31,873</u>
Intergovernmental:				
Law Enforcement Grants	\$ 9,174	\$ 17,791	\$ 8,617	\$ 12,132
Tobacco Taxes	2,000	3,055	1,055	3,181
Beer Taxes	1,337	2,929	1,592	2,085
Video Poker	<u>393</u>	<u>-</u>	<u>(393)</u>	<u>393</u>
Total Intergovernmental	<u>\$ 12,904</u>	<u>\$ 23,775</u>	<u>\$ 10,871</u>	<u>\$ 17,791</u>
Fines and Forfeitures	\$ 97,320	\$ 74,284	\$ (23,036)	\$ 65,264
Sanitation Service Fees	\$ 27,285	\$ 28,449	\$ 1,164	\$ 22,696
On Behalf Payments by the State	12,630	14,400	1,770	13,530
Miscellaneous:				
Miscellaneous	<u>\$ 4,145</u>	<u>\$ 6,503</u>	<u>\$ 2,358</u>	<u>\$ 4,620</u>
Total Miscellaneous	<u>\$ 4,145</u>	<u>\$ 6,503</u>	<u>\$ 2,358</u>	<u>\$ 4,620</u>
Total Revenues	<u>\$241,078</u>	<u>\$260,228</u>	<u>\$ 19,150</u>	<u>\$214,882</u>

See auditor's report.

GENERAL FUND

STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS) AND ACTUAL

For the Year Ended June 30, 1999

With Comparative Actual Amounts for the Year Ended June 30, 1998

	1999		VARIANCE	1998
	AMENDED	ACTUAL	FAVORABLE	ACTUAL
	BUDGET		(UNFAVORABLE)	
General Government:				
Salaries -				
Mayor and Aldermen	\$ 11,580	\$ 9,930	\$ 1,650	\$ 11,580
Village Clerk and Assistant	13,800	17,634	(3,834)	18,512
Payroll Taxes and Employee Benefits	2,800	6,680	(3,880)	2,765
Office Supplies	2,239	4,532	(2,293)	1,978
Postage	793	967	(174)	923
Official Journal	4,292	1,217	3,075	4,043
Telephone and Utilities	8,644	9,056	(412)	8,682
Legal Fees	6,500	2,900	3,600	6,358
Auditing and Accounting	6,000	7,127	(1,127)	12,744
Dues, Bonds and Licenses	632	827	(195)	527
Insurance	8,919	19,576	(10,657)	7,840
Repairs and Maintenance	2,000	2,304	(304)	2,332
Conventions, Travel and Training	1,102	708	394	978
Outside Services	5,340	2,590	2,750	5,350
Miscellaneous	228	1,469	(1,241)	1,731
Total General Government	<u>\$ 74,869</u>	<u>\$ 87,517</u>	<u>\$ (12,648)</u>	<u>\$ 86,343</u>
Public Safety:				
Police:				
Salaries	\$ 61,808	\$ 59,572	\$ 2,236	\$ 70,430
Supplemental Pay	12,630	14,400	(1,770)	13,530
Payroll Taxes and Employee				
Benefits	12,789	10,600	2,189	12,729
Vehicle Fuel	6,671	5,207	1,464	6,706
Insurance	14,850	5,453	9,397	14,741
Repairs and Maintenance	2,083	3,949	(1,866)	2,296
Supplies and Telephone	1,009	603	406	1,102
Conventions, Travel and Training	1,248	817	431	878
Accounting and Audit	6,000	2,050	3,950	-
Miscellaneous	3,377	4,166	(789)	538
Prisoner Feeding	100	298	(198)	115
Law Enforcement Fees	2,158	1,592	566	2,383
COPS Fast Expenditures	-	-	-	-
Total Public Safety	<u>\$124,723</u>	<u>\$108,707</u>	<u>\$ 16,016</u>	<u>\$125,448</u>

(CONTINUED)

GENERAL FUND

STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
AND ACTUAL (CONTINUED)

For the Year Ended June 30, 1999
 With Comparative Actual Amounts for the Year Ended June 30, 1998

	1999		VARIANCE	1998
	AMENDED BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)	ACTUAL
Public Works:				
Streets:				
Salaries	\$ -	\$ -	\$ -	\$ -
Payroll Taxes & Employee Benefits	-	-	-	-
Street and Traffic Lights	6,413	7,293	(880)	6,547
Supplies	-	-	-	-
Repairs and Maintenance	-	-	-	-
Contract Labor	-	-	-	-
Street Overlay and Repairs	-	-	-	-
Miscellaneous	-	282	(282)	-
Total Streets	<u>\$ 6,413</u>	<u>\$ 7,575</u>	<u>\$ (1,162)</u>	<u>\$ 6,547</u>
Sanitation:				
Contract Garbage Collection	\$ 27,285	\$ 27,283	\$ 2	\$ 29,232
Bad Debt Expense	-	-	-	-
Total Public Works	<u>\$ 33,698</u>	<u>\$ 34,858</u>	<u>\$ (1,160)</u>	<u>\$ 35,779</u>
Debt Service:				
General Government	\$ -	\$ -	\$ -	\$ -
Public Safety-Police	-	-	-	4,188
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,188</u>
Capital Outlay:				
General Government	\$ -	\$ -	\$ -	\$ -
Public Safety Police	-	3,812	(3,812)	6,625
	<u>\$ -</u>	<u>\$ 3,812</u>	<u>\$ (3,812)</u>	<u>\$ 6,625</u>
Total Expenditures	<u>\$233,290</u>	<u>\$234,894</u>	<u>\$ (1,604)</u>	<u>\$258,383</u>

See auditor's report.

SPECIAL REVENUE FUNDS

1995 Sales Tax Fund - To account for the receipt and use of a one percent (1%) sales and use tax levied by the Village of Tickfaw upon the sale at retail, the use, the lease or rental, the consumption and storage for use or consumption of tangible personal property, and on sales and services as defined by law. The tax is levied through December 31, 2017, for the purpose of constructing, improving, and maintaining streets and drainage facilities, and to fund bonds for constructing and improving Village streets.

