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VILLAGE OF BOXIE INN, LOUISIANA
ANNUAL FINANCIAL REPORT
JUNE 30, 2013

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

Released Date 1-21-14

VILLAGE OF DIXIE INN, LOUISIANA
 Annual Financial Report
 Year Ended June 30, 2003

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VILLAGE OF DIXIE ISLA, LOUISIANA
Annual Financial Report
Year Ended June 30, 2003

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INDEPENDENT AUDITORS' REPORT

The Honorable Ann Nell McWhorter, Mayor
and the Members of the Board of Aldermen
Village of Dixie Inn, Louisiana

We have audited the accompanying general purpose financial statements of the Village of Dixie Inn, Louisiana, as of and for the year-ended June 30, 2003, as listed in the table of contents. These general purpose financial statements are the responsibility of the Village of Dixie Inn, Louisiana's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose 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 Dixie Inn, Louisiana, as of June 30, 2003, and the results of its operations and cash flows of its proprietary fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 3, 2003 on our consideration of the Village of Dixie Inn, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Village of Dixie Inn, Louisiana. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the general purpose financial statements of the Village of Dixie Inn, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

Tamara, wife of Martin

Minden, Louisiana
November 3, 2003

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

The Honorable Ann Nell McWhorter, Mayor
and the members of the Board of Aldermen
Village of Dixie Inn, Louisiana

We have audited the general purpose financial statements of the Village of Dixie Inn, Louisiana, as of and for the year ended June 30, 2003, and have issued our report thereon dated November 3, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village of Dixie Inn, Louisiana's general purpose 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 is required to be reported under Government Auditing Standards which are described in the accompanying schedule of findings and questioned costs as items FS2003-1 and FS2003-2. We also noted certain immaterial instances of noncompliance that we have reported to the management of the Village of Dixie Inn, Louisiana, in a separate letter dated November 3, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of Dixie Inn, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose 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 the Village of Dixie Inn, Louisiana's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item FSC001-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose 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 that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses. However, we believe none of the reportable conditions described above is a material weakness. We also noted other matters involving the internal control over financial reporting that we have reported to the management of the Village of Dixie Inn, Louisiana, in a separate letter dated November 3, 2003.

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

Jamison, Wine & Martin

Monroe, Louisiana
November 3, 2003

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JENNIFER L. SMITH, CPA

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

The Honorable Ava Nell McWhorter, Mayor
and the members of the Board of Aldermen
Village of Dixie Inn, Louisiana

Compliance

We have audited the compliance of the Village of Dixie Inn, Louisiana, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2005. The Village of Dixie Inn, Louisiana's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Village of Dixie Inn, Louisiana's management. Our responsibility is to express an opinion on the Village of Dixie Inn, Louisiana's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audit of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Village of Dixie Inn, Louisiana's compliance with these requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Village of Dixie Inn, Louisiana's compliance with these requirements.

In our opinion, the Village of Dixie Inn, Louisiana complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2003.

Internal Control Over Compliance

The management of the Village of Dixie Inn, Louisiana, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Village of Dixie Inn, Louisiana's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the management, the Board of Aldermen, the Legislative Auditor of the State of Louisiana, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:503, this report is distributed by the Legislative Auditor as a public document.

Janice Wine & Martin

Minden, Louisiana
November 3, 2003

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MANAGEMENT LETTER

The Honorable Ann Nell McWhorter, Mayor
and the members of the Board of Aldermen
Village of Dixie Inn, Louisiana

We have audited the general purpose financial statements of the Village of Dixie Inn, Louisiana, as of and for the year ended June 30, 2003, and have issued our report thereon dated November 3, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller of the United States, and the provisions of OMB Circular A-133.

As a part of our examination we have issued our Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards dated November 3, 2003 and Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133 dated November 3, 2003.

In connection with our audit, we made certain observations relative to the records maintained, the accounting procedures in effect, and the overall administration of the financial affairs of the Village. As a supplement to the reports, we submit for your consideration the following observations which did not meet the criteria of being material to the general purpose financial statements.

Compliance and internal control items considered non-material to general purpose financial statements.

MONTHLY DEPOSITS OF REVENUES

During revenue interview, it was noted that deposits are made once to three times per month. For proper internal controls, deposits should be made on a daily basis. Undeposited cash increases the risk of fraud and the probability of theft. It can also affect the recording of revenues in the financial reporting system by causing potential timing differences in revenue recognition. We recommended that deposits be made daily and a policy be established that sets guidelines pertaining to the frequency of deposits.

MINI-2 OCCUPATIONAL LICENSES

During the network of occupational licenses, we were unable to determine if the correct license fee was paid for eight businesses. The license did not include the yearly gross sales amounts which determines the cost of the license. Also, many licenses did not include a renewal year printed on the license. We recommend that all occupational licenses include information concerning gross sales, the cost of the license, and the year in which the license was issued.

MINI-3 457(R) RETIREMENT EXPENSE

The retirement expense for municipal employees has not been correctly calculated since the inception of the plan in the year 2008. There are 26 pay periods in the year and retirement expenses have been paid for only 26 pay periods. We recommend the appropriate amounts that represent the employer's contribution that should have been made to the retirement plan since the year 2008 be submitted on behalf of the employees.

MINI-4 POLICE TICKETS

During the network of police tickets, it was noted that a ticket book was issued to an officer and was not entered into the log kept by the chief of police. The tickets issued from this book were also not logged into the master book kept to record all tickets issued, fines paid, and dispositions. One ticket examined was noted as being improperly voided. Only the Mayor has the authority to void tickets issued and it could not be determined who voided this ticket. For internal control purposes, we recommend that procedures be established for issuing police ticket books to officers. The Chief of Police should keep a log of all ticket books issued and to whom. Tickets that have been issued to violators should be tracked so that the disposition of the ticket is known and appropriate steps can be taken to collect fines. Additionally, steps should be taken to ensure that the policies concerning voided tickets are followed.

MINI-5 WATER CUT-OFF PROCEDURES

During network of water revenues, it was noted that an abnormally of the Village of Dixie has not paid utility bills late from January to November 2009. Four instances were noted in which the water should have been cut off and was not. It could not be determined if cut off notice was delivered. We recommend the Village of Dixie has enforce its policies concerning the cut off of services due to nonpayment. We further recommend a monthly cut off list that details the following be maintained: services that are to be cut off, the date of delivery of the cut off notice, the date services were terminated, how much is owed, how much and when services were paid for, and when services were turned back on.

MINI-4 UTILITY LATE CHARGES

For utility billings, one month was selected for testing. Out of twenty customers that were tested, three should have been charged late charges and were not. The Village of Dixie Inc uses an outside billing service to prepare utility billings and post payments to customer accounts. Every month, the clerk at the Village of Dixie Inc gives the billing service a list of customers that have made payments. The list does not distinguish between people who have paid late and people who have not. We recommend that at the close of business on the 15th of each month, a copy of the payments be given to the billing service for posting. People who have paid after the due date should be kept on a separate list so the appropriate late charges can be assessed.

MINI-7 UTILITY RATES

An ordinance increasing the water and sewer rates was passed on December 1, 2002. The increased rates were effective on January 1, 2003. Water rates charged from January 2003 to November 2003 for customers using more than 10,000 gallons were incorrect. According to the ordinance, these customers should have been charged \$1.50 for every 1,000 gallons over 10,000. The rate charged was \$3.00 for every 1,000 gallons over 10,000. We recommend that as utility rates are changed, billings should be checked to determine if the correct amounts are being charged.

