

Village of Dixie Inn, Louisiana

Financial Statements

As of and for the Year Ended June 30, 2025

Village of Dixie Inn, Louisiana
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Independent Auditors' Report

The Honorable Mayor, Donna Hoffoss
and the Village Council
Village of Dixie Inn
Dixie Inn, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Dixie Inn, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Village of Dixie Inn's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Village of Dixie Inn, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village of Dixie Inn and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village of Dixie Inn's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may rise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Village of Dixie Inn's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Village of Dixie Inn's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 34 – 35, the schedule of proportionate share of net pension liability on page 36, and the schedule of contributions on page 37 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the

basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

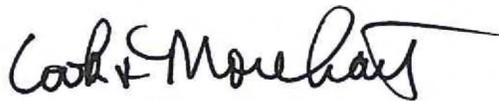
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Dixie Inn's basic financial statements. The other supplementary information schedules listed in the table of contents and shown on pages 38, 39 and 42 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. As disclosed in Note 1 to the financial statements, the Village of Dixie Inn prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. The other supplementary information schedule, Justice System Funding Schedule, shown on pages 40 – 41, is presented for the purposes of additional analysis and is not a required part of the basic financial statements. This schedule is presented to satisfy the requirements of Act 87 of the 2020 Regular Legislative Session (R.S. 24:515.2) and must be presented on the cash basis of accounting which differs significantly from those principles used to present financial statements in accordance with GAAS. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion the Justice System Funding Schedule, shown on pages 40 – 41, is fairly stated in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2025, on our consideration of the Village of Dixie Inn, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village of Dixie Inn's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Dixie Inn's internal control over financial reporting and compliance.



Cook & Morehart
Certified Public Accountants
December 16, 2025

Village of Dixie Inn
Dixie Inn, Louisiana
Statement of Net Position
June 30, 2025

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash	\$ 1,169,654	\$ 59,668	\$ 1,229,322
Investments	142,993		142,993
Receivables	189,944	27,728	217,672
Prepaid expenses	29,944	13,998	43,942
Internal balances	31,696	(31,696)	
Restricted assets, cash for customer deposits		26,515	26,515
Capital assets, not depreciated	182,560	1,045	183,605
Capital assets, net	289,431	1,861,238	2,150,669
Total Assets	2,036,222	1,958,496	3,994,718
Deferred Outflows of Resources			
Pension related	41,845		41,845
Liabilities			
Accounts, salaries and other payables	189,154	15,520	204,674
Payable from restricted assets:			
Customer deposits		26,515	26,515
Non-current liabilities:			
Due within one year	9,154		9,154
Due in more than one year	275,975		275,975
Total liabilities	474,283	42,035	516,318
Deferred Inflows of Resources			
Pension related	10,279		10,279
Net Position			
Net investment in capital assets	433,087	1,862,283	2,295,370
Restricted for public safety	2,572		2,572
Unrestricted	1,157,846	54,178	1,212,024
Total net position	\$ 1,593,505	\$ 1,916,461	\$ 3,509,966

See accompanying notes to the basic financial statements.

Village of Dixie Inn
Dixie Inn, Louisiana
Statement of Activities
For the Year Ended June 30, 2025

	Program Revenues				Net (Expenses) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Capital Grants and Contributions	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/Programs:							
Governmental activities:							
General government	\$ 310,285	\$ 33,787	\$ 125,000	\$ 19,127	\$ (132,371)		\$ (132,371)
Public safety	228,806	9,934		6,800	(212,072)		(212,072)
Interest on long-term debt	111				(111)		(111)
Total governmental activities	539,202	43,721	125,000	25,927	(344,554)		(344,554)
Business-type activities							
Water and Sewer	318,362	209,307		28,523		(80,532)	(80,532)
Garbage collection	20,336	22,321				1,985	1,985
Total business-type activities	338,698	231,628		28,523		(78,547)	(78,547)
Total government	\$ 877,900	\$ 275,349	\$ 125,000	\$ 54,450	(344,554)	(78,547)	(423,101)
General revenues:							
Sales tax					291,247		291,247
Franchise taxes					11,793		11,793
Intergovernmental					301,405		301,405
Investment earnings					12,628	1,520	14,148
Other miscellaneous					2,967		2,967
Transfers					(12,000)	12,000	
Total general revenues and transfers					608,040	13,520	621,560
Changes in net position					263,486	(65,027)	198,459
Net position, beginning					1,330,019	1,981,488	3,311,507
Net position, ending					\$ 1,593,505	\$ 1,916,461	\$ 3,509,966

See accompanying notes to the basic financial statements.

Village of Dixie Inn
Dixie Inn, Louisiana
Balance Sheet
Governmental Fund
June 30, 2025

Assets	<u>General</u>
Cash	\$ 1,169,654
Investments	142,993
Receivables	189,944
Due from other fund	<u>31,696</u>
Total Assets	<u><u>\$ 1,534,287</u></u>
Liabilities and Fund Balance	
Liabilities:	
Accounts, salaries, and other payables	<u>\$ 189,154</u>
Total Liabilities	<u>189,154</u>
Fund balance:	
Restricted for public safety	2,572
Unassigned	<u>1,342,561</u>
Total Fund Balance	<u>1,345,133</u>
Total Liabilities and Fund Balance	<u><u>\$ 1,534,287</u></u>

See accompanying notes to the basic financial statements.

Village of Dixie Inn
Dixie Inn, Louisiana
Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
June 30, 2025

Fund Balance - Governmental Fund	\$	1,345,133
<p>Amounts reported for government activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.</p>		471,991
<p>Other long-term assets and other amounts are not available to pay for current-period expenditures and therefore are unavailable in the funds</p>		
<p style="padding-left: 40px;">Prepaid expenses</p>		29,944
<p style="padding-left: 40px;">Deferred outflows-pension related</p>		41,845
<p>Long-term liabilities and other amounts are not due and payable in the current period and therefore are not reported in the funds</p>		
<p style="padding-left: 40px;">Finance purchases</p>		(38,904)
<p style="padding-left: 40px;">Compensated absences</p>		(1,099)
<p style="padding-left: 40px;">Net pension liability</p>		(245,126)
<p style="padding-left: 40px;">Deferred inflows-pension related</p>		(10,279)
		(344,408)
Net Position of Governmental Activities	\$	1,593,505

See accompanying notes to the basic financial statements.

Village of Dixie Inn
Dixie Inn, Louisiana
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund
For the Year Ended June 30, 2025

	General
Revenues:	
Taxes	
Sales tax	\$ 291,247
Franchise tax	11,793
Licenses and permits	33,787
Intergovernmental revenues	445,294
Fines and forfeitures	9,934
Investment earnings	12,628
Other revenues	2,967
Total revenues	807,650
Expenditures:	
Current	
General government	298,465
Public safety	188,698
Capital outlay	263,191
Debt service	
Principal retirement	7,168
Interest	111
Total expenditures	757,633
Excess Revenue over Expenditures	50,017
Other financing sources (uses):	
Transfers out to other fund	(12,000)
Proceeds finance purchases	46,071
Total other financing sources (uses)	34,071
Net change in fund balance	84,088
Fund balance, beginning of year	1,261,045
Fund balance, end of year	\$ 1,345,133

See accompanying notes to the basic financial statements.