Fire Protection Millage Fund - To account for the receipt and use of proceeds of the Village's ten mill property tax passed by the citizens on November 8, 1988. Revenues derived from this special ten mill ad valorem tax is dedicated to providing fire protection services for the residents of the Village. The tax is for a period of ten years, beginning in the year 1989.

Village of Tickfaw

EXHIBIT G

SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

June 30, 1999

With Comparative Totals as of June 30, 1998

ASSETS

	1999 SALES TAX FUND	FIRE PROTECTION FUND	<u>TOTALS</u>	
			<u>1999</u>	<u>1998</u>
Cash and Cash Equivalents	\$ 26,091	\$ 19,056	\$ 45,147	\$ 32,114
Sales Tax Receivable	5,960	-	5,960	9,441
Ad Valorem Tax Receivable	-	8	8	8
Due From Other Funds	<u>32,987</u>	<u>987</u>	<u>33,974</u>	<u>32,081</u>
Total Assets	<u>\$ 65,038</u>	<u>\$ 20,051</u>	<u>\$ 85,089</u>	<u>\$ 73,644</u>

LIABILITIES AND FUND BALANCES

Liabilities:				
Accounts Payable	\$ 39	\$ 1,050	\$ 1,089	\$ 1,737
Due to Other Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	\$ 39	\$ 1,050	\$ 1,089	\$ 1,737
Fund Balance - Unreserved - Undesignated	<u>64,999</u>	<u>19,001</u>	<u>84,000</u>	<u>71,907</u>
Total Liabilities and Fund Balance	<u>\$ 65,038</u>	<u>\$ 20,051</u>	<u>\$ 85,089</u>	<u>\$ 73,644</u>

See auditor's report.

Village of Tickfaw

EXHIBIT G-1

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES

For the Year Ended June 30, 1999
With Comparative Totals for the Year Ended June 30, 1998

	1995 SALES TAX FUND	FIRE PROTECTION FUND	TOTALS	
			1999	1998
Revenues:				
Taxes	\$ 44,762	\$ 10,235	\$ 54,997	\$ 53,065
Interest	<u>763</u>	<u>487</u>	<u>1,250</u>	<u>1,616</u>
Total Revenues	\$ 45,525	\$ 10,722	\$ 56,247	\$ 54,681
Expenditures:				
General Government:				
Accounting & Auditing	\$ 3,964	\$ 470	\$ 4,434	\$ 6,462
Public Safety-Fire Protection:				
Fire District No. 2 Contract	-	4,200	4,200	4,200
Public Works:				
Street Repair	12,684	-	12,684	19,658
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>16,648</u>	<u>4,670</u>	<u>21,318</u>	<u>30,320</u>
Excess of Revenues Over Expenditures	\$ 28,877	\$ 6,052	\$ 34,929	\$ 24,361
Other Financing Sources (Uses):				
Operating Transfers In (Out):				
Debt Service Fund	\$ (22,836)	\$ -	\$ (22,836)	\$ (23,136)
Water and Sewer Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	\$ 6,041	\$ 6,052	\$ 12,093	\$ 1,225
Fund Balance at Beginning of Year	<u>58,958</u>	<u>12,949</u>	<u>71,907</u>	<u>70,682</u>
Fund Balance at End of Year	<u>\$ 64,999</u>	<u>\$ 19,001</u>	<u>\$ 84,000</u>	<u>\$ 71,907</u>

See auditor's report.

Village of Tickfaw

EXHIBIT G-2

SPECIAL REVENUE FUNDS
SALES TAX FUND (1995)

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

For the Year Ended June 30, 1999
With Comparative Actual Amounts for the Year Ended June 30, 1998

	<u>AMENDED</u> <u>BUDGET</u>	<u>1999</u> <u>ACTUAL</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>	<u>1998</u> <u>ACTUAL</u>
Revenues:				
Taxes	\$ 42,704	\$ 44,762	\$ 2,058	\$ 43,621
Interest	<u>1,308</u>	<u>763</u>	<u>(545)</u>	<u>1,211</u>
Total Revenues	\$ 44,012	\$ 45,525	\$ 1,513	\$ 44,832
Expenditures:				
General Government:				
Public Safety - Streets	\$ 21,883	\$ 12,684	\$ 9,199	\$ 19,658
Accounting and Auditing	<u>5,972</u>	<u>3,964</u>	<u>2,008</u>	<u>6,462</u>
Total Expenditures	<u>27,855</u>	<u>16,648</u>	<u>11,207</u>	<u>26,120</u>
Excess of Revenues Over Expenditures	\$ 16,157	\$ 28,877	\$ 12,720	\$ 18,712
Other Financing Sources (Uses):				
Operating Transfers To:				
Debt Service	<u>(23,136)</u>	<u>(22,836)</u>	<u>300</u>	<u>(23,136)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ (6,979)	\$ 6,041	\$ 13,020	\$ (4,424)
Fund Balance at Beginning of Year	<u>63,381</u>	<u>58,958</u>	<u>(4,423)</u>	<u>63,382</u>
Fund Balance at End of Year	<u>\$ 56,402</u>	<u>\$ 64,999</u>	<u>\$ 8,597</u>	<u>\$ 58,958</u>

See auditor's report.