MINI-8 REVENUES

The Village of Dixie Inc collects occupational license fees from insurance companies by services contracted through an outside company. The company sends payments on a monthly basis for fees they have collected in the prior month. During testing of general fund revenues, it was discovered that payment was not received for February 2003. We recommend that monthly financial statements be reviewed to ensure that all revenues have been accounted for.

MINI-9 DOCUMENTATION OF EXPENDITURES

The Village of Dixie Inc maintains three credit cards for use by village employees. The monthly charges are not reconciled to supporting documentation to determine if unauthorized charges have been made. We recommend that supporting documentation be kept for all charges. For charges that are made over the phone for catalog orders, documentation such as the order form, confirmation number, and packing slips should be kept. We also recommend that documentation for charges be reconciled to the statements on a monthly basis.

Tamara Wilson Martin

Minier, Louisiana
November 3, 2003

**GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS – OVERVIEW)**

STATE OF MISSISSIPPI

Consolidated Balance Sheet - All Real Personal Income Groups
June 30, 2007

| | Governmental Entity/State | | Proprietary Fund | Account Group | | Total Governmental Entity |
|---|---------------------------|------------------|------------------|---------------|--------------|---------------------------|
| | General | Capital Projects | | General | Special | |
| | | | Account | Account | | |
| Assets | | | | | | |
| Cash | \$ 47,023 | 18,131 | 4,876 | - | - | 69,930 |
| Conditioned of deposit | 28,778 | - | - | - | - | 28,778 |
| Receivables | 40,448 | - | 14,220 | - | - | 54,668 |
| Due from other funds | 23,479 | - | - | - | - | 23,479 |
| Prepaid expenses | 13,480 | - | - | - | - | 13,480 |
| Inventory/equipment - cash | - | - | 46,811 | - | - | 46,811 |
| Land | - | - | - | 14,000 | - | 14,000 |
| Buildings | - | - | - | 48,400 | - | 48,400 |
| Improvements other than buildings | - | - | - | 24,200 | - | 24,200 |
| Equipment | - | - | - | 29,000 | - | 29,000 |
| Depreciable fixed property, other and equipment | - | - | 1,888,007 | - | - | 1,888,007 |
| Accumulated depreciation | - | - | (873,215) | - | - | (873,215) |
| Accounts payable/other liabilities payable | - | - | - | - | 1,000 | 1,000 |
| Total assets | \$ 189,730 | 18,131 | 1,973,431 | 73,200 | 1,000 | 2,075,492 |
| Liabilities and fund equity | | | | | | |
| Liabilities | | | | | | |
| Accounts payable | \$ 4,000 | 18,131 | 1,004 | - | - | 23,135 |
| current liabilities | 4,000 | - | 1,004 | - | - | 5,004 |
| due to other funds | - | - | 34,479 | - | - | 34,479 |
| Payable from restricted assets: | | | | | | |
| State deposits | - | - | 4,000 | - | - | 4,000 |
| Revenue bonds | - | - | 4,000 | - | - | 4,000 |
| General income | - | - | 2,000 | - | - | 2,000 |
| General obligation | - | - | - | - | 1,000 | 1,000 |
| Revenue bonds payable | - | - | 10,000 | - | - | 10,000 |
| Total liabilities | 4,000 | 18,131 | 15,004 | - | 1,000 | 38,135 |
| Fund equity | | | | | | |
| Contributed equity | - | - | 1,958,427 | - | - | 1,958,427 |
| accumulated general fund/equity | - | - | - | 10,000 | - | 10,000 |
| General surplus (deficit) - General | - | - | 20,000 | - | - | 20,000 |
| General | - | - | (200,000) | - | - | (200,000) |
| Contributions - restricted - unassigned | 17,430 | 0 | - | - | - | 17,430 |
| Total fund equity | 17,430 | 0 | 1,958,427 | 10,000 | - | 1,985,857 |
| Total liabilities and fund equity | \$ 21,430 | 18,131 | 1,973,431 | 73,200 | 1,000 | 2,075,492 |

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

VILLAGE OF IRVING DAM, LOUISIANA

Combined Statement of Revenues, Expenditures and Changes
in Fund Balances - All Governmental Fund Types
Year Ended June 30, 2000

| | General Fund | Capital Projects | Totals (Memorandum Only) |
|---|-------------------|---------------------|--------------------------------|
| Revenues: | | | |
| Occupational license | \$ 25,976 | - | 25,976 |
| Utility and franchise taxes | 8,757 | - | 8,757 |
| Intergovernmental- | | | |
| Beer taxes | 26,611 | - | 26,611 |
| Video poker fees | 11,627 | - | 11,627 |
| Grants | 4,186 | 417,878 | 422,064 |
| Fees and forfeits | 38,693 | - | 38,693 |
| Sales tax | 188,898 | - | 188,898 |
| Miscellaneous | 8,024 | - | 8,024 |
| Total revenues | 361,674 | 417,878 | 779,552 |
| Expenditures: | | | |
| General government | 160,774 | - | 160,774 |
| Public safety | 130,119 | - | 130,119 |
| Capital outlay | 6,115 | 417,878 | 424,001 |
| Total expenditures | 356,915 | 417,878 | 774,793 |
| Excess of revenues over expenditures | 14,759 | - | 14,759 |
| Other financing sources (uses): | | | |
| Operating transfers in | - | - | - |
| Operating transfers out | (21,346) | - | (21,346) |
| Total other financing (uses) | (21,346) | - | (21,346) |
| Excess (deficiency) of revenues over expenditures and other uses | (1,587) | - | (1,587) |
| Fund balances, beginning of year, as restated | 175,815 | 8 | 175,823 |
| Fund balances, end of year | \$ 174,228 | \$ 8 | \$ 174,236 |

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

VILLAGE OF DEER ISLE, LOUISIANA

Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget (2014-15) and Actual -
General Fund
Year Ended June 30, 2015

| | Budget | Actual | Variance Favorable (Unfavorable) |
|---|-------------------|-----------------|--|
| Revenues: | | | |
| Occupational licenses | \$ 20,000 | 22,876 | 2,876 |
| Utility and franchise fees | 8,700 | 8,737 | 37 |
| Intergovernmental: | | | |
| Reimburse | 20,000 | 20,413 | 413 |
| Video purchases | 13,000 | 13,427 | 427 |
| Grants | - | 4,796 | 4,796 |
| Fees and tickets | 14,500 | 14,681 | 181 |
| Salaries | 190,000 | 184,098 | (5,902) |
| Miscellaneous | 3,000 | 4,414 | 1,414 |
| Total revenues | <u>361,200</u> | <u>364,979</u> | <u>3,779</u> |
| Expenditures: | | | |
| General government | 101,500 | 104,114 | 2,614 |
| Public safety | 120,875 | 120,119 | 756 |
| Capital outlay | 3,500 | 4,123 | (623) |
| Total expenditures | <u>325,875</u> | <u>328,356</u> | <u>2,481</u> |
| Excess (deficiency) of revenues over expenditures | <u>35,325</u> | <u>36,623</u> | <u>1,298</u> |
| Other financing (uses): | | | |
| Operating transfers to - | | | |
| Capital Projects fund | - | - | - |
| Enterprise fund | (11,880) | (23,340) | (11,460) |
| Total other financing (uses) | <u>(11,880)</u> | <u>(23,340)</u> | <u>(11,460)</u> |
| Excess (deficiency) of revenues over expenditures and other uses | <u>23,445</u> | <u>13,283</u> | <u>(10,162)</u> |
| Fund balance, beginning of year, as stated | <u>170,834</u> | <u>170,834</u> | <u>-</u> |
| Fund balance, end of year | <u>\$ 194,289</u> | <u>184,117</u> | <u>(10,172)</u> |