Village of Dixie Inn
Dixie Inn, Louisiana
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in the Fund Balance of the Governmental Fund to the Statement of Activities
For the Year Ended June 30, 2025

Net change in fund balance - governmental fund	\$	84,088
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Amounts reported for governmental activities in the Statement of Activities are different because:

Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays \$(263,191) exceeds depreciation by \$(27,507) in the current period.		235,684
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		3,577
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Resources that are not available to pay current obligations are not reported in the fund financial statements, but they are presented as revenues in the statement of activities:

Non-employer contributions to cost-sharing pension plan		7,038
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Debt proceeds provide current financial resources to governmental funds, but issuance of debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. Repayments of long-term debt are reported as expenditures in the governmental funds, but the repayment reduces long-term debt in the statement of net position and do not affect the statement of activities.

Proceeds finance purchases		(46,071)
Repayment principal finance purchases		7,168

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds:

Pension expense		(31,744)
Compensated absences		3,746

Change in Net Position of Governmental Activities	\$	<u>263,486</u>
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See accompanying notes to the basic financial statements.

Village of Dixie Inn
Dixie Inn, Louisiana
Statement of Net Position
Proprietary Fund
June 30, 2025

	Business-Type Activities
	<u>Enterprise Fund</u>
	<u>Water and Sewer Fund</u>
Assets	
Current assets	
Cash	\$ 59,668
Restricted cash - customer deposits	26,515
Receivables	27,728
Prepaid expenses	13,998
Total current assets	<u>127,909</u>
Noncurrent assets	
Capital assets not depreciated	1,045
Capital assets, net	1,861,283
Total noncurrent assets	<u>1,862,283</u>
Total assets	<u>1,990,192</u>
Liabilities	
Current liabilities	
Accounts, salaries and other payables	15,520
Due to other fund	31,696
Payable from restricted assets:	
Customer deposits	26,515
Total liabilities	<u>73,731</u>
Net position	
Net investment in capital assets	1,862,283
Unrestricted	54,178
Total net position	<u>\$ 1,916,461</u>

See accompanying notes to the basic financial statements.

Village of Dixie Inn
Dixie Inn, Louisiana
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2025

	Business-Type Activities <u>Enterprise Fund</u> <u>Water and Sewer Fund</u>
Operating Revenues	
Charges for services	
Water sales	\$ 117,435
Sewer charges	81,109
Other fees	10,763
Total operating revenues	<u>209,307</u>
 Operating Expenses	
Salaries and wages	69,850
Chemicals and supplies	36,277
Office expense	4,642
Utilities	27,574
Legal and accounting	11,587
Repair and maintenance	54,575
Insurance	20,338
Depreciation	93,519
Total operating expenses	<u>318,362</u>
 Operating income (loss)	 <u>(109,055)</u>
 Non-Operating Revenues (Expenses)	
Intergovernmental revenue	28,523
Interest income	1,520
Garbage fees	22,321
Garbage collection fees	(20,336)
Total non-operating revenues (expenses)	<u>32,028</u>
 Income (loss) before transfers	 (77,027)
 Transfers in	
Transfers in from other fund	12,000
Total transfers in	<u>12,000</u>
 Change in net position	 (65,027)
 Total net position, beginning of year	 <u>1,981,488</u>
 Total net position, end of year	 <u>\$ 1,916,461</u>

See accompanying notes to the basic financial statements.

Village of Dixie Inn
Dixie Inn, Louisiana
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2025

	Business-Type Activities Enterprise Fund
	Water and Sewer Fund
Cash Flows from Operating Activities	
Receipts from customers and users	\$ 207,362
Payments to employees for services	(84,823)
Payments to suppliers	(139,391)
Net cash (used) in operating activities	(16,852)
Cash Flows from Noncapital Financing Activities	
Transfers from general fund	12,000
Other	1,985
Net cash provided by noncapital financing activities	13,985
Cash Flows from Investing Activities:	
Interest income	1,520
Net cash provided by investing activities	1,520
Net (decrease) in cash	(1,347)
Cash, beginning of year	87,530
Cash, end of year	\$ 86,183
Cash is reflected on the statement of net position as follows:	
Cash	\$ 59,668
Restricted cash	26,515
Total	\$ 86,183
Reconciliation of Operating Income(loss) to Net Cash Provided (used) by Operating Activities:	
Operating income (loss)	\$ (109,055)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Depreciation expense	93,519
(Increase) decrease in receivables	(1,945)
(Increase) decrease in prepaid expenses	(843)
Increase (decrease) in accounts payable	(10,080)
Increase (decrease) in due to other fund	10,192
Increase (decrease) in customer deposits	1,360
Net cash (used) in operating activities	\$ (16,852)

See accompanying notes to the basic financial statements.

Village of Dixie Inn
Dixie Inn, Louisiana
Notes to the Financial Statements
June 30, 2025

Introduction

The Village of Dixie Inn, Louisiana (The Village) was incorporated August 8, 1962, under the provisions of the Lawrason Act. The Village is located in the Parish of Webster, being in the northwest corner of the State of Louisiana.

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

(1) Summary of Significant Accounting Policies

The Village of Dixie Inn's financial statements are prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Village of Dixie Inn are discussed below.

A. Reporting Entity

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

GASB 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 has set forth criteria to be considered in determining financial accountability. This criterion includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Village 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 Village.
2. Organizations for which the Village does not appoint a voting majority but are fiscally dependent on the Village.
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.

(Continued)

Village of Dixie Inn
Dixie Inn, Louisiana
Notes to the Financial Statements
June 30, 2025
(Continued)

In addition, the GASB states that a legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if *all* of the following criteria are met:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents.
2. The primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
3. The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

In addition, other organizations should be evaluated as potential component units if they are closely related to, or financially integrated with, the primary government.

Based on the criteria described above, there are no component units to be included as part of the reporting entity.

B. Basic Financial Statements – Government-Wide Statements

The Village of Dixie Inn's basic financial statements include both government-wide (reporting the funds maintained by the Village of Dixie Inn as a whole) and fund financial statements (reporting the Village of Dixie Inn's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Village's general fund is classified as governmental activities. The Village's water and sewer services are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental activities and business-type activities columns are presented on a consolidated basis by column and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables, as well as long-term debt and obligations. The Village of Dixie Inn's net position is reported in three parts – invested in capital assets, net of related debt; restricted net position; and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village of Dixie Inn's functions. The functions are also supported by general government revenues (sales and use taxes, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating, and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations of providing water and sewer services.

(Continued)

Village of Dixie Inn
Dixie Inn, Louisiana
Notes to the Financial Statements
June 30, 2025
(Continued)

The net costs (by function) are normally covered by general revenue (sales and use taxes, certain intergovernmental revenues, interest income, etc.).

This government-wide focus is more on the sustainability of the Village of Dixie Inn as an entity and the change in the Village of Dixie Inn's net position resulting from the current year's activities.

