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VILLAGE OF DIXIE INN, LOUISIANA  
ANNUAL FINANCIAL REPORT  
JUNE 30, 2000

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

Release Date 3-7-01

VILLAGE OF DIXIE INN, LOUISIANA  
Financial Report  
Year Ended June 30, 2000

TABLE OF CONTENTS

	<u>Page</u>
ACCOUNTANTS' COMPILATION REPORT	1
INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES	2
LOUISIANA ATTESTATION QUESTIONNAIRE	5
GENERAL PURPOSE FINANCIAL STATEMENTS (COMBINED STATEMENTS - OVERVIEW)	
Combined Balance Sheet - All Fund Types and Account Groups	7
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Govern- mental Fund Types	8
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP basis) and Actual - General Fund	9
Statement of Revenues, Expenses and Changes in Retained Earnings - Proprietary Fund Type	10
Statement of Cash Flow - Proprietary Fund Type	11
Notes to Financial Statements	12
SELECTED FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS AND ACCOUNT GROUPS	
General Fund: Schedule of Expenditures By Departments Compared to Budget (GAAP Basis)	25

Enterprise Fund - Utility Fund:	
Schedule of Expenses by Departments	26
Schedule of Changes in Assets Restricted for Revenue Bond Debt Service	27
General Fixed Assets Account Group:	
Statement of General Fixed Assets	28
Statement of Changes in General Fixed Assets	29
Schedule of Board of Aldermen Compensation	30
Schedule of Current Year Findings	31
Corrective Action Plan	32
Summary Schedule of Prior Audit Findings	33

# JAMIESON, WISE & MARTIN

A PROFESSIONAL ACCOUNTING CORPORATION

601 MAIN STREET P. O. BOX 897

MINDEN, LOUISIANA 71058-0897

(318) 377-3171

FAX (318) 377-3177

E-MAIL JWM@CWIDE.NET

MICHAEL W. WISE, C.P.A.  
CARLOS E. MARTIN, C.P.A.  
DAVID W. TINSLEY, C.P.A.

KRISTINE J. HARPER, C.P.A.

WM. PEARCE JAMIESON, C.P.A. (1991)

MEMBERS

AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

## ACCOUNTANTS' COMPILATION REPORT

To the Honorable Ava Nell McWhorter, Mayor  
and the Members of the Board of Aldermen  
Dixie Inn, Louisiana

We have compiled the accompanying general purpose financial statements of the Village of Dixie Inn, as of and for the year ended June 30, 2000, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management of the Village of Dixie Inn. We have not audited or reviewed the accompanying financial statements and schedules and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report, dated December 21, 2000, on the results of our agreed-upon procedures.

*Jamieson, Wise & Martin*

December 21, 2000

Minden, LA

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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Ava Nell McWhorter, Mayor  
and the Members of the Board of Alderman  
Dixie Inn, Louisiana

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the Village of Dixie Inn and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village of Dixie Inn's compliance with certain laws and regulations during the year ended June 30, 2000, included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

### *Public Bid Law*

1. Select all expenditures made during the year for material and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

For the year ended June 30, 2000, no expenditures were made during the year for materials and supplies exceeding \$15,000 or public works exceeding \$100,000.

### *Code of Ethics for Public Officials and Public Employees*

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1224 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtained from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management appeared on the list provided by management in agreed-upon procedure (2).

### *Budgeting*

5. Obtained a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget. We noted that the budget was amended one time during the year ended June 30, 2000.

6. Trace the budget adoption and amendments to the minute book.

We traced the adoption of the original budget to the minutes of a meeting held on June 28, 1999, which indicated that the budget had been adopted by the mayor and aldermen of the Village of Dixie Inn by a unanimous vote. We traced the amendment of the original budget to the minutes of the meeting held on June 28, 2000.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by more than 5%.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures for the year did not exceed budgeted amounts by more than 5%.

### *Accounting and Reporting*

8. Randomly select 6 disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account; and

The payments were properly coded to the correct fund and general ledger accounts.

- (c) determine whether payments received approval from proper authorities.

We examined supporting documentation for each of the six disbursements and noted that checks contained two signatures from either the mayor, an alderman, or the city clerk. No approval from the mayor or aldermen was noted on individual invoices. However, all expenditures are approved for payment by the mayor and aldermen at regular board meetings.