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

VILLAGE OF BOSS INN, LOUISIANA

Statement of Revenues, Expenses and Changes
in Retained Earnings - Proprietary Fund Type
Year Ended June 30, 2020

| | |
|---|---------------------|
| Operating revenues: | |
| Water | \$ 38,168 |
| Sewerage | 18,895 |
| Total operating revenues | <u>57,063</u> |
| Operating expenses: | |
| Water department | 21,679 |
| Sewer department | 21,628 |
| General and administrative | 41,737 |
| Total operating expenses | <u>85,044</u> |
| Operating loss | (27,981) |
| Nonoperating revenue (expense): | |
| Garbage collection income | 14,137 |
| Garbage collection fees | (14,137) |
| Interest income | 41 |
| Interest expense | (3,885) |
| Grant | 4,880 |
| Loss on disposal/retirement of fixed assets | <u>(298,318)</u> |
| Total nonoperating revenue (expense) | <u>(282,172)</u> |
| Loss before operating transfers | (310,159) |
| Operating transfers from - | |
| General fund | <u>21,146</u> |
| Total operating transfers | <u>21,146</u> |
| Net loss | (289,013) |
| Retained deficit - beginning of year | <u>(155,838)</u> |
| Retained deficit - end of year | <u>\$ (444,851)</u> |

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

VILLAGE OF DIXIE INN, LOUISIANA

Statement of Cash Flow
Proprietary Fund Type
Year Ended June 30, 2003

| | |
|--|-------------------|
| Cash flows from operating activities: | |
| Cash received from customers | \$ 31,899 |
| Cash payments for supplies and services | (21,918) |
| Cash payments for salaries | (21,950) |
| Net cash used by operating activities | <u>(11,969)</u> |
| Cash flows from non-capital financing activities: | |
| Net increase in water deposits | (481) |
| Cash operating transfers in from other funds | 23,346 |
| Cash received from garbage collection fees | 18,137 |
| Cash paid for garbage collection | (18,137) |
| Net cash provided by non-capital financing activities | <u>22,465</u> |
| Cash flows from capital and related financing activities: | |
| Principal paid on revenue bonds | (6,000) |
| Interest paid on revenue bonds | (3,822) |
| Acquisition of capital assets | (4,000) |
| Grant receipts | 4,000 |
| Net cash used by capital and related financing activities | <u>(11,822)</u> |
| Cash flows from investing activities: | |
| Interest on interest-bearing deposits | 41 |
| Net increase in cash and cash equivalents | 1,283 |
| Cash and cash equivalents at beginning of year | 44,955 |
| Cash and cash equivalents at end of year | <u>\$ 46,238</u> |
| Reconciliation of operating income to net cash used by operating activities: | |
| Operating loss | \$ (24,982) |
| Adjustments to reconcile operating income to net cash used by operating activities: | |
| Depreciation | 62,283 |
| Changes in assets and liabilities - | |
| Increase in accounts payable | 5,111 |
| Increase in accrued liabilities | 115 |
| Increase in due to other funds | 6,659 |
| Increase in accounts receivable | (2,495) |
| Net cash used by operating activities | <u>\$ (1,969)</u> |

Noncash capital and related financing activities:

During the year ended June 30, 2003, the Village placed into service a new sewer plant that was funded by grant revenues. The revenue and expenditures were accounted for in the Capital Projects Fund during the construction phase, but upon completion of the project, \$415,780 was transferred from the Capital Projects Fund to the Utility Fund to recognize the addition of the sewer plant. \$602,814 was removed from property, plant and equipment as a result of the retirement of the old sewer plant. Another \$214,671 in other assets was also retired. A total of \$1,293,218 was recognized in the Utility Fund as a result of these asset retirements.

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

VILLAGE OF DIXIE INN, LOUISIANA

Notes to Financial Statements

June 30, 2001

The Village of Dixie Inn, Louisiana (the Village), was incorporated August 2, 1962, under the provisions of the Louisiana Act. The Village is located in the Parish of Webster, being in the southeast corner of the State of Louisiana.

Elected officials of the Village of Dixie Inn are a mayor, three (3) aldermen, and a chief of police, who are elected every four years. The affairs of the Village are conducted and managed by the mayor and the board of aldermen.

I. Summary of significant accounting policies

A. Basis of presentation - The accounting and reporting policies of the Village conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:117 and to the guidelines set forth in the Louisiana *Municipal Audit and Accounting Guide*, and to the industry audit guide, *Audit of State and Local Governmental Units*.

B. Reporting entity - As the municipal governing authority, for reporting purposes, the Village of Dixie Inn is considered a separate financial reporting entity. Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Village of Dixie Inn for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB 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 municipality to impose its will on the organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the municipality.
2. Organizations for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality.
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.

VILLAGE OF DIXIE INN, LOUISIANA
Notes to Financial Statements
June 30, 2003

Based on the foregoing criteria, the Village of Dixie Inn is not required to include any component units for financial reporting purposes.

- C. Fund accounting - The accounts of the Village 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 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.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in other governmental funds.

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 that 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.

- D. Basis of accounting - The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

VILLAGE OF DIXIE INN, LOUISIANA
Notes to Financial Statements
June 30, 2015

Revenues

Revenues are generally recognized when they become measurable and available as net current assets. Sales tax revenues are recognized in the month which they are collected by the Webster Parish Sales and Use Tax Commission. Revenues such as traffic fines and occupational licenses are recognized when received, due to the difficulty in measuring amounts to be received.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Purchases of various operating supplies are regarded as expenditures at the time purchased.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (and any other financing sources/use) are accounted for as other financing sources (uses).

All proprietary funds are accounted for on a flow of economic resources measurement basis and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The proprietary fund uses the accrual basis of accounting whereby revenues are recognized when they are earned and expenses are recognized when incurred.

- E. **Budgets and budgetary accounting** - The Village follows these procedures in establishing the budgetary data reflected in these financial statements:
- The Village Clerk prepares a proposed budget and submits same to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
 - The public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
 - A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
 - After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
 - Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases or decreases in expenditures resulting from

VILLAGE OF DIXIE INN, LOUISIANA

Notes to Financial Statements

June 30, 2003

resources recording or failing to meet amounts estimated require the approval of the Board of Aldermen.

- C. All budgetary appropriations lapse at the end of each fiscal year.
- D. Budgets for the General Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts, as originally adopted, are unaltered from line to line by the Board of Aldermen. Such amendments are not material in relation to the original appropriations.
- E. Encumbrance accounting - The Village of Dixie Inn does not employ encumbrance accounting.
- F. Cash and cash equivalents - For reporting purposes, cash and cash equivalents include cash, demand deposits and certificates of deposit. Cash and cash equivalents are stated at cost. Under state law, the municipality may deposit funds in demand deposits, interest-bearing deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.
- G. Interfund receivables/payables and transfers - During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Interfund transfers which are not expected to be repaid are shown as operating transfers.
- H. Prepaid expenditures - For the year ended June 30, 2003, the Village of Dixie Inn's prepaid expenditure was \$ 13,408 for insurance coverage.
- I. Fixed assets and long-term liabilities - 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. Certain public domain infrastructure assets, such as street improvements, have been recorded as fixed assets in the General Fixed Asset Account Group. No depreciation has been provided on general fixed assets.