C. Basic Financial Statements – Fund Financial Statements

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

The following fund types are used by the Village of Dixie Inn:

1. Governmental Funds – the focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental fund of the Village of Dixie Inn:
 - a. General fund is the general operating fund of the Village of Dixie Inn. It is used to account for all financial resources except those required to be accounted for in another fund.
2. Proprietary Funds – the focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Village:
 - a. Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges, or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of fund category) for the determination of major funds.

The following major funds are presented in the fund financial statements:

General Fund – accounts for all financial resources except those required to be accounted for in another fund.

Utility Fund – accounts for the provision of water and sewer services of the Village.

(Continued)

Village of Dixie Inn
Dixie Inn, Louisiana
Notes to the Financial Statements
June 30, 2025
(Continued)

D. Basis of Accounting

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

1. Accrual:

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

2. Modified Accrual:

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

E. Cash, Cash Equivalents, and Investments

Cash includes amounts in petty cash, demand deposits, interest bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. 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 or any other state of the United States, or under the laws of the United States.

Investments are limited by R.S. 33:2955 and the Village's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

F. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide financial statements.

(Continued)

Village of Dixie Inn
Dixie Inn, Louisiana
Notes to the Financial Statements
June 30, 2025
(Continued)

G. Capital Assets

Capital assets purchased or acquired with an original cost of \$2,500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and improvements	10–40 years
Land improvements	10–30 years
Infrastructure	25–50 years
Furniture and equipment	5–15 years
Vehicles	5–15 years
Other equipment	5–10 years
Water and sewer systems	5–40 years

GASBS requires the Village to report and depreciate new infrastructure assets effective July 1, 2003. Infrastructure assets include roads, bridges, traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Village. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure is not required.

H. Revenues

Sales tax revenues are recorded in the period in which the underlying exchange has occurred. Fines, forfeitures, licenses, and permits are recognized in the period they are collected. Interest income on demand and time deposits is recorded when earned. Federal and state grants are recorded when the Village is entitled to the funds.

I. Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position invested in capital assets, net of related debt, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Village's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

J. Sales Taxes

The Village receives proceeds from a two percent sales and use tax, the revenue from which may be used for any lawful purpose.

(Continued)

Village of Dixie Inn
Dixie Inn, Louisiana
Notes to the Financial Statements
June 30, 2025
(Continued)

K. Interfund Activity

Interfund activity is reported as either loans, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

L. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

M. Postretirement Benefits

The Village provides no postretirement benefits to its employees.

N. Bad Debts

The Village uses the direct charge-off method of accounting for water and sewer system receivables. Although this method is not in accordance with generally accepted accounting principles, the overall effect on the financial statements is immaterial.

O. Statement of Cash Flows

For the purposes of the Statement of Cash Flows, the Water and Sewer Funds consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

P. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Village currently has deferred outflows of resources related to pensions.

In addition to liabilities, the statement of net position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Village currently has deferred inflows of resources related to pensions.

(Continued)

Village of Dixie Inn
Dixie Inn, Louisiana
Notes to the Financial Statements
June 30, 2025
(Continued)

Q. Fund Balance

GASB has issued standards which defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB requires the fund balance amounts to be properly reported within one of the fund balance categories list below.

1. Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form, such as inventory or prepaid expenses, or (b) legally or contractually required to be maintained intact, such as a trust that must be retained in perpetuity.
2. Restricted fund balances are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
3. Committed fund balances include amounts that can be used only for the specific purposes as a result of constraints imposed by the board of alderman (the Village's highest level of decision making authority). Committed amounts cannot be used for any other purpose unless the board of aldermen remove those constraints by taking the same type of action (i.e. legislation, resolution, ordinance).
4. Assigned fund balances are amounts that are constrained by the Village's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by the Mayor, an appointed body or official the Village Alderman has delegated the authority to assign, modify, or rescind amounts to be used for specific purposes.
5. Unassigned fund balance are the residual classification for the Village's general fund and include all spendable amounts not contained in the other classifications.

When both restricted and unrestricted fund balances are available for use, it is the Village's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

R. Compensated Absences

The vacation policy of the Village provided for the accumulation of leave during the year but does not allow any carryforward of that time. Sick leave policy of the Village provides for accumulation of sick leave but payable only upon separation of employment and meeting certain conditions.

S. Pension Plan

The Village is a participating employer in a cost-sharing, multiple-employer, defined benefit pension plan as described in Note 12. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions for the plans fiduciary net position have been determined on the same basis as they are reported by the plan.

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Village of Dixie Inn
Dixie Inn, Louisiana
Notes to the Financial Statements
June 30, 2025
(Continued)

T. Fair Value Measurement

Generally accepted accounting principles require disclosure to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1 inputs – The valuation is based on quoted market prices for identical assets or liabilities traded in active markets;

Level 2 inputs – The valuation is based on quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that are not active, and inputs other than quoted prices that are observable for the asset or liability;

Level 3 inputs – The valuation is determined by using the best information available under the circumstances and might include the government's own data but should adjust those data if (a) reasonably available information indicates that other market participants would use different data or (b) there is something particular to the government that is not available to other market participants.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on lowest level of any input that is significant to the fair value measurement.

(2) Budgets

The Village follows the following budget practices:

- (a) The Mayor prepares a proposed budget and submits same to the Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
- (b) The public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- (c) 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.
- (d) Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases or decreases in expenditures resulting from revenues exceeding or failing to meet amounts estimated require the approval of the Board of Aldermen.
- (e) Budgetary appropriations lapse at the end of each fiscal year.

The budget for the General Fund was adopted on a budgetary basis - cash for the year ended June 30, 2025. There were no budget amendments made to the original budget.

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Village of Dixie Inn
Dixie Inn, Louisiana
Notes to the Financial Statements
June 30, 2025
(Continued)

(3) Cash and Cash Equivalents

At June 30, 2025, the Village of Dixie Inn had cash and cash equivalents (book balances) totaling \$1,255,837, of which \$26,515 is shown as restricted. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. At June 30, 2025, the Village's bank balances totaling \$992,840 were exposed to custodial credit risk as follows:

Uninsured and collateral held by the pledging bank's trust department not in the Village's name	<u>\$ 992,840</u>
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Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB, R.S. 39:1229 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.

(4) Investments

The investments in U.S. Government Securities are registered in the name of the Village and are held in a brokerage account insured by the SIPC. These investments are presented in the financial statements at fair value using level 2 fair value measurements.

The following is a summary of investments as of June 30, 2025:

	<u>Fair Value/ Carrying Amount</u>	<u>Cost</u>
Governmental Funds		
US Agency & Government Bonds	<u>\$ 142,993</u>	<u>\$ 176,806</u>

Investment earnings (loss) for the year ended June 30, 2025 consists of the following for the governmental fund and governmental activities:

Change in fair value of investments	\$ 3,238
Interest income	<u>9,390</u>
Investment earnings (loss)	<u>\$ 12,628</u>

(Continued)

Village of Dixie Inn
Dixie Inn, Louisiana
Notes to the Financial Statements
June 30, 2025
(Continued)

(5) Receivables

Receivables at June 30, 2025 are as follows:

Governmental activities:	
Sales and use taxes	\$ 23,897
Franchise	3,264
Intergovernmental	160,259
Licenses and permits	1,679
Other	845
	<u>\$ 189,944</u>
Business-type activities:	
Water and sewer charges	<u>\$ 27,728</u>

(6) Restricted Cash – Customers' Deposits

Deposits held for customers that are currently active on the water system total \$26,515 at June 30, 2025.