SPECIAL REVENUE FUNDS
FIRE PROTECTION FUNDSTATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUALFor the Year Ended June 30, 1999
With Comparative Actual Amounts for the Year Ended June 30, 1998

	<u>AMENDED BUDGET</u>	<u>1999 ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>1998 ACTUAL</u>
Revenues:				
Taxes	\$ 11,000	\$ 10,235	\$ (765)	\$ 9,444
Interest	<u>366</u>	<u>487</u>	<u>121</u>	<u>405</u>
Total Revenues	\$ 11,366	\$ 10,722	\$ (644)	\$ 9,849
Expenditures:				
General Government:				
Accounting and Auditing	\$ -	\$ 470	\$ (470)	\$ -
Public Safety-Fire Protection:				
Fire District No. 2 Contract	<u>4,200</u>	<u>4,200</u>	<u>-</u>	<u>4,200</u>
Total Expenditures	<u>4,200</u>	<u>4,670</u>	<u>(470)</u>	<u>4,200</u>
Excess of Revenues Over Expenditures	\$ 7,166	\$ 6,052	\$ (1,114)	\$ 5,649
Other Financing Sources (Uses):				
Operating Transfers To:				
General Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	\$ 7,166	\$ 6,052	\$ (1,114)	\$ 5,649
Fund Balance at Beginning of Year	<u>12,475</u>	<u>12,949</u>	<u>474</u>	<u>7,300</u>
Fund Balance at End of Year	<u>\$ 19,641</u>	<u>\$ 19,001</u>	<u>\$ (640)</u>	<u>\$ 12,949</u>

See auditor's report.

DEBT SERVICE FUNDS

Sales Tax Bonds, Series 1995 - To accumulate monies for payment of the Sales Tax Bonds, Series 1995 due in annual installments, plus interest, through maturity in 2015. Debt service is financed from proceeds of a special 1% sales tax which was authorized at a special election held on July 15, 1995.

Village of Tickfaw
DEBT SERVICE FUNDS

EXHIBIT H

COMBINING BALANCE SHEET

June 30, 1999
With Comparative Totals for June 30, 1998

ASSETS

	SALES TAX BONDS <u>SERIES 1995</u>	<u>1999</u>	<u>TOTALS</u> <u>1998</u>
Cash	\$ 29,110	\$ 29,110	\$ 26,036
Due from Other Funds	<u>-</u>	<u>-</u>	<u>225</u>
Total Assets	\$ <u>29,110</u>	\$ <u>29,110</u>	\$ <u>26,261</u>

FUND BALANCES

Fund Balances:			
Reserved for Debt Service	\$ <u>29,110</u>	\$ <u>29,110</u>	\$ <u>26,261</u>
Total Fund Balances	\$ <u>29,110</u>	\$ <u>29,110</u>	\$ <u>26,261</u>

See auditor's report.

Village of Tickfaw
DEBT SERVICE FUNDS

EXHIBIT H-1

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES

For the Year Ended June 30, 1999
With Comparative Totals for the Year Ended June 30, 1998

	SALES TAX BONDS SERIES 1995	<u>TOTALS</u>	
		<u>1999</u>	<u>1998</u>
Revenues:			
Interest	\$ <u>1,023</u>	\$ <u>1,023</u>	\$ <u>984</u>
Total Revenues	\$ 1,023	\$ 1,023	\$ 984
Expenditures:			
Principal Retirement	\$ 7,000	\$ 7,000	\$ 6,000
Interest	<u>14,010</u>	<u>14,010</u>	<u>14,408</u>
Total Expenditures	<u>21,010</u>	<u>21,010</u>	<u>20,408</u>
Deficiency of Revenues Over Expenditures	\$ (19,987)	\$ (19,987)	\$ (19,424)
Other Financing Sources (Uses):			
Operating Transfers In (Out)	<u>22,836</u>	<u>22,836</u>	<u>23,136</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	\$ 2,849	\$ 2,849	\$ 3,712
Fund Balances at Beginning of year	<u>26,261</u>	<u>26,261</u>	<u>22,549</u>
Fund Balances at End of Year	\$ <u>29,110</u>	\$ <u>29,110</u>	\$ <u>26,261</u>

See auditor's report.

CAPITAL PROJECT FUNDS

- 1) FY 1995 Capital Improvement Fund - To account for the receipt and use of loan proceeds received from the issuance of Series 1995 Sales Tax Bonds. Proceeds of these bonds are dedicated to specific capital improvements in the Village to include constructing and improving streets within the Village including overlaying such streets.

Village of Tickfaw
CAPITAL PROJECT FUNDS

EXHIBIT I

COMBINING BALANCE SHEET

June 30, 1999
With Comparative Totals as of June 30, 1998

	FY 1995 CAPITAL PROJECTS <u>FUND</u>	<u>TOTALS</u> (MEMORANDUM ONLY)	
		<u>1999</u>	<u>1998</u>
<u>ASSETS</u>			
Cash	\$ -	\$ -	\$ 6,571
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,571</u>
<u>LIABILITIES AND FUND BALANCE</u>			
Due to Other Funds	\$ -	\$ -	\$ 225
Total Liabilities	\$ -	\$ -	\$ 225
Fund Balance:			
Reserved for Capital Projects	-	-	6,346
Total Liabilities and Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,571</u>

See auditor's report.

Village of Tickfaw
CAPITAL PROJECT FUNDS

EXHIBIT I-1

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

For the Year Ended June 30, 1999
With Comparative Totals as of June 30, 1998

	FY 1995 CAPITAL PROJECTS FUND	TOTALS (MEMORANDUM ONLY)	
		1999	1998
Revenues:			
Interest Income/Other	\$ 54	\$ 54	\$ 256
Total Revenues	\$ 54	\$ 54	\$ 256
Expenditures:			
General Government	\$ -	\$ -	\$ -
Public Works - Streets	6,400	6,400	-
Total Expenditures	\$ 6,400	\$ 6,400	\$ -
Excess (Deficiency) of Revenues over Expenditures	\$ (6,346)	\$ (6,346)	\$ 256
Other Financing Sources (Uses):			
Operating Transfers In	-	-	-
Operating Transfers Out	-	-	-
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -
Excess (Deficiency) of Revenues and Other Financing Sources (Uses) Over Expenditures and Other Financing Sources (Uses)	\$ (6,346)	\$ (6,346)	\$ 256
Fund Balances at Beginning of Year	6,346	6,346	6,090
Fund Balances (Deficit) at End of Year	\$ -	\$ -	\$ 6,346

See auditor's report.