Fixed assets used in the proprietary fund operations are included on the balance sheet of the fund net of accumulated depreciation. 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 of the assets, using the straight-line method. The estimated useful lives are as follows:

VILLAGE OF DIXIE (MN), LOUISIANA
Notes to Financial Statements
June 30, 2003

| | |
|-------------------|-----------|
| Water Utility - | |
| Wells | 40 years |
| Water works plant | 40 years |
| Pipes and meters | 40 years |
| Sewer Utility - | |
| Sewer plant | 40 years |
| Equipment | 3-5 years |

All fixed assets are stated at historical cost.

Long-term obligations expected to be financed from proprietary fund operations are accounted for in those funds.

- 1. Bad Debt:** The Village considers substantially all customers' utility receivables to be fully collectible; accordingly, an allowance for doubtful accounts is not required. If accounts become uncollectible, they are charged to operations when that determination is made.

K. Fund Equity

Contributed Capital

Contributed Capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers, or other funds when such resources are restricted for the acquisition or construction of capital assets. Contributed capital is not amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such resources.

Reserves

Reserves represent those portions of fund equity not appropriate for expenditure or legally segregated for a specific future use.

- 1. Sales taxes:** The Village receives proceeds from a two percent sales and use tax, the revenue from which may be used for any lawful corporate purpose.
- 2. Total columns on combined statements:** Total columns on combined statements are captioned "Information Only" to indicate that they are presented only to facilitate financial analysis.

VILLAGE OF DIXIE INN, LOUISIANA

Notes to Financial Statements

June 30, 2003

Data in these columns do 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.

2. Restricted Assets

Certain proceeds of enterprise fund revenue bonds, as well as certain monies set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Additionally, meter deposits are classified as restricted assets. Restricted assets were applicable to the following at June 30, 2003:

| | |
|---|-----------------|
| Enterprise Fund | |
| Bond sinking fund - savings | \$ 11,875 |
| Bond contingency account | 2,861 |
| Meter deposits | 8,198 |
| Bond reserve | <u>18,898</u> |
| Total restricted assets - enterprise fund | <u>\$41,832</u> |

3. Net Working Capital - Enterprise Fund

Net working capital - Enterprise Fund at June 30, 2003, is shown below:

| | |
|-------------------------------|-----------------|
| Current assets | \$ 18,444 |
| Current liabilities | <u>(18,897)</u> |
| Net working capital (deficit) | <u>\$ (453)</u> |

VILLAGE OF DOXIE INN, LOUISIANA

Notes to Financial Statements

June 30, 2003

4. Changes in general fixed assets

A summary of changes in general fixed assets is presented below:

| | Balance July 1, 2002 | Additions | Deletions | Balance June 30, 2003 |
|--------------------------------------|-------------------------|-----------|-----------|--------------------------|
| Land | \$ 14,000 | - | - | 14,000 |
| Buildings | 48,420 | - | - | 48,420 |
| Improvements other than buildings | 254,291 | - | - | 254,291 |
| Equipment | 798,190 | 6,123 | - | 804,313 |
| Total general fixed assets | \$1,114,901 | 6,123 | - | \$1,121,024 |

A summary of changes in the Utility Fund property, plant and equipment is presented below:

| Description | Balance July 1, 2002 | Additions | Deletions | Balance June 30, 2003 |
|-------------------------|-------------------------|-----------|-----------------|--------------------------|
| Sewer plant | \$183,693 | 453,780 | 183,890 | 453,780 |
| Water wells | 608,249 | - | 21,968 | 586,281 |
| Sampling stations | 2,130 | - | - | 2,130 |
| Sewer plant renovations | 314,382 | 4,800 | 479,821 | 239,361 |
| Road | 18,838 | - | - | 18,838 |
| Building | 3,000 | - | - | 3,000 |
| Fence | 2,437 | - | - | 2,437 |
| Equipment | 19,463 | - | 3,513 | 15,950 |
| Land | 1,045 | - | - | 1,045 |
| Drainage ditches | 19,947 | - | - | 19,947 |
| Construction in process | <u>(33,981)</u> | <u>-</u> | <u>(35,801)</u> | <u>-</u> |
| Total | \$1,484,565 | 457,380 | 754,288 | 1,187,657 |

VILLAGE OF DIXIE INN, LOUISIANA
Notes to Financial Statements
June 30, 2003

3. Changes in long-term debt -- Enterprise Fund

The following is a summary of changes in long-term debt -- enterprise fund for the year ended June 30, 2003:

| | <u>Revenue Funds</u> |
|--------------------------------------|--------------------------|
| Bonds or note payable, July 1, 2002 | \$ 114,589 |
| Bonds retired | <u>16,800</u> |
| Bonds or note payable, June 30, 2003 | \$ 108,189 |

Bonds payable at June 30, 2003, are comprised of the following individual issues:

Revenue Bonds

| | |
|---|------------------|
| \$181,800 Water and Sewer Utilities Revenue Bonds, dated October 15, 1975; due in annual installments of \$10,624; interest at 5%. | \$ 96,760 |
| \$20,000 Water and Sewer Utilities Revenue Completion Bond, Series 1978, of the Village of Dixie Inn; due in annual installments of \$1,000; interest at 5%. | <u>1,820</u> |
| | \$108,189 |

The annual requirements to amortize all enterprise fund debt outstanding as of June 30, 2003, including interest payments of \$ 46,712, are as follows:

| | <u>Year ending June 30</u> |
|------------|--------------------------------|
| 2004 | \$ 11,872 |
| 2005 | 11,822 |
| 2006 | 11,822 |
| 2007 | 11,822 |
| 2008 | 11,822 |
| Thereafter | <u>59,331</u> |
| | \$148,711 |

VILLAGE OF DIXIE INN, LOUISIANA

Notes to Financial Statements

June 30, 2003

6. **Leases**

The Village is obligated under certain leases accounted for as capital leases. The leased assets and related obligations are accounted for in the General Fixed Assets Account Group and the General Long-Term Debt Account Group, respectively. Assets under capital leases totaled \$ 31,752 at June 30, 2003. This balance is comprised of a police car in the amount of \$24,232 and a mosquito sprayer in the amount of \$7,520. Both purchases are reflected under equipment in the General Fixed Assets Account Group. The following is a schedule of future minimum lease payments under capital leases, and the present value of the net minimum lease payments as of June 30, 2003.

| | Year ending June 30, |
|---|-------------------------|
| 2004 | <u>\$ 1,869</u> |
| Total minimum lease payments | 1,869 |
| Less - amount representing interest | <u>(79)</u> |
| Present value of net minimum lease payments | <u>\$ 1,881</u> |

7. **Retained deficit balance**

The Enterprise Fund had a retained deficit balance of \$ 481,342 at June 30, 2003.

8. **Retirement commitments**

All employees of the Village of Dixie Inn are covered by the Federal Social Security System.

Municipal Police Employees Retirement System of Louisiana (System)

Plan Description. All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after 50 with at least 30 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 of their final average salary for each year of creditable service. Final average salary is the employee's average salary over the 36 consecutive or joint months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

VILLAGE OF DIXIE INN, LOUISIANA

Notes to Financial Statements

June 30, 2003

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, 8481 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2290, or by calling (225) 929-7411.

Funding Policy: Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the Village of Dixie Inn is required to contribute at an actuarially determined rate. The current rate is 9.0 percent of annual covered payroll. The contribution requirements of plan members and the Village of Dixie Inn are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:303, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Village of Dixie Inn contributions to the System for the year ending June 30, 2003 was \$ 6,341, equal to the required contribution for each year.

Defined Contribution Plan

For the year ended June 30, 2003, the Village of Dixie Inn participated in a defined contribution plan, as set forth under sections 457(b) of the Internal Revenue Code, for the town clerk and water superintendent. The plan is administered by the Trust Company of Louisiana and the participants may contribute the lesser of \$8,000 or 25% of their yearly compensation. Employer contribution requirements are established and may be amended by the village. The village currently contributes 10% of the employer's annual compensation. For the year ended June 30, 2003, employee and employer contributions to the plan were \$3,496 and \$6,769 respectively.