(7) Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village attempts to minimize risk from significant losses through the purchase of insurance.

(8) Subsequent Events

Subsequent events have been evaluated through December 16, 2025, the date the financial statements were available to be issued.

(Continued)

Village of Dixie Inn
Dixie Inn, Louisiana
Notes to the Financial Statements
June 30, 2025
(Continued)

(9) Capital Assets

Capital assets and depreciation activity as of and for the year ended June 30, 2025 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated				
Land	\$ 14,000	\$	\$	\$ 14,000
Construction in process	17,000	151,560		168,560
Total capital assets, not being depreciated	<u>31,000</u>	<u>151,560</u>		<u>182,560</u>
Capital assets, being depreciated				
Buildings	28,772			28,772
Improvements other than buildings	439,789			439,789
Machinery and equipment	229,290	111,631		340,921
Total capital assets, being depreciated	<u>697,851</u>	<u>111,631</u>		<u>809,482</u>
Less accumulated depreciation for:				
Buildings	(28,772)			(28,772)
Improvements other than buildings	(327,892)	(14,273)		(342,165)
Machinery and equipment	(135,880)	(13,234)		(149,114)
Total accumulated depreciation	<u>(492,544)</u>	<u>(27,507)</u>		<u>(520,051)</u>
Total capital assets being depreciated, net	<u>205,307</u>	<u>84,124</u>		<u>289,431</u>
Governmental activities capital assets, net	<u>\$ 236,307</u>	<u>\$ 235,684</u>	<u>\$</u>	<u>\$ 471,991</u>

(Continued)

Village of Dixie Inn
Dixie Inn, Louisiana
Notes to the Financial Statements
June 30, 2025
(Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital assets, not being depreciated				
Land	\$ 1,045	\$	\$	\$ 1,045
Total capital assets, not being depreciated	<u>1,045</u>			<u>1,045</u>
Capital assets, being depreciated				
Buildings	478,785			478,785
Improvements other than buildings	2,685,508			2,685,508
Machinery and equipment	72,637			72,637
Total capital assets, being depreciated	<u>3,236,930</u>			<u>3,236,930</u>
Less accumulated depreciation for:				
Buildings	(267,415)	(11,344)		(278,759)
Improvements other than buildings	(980,915)	(75,357)		(1,056,272)
Machinery and equipment	(33,843)	(6,818)		(40,661)
Total accumulated depreciation	<u>(1,282,173)</u>	<u>(93,519)</u>		<u>(1,375,692)</u>
Total capital assets being depreciated, net	<u>1,954,757</u>	<u>(93,519)</u>		<u>1,861,238</u>
Business-type activities capital assets, net	<u>\$ 1,955,802</u>	<u>\$ (93,519)</u>	<u>\$</u>	<u>\$ 1,862,283</u>

Depreciation expense for the year ended June 30, 2025 was charged as follows:

Governmental activities:

General	\$ 19,143
Public safety	8,364
Total	<u>\$ 27,507</u>

Business-Type activities

Sewer	\$ 43,382
Water	50,137
Total	<u>\$ 93,519</u>

(Continued)

Village of Dixie Inn
Dixie Inn, Louisiana
Notes to the Financial Statements
June 30, 2025
(Continued)

(10) Accounts, Salaries and Other Payables

Accounts, salaries and other payables at June 30, 2025 consisted of the following:

	Governmental Activities	Business-type Activities	Total
Accounts	\$ 55,631	\$ 13,901	\$ 69,532
Salaries and payroll taxes	8,523	1,619	10,142
Construction payable	125,000		125,000
Total	<u>\$ 189,154</u>	<u>\$ 15,520</u>	<u>\$ 204,674</u>

(11) Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2025, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Other long-term liabilities					
Net pension liability	\$ 288,962	\$	\$ 43,836	\$ 245,126	\$
Compensated absences	4,845		3,746	1,099	
Finance purchases		46,071	7,167	38,904	9,154
	<u>\$ 293,807</u>	<u>\$ 46,071</u>	<u>\$ 54,749</u>	<u>\$ 285,129</u>	<u>\$ 9,154</u>

Finance Purchases

The Village has entered into two (2) lease agreements to lease certain equipment. The equipment is included in the governmental activities capital assets at a cost of \$54,398, with accumulated depreciation totaling \$3,551 at June 30, 2025. Interest has been imputed at a rate of 4.0%. The purchase arrangements were for five year periods. Future payments on financed purchases payable are as follows:

Year Ended June 30,	Principal	Interest	Total
2026	\$ 9,154	\$ 1,581	\$ 10,735
2027	9,523	1,212	10,735
2028	9,912	824	10,736
2029	10,315	421	10,736
	<u>\$ 38,904</u>	<u>\$ 4,038</u>	<u>\$ 42,942</u>

(Continued)

Village of Dixie Inn
Dixie Inn, Louisiana
Notes to the Financial Statements
June 30, 2025
(Continued)

(12) Retirement

Certain police officers are members of the Municipal Police Employees Retirement System. All other municipal employees participate in the Village's Defined Contribution Plan. All employees of the Village of Dixie Inn are covered by the Federal Social Security System. Pertinent information relative to each plan follows:

Municipal Police Employee's Retirement System

The Municipal Police Employees' Retirement System (System) is a cost-sharing multiple-employer plan administered by a separate board of trustees. 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, 7722 Office Park Boulevard, Suite 200, Baton Rouge, Louisiana, 70809.

Plan Description

Membership in the System is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing he or she does not have to pay social security and providing he or she meets the statutory criteria. The System provides retirement benefits for municipal police officers. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Membership Prior to January 1, 2013

A member is eligible for regular retirement after he or she has been a member of the System and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years creditable service and is age 55. A member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age with an actuarially reduced benefit. Benefit rates are 3 1/3% of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary. Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from 40% to 60% of the member's average final compensation for the surviving spouse. In addition, each child under age 18 receives benefits equal to 10% of the member's average final compensation or \$200.00 per month, whichever is greater.

Membership Commencing January 1, 2013

Member eligibility for regular retirement, early retirement, disability and survivor benefits are based on Hazardous Duty and Non-Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the Non-Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 30

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Village of Dixie Inn
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Notes to Financial Statements
June 30, 2025
(Continued)

years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub plans, a member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55. Under the Hazardous and Non-Hazardous Duty sub plans, the benefit rates are 3% (generally) and 2 ½%, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary. Upon death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from 25% to 50% of the member's average final compensation for the surviving spouse. In addition, each child under age 18 receives 10% of average final compensation or \$200 per month whichever is greater. If deceased member had less than 10 years of service, beneficiary will receive a refund of employee contributions only.