ENTERPRISE FUNDS

Water and Sewer Enterprise Funds - To account for the provision of water, sewer, and other services to residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

Village of Tickfaw
 ENTERPRISE FUNDS
 WATER AND SEWER FUND

EXHIBIT J

COMBINING BALANCE SHEET

June 30, 1999
 With Comparative Totals as of June 30, 1998

	ASSETS		TOTALS	
	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>1999</u>	<u>1998</u>
Current Assets:				
Cash	\$ 3,097	\$ 18,344	\$ 21,441	\$ 15,440
Receivables:				
Accounts (Net of Allowance for Uncollectible Accounts)	3,713	6,849	10,562	10,071
Federal Grant Receivable	-	-	-	2,607
Due from Other Funds	<u>-</u>	<u>11,472</u>	<u>11,472</u>	<u>6,275</u>
Total Current Assets	\$ 6,810	\$ 36,665	\$ 43,475	\$ 34,393
Restricted Assets:				
Utility Customer Deposits Cash	\$ 10,502	\$ -	\$ 10,502	\$ 10,402
Rural Development Grant Cash	-	-	-	-
Sewer Bond Sinking Fund Cash	-	1,744	1,744	689
Sewer Bond Reserve Fund Cash	-	8,167	8,167	6,799
Sewer Bond Contingency Fund Cash	<u>-</u>	<u>6,447</u>	<u>6,447</u>	<u>6,350</u>
Total Restricted Assets	\$ 10,502	\$ 16,358	\$ 26,860	\$ 24,240
Plant and Equipment, at Cost (Net of Accumulated Depreciation)	<u>\$676,904</u>	<u>\$1,194,184</u>	<u>\$1,871,088</u>	<u>\$1,911,224</u>
Total Plant and Equipment	\$676,904	\$1,194,184	\$1,871,088	\$1,911,224
Other Assets:				
Deferred Charges (Net of Accumulated Amortization)	<u>-</u>	<u>7,535</u>	<u>7,535</u>	<u>7,757</u>
Total Other Assets	<u>-</u>	<u>7,535</u>	<u>7,535</u>	<u>7,757</u>
Total Assets	<u>\$694,216</u>	<u>\$1,254,742</u>	<u>\$1,948,958</u>	<u>\$1,977,614</u>

(CONTINUED)

Village of Tickfaw

EXHIBIT J (CONTINUED)

ENTERPRISE FUNDS
WATER AND SEWER FUND

COMBINING BALANCE SHEET (CONTINUED)

June 30, 1999

With Comparative Totals as of June 30, 1998

LIABILITIES AND FUND EQUITY

	WATER FUND	SEWER FUND	TOTALS	
			1999	1998
Current Liabilities (Payable from Current Assets):				
Accounts Payable	\$ 369	\$ -	\$ 369	\$ 12,134
Accrued Bond Interest Payable	-	-	-	-
Construction Contracts Payable	-	-	-	-
Construction Retainages Payable	-	-	-	1,377
Due to Other Funds	<u>20,268</u>	<u>2,222</u>	<u>22,490</u>	<u>9,070</u>
Total Current Liabilities (Payable from Current Assets)	\$ 20,637	\$ 2,222	\$ 22,859	\$ 22,581
Current Liabilities (Payable from Restricted Assets):				
Customers' Deposits Payable	\$ 10,502	\$ -	\$ 10,502	\$ 10,402
Accrued Bond Interest Payable	-	1,740	1,740	1,601
Revenue Bonds Payable	-	3,636	3,636	1,670
Sales Tax Payable	<u>387</u>	<u>-</u>	<u>387</u>	<u>200</u>
Total Current Liabilities (Payable from Restricted Assets)	\$ 10,889	\$ 5,376	\$ 16,265	\$ 13,873
Long-Term Liabilities:				
Revenue Bonds Payable	<u>-</u>	<u>326,816</u>	<u>326,816</u>	<u>330,514</u>
Total Liabilities	\$ 31,526	\$ 334,414	\$ 365,940	\$ 366,968
Fund Equity:				
Contributed Capital:				
Grants	<u>650,904</u>	<u>922,078</u>	<u>1,572,982</u>	<u>1,606,702</u>
Total Contributed Capital	650,904	922,078	1,572,982	1,606,702
Retained Earnings (Deficit) -				
Reserved for Bond Retirement	-	10,982	10,982	10,567
Unreserved	<u>11,786</u>	<u>(12,732)</u>	<u>(946)</u>	<u>(6,623)</u>
Total Retained Earnings (Deficit)	<u>11,786</u>	<u>(1,750)</u>	<u>10,036</u>	<u>3,944</u>
Total Fund Equity	\$ <u>662,690</u>	\$ <u>920,328</u>	\$ <u>1,583,018</u>	\$ <u>1,610,646</u>
Total Liabilities and Fund Equity	\$ <u>694,216</u>	\$ <u>1,254,742</u>	\$ <u>1,948,958</u>	\$ <u>1,977,614</u>

See auditor's report.

Village of Tickfaw
 ENTERPRISE FUNDS
 WATER AND SEWER FUND

EXHIBIT J-1

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED EARNINGS

For the Year Ended June 30, 1999
 With Comparative Amounts for the Year Ended June 30, 1998