9. Flow of funds, restrictions on use - water and sewer system revenues

Under the terms of the bond indentures for the outstanding Revenue Bonds of 1975, all income and revenues earned or derived from the operation of the water and sewer system are pledged and dedicated to the retirement of said bonds and are to be maintained and administered in the following order of priority and for the following express purposes:

- (a) The payment of all reasonable expenses of administration, operation and maintenance of the water and sewer system.
- (b) Each month, there will be set aside into an account called the "Bond and Interest Sinking Fund" an amount constituting 1/12 of the next maturing installment of principal and interest on the

VILLAGE OF UNDE INN, LOUISIANA
Notes to Financial Statements
June 30, 2003

outstanding bonds. Each transfer shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due, and may be used only for such payments.

- (c) There shall also be set aside into a "Bond Reserve Account" an amount equal to 3% of the payments required to be made to the Bond and Interest-Sinking Fund.

The funds available in the Bond Reserve Account may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not on deposit in the Bond and Interest Redemption Account and as to which there would otherwise be default.

- (d) Each fiscal year \$500 shall be set aside into a "Bond Contingency Account" and there shall have been accumulated in the account an amount equal to \$24,000. Money in this account may be used for the making of extraordinary repairs or replacements to the system which are necessary to keep the system in operating condition and for which money is not available as a maintenance and operation expense. Money in this fund may also be used to pay principal or interest on the bonds falling due at any time there is not sufficient money for payment in the other bond accounts.

- (e) All of the revenues received in any fiscal year and not required to be paid in each fiscal year into any of the above-created accounts shall be regarded as surplus and may be used for any lawful corporate purposes.

III. Cash and Cash Equivalents

The following is a summary of cash and cash equivalents at June 30, 2003:

| | |
|---------------------------|---------------|
| Party cash | \$ 100 |
| Demand deposits | 37,814 |
| Interest-bearing deposits | 47,341 |
| Certificate of deposit | <u>18,799</u> |
| Total | \$104,054 |

VILLAGE OF UNKIE INA, LOUISIANA
 Notes to Financial Statements
 June 30, 2003

These deposits are stated at cost, which approximates market. Under state law, these bank balances must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2003, the Village has \$164,529 in collected bank balances. These deposits are secured from risk by \$158,389 of federal deposit insurance and \$745,198 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 7). Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 18:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

11. Interfund assets/liabilities

The following is a summary of due to/from other funds and operating transfers at June 30, 2003:

| | Due To | Due From | Operating To | Transfers From |
|--------------|---------------|---------------|-----------------|-------------------|
| General fund | - | 22,478 | 23,146 | - |
| Utility fund | 22,478 | - | - | 23,146 |
| Total | 22,478 | 22,478 | 23,146 | 23,146 |

12. Risk Concentrations

A majority of the Village's sales tax revenue receipts are derived from approximately seven (7) merchants within the Village limits.

13. Utility Fund Disposal of Assets

During the year ended June 30, 2003, the proprietary fund completed construction on a new sewer plant that was funded by grant revenues. The old sewer plant was disposed of and \$662,914 was removed from the fixed assets schedule. A total of \$21,472 was removed for additional assets that were retired or abandoned. A loss of \$299,278 was recorded in the utility fund.

VILLAGE OF DIXIE INN, LOUISIANA
Notes to Financial Statements
June 30, 2003

14. Receivables

The following is a summary of receivables for June 30, 2003:

| Class of receivable | General | Enterprise |
|-----------------------------|------------------|---------------|
| Taxes: | | |
| Sales & use | \$ 12,349 | - |
| Beer | 8,483 | - |
| Intergovernmental - grants: | | |
| Federal- | 18,451 | 4,608 |
| Intergovernmental - fees: | | |
| Video Point | 3,393 | - |
| Interest receivable | 581 | - |
| Franchise Fees | 1,867 | - |
| Occupational Licenses | 3,558 | - |
| Utility fund charges | ----- | -8,176 |
| Total | \$ 46,644 | 12,176 |

15. Prior Period Restatement

The Village of Dixie Inn received a COPS grant from the U.S. Department of Justice on April 1, 1998. Grant funds were not requested by the Village of Dixie Inn according to the grant agreement. At the close of the grant on September 30, 2000, there were \$18,652 in unrequested funds owed to the Village of Dixie Inn. \$12,227 of these funds represent revenues that should have been reported in the financial statements for the years ending June 30, 2000, June 30, 2001, and June 30, 2002. A restatement of the fund balances for these years was recognized in the financial statements as follows:

| | |
|--|-------------------|
| I. General Fund - June 30, 2000 ending fund balance, as previously stated: | \$ 139,872 |
| Revised grant revenues recognized during the year ended June 30, 2000 | 4,815 |
| General Fund - June 30, 2000 fund balance, ending of year, as revised: | <u>\$ 144,687</u> |

VILLAGE OF DIXIE INN, LOUISIANA
 Notes to Financial Statements
 June 30, 2001

| | | |
|------|---|-------------------|
| II. | General Fund – June 30, 2001 ending fund balance, as previously stated: | \$ 148,086 |
| | Prior period adjustment for June 30, 2000 | 4,015 |
| | Restated grant revenue recognized during the year ended June 30, 2001 | <u>4,015</u> |
| | General fund – June 30, 2000 ending fund balance, as restated: | <u>\$ 156,116</u> |
| III. | General Fund – June 30, 2000 ending fund balance, as previously stated: | \$ 164,608 |
| | Prior period adjustment for June 30, 2000 | 4,015 |
| | Prior period adjustment for June 30, 2001 | 4,015 |
| | Restated grant revenue recognized during the year ended June 30, 2002 | <u>4,121</u> |
| | General Fund – June 30, 2002 ending fund balance, as restated: | <u>\$ 176,816</u> |
| | General Fund – June 30, 2001 beginning fund balance as restated: | <u>\$ 176,816</u> |

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 DEER ISLE, LOUISIANA
GENERAL FUND

Statement of Expenditures by Department Compared to Budget (All in \$) (a/c)
Year Ended June 30, 2001

| | Budget | Actual | Variance - Favorable (Unfavorable) |
|---------------------------------|-------------------|------------------|--|
| General Government: | | | |
| Mayor's salary | \$ 11,700 | 11,700 | - |
| Other salary | 23,000 | 23,400 | 300 |
| Payroll taxes | 8,800 | 8,400 | 400 |
| Office expense | 1,800 | 1,800 | (20) |
| Telephone | 1,200 | 1,270 | 70 |
| Supplies | 6,900 | 6,670 | 230 |
| Legal and accounting | 10,000 | 9,400 | 600 |
| Publication of minutes | 1,500 | 1,400 | 100 |
| Utilities | 1,500 | 1,700 | 200 |
| Insurance | 14,000 | 12,700 | 1,300 |
| Rent and subscriptions | 1,400 | 1,300 | 100 |
| Equipment and maintenance | 4,800 | 3,800 | 1,000 |
| Building maintenance | 440 | 700 | 260 |
| Garbage oil | 4,800 | 4,400 | 400 |
| Garbage Collection | 400 | 300 | 100 |
| Admission fees | 1,100 | 1,400 | 300 |
| Recreation Expense | 7,000 | 4,300 | 2,700 |
| Travel expense | 4,200 | 4,300 | 100 |
| Printing labor & materials | 14,000 | 14,400 | 400 |
| Insurance Expense | 100 | 100 | - |
| Principal payments | 1,800 | 1,800 | - |
| Miscellaneous | 1,700 | 1,600 | 100 |
| Total general government | 187,600 | 186,270 | 1,330 |
| Public safety: | | | |
| Police: | | | |
| Salary | 76,000 | 76,000 | - |
| Retirement | 2,100 | 2,300 | (200) |
| Gas and oil | 4,800 | 4,600 | 200 |
| Equipment maintenance | 4,900 | 4,700 | 200 |
| Insurance | 4,400 | 4,300 | 100 |
| Supplies | 1,700 | 1,600 | 100 |
| Travel | 800 | 700 | 100 |
| Interest Expense | 300 | 300 | - |
| Principal payments | 1,800 | 1,800 | - |
| Public and Fed | 1,800 | 1,800 | - |
| Miscellaneous | 1,200 | 1,100 | 100 |
| Total public safety | 100,000 | 100,100 | 100 |
| Capital outlay | 1,000 | 1,000 | (20) |
| Total expenditures | \$ 288,600 | (286,370) | 2,230 |