Cost of Living Adjustments

The Board of Trustees is authorized to provide annual cost-of-living adjustments computed on the amount of the current regular retirement, disability, beneficiary or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility. No regular retiree, survivor or beneficiary shall be eligible to receive a cost-of-living adjustment until benefits have been received at least one full fiscal year and the payment of such COLA, when authorized, shall not be effective until the lapse of at least one-half of the fiscal year. Members who elect early retirement are not eligible for a cost-of-living adjustment until they reach regular retirement age. Under ACT 170 of the 2013 Regular Session of the Legislature, the Board of Trustees may not take action to authorize a COLA during any calendar year prior to the end of the legislative session for that year, during the first six of any year, or in any calendar year in which the legislature has granted a COLA unless the legislation granting such COLA specifically allows the Board to also take COLA action.

Pursuant to R.S. 11:2225.5, the Board of Trustees may provide a nonrecurring lump sum payment (subject to frequency limitations) or permanent benefit increase only from funds set aside in the System's funding deposit account. The funding deposit account may be credited with up to 0.85% of plan payroll in any year in which the Board of Trustees elects to require that employers contribute an amount in excess of the rate determined under R.S. 11:103. In such years as the Board sets the employer contribution rate above the rate determined under R.S. 11:103 (the minimum net direct actuarially determined employer contribution rate) for the purpose of funding additional benefits for retirees, survivors, and beneficiaries, a contribution to the funding deposit account will be determined within the system's actuarial valuation. The funds in the account shall earn interest annually at the board approved valuation interest rate.

Deferred Retirement Option Plan

A member is eligible to elect to enter the deferred retirement option plan (DROP) when he is eligible for regular retirement based on the members' sub plan participation. At the entry date into the DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at date of application. The duration of participation in the DROP is 36 months or less. For those employees who enter DROP after June 30, 2024, participation in the DROP is 60 months or less. If employment is terminated after the DROP period, the participant may receive his benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership into the System shall resume and upon later termination, he shall receive additional retirement benefit based on the additional service. For those

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Village of Dixie Inn
Dixie Inn, Louisiana
Notes to Financial Statements
June 30, 2025
(Continued)

eligible to enter DROP prior to January 1, 2004, DROP accounts shall earn interest subsequent to the termination of DROP participation at a rate of half of one percentage point below the percentage rate of return of the System's investment portfolio as certified by the actuary on an annual basis but will never lose money.

For those eligible to enter DROP subsequent to January 1, 2004 but before July 1, 2019, an irrevocable election is made to earn interest based on the System's investment portfolio return or a money market investment return. This could result in a negative earnings rate being applied to the account. If the member elects a money market investment return, the funds are transferred to a government money market account and earn interest at the money market rate. If the member elects a money market investment return, the funds are transferred to a government money market account and earn interest at the money market rate. If the member elects a money market investment account the funds are transferred to a government money market account. Pursuant to Act 78 of the 2019 Regular Session of the Louisiana Legislature, DROP members can self-direct their DROP funds. For those members who elected to self-direct their DROP funds the System transferred lump sum distributions to the stable value for Empower Retirement. Empower Retirement acts as an agent of the System to allow participants to self-direct the investment of their lump sum balances. Participants can irrevocably elect to participate in the self-directed portion of the program. If they do so, they can invest in the Vanguard Lifestrategy Funds through Empower Retirement.

Initial Benefit Option Plan

In 1999, the State Legislature authorized the System to establish an Initial Benefit Option program. Initial Benefit Option is available to members who are eligible for regular retirement and have not participated in DROP. The Initial Benefit Option program provides both a one-time single sum payment of up to 36 months of regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest is computed on the balance based on same criteria as DROP. Statutes should be read for more detail on eligibility and benefit provisions.

Employer Contributions

Contributions for all members are actuarially determined as required by state law but cannot be less than 9% of the employees' earnable compensation excluding overtime but including state supplemental pay. For the year ended June 30, 2024, total contributions due from employers and employees was 43.925%. The employer and employee contribution rates for all members hired prior to January 1, 2013 and Hazardous Duty members hired after January 1, 2013 were 33.925% and 10%, respectively. The employer and employee contribution rates for all Non-Hazardous Duty members hired after January 1, 2013 were 33.925% and 8%, respectively. The employer and employee contribution rates for all members whose earnable compensation is less than or equal to the poverty guidelines issued by the United States Department of Health and Human Services were 36.425% and 7.5%, respectively. The Village contributions to the System for the years ended June 30, 2025, 2024, and 2023 were \$15,898, \$32,357, and \$29,498, respectively. Included in accounts payable at June 30, 2025, is \$2,619 of employer contributions for the month of June, 2025.

Non-Employer Contributions

The System also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions totaling \$7,038 were recognized as revenue during the year ended June 30, 2025, and excluded from pension expense.

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Village of Dixie Inn
Dixie Inn, Louisiana
Notes to Financial Statements
June 30, 2025
(Continued)

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

At June 30, 2025, the Village reported a liability of \$245,126 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Village's proportion of the net pension liability was based on the employer's contributions to the System during the year ended June 30, 2024, as compared to the total of all employers' contributions to the System for the year ended June 30, 2024. At June 30, 2024, the Village's proportion was .027056%, which was a decrease of (.000295%) from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the Village recognized pension expense of \$47,642, plus employer's amortization of change in proportionate share and the difference between employer contributions and proportionate share of contributions, \$35.

At June 30, 2025, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 13,272	\$ 7,415
Changes of assumptions		
Net difference between projected and actual earnings on pension plan investments	6,814	
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,861	2,864
Difference between actual contributions and proportionate share of contributions		
Employer contributions subsequent to the measurement Date	15,898	
Total	\$ 41,845	\$ 10,279

The Village reported a total of \$15,898 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2024, which will be recognized as a reduction in net pension liability in the year ended June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses as follows:

Year	Amount
2025	\$ 5,658
2026	23,169
2027	(8,929)
2028	(4,230)
Total	\$ 15,668

(Continued)

Village of Dixie Inn
Dixie Inn, Louisiana
Notes to Financial Statements
June 30, 2025
(Continued)

Actuarial Methods and Assumptions

The actuarial assumptions used in the June 30, 2024 valuation were based on the assumptions used in the June 30, 2024 actuarial funding valuation and were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019. In cases where benefit structures were changed after the study period, assumptions were based on estimates of future experience. A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2024, are as follows:

Valuation Date	June 30, 2024	
Actuarial Cost Method	Entry Age Normal Cost	
Investment Rate of Return	6.75%, net of investment expense	
Expected Remaining Service Lives	2024 – 4 years 2023 – 4 years 2022 – 4 years 2021 – 4 years	
Inflation Rate	2.50%	
Salary increases, including inflation and merit	<u>Years of Service</u>	<u>Salary Growth Rate</u>
	1 – 2	12.30%
	above 2	4.70%
Mortality	For annuitants and beneficiaries, the Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.	
	For disabled lives, the Pub-2010 Public Retirement Plans Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used.	
	For employees, the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.	
Cost-of-Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.	