### *Meetings*

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The Village of Dixie Inn is only required to post a notice of each meeting and the accompanying agenda on the door of the village's municipal building. Although management has asserted that such documents were properly advertised and posted, we could find no evidence supporting such assertion other than an unmarked copy of the notices and agendas.

### *Debt*

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

### *Advances and Bonuses*

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advance or gifts.

A reading of the minutes of the village for the year indicated no approval for the payments noted. We also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Village of Dixie Inn and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Jamieson, Wise & Martin*

Minden, Louisiana  
December 21, 2000

**LOUISIANA ATTESTATION QUESTIONNAIRE  
(For Attestation Engagements of Government)**

12/21/00 (Date Transmitted)

Jamieson, Wise & Martin APAC  
601 Main Street  
P.O. Box 897  
Minden, LA 71058 (Auditors)

In connection with your compilation of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of 12/21/00 completion/representations).

**Public Bid Law**

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes  No

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes  No

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes  No

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes  No



**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes  No

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes  No

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes  No

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes  No

**Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes  No

**Advances and Bonuses**

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes  No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

James H. Rogers Secretary 12-21-00 Date

\_\_\_\_\_  
Treasurer \_\_\_\_\_ Date

Carla Dell McWhorter President 12-21-00 Date

GENERAL PURPOSE FINANCIAL STATEMENTS  
(COMBINED STATEMENTS - OVERVIEW)

VILLAGE OF DIXIE INN, LOUISIANA

Combined Balance Sheet - All Fund Types and Account Groups  
June 30, 2000

	Governmental Fund Types		Proprietary Fund	Account Group	Totals (Memorandum Only)
	General	Capital Projects	Enterprise	General Fixed Assets	
<b>Assets</b>					
Cash	\$ 32,934	8	8,300	-	41,242
Certificates of deposit	57,535	-	-	-	57,535
Receivables	30,974	-	8,796	-	39,770
Due from other funds	17,728	-	-	-	17,728
Prepaid expenditures	11,807	-	-	-	11,807
Restricted assets - cash	-	-	47,606	-	47,606
Land	-	-	-	14,000	14,000
Buildings	-	-	-	48,420	48,420
Improvements other than buildings	-	-	-	254,291	254,291
Equipment	-	-	-	158,938	158,938
Construction in process	-	-	44,249	-	44,249
Enterprise fund property, plant and equipment	-	-	1,319,851	-	1,319,851
Accumulated depreciation	-	-	(413,430)	-	(413,430)
<b>Total assets</b>	<b>\$ 150,978</b>	<b>8</b>	<b>1,015,372</b>	<b>475,649</b>	<b>1,642,007</b>
<b>Liabilities and Fund Equity</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 7,260	-	4,082	-	11,342
Accrued liabilities	3,846	-	989	-	4,835
Due to other funds	-	-	17,728	-	17,728
Payable from restricted assets -					
Meter deposits	-	-	14,833	-	14,833
Revenue bonds	-	-	5,526	-	5,526
Accrued interest	-	-	4,416	-	4,416
Revenue bonds payable	-	-	120,384	-	120,384
<b>Total liabilities</b>	<b>11,106</b>	<b>-</b>	<b>167,958</b>	<b>-</b>	<b>179,064</b>
<b>Fund equity:</b>					
Contributed equity	-	-	946,483	-	946,483
Investment in general fixed assets	-	-	-	475,649	475,649
Retained earnings (deficit) -					
Reserved	-	-	22,831	-	22,831
Unreserved	-	-	(121,900)	-	(121,900)
Fund balances - unreserved - undesignated	139,872	8	-	-	139,880
<b>Total fund equity</b>	<b>139,872</b>	<b>8</b>	<b>847,414</b>	<b>475,649</b>	<b>1,462,943</b>
<b>Total liabilities and fund equity</b>	<b>\$ 150,978</b>	<b>8</b>	<b>1,015,372</b>	<b>475,649</b>	<b>1,642,007</b>