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

ENTERPRISE FUND

Utility Fund To account for the provision of water and sewer 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 BOKE INN, LOUISIANA
 ENTERPRISE FUND
 UTILITY FUND

Schedule of Expenses by Departments
 Year Ended June 30, 2003

| | |
|---|-------------------------|
| Water department expenses: | |
| Utilities | \$ 3,498 |
| Plant and line maintenance | 3,388 |
| Chemicals | 3,250 |
| Depreciation | 13,607 |
| Gas and oil | 3,414 |
| Monitoring service | 3,448 |
| Supplies | 3,091 |
| Total water department expenses | <u>39,696</u> |
| Sewer department expenses: | |
| Utilities | 6,040 |
| Plant and line maintenance | 3,908 |
| Depreciation | 28,678 |
| Total sewer department expenses | <u>38,626</u> |
| General and administrative expenses: | |
| Salaries | 28,721 |
| Legal and accounting | 2,188 |
| Payroll taxes | 2,713 |
| Office expenses | 2,738 |
| Retirement contribution expense | 2,641 |
| Sales tax expense | 1,788 |
| Risk debt expense | 521 |
| Miscellaneous | 1,094 |
| Total general and administrative expenses | <u>41,712</u> |
| Total operating expenses | <u><u>\$118,034</u></u> |

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

VILLAGE OF DEER INN, LOUISIANA,
 ENTERPRISE FUND
 UTILITY FUND

Schedule of Changes in Assets Restricted for Revenue Bond Debt Service
 Year Ended June 30, 2002

| | <u>Bond Sinking Fund-Savings</u> | <u>Reserve</u> | <u>Contingency</u> | <u>Total</u> |
|----------------------------------|--------------------------------------|----------------|--------------------|---------------|
| Cash, July 1, 2001 | \$ 11,842 | 17,582 | 2,210 | 31,634 |
| Cash receipts: | | | | |
| Transfers from operating account | - | 534 | 600 | 1,134 |
| Transfers from general fund | 11,822 | - | - | 11,822 |
| Interest | 34 | 60 | 8 | 102 |
| Total cash receipts | <u>11,856</u> | <u>594</u> | <u>608</u> | <u>13,058</u> |
| Total cash available | <u>23,698</u> | <u>18,176</u> | <u>2,818</u> | <u>44,692</u> |
| Cash disbursements: | | | | |
| Principal payments | 8,080 | - | - | 8,080 |
| Interest payments | 3,821 | - | - | 3,821 |
| Total disbursements | <u>11,901</u> | <u>-</u> | <u>-</u> | <u>11,901</u> |
| Cash, June 30, 2002 | <u>\$ 11,797</u> | <u>18,096</u> | <u>2,861</u> | <u>32,754</u> |

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

CAPITAL PROJECTS FUND

Capital projects fund is used to account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

VILLAGE OF DEER BORN
CAPITAL PROJECTS FUND
 Statement of Revenues, Expenditures and Changes in Fund Balance
 For the year ended June 30, 2003

| | |
|--|----------------|
| REVENUES: | |
| Grants | \$ 417,878 |
| Total revenues | <u>417,878</u> |
| EXPENDITURES: | |
| Capital expenditures | <u>417,878</u> |
| Total expenditures | <u>417,878</u> |
| Excess of revenues over expenditures | - |
| Other financing (uses): | |
| Operating transfers out - | |
| Enterprise Fund | <u>0</u> |
| Total other financing (uses) | <u>0</u> |
| (Deficiency) of revenues over expenditures and other financing uses | - |
| Fund balance - beginning of year | <u>0</u> |
| Fund balance - end of year | <u>\$ 0</u> |

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

GENERAL FIXED ASSETS ACCOUNT GROUP

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

VILLAGE OF DIXIE INN, LOUISIANA

Statement of General Fixed Assets

June 30, 2000

| | |
|--|-------------------|
| General fixed assets, at cost | |
| Land | \$ 14,800 |
| Buildings | 48,420 |
| Improvements other than building | 204,294 |
| Equipment | <u>204,719</u> |
| Total general fixed assets | <u>\$ 511,819</u> |
| Investment in general fixed assets: | |
| Property acquired prior to 7/1/72* | \$ 6,706 |
| Property acquired after 7/1/72 from - | |
| General fund revenues | 358,153 |
| State grants | 2,770 |
| Federal revenue sharing fund | 2,787 |
| Sales tax fund revenues | 56,794 |
| LICING revenues | 173,621 |
| WVJ Donated property | <u>18,089</u> |
| Total investment in general fixed assets | <u>\$ 521,830</u> |

*Records reflecting source from which assets were acquired were not maintained prior to 7/1/72.

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

YELLAGE OF DEER INN, LOUISIANA

Statement of Changes in General Fixed Assets
Year Ended June 30, 2000

| | Improvements other than | | | | Total |
|--|----------------------------|---------------|----------------|----------------|----------------|
| | Land | Building | Buildings | Equipment | |
| General fixed assets, beginning of year | \$ 14,000 | 48,430 | 174,191 | 198,194 | 334,815 |
| Additions: | | | | | |
| General fixed assets | - | - | - | 6,121 | 6,121 |
| Total additions | <u>-</u> | <u>-</u> | <u>-</u> | <u>6,121</u> | <u>6,121</u> |
| Deletions | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| General fixed assets, end of year | <u>\$ 14,000</u> | <u>48,430</u> | <u>174,191</u> | <u>204,315</u> | <u>331,036</u> |

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

GENERAL LONG-TERM DEBT ACCOUNT GROUP

To account for unamortized principal amounts on general long-term debt expected to be financed from governmental type funds.