	<u>WATER</u> <u>FUND</u>	<u>SEWER</u> <u>FUND</u>	<u>TOTALS</u>	
			<u>1999</u>	<u>1998</u>
Operating Revenues:				
Charges for Services:				
Water and Sewer Charges	\$ 29,547	\$ 70,531	\$100,078	\$ 94,431
Other Charges	<u>6,244</u>	<u>708</u>	<u>6,952</u>	<u>4,778</u>
Total Operating Revenues	\$ 35,791	\$ 71,239	\$107,030	\$ 99,209
Operating Expenses:				
Salaries	\$ 12,388	\$ 7,103	\$ 19,491	\$ 15,528
Payroll Taxes and Employee Benefits	1,026	698	1,724	1,908
Repairs	8,713	7,565	16,278	10,004
Supplies	2,709	2,854	5,563	5,047
Utilities and Telephone	5,498	9,423	14,921	13,438
Vehicle Fuel and Repairs	731	412	1,143	668
Office Expenses	1,286	862	2,148	2,661
Insurance	779	423	1,202	2,354
Depreciation	21,337	28,308	49,645	49,155
Amortization	-	222	222	222
Licenses and Sewer Analysis	-	1,516	1,516	1,363
Miscellaneous	2,949	1,760	4,709	1,313
Accounting and Auditing	<u>3,903</u>	<u>5,238</u>	<u>9,141</u>	<u>14,704</u>
Total Operating Expenses	\$ <u>61,319</u>	\$ <u>66,384</u>	\$ <u>127,703</u>	\$ <u>118,365</u>
Operating Income (Loss)	\$ (25,528)	\$ 4,855	\$ (20,673)	\$ (19,156)
Non-Operating Revenues (Expenses):				
Interest Income	602	641	1,243	1,474
Interest Expense	<u>-</u>	<u>(15,672)</u>	<u>(15,672)</u>	<u>(16,049)</u>
Income (Loss) Before Operating Transfers	\$ (24,926)	\$ (10,176)	\$ (35,102)	\$ (33,731)
Operating Transfers In (Out):				
Water Fund	-	-	-	2,949
Sewer Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,949)</u>
Net Income (Loss)	\$ (24,926)	\$ (10,176)	\$ (35,102)	\$ (33,731)
Retained Earnings (Deficit) -				
Beginning of Year	16,479	(12,535)	3,944	(3,520)
Amortization of Contributions	<u>20,233</u>	<u>20,961</u>	<u>41,194</u>	<u>41,195</u>
Retained Earnings (Deficit) - End of Year	\$ <u>11,786</u>	\$ <u>(1,750)</u>	\$ <u>10,036</u>	\$ <u>3,944</u>

See auditor's report.

Village of Tickfaw
ENTERPRISE FUNDS
WATER AND SEWER FUND

EXHIBIT J-2

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 1999
With Comparative Amounts for the Year Ended June 30, 1998

	<u>1999</u>	<u>1998</u>
Cash Flows From Operating Activities:		
Operating Income (Loss)	\$(35,102)	\$(33,731)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	49,644	49,155
Amortization of Deferred Charge	222	222
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	2,116	(4,009)
(Increase) Decrease in amounts due from other funds	(5,197)	(6,131)
Increase (Decrease) in Accounts Payable	(11,765)	983
(Decrease) Increase in Retainage Payable	(1,377)	1,377
Increase (Decrease) in Sales Tax Payable	187	(96)
Increase (Decrease) in Amounts due to other funds	13,420	7,053
Increase in Customer Deposits	100	1,845
Increase in Bond Interest Payable	<u>139</u>	<u>-</u>
Net Cash Provided by Operating Activities	\$ 12,387	\$ 16,668
Cash Flows From Capital and Related Financing Activities:		
Capital Grants Received	\$ 7,475	\$ 15,000
Construction of Capital Assets	(9,509)	(28,835)
Principal Paid on Revenue Bonds	<u>(1,732)</u>	<u>(4,835)</u>
Net Cash Used in Capital and Related Financing Activities	\$(3,766)	\$(18,670)
Net Increase (Decrease) in Cash	\$ 8,621	\$(2,002)
Cash - Beginning of Year	<u>39,680</u>	<u>41,682</u>
Cash - End of Year	<u>\$ 48,301</u>	<u>\$ 39,680</u>
Reconciliation of Cash Accounts:		
Unrestricted Cash	\$ 21,441	\$ 15,440
Restricted Cash	<u>26,860</u>	<u>24,240</u>
	<u>\$ 48,301</u>	<u>\$ 39,680</u>
Supplemental Disclosures of Cash Flow Information		
Interest Paid	<u>\$ 15,672</u>	<u>\$ 16,049</u>

See auditor's report.

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets not used in proprietary fund operations.

Village of Tickfaw

EXHIBIT K

STATEMENT OF GENERAL FIXED ASSETS - BY SOURCES

June 30, 1999

With Comparative Totals as of June 30, 1998

	<u>1999</u>	<u>1998</u>
General Fixed Assets, at Cost:		
Land	\$ 10,000	\$ 10,000
Buildings	117,400	117,400
Furniture, Vehicles, and Equipment	<u>90,953</u>	<u>87,231</u>
Total General Fixed Assets	<u>\$ 218,353</u>	<u>\$ 214,631</u>
Investment in General Fixed Assets From:		
State Grants	\$ 99,350	\$ 99,350
Sales Tax Revenues	2,000	2,000
General Fund Revenues	<u>117,003</u>	<u>113,281</u>
Total Investment in General Fixed Assets	<u>\$ 218,353</u>	<u>\$ 214,631</u>

See auditor's report.

STATEMENT OF CHANGES IN GENERAL FIXED ASSETS

For the Year Ended June 30, 1999

	<u>LAND</u>	<u>BUILDINGS</u>	<u>VEHICLES & EQUIPMENT</u>	<u>TOTAL</u>
General Fixed Assets, Beginning of Year	\$ 10,000	\$117,440	\$ 87,231	\$214,631
Additions:				
General Fund Revenues	-	-	3,722	3,722
Sales Revenues	-	-	-	-
Total Additions	-	-	3,722	3,722
Total Balances and Additions	\$ 10,000	\$117,400	\$ 90,953	\$218,353
Deductions:				
Assets Sold or Junked	-	-	-	-
General Fixed Assets, End of Year	<u>\$ 10,000</u>	<u>\$117,400</u>	<u>\$ 90,953</u>	<u>\$218,353</u>

See auditor's report.

GENERAL LONG-TERM DEBT ACCOUNT GROUP

To account for unmatured principal amounts on general long-term debt expected to be financed from governmental type funds. Payment of maturing obligations, including interest, are accounted for in the debt service fund.