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

VILLAGE OF DIXIE INN, LOUISIANA

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

	General Fund	Capital Projects	Totals (Memorandum Only)
<b>Revenues:</b>			
Occupational licenses	\$ 25,487	-	25,487
Utility and franchise taxes	7,505	-	7,505
Intergovernmental -			
Tobacco taxes	1,407	-	1,407
Beer taxes	22,332	-	22,332
Video poker fees	28,956	-	28,956
Grants	11,142	-	11,142
Fines and forfeits	35,723	-	35,723
Sales tax	143,980	-	143,980
Miscellaneous	3,369	-	3,369
<b>Total revenues</b>	<b>279,901</b>	<b>-</b>	<b>279,901</b>
<b>Expenditures:</b>			
General government	149,311	-	149,311
Public safety	76,497	-	76,497
Capital outlay	19,475	-	19,475
<b>Total expenditures</b>	<b>245,283</b>	<b>-</b>	<b>245,283</b>
<b>Excess of revenues over expenditures</b>	<b>34,618</b>	<b>-</b>	<b>34,618</b>
<b>Other financing sources (uses):</b>			
Operating transfers in	-	-	-
Operating transfers out	(22,823)	-	(22,823)
<b>Total other financing (uses)</b>	<b>(22,823)</b>	<b>-</b>	<b>(22,823)</b>
<b>Excess (deficiency) of revenues over expenditures and other uses</b>	<b>11,795</b>	<b>-</b>	<b>11,795</b>
Fund balance, beginning of year	128,077	8	128,085
<b>Fund balance, end of year</b>	<b>\$ 139,872</b>	<b>8</b>	<b>139,880</b>

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

VILLAGE OF DIXIE INN, LOUISIANA

Statement of Revenues, Expenditures and Changes  
in Fund Balances - Budget (GAAP Basis) and Actual -  
General Fund  
Year Ended June 30, 2000

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues:</b>			
Occupational licenses	\$ 14,000	25,487	11,487
Utility and franchise taxes	7,500	7,505	5
<b>Intergovernmental -</b>			
Tobacco taxes	2,500	1,407	(1,093)
Beer taxes	20,000	22,332	2,332
Video poker fees	23,000	28,956	5,956
Grants	14,000	11,142	(2,858)
Fines and forfeits	34,000	35,723	1,723
Sales tax	130,000	143,980	13,980
Miscellaneous	3,500	3,369	(131)
<b>Total revenues</b>	<u>248,500</u>	<u>279,901</u>	<u>31,401</u>
<b>Expenditures:</b>			
General government	156,800	149,311	7,489
Public safety	99,100	76,497	22,603
Capital outlay	44,000	19,475	24,525
<b>Total expenditures</b>	<u>299,900</u>	<u>245,283</u>	<u>54,617</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(51,400)</u>	<u>34,618</u>	<u>86,018</u>
<b>Other financing (uses):</b>			
Operating transfers to -			
Capital Projects fund	-	-	-
Enterprise fund	(22,000)	(22,823)	(823)
<b>Total other financing (uses)</b>	<u>(22,000)</u>	<u>(22,823)</u>	<u>(823)</u>
<b>Excess (deficiency) of revenues over expenditures and other uses</b>	<u>(73,400)</u>	<u>11,795</u>	<u>85,195</u>
Fund balance, beginning of year	<u>128,077</u>	<u>128,077</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 54,677</u>	<u>139,872</u>	<u>85,195</u>

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

VILLAGE OF DIXIE INN, LOUISIANA

Statement of Revenues, Expenses and Changes  
in Retained Earnings - Proprietary Fund Type  
Year Ended June 30, 2000

Operating revenues:	
Water	\$ 36,592
Sewerage	16,800
Total operating revenues	<u>53,392</u>
Operating expenses:	
Water department	34,261
Sewer department	30,268
General and administrative	35,882
Total operating expenses	<u>100,411</u>
Operating loss	(47,019)
Nonoperating revenue (expense):	
Garbage collection income	17,536
Garbage collection fees	(17,536)
Interest income	443
Interest expense	(6,393)
Other income	-
Total nonoperating (expenses)	<u>(5,950)</u>
Loss before operating transfers	(52,969)
Operating transfers from -	
General fund	22,823
Total operating transfers	<u>22,823</u>
Net loss	(30,146)
Retained deficit - beginning of year	<u>(68,923)</u>
Retained deficit - end of year	<u>\$ (99,069)</u>