VILLAGE OF DIXIE INN
STATEMENT OF GENERAL LONG-TERM DEBT
For the year ended June 30, 2003

AMOUNTS AVAILABLE AND TO BE PROVIDED FOR
PAYMENT OF GENERAL LONG-TERM OBLIGATIONS

| | |
|---|-----------------|
| Amount to be provided from General Fund | <u>1,900</u> |
| Total available and to be provided | <u>\$ 1,900</u> |

GENERAL LONG-TERM DEBT PAYABLE

| | |
|--------------------------------------|-----------------|
| Obligations under capital leases | <u>1,900</u> |
| Total general long-term debt payable | <u>\$ 1,900</u> |

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

OTHER SUPPLEMENTARY INFORMATION

VILLAGE OF DIXIE INN, LOUISIANA
SCHEDULE OF BOARD OF ALDERMEN COMPENSATION
Year Ended June 30, 2003

| | |
|------------------|-----------------|
| Stacy Chatwick | \$ 900 |
| Joe Walden | 900 |
| Pauline Fontenot | <u>900</u> |
| Total | <u>\$ 2,800</u> |

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

VILLAGE OF DESE INN, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2015

| Federal Grants/Fees Through Grants/Program Title | Federal CFDA # | Program or Award Amount | Federal Expenditures |
|--|-------------------|-------------------------------|-------------------------|
| U.S. Department of Housing and Urban Development | | | |
| Passed through the State of Louisiana- Division of Administration: | | | |
| LA Community Development Block Grant-FY 2011 | 14.228 | 252,268 | 417,878 |
| U.S. Department of Justice | | | |
| Passed through the office of Community Oriented Policing Services- | | | |
| CDPS Universal Hiring Award- 90JMWX2864 (90JTS 2) | 16.710 | 46,315 | <u>4,186</u> |
| Total Federal Expenditures | | | <u>\$ 422,064</u> |

See accompanying notes to schedule of expenditures of federal awards.

VILLAGE OF DIXIE INN, LOUISIANA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2003

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Village of Dixie Inn and is presented on the accrual basis of accounting. The information in the schedule is presented in accordance with the requirements of OMB Circular A-133, *Audit of State, Local Governments, and Nonprofit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

NOTE 2 - COPS UNIVERSAL FERING AWARD

The Village of Dixie Inn was awarded a COPS grant from the U.S. Department of Justice on April 1, 1998. Grant funds were not requested by the Village of Dixie Inn according to the grant agreement, as noted in Fering FR2001-2. At the close of the grant on September 28, 2002, there were \$16,413 in unrequested funds owed to the Village of Dixie Inn. \$11,217 of these funds represent revenues that should have been reported in the financial statements for the years ending June 30, 2000, June 30, 2001, and June 30, 2002 as is reflected in the prior period restatement of fund balance in the general purpose financial statements. \$4,196 represents funds expended by the year ending June 30, 2003, and is therefore shown as the amount expended on the accompanying Schedule of Expenditures of Federal Awards for Year Ended June 30, 2003. The entire \$ 16,413 is shown as a receivable in the general purpose financial statements, because the Village did not actually receive the \$16,413 check until August 11, 2003.

VILLAGE OF DIXIE INN, LOUISIANA

Summary Schedule of Prior Year Findings
Year Ended June 30, 2000

Findings – Financial Statement Audit:

2000.1 – VIOLATION OF LOAN COVENANTS

Condition: Under the terms of the bond indentures for the outstanding Revenue Bonds of 1975, the Village agrees to maintain rates for services furnished by the Water and Sewer systems that are sufficient to provide for operating expenses, debt service payments and reserves requirements. For the year-ended June 30, 2000, the enterprise fund incurred a loss, before operating transfers and depreciation, in the amount of \$ 18,651. In part to extensive repairs to the village's water plant, the enterprise fund continued to show a loss before operating transfers and depreciation expense. For year ended June 30, 1994, the enterprise fund incurred a loss of \$ 21,406, before operating transfers and depreciation expense. For the year-ended June 30, 2002, the enterprise fund incurred a loss of \$ 25,672 before operating transfers and depreciation expense.

Recommendation: The Village of Dixie Inn, Louisiana should strive to implement measures to eliminate the operating loss including expense reduction, additional water rate increases and other appropriate measures.

Current Status: A similar finding for the year ended June 30, 1991 is noted in the Schedule of Current Year Findings.

2001.1 – SEGREGATION OF DUTIES

Condition: There is an inadequate segregation of duties among the personnel of the Village. Because of the limited number of employees, the office personnel performs incompatible functions such as those that allow an error or irregularity that is material to the financial statements to occur and remain undetected.

Recommendation: The Board of Aldermen and the management of the Village of Dixie Inn should be alert to the limitations on internal control and the risks to assets and financial reporting resulting from the lack of segregation of duties due to the limited number of personnel.

Current Status: A similar finding for the year ended June 30, 1990 is noted in the Schedule of Current Year Findings.

VILLAGE OF DIXIE INN, LOUISIANA

Summary Schedule of Prior Year Findings
Year Ended June 30, 2002

Findings and Questioned Costs - Major Federal Award Programs:

In connection with the audit of the general purpose financial statements as of and for the year ended June 30, 2002, of the Village of Dixie Inn, Louisiana, there were no items required to be reported in accordance with OIG Circular A-133.

VILLAGE OF DIXIE INN, LOUISIANA

Schedule of Current Year Findings and Questioned Costs
Year Ended June 30, 2003

Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the Village of Dixie Inn, Louisiana.
2. One reportable condition disclosed during the audit of the general purpose financial statements is reported in the *Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*. The condition is not reported as a material weakness.
3. Two instances of noncompliance material to the general purpose financial statements of the Village of Dixie Inn, Louisiana were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award program are reported in the *Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133*.
5. The auditor's report on compliance for the major federal award program for the Village of Dixie Inn, Louisiana expresses an unqualified opinion on all major federal programs.
6. There were no audit findings relative to the major federal award program for the Village of Dixie Inn, Louisiana. One finding relating to a federal program which was not included as a major program is reported in the Schedule of Current Year Findings and Questioned Costs as item FS2003-2.
7. The programs tested as major programs included the LA Community Development Block Grant-FY2003, CFDA # 14.226.
8. The threshold for distinguishing type A and type B programs was \$500,000.
9. The Village of Dixie Inn was determined not to be a low-risk auditee.

Findings - Financial Statement Audit

EX2003-1 - VIOLATION OF LOAN COVENANTS

Criteria: Under the terms of the bond indentures for the outstanding Revenue Bonds of 1975, the Village agrees to maintain taxes for services furnished by the Water and Sewer systems that are sufficient to provide for operating expenses, debt service payments and reserve requirements.

VILLAGE OF DIXIE INN, LOUISIANA

Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2003

Condition: These terms are not being met and the enterprise fund is paying for its current obligations from general funds. Following are the losses incurred before operating transfers and depreciation in the enterprise fund for the prior 3 years:

For the year ended June 30, 2000 (\$ 18,611)

For the year ended June 30, 2001 (\$ 25,406)

For the year ended June 30, 2002 (\$ 25,472)

For the year ended June 30, 2003, the enterprise fund incurred a loss of \$ 16,137 before operating transfers and depreciation, and before a loss of \$ 298,318 on the disposal/retirement of fixed assets.

Effect: Because the terms of the bonds are not being adhered to, full payment of the bonds can become due and payable at the request of the bondholder.

Recommendation: The Village of Dixie Inn, Louisiana should strive to implement measures to eliminate the operating loss including expense reductions, additional water rate increases and other appropriate measures.

EX2003-2 - IMPROPER ADMINISTRATION OF GRANT

Criteria: A COPS Grant was awarded to The Village by the U.S. Department of Justice on April 1, 1998. The grant agreement outlined costs to be paid by The Village totaling \$15,419 and costs that would be paid by the grant totaling \$46,315. The Village was to request funds from the grant based on a graduated percentage through quarterly status reports. The grant was closed September 30, 2002.

Condition: The cost total incurred by The Village as reported on the quarterly status reports exceeded the amounts approved by the grant by \$15,923. The costs to be paid by the grant were not requested on a graduated scale as outlined in the grant agreement. This resulted in \$18,423 of approved funds that were not paid to The Village over the life of the grant. Also, there was a variance of \$1,997 between the amount of federal funds owed to The Village as reported on the quarterly status reports by The Village and the actual amount owed as verified by the U.S. Department of Justice. The remaining federal share of funds owed to The Village of Dixie Inn was subsequently paid in the amount of \$16,423 on August 11, 2003.