Village of Tickfaw

EXHIBIT L

STATEMENT OF GENERAL LONG-TERM DEBT

June 30, 1999
 With Comparative Totals as of June 30, 1998

	<u>1999</u>	<u>1998</u>
AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE PAYMENT OF GENERAL LONG-TERM DEBT		
Amount to be Provided in Future Years from:		
Sales and Use Taxes	\$206,000	\$213,000
General Fund Revenues	<u>-</u>	<u>-</u>
Total Available and to be Provided	<u>\$206,000</u>	<u>\$213,000</u>
GENERAL LONG-TERM DEBT PAYABLE		
Sales Tax Bonds Payable	\$206,000	\$213,000
Capital Lease	<u>-</u>	<u>-</u>
Total General Long-Term Debt Payable	<u>\$206,000</u>	<u>\$213,000</u>

See auditor's report.

OTHER SUPPLEMENTARY INFORMATION SCHEDULES

SCHEDULE OF COMPENSATION PAID ELECTED OFFICIALS

Village of Tickfaw

SCHEDULE 1

SCHEDULE OF COMPENSATION PAID ELECTED OFFICIALS

June 30, 1999

<u>BOARD MEMBER</u>	<u>TITLE</u>	<u>TERM EXPIRES</u>	<u>COMPENSATION</u>
Julius Fekete P. O. Box 107 Tickfaw, LA 70466 (504)345-5367	Councilman	12/31/02	\$ 680
Frank Monistere P. O. Box 100 Tickfaw, LA 70466 (504)345-5028	Councilman	12/31/02	\$ 680
Anthony "Tony" Lamonte 14304 Nuccio Road Tickfaw, LA 70466 (504)345-8796	Mayor	12/31/02	\$ 1,230
Sam J. Pigno P. O. Box 536 Tickfaw, LA 70466 (504) 345-6103	Mayor	12/31/98	\$ 3,900
Pete Bentivegna P. O. Box 217 Tickfaw, LA 70466 (504)345-0171	Councilman (Mayor Pro-Tem)	12/31/98	\$ 570
Tony Lamonte 14304 Nuccio Road Tickfaw, LA 70466 (504)345-8796	Councilman	12/31/98	\$ 570
Margaret Muscarello P. O. Box 203 Tickfaw, LA 70466 (504)345-1240	Councilman	12/31/02	\$ 1,235
Jimmy Lee Sparacello P. O. Box 131 Tickfaw, LA 70466 (504)542-1716	Chief of Police	12/31/02	\$16,236

See auditor's report.

Village of Tickfaw

SCHEDULE 2

SCHEDULE OF INSURANCE COVERAGE IN FORCE (UNAUDITED)

June 30, 1999

<u>INSURANCE COMPANY</u>	<u>COVERAGE</u>	<u>AMOUNT</u>	<u>EXPIRATION DATE</u>
LA Municipal Risk Management Agency	Automobile Liability Bodily Injury/ Physical Damage	\$500,000	05/01/00
LA Municipal Risk Management Agency	Commercial General Liability Premises/Operations Products/Completed Operations Medical Payments Per Person Per Occurrence Fire Legal Liability Per Occurrence	\$500,000 \$500,000 \$ 1,000 \$ 10,000 \$ 50,000	05/01/00 05/01/00 05/01/00 05/01/00 05/01/00
LA Municipal Risk Management Agency	Law Officers' Comprehensive Liability Personal Injury/Physical Damage	\$500,000	05/01/00
LA Municipal Risk Management Agency	Public Officials Errors and Omissions	\$500,000	05/01/00
LA Municipal Risk Management Agency	Workmen's Compensation	-	01/01/00
Massachusetts Bay	Commercial Policy City Hall & Police Station City Hall Contents Lift Station-14366 Bosco Lane Lift Station-14511 Second Street Lift Station-442 & Ponch.Crk Chlorinator-Bosco & Hwy.51 Steel Water Tower-14347 Oak St. Lift Station-14268 Oak St. Lift Station-49310 Fedele St. Steel Water Tower-14377 Hwy. 442 Water Tower-14375 Hwy. 442 Oxidation Pond-49256 Hwy. 51 S.	\$128,898 \$ 10,000 \$ 22,506 \$ 22,506 \$ 22,506 \$ 55,990 \$204,600 \$ 22,506 \$ 22,506 \$ 33,759 \$167,772 \$122,760	09/13/99 09/13/99 09/13/99 09/13/99 09/13/99 09/13/99 09/13/99 09/13/99 09/13/99 09/13/99 09/13/99
Employers' Mutual	Public Employees Bond	\$150,000	02/16/00

See auditor's report.

SCHEDULE OF CHANGES IN CASH ACCOUNTS
CREATED PURSUANT TO SECTION 9 OF THE \$346,000
SEWER REVENUE BONDS SERIES 1992 AUTHORIZING RESOLUTION

Village of Tickfaw

SCHEDULE 3

SCHEDULE OF CHANGES IN CASH ACCOUNTS CREATED PURSUANT TO SECTION 9 OF THE \$346,000 SEWER REVENUE BONDS SERIES 1992 AUTHORIZING RESOLUTION

For the Year Ended June 30, 1999

	REVENUE FUND SECTION 9	SINKING FUND SECTION 9 (b)	RESERVE FUND SECTION 9 (c)	DEPRECIATION AND CONTINGENCY FUND SECTION 9 (d)	TOTAL
Balance at Beginning of Year	\$ 8,930	\$ 689	\$ 6,799	\$ 6,350	\$ 22,768
Cash Receipts:					
Sewer Fees Received	\$ 70,713	\$ -	\$ -	\$ -	\$ 70,713
Transfers from:					
Revenue Fund	-	18,268	1,232	1,261	20,761
Water Enterprise Fund	-	-	-	-	-
Interest	<u>309</u>	<u>52</u>	<u>136</u>	<u>144</u>	<u>641</u>
Total Receipts	\$ <u>71,022</u>	\$ <u>18,320</u>	\$ <u>1,368</u>	\$ <u>1,405</u>	\$ <u>92,115</u>
Total Available	\$ 79,952	\$ 19,009	\$ 8,167	\$ 7,755	\$ 114,883
Cash Disbursements:					
Transfers to:					
Operating and Maintenance	\$ -	\$ -	\$ -	\$ 1,308	\$ 1,308
Sinking Fund	18,268	-	-	-	18,268
Reserve Fund	1,232	-	-	-	1,232
Renewal and Replacement Fund	1,261	-	-	-	1,261
Operating Expenses	40,847	-	-	-	40,847
Bond Paid	-	1,732	-	-	1,732
Interest Paid	-	<u>15,533</u>	-	-	<u>15,533</u>
Total Disbursements	\$ <u>61,608</u>	\$ <u>17,265</u>	\$ -	\$ <u>1,308</u>	\$ <u>80,181</u>
Balance at End of Year	\$ <u>18,344</u>	\$ <u>1,744</u>	\$ <u>8,167</u>	\$ <u>6,447</u>	\$ <u>34,702</u>