(Continued)

Village of Dixie Inn
Dixie Inn, Louisiana
Notes to Financial Statements
June 30, 2025
(Continued)

The mortality rate assumption used was set based upon an experience study for the period of July 1, 2014 through June 30, 2019. A change was made full generational mortality which combines the use of a base mortality table with appropriate mortality improvement scales. In order to set the base mortality table, actual plan mortality experience was assigned a credibility weighting and combined with a standard table to produce current levels of mortality.

The forecasted long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The resulting forecasted long-term rate of return is 7.86% for the year ended June 30, 2024.

Best estimates of arithmetic nominal rates of return for each major asset class included in the System's target allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Equity	52.00%	3.14%
Fixed income	34.00%	1.07%
Alternatives	14.00%	1.03%
Totals	100.00%	5.24%
Inflation		2.62%
Expected Arithmetic Return		7.86%

The discount rate used to measure the total pension liability was 6.750%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to Changes in Discount Rate

The following presents the net pension liability of the participating employers calculated using the discount rate of 6.75%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.75% or one percentage point higher 7.75% than the current rate as of June 30, 2024.

	Changes in Discount Rate		
	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability	\$ 364,129	\$ 245,126	\$ 145,782

(Continued)

Village of Dixie Inn
Dixie Inn, Louisiana
Notes to Financial Statements
June 30, 2025
(Continued)

Change in Net Pension Liability

The changes in the net pension liability for the year ended June 30, 2024 were recognized in the current reporting period as pension expense except as follows:

Differences between Expected and Actual Experience:

Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

Differences between Projected and Actual Investment Earnings:

Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense (benefit) using the straight-line amortization method over a closed five-year period.

Changes of Assumptions or Other Inputs:

Changes of assumptions about future economic or demographic factors were recognized in pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

Change in Proportion:

Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan.

Contributions – Proportionate Share

Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan.

Pension Plans Fiduciary Net Positions

Plan fiduciary net position is a significant component of the System's collective net pension liability. The System's plan fiduciary net position was determined using the accrual basis of accounting. The System's assets, liabilities, revenues and expenses were recorded with the use of estimates and assumptions in conformity with accounting principles generally accepted in the United States of America. Such estimates primarily related to unsettled transactions and events as of the date of the financial statements and estimates over the determination of the fair market value of the System's investments. Accordingly, actual results may differ from estimated amounts. The Plan's fiduciary net position has been determined on the same basis as that used by the plan. Detailed information about the fiduciary net position is available in a stand-alone audit report on their financial statements for the year ended June 30, 2024. Access to these reports can be found on the Louisiana Legislative Auditor's website, www.lla.la.gov.

(Continued)

Village of Dixie Inn
Dixie Inn, Louisiana
Notes to Financial Statements
June 30, 2025
(Continued)

Defined Contribution Plan

For the year ended June 30, 2025, the Village of Dixie Inn participated in a defined contribution plan, as set forth under section 457(b) of the Internal Revenue Code. 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 5% of the employee's annual compensation. For the years ended June 30, 2025, 2024, and 2023, employee and employer contributions to the plan were \$5,705, \$5,162, and \$5,566, respectively.

(13) Interfund Balances

Interfund balances are the results of the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur (2) transactions are recorded in the accounting system, and (3) payments between funds are made. At June 30, 2025, the water and sewer fund owed the general fund \$31,696 for operational purposes.

(14) On-Behalf Payments

Public safety employees of the Village received a total of \$6,800 in supplemental pay from the State of Louisiana. The Village recognizes this supplemental pay received by the employees as revenues and expenditures of the Village.

(15) Interfund Transfers

During the year ended June 30, 2025, the general fund transferred \$12,000 to the utility fund for general operation purposes.

Village of Dixie Inn
Dixie Inn, Louisiana
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Cash Basis) and Actual
General Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amount Cash Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Sales tax	\$ 250,000	\$ 280,997	\$ 292,249	\$ 11,252
Franchise tax	10,000	12,343	10,488	(1,855)
Licenses and permits	25,000	38,804	35,953	(2,851)
Intergovernmental revenues	463,500	288,077	321,015	32,938
Fines and forfeitures	6,000	6,574	9,139	2,565
Investment earnings	1,500	3,610	9,390	5,780
Miscellaneous	2,100	1,908	2,918	1,010
Total revenues	758,100	632,313	681,152	48,839
Expenditures				
General government	284,850	337,679	292,692	44,987
Public safety	182,100	166,206	180,635	(14,429)
Capital outlay	205,000	40,000	54,570	(14,570)
Debt service			7,279	(7,279)
Total expenditures	671,950	543,885	535,176	8,709
Excess revenue over (under) expenditures	86,150	88,428	145,976	57,548
Other source (uses):				
Transfer out		(48,715)	(12,000)	36,715
Net change in fund balance	86,150	39,713	133,976	94,263
Fund balance, beginning of year	1,143,522	1,143,522	1,189,286	45,764
Fund balance, end of year	\$ 1,229,672	\$ 1,183,235	\$ 1,323,262	\$ 140,027

Village of Dixie Inn
Dixie Inn, Louisiana
Notes to Required Supplementary Information
For the Year Ended June 30, 2025

The Village's budget is adopted on a cash basis for the general fund. There was one amendment to the June 30, 2025 budget. The budget comparison schedule included in the accompanying financial statements includes the original and final budget. The schedule below reconciles excess (deficiency) of revenues and other sources over expenditures and other uses on the budget basis with GAAP basis:

	General Fund
Net change in fund balance	\$ 133,976
Adjustments:	
Revenue accruals – net	7,304
Expenditure accruals – net	(57,192)
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP basis)	\$ 84,088

Village of Dixie Inn
Dixie Inn, Louisiana
Schedule of Proportionate Share of Net Pension Liability
For the Year Ended June 30, 2025

Municipal Police Employees' Retirement System

Year Ended June 30	Proportion of the net pension liability	Proportionate share of the net pension liability	Covered-employee payroll	Proportionate share of the net pension liability as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2025	0.027056%	\$ 245,126	\$ 95,379	257.00%	75.84%
2024	0.027351%	288,962	94,392	306.13%	71.30%
2023	0.027454%	280,629	84,754	331.11%	70.80%
2022	0.024679%	131,553	75,293	174.72%	84.09%
2021	0.023937%	221,234	73,934	299.23%	70.94%
2020	0.021275%	193,213	71,919	268.65%	71.01%
2019	0.023601%	199,524	69,647	286.48%	71.89%
2018	0.02243%	195,841	66,966	292.45%	70.08%
2017	0.02309%	216,456	65,190	332.04%	66.04%
2016	0.02334%	182,845	62,433	292.87%	70.73%

*Amounts presented were determined as of the measurement date (fiscal year ended June 30).

Village of Dixie Inn
Dixie Inn, Louisiana
Schedule of Contributions
For the Year Ended June 30, 2025

Municipal Police Employees' Retirement System

Year Ended June 30	Statutorily Required Contribution	Contributions in relation to the statutorily required contribution	Contribution Deficiency (Excess)	Covered-employee payroll	Contributions as a percentage of covered-employee payroll
2025	\$ 15,898	\$ 15,898	\$	\$ 44,658	35.60%
2024	32,357	32,357		95,379	33.92%
2023	29,498	29,498		94,392	31.25%
2022	25,214	25,214		84,754	29.75%
2021	25,411	25,411		75,293	33.75%
2020	24,029	24,029		73,934	32.50%
2019	23,194	23,194		71,919	32.25%
2018	21,417	21,417		69,647	30.75%
2017	21,261	21,261		66,966	31.75%
2016	19,231	19,231		65,190	29.50%

*Amounts presented were determined as of the end of the fiscal year (June 30).