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

VILLAGE OF DIXIE INN, LOUISIANA

Statement of Cash Flow  
 Proprietary Fund Type  
 Year Ended June 30, 2000

Cash flows from operating activities:	
Cash received from customers	\$ 52,332
Cash payments for supplies and services	(36,064)
Cash payments for salaries	(22,675)
Other operating revenue	-
Net cash used by operating activities	<u>(6,407)</u>
Cash flows from noncapital financing activities:	
Net increase in meter deposits	1,323
Cash operating transfers in from other funds	22,823
Cash received from garbage collection fees	17,536
Cash paid for garbage collection	<u>(17,536)</u>
Net cash provided by noncapital financing activities	<u>24,146</u>
Cash flows from capital and related financing activities:	
Principal paid on revenue bonds	(5,298)
Interest paid on revenue bonds	(6,525)
Acquisition of property, plant and equipment	<u>(3,243)</u>
Net cash used for capital and related financing activities	<u>(15,066)</u>
Cash flows from investing activities:	
Interest on interest-bearing deposits	<u>443</u>
Net increase in cash and cash equivalents	3,116
Cash and cash equivalents at beginning of year	<u>52,790</u>
Cash and cash equivalents at end of year	<u>\$ 55,906</u>
Reconciliation of operating income to net cash used by operating activities:	
Operating loss	\$ (47,019)
Adjustments to reconcile operating income to net cash used by operating activities:	
Depreciation	34,357
Other operating income	-
Changes in assets and liabilities -	
Increase in accounts payable	2,524
Increase in accrued liabilities	52
Increase in due to other funds	4,738
Increase in accounts receivable	<u>(1,059)</u>
Net cash used by operating activities	<u>\$ (6,407)</u>

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

## VILLAGE OF DIXIE INN, LOUISIANA

### Notes to Financial Statements

June 30, 2000

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

#### 1. Summary of significant accounting policies

Basis of presentation - The accounting and reporting policies of the Village conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guidelines set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

Reporting entity - As the municipal governing authority, for reporting purposes, the Village of Dixie Inn is considered a separate financial reporting entity. Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Village of Dixie Inn for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB set forth criteria to be considered in determining financial accountability. This criteria includes:

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



VILLAGE OF DIXIE INN, LOUISIANA

Notes to Financial Statements

June 30, 2000

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

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

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

Governmental Funds -

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

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

Proprietary Fund -

Enterprise Fund - Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

VILLAGE OF DIXIE INN, LOUISIANA

*Notes to Financial Statements*

June 30, 2000

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

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

*Expenditures* - generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except that accumulated unpaid vacation and sick pay are not accrued due to the amount being immaterial. Purchase of various operating supplies are regarded as expenditures at the time purchased.

*Other Financing Sources (Uses)* - Transfers between funds that are not expected to be repaid (and any other financing source/use) are accounted for as other financing sources (uses).

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

Budgets and budgetary accounting - The Village follows these procedures in establishing the budgetary data reflected in these financial statements:

- a) The Village Clerk prepares a proposed budget and submits same to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
- b) The public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.

VILLAGE OF DIXIE INN, LOUISIANA

Notes to Financial Statements

June 30, 2000

- c) A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
- d) 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.
- e) 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.
- f) All budgetary appropriations lapse at the end of each fiscal year.
- g) Budgets for the General Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts, as originally adopted, are amended from time to time by the Board of Aldermen. Such amendments are not material in relation to the original appropriations.

Encumbrance accounting - The Village of Dixie Inn does not employ encumbrance accounting.

Cash and cash equivalents - For reporting purposes, cash and cash equivalents include cash, demand deposits and certificates of deposit. Cash and cash equivalents are stated at cost. Under state law, the municipality may deposit funds in demand deposits, interest-bearing deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Interfund receivable/payable and transfers - During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as *due from other funds* or *due to other funds* on the balance sheet. Interfund transfers which are not expected to be repaid are shown as operating transfers.

Prepaid expenditure - For the year ended June 30, 2000, the Village of Dixie Inn's prepaid expenditure was \$ 11,807 for insurance coverage.

Fixed assets and long-term liabilities - Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. Certain public domain infrastructure assets, such as street improvements, have been recorded as fixed assets in the General Fixed Asset Account Group. No depreciation has been provided on general fixed assets.

## VILLAGE OF DIXIE INN, LOUISIANA

### Notes to Financial Statements

June 30, 2000

Fixed assets used in the proprietary fund operations are included on the balance sheet of the fund net of accumulated depreciation. Depreciation of all exhaustible fixed assets used by the proprietary fund is charged as an expense against its operations.

Depreciation has been provided over the estimated useful lives of the assets, using the straight-line method. The estimated useful lives are as follows:

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

All fixed assets are stated at historical cost.