VILLAGE OF DIXIE INN, LOUISIANA

Schedule of Current Year Findings and Questioned Costs Year Ended June 30, 2003

Effect: Due to incorrect administration of the grant, costs incurred by The Village were not reimbursed on a timely basis. This resulted in underreporting of revenues for the years ending in 2000, 2001, and 2002. Also, improper administration of the grant may result in denial of future grants that may be applied for through the U.S. Department of Justice.

Recommendation: Future grant agreements should be carefully read and their guidelines followed in order for The Village to timely collect any grant funds that are owed. Controls should be in place to alert the management of Dixie Inn of any funds that are due to The Village. Appropriate measures should be made to collect those funds.

FC2003-1 – SEGREGATION OF DUTIES

Criteria: For proper controls, there should be a segregation of duties to help prevent errors, irregularities, and fraud.

Condition: There is an inadequate segregation of duties among the personnel of the Village. The same person opens the mail, collects the revenues, makes the deposits to the bank, writes checks, signs checks, and does the financial reporting.

Effect: Because of the limited number of employees, the office personnel perform incompatible functions such as those that allow an error or irregularity that is material to the financial statements to occur and remain undetected.

Recommendation: The Board of Aldermen and the management of the Village of Dixie Inn should be alert to the limitations on internal control and the risks to assets and financial reporting resulting from the lack of segregation of duties due to the limited number of personnel.

Findings and Questioned Costs – Major Federal Award Programs:

There were no audit findings relative to the major federal award program for the Village of Dixie Inn, Louisiana. One finding relating to a federal program which was not audited as a major program is reported in the Schedule of Current Year Findings and Questioned Costs as item FC2003-2.



Village of Dixie Inn

60 Shell Street

Blinden, Louisiana 71808

December 30, 2003

Legislative Audit Advisory Council
State of Louisiana
P.O. Box 94597
Baton Rouge, Louisiana 70804-9597

Dear Sirs:

Listed below is our response to the problem areas of our 2003 annual audit report for the Village of Dixie Inn that was performed by Jamieson, Wise and Martin, Certified Public Accountants. At all times the areas in question could be reconstructed and records could be reconciled. Listed below are our comments concerning the problem areas:

ES2003-1 Violation of loan covenant: On January 1, 2003 the Village of Dixie Inn implemented new water rates for the Village of Dixie Inn. These new rates, along with our new sewer treatment plant will allow us to be more cost efficient. The Board of Aldermen amended our ordinance controlling water rates and put a clause in it that will allow us to adjust rates on an annual basis to meet our financial needs. Our non-compliance with our loan covenant will be addressed and rates increased accordingly. All loan payments are paid annually and on time. At no time have we ever failed to meet our obligations with our loan provider.

ES2003-2 Segregation of duties: The Village of Dixie Inn is a small village with approximately 430 residents. We are not financially able to pay more than one employee to manage the office. We have several controls in place to monitor the village business. All water is billed through an outside billing firm. Water money that is received has to match all money that is billed by this firm. This acts as a check and balance method for the village. The Board of Aldermen reviews all invoices and signs off on these invoices before any expenses are paid out. All checking and saving accounts are reconciled in the office and then are sent to a certified public accounting firm to have the financial statements created. Strict records are kept concerning deposits and withdrawals of

village funds. The Chief of Police for the village monitors all funds collected for fines. The accounting firm that conducted our audit discovered no errors concerning any funds.

MS000-2 Improper Administration of Grant: In April of 1998 the Village of Dixie Inn received a Community Oriented Policing Services Grant (COPS) through the Department of Justice. A new police officer was hired and grant funds were distributed to the village on a graduated process for the officer's salary. The first year the grant paid 75% of the officer's salary and the village paid 25% of the officer's salary. The second year the officer was paid 50% by both the grant and the village. The third year, the grant paid 25% of the officer's salary and the village paid 75% of the salary. Due to miscommunication with grant employees and a mathematical error, the village did not receive all the funds that they were due at the closure of the grant. It was the understanding of the village employee in charge of the grant that once the completion date of the grant had passed, no other funds could be requested. Although funds were not received in the proper manner, the police officer was paid his salary in the appropriate manner and was retained by the village as a permanent employee. At no time was there a question of mishandling of funds. The Department of Justice issued a check in one lump sum to verify the balance that was owed the village on the grant. The issue of grant funds has been settled satisfactorily and completely. All quarterly reports concerning grant funds were completed by the village's certified public accountant. A better understanding of the grant procedure needs to be addressed if any future applications are made for a "COPS" grant.

MS000-1 Deposits of Revenue: The issue of depositing village funds in a timely manner has been addressed and deposits will be made when funds are received.

MS000-2 Occupational Licenses: Yearly occupational licenses will be checked to make sure that the gross yearly sales of each business is included on the license application. New license forms will be printed with the correct renewal year printed on them.

MS000-3 Retirement Expense: A policy establishing rules for paying employee retirement contributions on the months that have three pay periods in them will be adopted and followed completely. The Village of Dixie Inn will make a one-time refund payment to the retirement system for funds that are owed for employee's retirement with months that had three pay periods in them. This includes the year of 2000, 2001, 2002, and 2003.

MS000-4 Police Tickets: A new policy for issuing ticket books to village police officers has been established by the Chief of Police and will be strictly adhered to. Also, a new policy has been established concerning the logging in of citations issued by village police officers. The new procedure will allow the status of all tickets issued to be tracked at all times and no ticket will be voided by anyone other than the mayor.

MS000-5 Water Cut-Off Procedures: The water cut-off procedures will be the same for all village residents, no exceptions. When a person establishes water service with the Village of Dixie Inn, they are given an information sheet that explains the cut-off policy

and procedure that the village follows. Residents are also informed on their monthly utility bill when services will be terminated for past due accounts. Strict records, which include dates services are terminated and restored, amounts paid on accounts and any charges for reconnection of services, will be kept on all residents who have their services terminated for non-payment. With this policy, all information concerning termination of water services will be available on each account.

MC002-6 Utility Late Charges: All residents must pay the net amount on their water bill by the fifteenth (15th) of each month. The gross amount will be due after the fifteenth (15th) of each month. The water-billing agent will post water payments according to this procedure and the proper charges will be paid. Village employees will be more diligent in seeing that this procedure is followed.

MC002-7 Utility Rates: New water rates went into effect on January 1, 2003. These rates were given to our outside billing agent. Due to a computer input error on the billing agent's part, an incorrect amount was charged to residents using 10,000 gallons or more. The agent has been informed of the input error and has corrected it. In the future, village employees will be more diligent in checking water billing when rates change.

MC002-8 Revenue: In September of 2002, the Village of Dixie Inn entered into a contract with the Louisiana Municipal Advisory & Technical Services Bureau (La Mats) to collect insurance premium taxes. In February of 2003, La Mats issued a check to the village for insurance premium taxes for that month. The Village of Dixie Inn did not receive the check. The auditor for the present audit questioned this and after checking with La Mats, it was discovered the check was lost and had never cleared their bank account. A new check was issued for February 2003. In the future, village employees will inquire when funds are not received for a specific month.

MC002-9 Documentation of Expenditures: In the past, some purchases made on the village credit card from catalogs and other mail order companies did not have the necessary documentation to compare orders with the invoice received for payment. The village has established a purchase order number policy so that all charges can be validated.

I hope that I have addressed the areas in question in a sufficient manner. If you have any questions concerning our audit or our responses, please feel free to contact me at any time.

Sincerely,



Ava Nell McWhorter
Mayor