Village of Dixie Inn
Dixie Inn, Louisiana
Schedule of Compensation Paid Board of Aldermen and Mayor
For the Year Ended June 30, 2025

Mayor - Donna Hoffoss	\$ 26,750
Aldermen:	
Opal Finlay	7,800
Marion McKenzie	7,800
Lance Milligan	<u>7,800</u>
Total	<u><u>\$ 50,150</u></u>

Village of Dixie Inn
Dixie Inn, Louisiana
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended June 30, 2025

<u>Purpose</u>	<u>Amount</u>
Agency Head: Donna Hoffoss, Mayor	
Salary	\$ 26,750

Village of Dixie Inn

Justice System Funding Schedule - Collecting/Disbursing Schedule

Cash Basis Presentation

As Required by La. R.S. 24:515.2

	Amount for 07/01/2024 - 12/31/2024	Amount for 01/01/2025 - 06/30/2025
1. Beginning Cash Balance	-	-
2. Collections		
a. Civil Fees	-	-
b. Bond Fees	-	-
c. Cash Bonds	-	-
d. Asset Forfeiture/Sale	-	-
e. Pre-Trial Diversion Program Fees	-	-
f. Criminal Court Costs/Fees	62	-
g. Criminal Fines – Contempt	-	-
h. Criminal Fines – Other/Non-Contempt	1,061	7,295
i. Restitution	-	-
j. Probation/Parole/Supervision Fees	-	-
k. Service Fees	-	-
l. Collection Fees	-	-
m. Interest Earnings on Collected Balances	-	-
n. Other	-	-
Total Collected	1,123	7,295
3. Deductions: Collections Retained by the Village of Dixie Inn		
I. Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	-	-
II. Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount	-	-
III. Other Amounts "Self-Disbursed" [Enter amounts on appropriate collection type lines]		
a. Civil Fees	-	-
b. Bond Fees	-	-
c. Cash Bonds	-	-
d. Asset Forfeiture/Sale	-	-
e. Pre-Trial Diversion Program Fees	-	-
f. Criminal Court Costs/Fees	-	-
g. Criminal Fines – Contempt	-	-
h. Criminal Fines – Other/Non-Contempt	1,061	7,295
i. Restitution	-	-
j. Probation/Parole/Supervision Fees	-	-
k. Service Fees	-	-
l. Collection Fees [excluding amounts reported in bullets I and II above]	-	-
m. Interest Earnings on Collected Balances	-	-
n. Other	-	-
Total Collections Retained by the Village of Dixie Inn	1,061	7,295
4. Deductions: Amounts Disbursed to Individuals and Entities, Excluding Governments and Nonprofits		
a. Collection/Processing Fees Paid to Third Party Entities	-	-
b. Civil Fee Refunds	-	-
c. Bond Refunds	-	-
d. Restitution Disbursements to Individuals and Entities, Excluding Governments or a Nonprofit	-	-
e. Other Disbursements to Individuals and Entities, Excluding Governments or a Nonprofit	-	-
Total Amounts Disbursed to Individuals and Entities, Excluding Governments and Nonprofits	-	-
5. Deductions: Total Disbursements to Other Governments & Nonprofits	62	-
6. Total Amounts Disbursed/Retained	1,123	7,295
7. Ending Cash Balance	-	-
8. Ending Balance of "Partial Payments" Collected but not Disbursed	-	-
9. Other Information:		
I. Ending Balance of Amounts Assessed but Not Yet Collected [i.e. total ending receivable balances]	-	-
II. Total Waivers During the Fiscal Period [i.e. non-cash reduction of receivable balances, such as time served or community service]	-	-

Village of Dixie Inn

Justice System Funding Schedule - Disbursements to Other Governments & Nonprofits Form

Cash Basis Presentation

As Required by La. R.S. 24:515.2

5. Details of Disbursements To Other Governments & Nonprofits (Do not include amounts retained by your entity in this table.)

Agency Receiving Money	Disbursement Description [Fund, Program, etc.] (Optional)	Legal Authority to Disburse Money	Disbursement Type	Amount for 07/01/2024 - 12/31/2024	Amount for 01/01/2025 - 06/30/2025
Supreme Court	§86. Judicial College; education account; sources of funds	R.S. 13:86	f. Criminal Court Costs/Fees	3	-
Ware Youth Center		R.S. 15:1097.7	f. Criminal Court Costs/Fees	15	-
LA Commission on Law Enforcement and Administration of Criminal Justice		R.S. 46:1816(D)	f. Criminal Court Costs/Fees	4	-
Criminalistics Laboratory North Louisiana		R.S. 40:2266.1.1	f. Criminal Court Costs/Fees	40	-

Village of Dixie Inn
Dixie Inn, Louisiana
Schedule of Revenue and Expenditures
LCDBG Contract Number 2000705293
Love Louisiana Outdoors Program
For the Year Ended June 30, 2025

Revenue:

LCDBG funds	\$ 125,000
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Expenditures:

Public works - Recreational Park Development	<u>125,000</u>
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Excess revenue over (under) expenditures

\$

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SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With Government Auditing Standards

Independent Auditors' Report

The Honorable Mayor, Donna Hoffoss
and the Village Council
Village of Dixie Inn
Dixie Inn, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities and each major fund of the Village of Dixie Inn, Louisiana, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Village of Dixie Inn's basic financial statements, and have issued our report thereon dated December 16, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village of Dixie Inn's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Dixie Inn's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Dixie Inn's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of current year audit findings as item 2025-1 that we consider to be a material weakness.

Report on Compliance and Other Matters

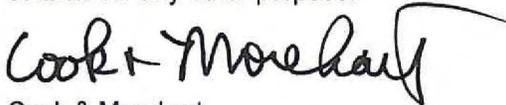
As part of obtaining reasonable assurance about whether Village of Dixie Inn's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

Village of Dixie Inn's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Village of Dixie Inn's response to the findings identified in our audit and described in the accompanying Schedule of Current Year Audit Findings. Village of Dixie Inn's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Cook & Morehart
Certified Public Accountants
December 16, 2025

Village of Dixie Inn
Dixie Inn, Louisiana
Summary Schedule of Prior Year Audit Findings
For Louisiana Legislative Auditor
June 30, 2025

There were two findings for the prior audit for the year ended June 30, 2024, as described below:

2024-1 Material Weakness – Control Over Collections

<i>Criteria:</i>	Internal controls should be in place to adequately account for all collections at the Village, including proper segregation of duties.
<i>Condition:</i>	The Village Clerk is generally the only employee responsible for collections.
<i>Cause:</i>	The Village has only one employee, the Village Clerk, that is generally the only employee making collections.
<i>Effect:</i>	Because the Village Clerk is usually the only employee making collections, this causes a lack of segregation of duties.
<i>Recommendation:</i>	Due to the lack of segregation of duties in regards to collections, it may not be cost effective or practical to correct the finding.
<i>Current Status:</i>	See repeat finding 2025-1 in current year audit.