See auditor's report.

OTHER INDEPENDENT AUDITOR'S REPORTS
AND FINDINGS AND RECOMMENDATIONS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Durnin & James

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December 17, 1999

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

The Honorable Sam J. Pigno, Mayor
and the Members of the Board of Aldermen
Village of Tickfaw, Louisiana

We have audited the general purpose financial statements of the Village of Tickfaw, Louisiana, as of and for the year ended June 30, 1999, and have issued our report thereon dated December 17, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village of Tickfaw's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying schedule of findings and recommendations as item numbers 99-1, 99-2, 99-3, 99-4 and 99-5.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of Tickfaw's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Village of Tickfaw, Louisiana's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. Reportable

VILLAGE OF TICKFAW

conditions are described in the accompanying schedule of findings and recommendations as items 99-6 and 99-7.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control structure that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, of the reportable conditions described above, we consider item number 99-7 to be a material weakness.

This report is intended for the information of management, the Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities. This restriction is not intended to limit the distribution of this report which, upon acceptance by the Mayor and Board of Aldermen of the Village of Tickfaw, Louisiana, is a matter of public record.

Respectfully submitted,


DURNIN & JAMES, CPA'S

FINDINGS AND RECOMMENDATIONS

Village of Tickfaw

CURRENT YEAR AUDIT FINDINGS
For the Year Ended June 30, 1999

FINDINGS AND RECOMMENDATIONS

COMPLIANCE

99-1 FAILURE TO COMPLY WITH LOCAL GOVERNMENT BUDGET ACT

FINDING

The Village did not comply with certain budget requirements set forth in LSA R.S. 39:1310 (Louisiana Local Government Budget Act). The Act contains various budget requirements for the general fund and special revenue funds for political subdivisions of the state. During our audit, we found that the Village had not properly complied with the requirements of the act as follows:

A. Budget Variances - The act requires that, during the year, the Mayor notify the Board of Aldermen in writing, when (a) actual revenue and other sources plus projected revenues and other sources for the year fail to meet budgeted revenues and other sources by five percent or more; (b) actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year exceed budgeted expenditures and other uses by five percent or more; or (c) the actual beginning fund balance fails to meet estimated beginning fund balance by five percent or more. For the year ended June 30, 1999, the Mayor did not notify the Board of Aldermen, in writing, of the following budget variances:

- The actual expenditures and other uses of the Fire Protection Special Revenue Fund (\$4,670) exceed the budgeted expenditures and other uses (\$4,200) by 11.19%.

RECOMMENDATION

We recommend that the Village comply with budget requirements set forth in the Louisiana Local Budget Act.

A. During the year, the Mayor should notify the Board of Aldermen, in writing, when any of the following occurs:

- Actual revenue and other sources plus projected revenues and other sources for the year fail to meet budgeted revenues and other sources by five percent or more.
- Actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year exceed budgeted expenditures and other uses by five percent or more.
- Actual beginning fund balance fails to meet estimated beginning fund balance by five percent or more.

Village of Tickfaw

CURRENT YEAR AUDIT FINDINGS (CONTINUED)

For the Year Ended June 30, 1999

FINDINGS AND RECOMMENDATIONS (CONTINUED)

MANAGEMENT'S RESPONSE

In management's corrective action plan dated January 10, 2000, the Mayor indicated that the Village intends to comply fully with local government budget acts.

99-2 SEWER REVENUE BOND COVENANT VIOLATIONS

FINDING

During the year ended June 30, 1999, the Village did not comply with certain covenants of the sewer revenue bond resolution as follows:

- A. Audit Requirements - The financial statements of the Village were not audited within three months after the close of the fiscal year (June 30th).

RECOMMENDATION

We recommend that the Village take the necessary steps to adhere to the various covenants agreed to in the bond resolution.

MANAGEMENT'S RESPONSE

In management's corrective action plan dated January 10, 2000, the Mayor indicated that the Village will take the necessary steps to adhere to the various covenants as agreed upon in the bond resolution.

99-3 SALES TAX, SERIES 1995 RESOLUTION COVENANTS

FINDING

The Village did not comply with certain requirements of the bond resolution as follows:

- A. Restricted Funds - All monies remaining in the Sales Tax Account on the twentieth (20th) day of each month in excess of all reasonable and necessary expenses of collection and administration of the tax and after making required payments to the Sinking Fund and to the Reserve Fund, shall be considered surplus. Such surplus may be used for any purpose authorized by the tax (the purpose of constructing and improving streets within the Village) or for the purpose of retiring bonds in advance of their maturities. Approximately \$3,964 of the restricted funds were used for purposes not allowable.
- B. Audit Requirement - The financial statements of the Village were not audited within three months after the close of the fiscal year (June 30th).

Village of Tickfaw

CURRENT YEAR AUDIT FINDINGS (CONTINUED)

For the Year Ended June 30, 1999

FINDINGS AND RECOMMENDATIONS (CONTINUED)

RECOMMENDATION

We recommend that the Village take the necessary steps to adhere to the various covenants agreed to in the bond resolution.