2024-2 Finding – Budget

<i>Criteria:</i>	The Local Government Budget Act requires the annual budgets be amended when actual plus projected revenues and other financing sources of funds are expected to be less than budgeted amounts by more than 5%.
<i>Condition:</i>	Actual revenues and other financing sources for the General Fund were less than budgeted revenues and other financing sources by more than 5%.
<i>Cause:</i>	The Village did not receive one large grant that was budgeted for the year ended June 30, 2024.
<i>Effect:</i>	The Village was not in compliance with the Local Government Budget Act.
<i>Recommendation:</i>	We recommend a proper monitoring of budget to actual comparisons throughout the year and that budgets be appropriately amended when actual plus projected revenues and other financing sources are projected to be less than budgeted amounts by more than 5%.
<i>Current Status:</i>	Finding not repeated in current year audit.

Village of Dixie Inn
Dixie Inn, Louisiana
Schedule of Current Year Audit Findings
For Louisiana Legislative Auditor
June 30, 2025

There is one finding for the current year audit ended June 30, 2025, as described below:

2025-1 Material Weakness – Control Over Collections

<i>Criteria:</i>	Internal controls should be in place to adequately account for all collections at the Village, including proper segregation of duties.
<i>Condition:</i>	The Village Clerk is generally the only employee responsible for collections.
<i>Cause:</i>	The Village has only one employee, the Village Clerk, that is generally the only employee making collections.
<i>Effect:</i>	Because the Village Clerk is usually the only employee making collections, this causes a lack of segregation of duties.
<i>Recommendation:</i>	Due to the lack of segregation of duties in regards to collections, it may not be cost effective or practical to correct the finding.
<i>Management Response:</i>	The Village of Dixie Inn is a small village with limited funds. Due to the size of our village and the work load involved, it is not feasible to hire more than one employee to run our business office.
<i>Name of Contact Person:</i>	Donna Hoffoss, Mayor

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Independent Accountants' Report on Applying Agreed-Upon Procedures

To the Honorable Mayor Donna Hoffoss
And the Village Council
Village of Dixie Inn
Dixie Inn, Louisiana
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2024 through June 30, 2025. The Village of Dixie Inn's management is responsible for those C/C areas identified in the SAUPs.

The Village of Dixie Inn has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2024 through June 30, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - ii. **Purchasing**, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
 - iii. **Disbursements**, including processing, reviewing, and approving.
 - iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Management provided written policies and procedures addressing all of the above. No exceptions noted.

2) **Board or Finance Committee**

Testing not required for this area for the fiscal period July 1, 2024 to June 30, 2025, due to no exceptions being noted in prior year.

3) **Bank Reconciliations**

Testing not required for this area for the fiscal period July 1, 2024 to June 30, 2025 due to no exceptions being noted in prior year.

4) Collections (excluding electronic funds transfers)

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

Management provided the requested information, along with management's representation that the listing is complete.

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

- i. Employees responsible for cash collections do not share cash drawers/registers;
- ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
- iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

Procedures performed. Noted the following exceptions:

Exceptions: Employees responsible for collections share cash drawers. Employee responsible for collecting cash is responsible for preparing/making bank deposits, and posting collection entries.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

Procedures performed. No exceptions noted.

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

- i. Observe that receipts are sequentially pre-numbered.
- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- iii. Trace the deposit slip total to the actual deposit per the bank statement.
- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- v. Trace the actual deposit per the bank statement to the general ledger.

Procedures performed. Noted the following exception:

Exception: For the deposits tested, six days deposits were not made within one business day.

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

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

Management provided the requested information, along with management's representation that the listing is complete.

- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - ii. At least two employees are involved in processing and approving payments to vendors;
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

Procedures performed. Noted the following exceptions:

Exceptions: The employee responsible for processing payments also adds/modifies vendor files. The employee/official responsible for processing payments also mails out the payments.

- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

Procedures performed. No exceptions noted.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by

only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Procedures performed. Noted the following exception:

Exception: The electronic payments selected for testing had only one of two required number of authorized signers documenting approval.

6) Credit Cards/Debit Cards/Fuel Cards/P-Cards

Testing not required for this area for the fiscal period July 1, 2024 to June 30, 2025 due to no exceptions being noted in prior year.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

Testing not required for this area for the fiscal period July 1, 2024 to June 30, 2025 due to no exceptions being noted in prior year.

8) Contracts

Testing not required for this area for the fiscal period July 1, 2024 to June 30, 2025 due to no exceptions being noted in prior year.

9) Payroll and Personnel

Testing not required for this area for the fiscal period July 1, 2024 to June 30, 2025 due to no exceptions being noted in prior year.

10) Ethics

Testing not required for this area for the fiscal period July 1, 2024 to June 30, 2025 due to no exceptions being noted in prior year.

11) Debt Service

Testing not required for this area for the fiscal period July 1, 2024 to June 30, 2025 due to no exceptions being noted in prior year.

12) Fraud Notice

Testing not required for this area for the fiscal period July 1, 2024 to June 30, 2025 due to no exceptions being noted in prior year.

13) Information Technology Disaster Recovery/Business Continuity

Testing not required in year two.

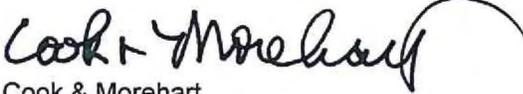
14) Prevention of Sexual Harassment

Testing not required for this area for the fiscal period July 1, 2024 to June 30, 2025 due to no exceptions being noted in prior year.

We were engaged by the Village of Dixie Inn, to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Village of Dixie Inn, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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



Cook & Morehart
Certified Public Accountants
December 16, 2025



Village of Dixie Inn
60 Shell Street
Minden, LA 71055

December 16, 2025

Cook & Morehart, CPAs
1215 Hawn Ave
Shreveport, LA 71107

Village of Dixie Inn submits the following response to the exceptions identified in the Statewide Agreed-Upon Procedures Report for the year ended June 30, 2025:

Exceptions: Employees responsible for collections share cash drawers. Employee responsible for collecting cash is responsible for preparing/making bank deposits, and posting collection entries.

Management's Response: Management will consider additional controls but due to the Village's size and number of employees it may not be feasible to implement those controls.

Exception: For the deposits tested, 6 days deposits were not made within one business day.

Management's Response: It is management policy to make deposits as necessary.

Exceptions: The employee responsible for processing payments also adds/modifies vendor files. In addition, the employee/official that is responsible for processing payments also mails out the payments.

Management's Response: Management will consider additional controls but due to the Village's size and number of employees, it may not be feasible to implement those controls.

Exception: The electronic payments selected for testing had only one of two required number of authorized signers documenting approval.

Management's Response: The Village will begin having a second authorized signer approve all electronic disbursements.

Sincerely,

Donna Hoffoss
Mayor
Village of Dixie Inn