MANAGEMENT'S RESPONSE

In management's corrective action plan dated January 10, 2000, the Mayor indicated that the Village will take the necessary steps to adhere to the various covenants as agreed upon in the bond resolution.

99-4 AUDIT REPORT FILING REQUIREMENT

FINDING

The Village of Tickfaw did not complete and transmit a copy of the audit report for the year ended June 30, 1999 to the Legislative Auditor by December 31, 1999 as required by Louisiana Revised Statutes (LSA-R.S.) 24:513(A)(a). This condition occurred because of the significant amount of time necessary to analyze and adjust the Village of Tickfaw general ledger accounts to figures that can be audited.

RECOMMENDATION

We recommend that the Village of Tickfaw maintain its general ledger accounts in such a manner that all general ledger accounts easily reconcile to the detail listings supporting the general ledger accounts at the end of any month.

MANAGEMENT'S RESPONSE

In management's corrective action plan dated January 10, 2000, the Mayor indicated that the Village will perform monthly reconciliations of its general ledger accounts, and will adjust the accounts to agree with the detail supporting those accounts on a monthly basis.

99-5 DUAL POST OFFICE BOXES

FINDING

The Village maintains two post office boxes; one for the Village, and one for the Police Department. According to the Lawrason Act, the clerk is responsible for the audit of and accounting for all Village funds.

RECOMMENDATION

The Village should close out the post office box for the Police Department, and maintain only one post office box.

Village of Tickfaw

CURRENT YEAR AUDIT FINDINGS (CONTINUED)

For the Year Ended June 30, 1999

FINDINGS AND RECOMMENDATIONS (CONTINUED)

MANAGEMENT'S RESPONSE

In management's corrective action plan dated January 10, 2000, the Mayor indicated that the Police Department post office box will be closed out as soon as possible.

REPORTABLE CONDITIONS

99-6 DEFICIT IN GENERAL FUND

FINDING

The general fund began the year with a deficit fund balance - unreserved - undesignated in the amount of \$35,962. As of June 30, 1999, the balance has favorably changed to a deficit of \$628, but remains a deficit.

RECOMMENDATION

The Village needs to seek additional sources of revenue and/or find ways to decrease expenditures in order to avoid a going concern problem.

MANAGEMENT'S RESPONSE

In management's corrective action plan dated January 10, 2000, the Mayor indicated that the Village will seek additional sources of revenue and decrease expenditures for the year ending June 30, 2000.

99-7 WATER RATES

FINDING

During our audit and review of the Water Fund we noted that total operating expenses (\$61,319) of the Fund exceeded total operating revenues (\$35,791) in the amount of \$25,528. The financial position of the Village will not allow the Water Fund to continue sustaining losses of this magnitude.

RECOMMENDATION

We recommend the village increase water rates in an amount large enough to cover operating expenses, at the least. The Village should also decrease operating expenses if it possibly can.

Village of Tickfaw

CURRENT YEAR AUDIT FINDINGS (CONTINUED)

For the Year Ended June 30, 1999

FINDINGS AND RECOMMENDATIONS (CONTINUED)

MANAGEMENT'S RESPONSE

In management's corrective action plan dated January 10, 2000, the Mayor indicated that the Mayor and Board of Alderman will take the steps necessary to increase water rates and decrease Water Fund operating expenses.

CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS

Village of Tickfaw

CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS

For the Year Ended June 30, 1999

<u>Ref.#</u>	<u>Description of Finding</u>	<u>Corrective Action Plan</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
<u>COMPLIANCE</u>				
99-1	Budget Variances	To closely monitor budgets, so that a 5% variance is not exceeded.	Candance Thomas	01/31/00 and 05/30/00
99-2	Sewer bond covenants	Audit financial statements within three months after the close of the fiscal year.	Candance Thomas	09/30/00
99-3	Sales tax resolution covenants	A. Closely monitor sales tax expenditures to prevent unallowable expenditures.	Candance Thomas	01/30/00 and 06/30/00
		B. Audit financial statements within three months after the close of the fiscal year.	Candance Thomas	09/30/00
99-4	Audit report filing requirement	Maintain accurate set of books.	Candance Thomas	06/30/00
99-5	Dual post office boxes	Police Department post office box to be closed.	Candance Thomas	02/28/00
<u>REPORTABLE CONDITIONS</u>				
99-6	General Fund Deficit	Seek additional sources of revenue and decrease expenditures.	Candance Thomas	06/30/00
99-7	Water Rates	Water rates to be increased.	Candance Thomas	02/28/00

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Village of Tickfaw

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 1999

<u>Ref.#</u>	<u>Fiscal Year Findings Initially Occurred</u>	<u>Description of Findings</u>	<u>Corrective Action Taken</u>	<u>Plan Corrective Action - Partial Corrective Action Taken</u>	<u>Additional Explanation</u>
<u>COMPLIANCE</u>					
98-1	June 30, 1997	Local Government Budget Act	No	To closely monitor budgets, so that a 5% variance is not exceeded.	N/A
98-2	June 30, 1996	Sewer Bond Covenant	No	Audit financial statements within three months after the close of the fiscal year.	N/A
98-3(a)	June 30, 1997	Sales Tax Resolution Covenants	No	Make every effort not to borrow from the Sales Tax Fund.	N/A
98-3(b)	June 30, 1998	Deficient Reserve Balance	Yes	Transfer sufficient balance to reserve account.	N/A
98-3(c)	June 30, 1996	Sales Tax Resolution Covenants	No	Audit financial statements within three months after the close of the fiscal year.	N/A
<u>REPORTABLE CONDITIONS</u>					
98-4	June 30, 1998	Garbage Rates Insufficient	Yes	Increase garbage rates.	N/A
98-5	June 30, 1998	General Fund Deficit	Yes	Decreased deficit.	N/A
98-6	June 30, 1998	Year 2000 Not Addressed	Yes	Adopted remediation plan.	N/A
98-7	June 30, 1998	Water Rates Insufficient	No	Increase water rates.	N/A