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

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

#### Fund Equity

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

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

VILLAGE OF DIXIE INN, LOUISIANA

Notes to Financial Statements

June 30, 2000

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

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

2. Restricted Assets

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Restricted assets were applicable to the following at June 30, 2000:

Enterprise Fund	
Bond reserve account	\$ 11,647
Bond contingency account	4,964
Meter deposits	14,900
Bond sinking fund - savings account	<u>16,095</u>
Total restricted assets - enterprise fund	<u>\$47,606</u>

3. Net Working Capital - Enterprise Fund

Net working capital - Enterprise Fund at June 30, 2000, is shown below:

Current assets	\$ 17,096
Current liabilities	<u>(22,799)</u>
Net working capital	<u>\$ (5,703)</u>

VILLAGE OF DIXIE INN, LOUISIANA

Notes to Financial Statements

June 30, 2000

4. Changes in general fixed assets

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

	Balance <u>July 1, 1999</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2000</u>
Land	\$ 14,000	-	-	14,000
Buildings	48,420	-	-	48,420
Construction in process	-	-	-	-
Improvements other than buildings	254,291	-	-	254,291
Equipment	<u>153,595</u>	<u>5,343</u>	-	<u>158,938</u>
Total general fixed assets	<u>\$470,306</u>	<u>5,343</u>	<u>-</u>	<u>475,649</u>

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

<u>Description</u>	Balance <u>July 1, 1999</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2000</u>
Water works plant	\$183,093	-	-	183,093
Water wells	605,249	-	-	605,249
Sampling stations	2,110	-	-	2,110
Sewer plant	462,326	3,243	-	465,569
Road	18,838	-	-	18,838
Building	3,000	-	-	3,000
Fence	2,437	-	-	2,437
Equipment	19,463	-	-	19,463
Land	1,045	-	-	1,045
Drainage ditches	19,047	-	-	19,047
Construction in process	<u>30,116</u>	<u>14,133</u>	<u>-</u>	<u>44,249</u>
Total	<u>\$1,346,724</u>	<u>17,376</u>	<u>-</u>	<u>1,364,100</u>

VILLAGE OF DIXIE INN, LOUISIANA

Notes to Financial Statements  
June 30, 2000

The construction in process is wastewater treatment plant project funded by the general fund. The construction in process is treated as a contribution to the Utility Fund.

5. Changes in long-term debt

The following is a summary of changes in long-term debt for the year ended June 30, 2000:

	Revenue <u>Bonds</u>
Bonds or note payable, July 1, 1999	\$ 131,208
Bonds retired	<u>(5,298)</u>
Bonds or note payable, June 30, 2000	\$ <u>125,910</u>

Bonds payable at June 30, 2000, are comprised of the following individual issues:

Revenue Bonds:

\$181,000 Water and Sewer Utilities Revenue Bonds, dated October 23, 1975; due in annual installments of \$10,636; interest at 5%.	\$115,058
\$20,000 Water and Sewer Utilities Revenue Completion Bond, Series 1978, of the Village of Dixie Inn; due in annual in- stallments of \$1,186; interest at 5%.	<u>10,852</u> <u>\$125,910</u>

VILLAGE OF DIXIE INN, LOUISIANA

Notes to Financial Statements

June 30, 2000

The annual requirements to amortize all debt outstanding as of June 30, 2000, including interest payments of \$ 58,678, are as follows:

	Year ending <u>June 30</u>
2000	\$ 11,822
2001	11,822
2002	11,822
2003	11,822
2004	11,822
Thereafter	<u>125,478</u>
	<u>\$184,588</u>

6. Retained deficit balance

The Enterprise Fund had a retained deficit balance of \$ 99,069 at June 30, 2000.

7. Retirement commitments

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

**Municipal Police Employees Retirement System of Louisiana (System)**

*Plan Description.* All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 of their final average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.



## VILLAGE OF DIXIE INN, LOUISIANA

### Notes to Financial Statements June 30, 2000

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (225) 929-7411.

*Funding Policy.* Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the Village of Dixie Inn is required to contribute at an actuarially determined rate. The current rate is 9.0 percent of annual covered payroll. The contribution requirements of plan members and the Village of Dixie Inn are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Village of Dixie Inn contributions to the System for the year ending June 30, 2000 was \$ 5,451, equal to the required contributions for each year.

#### **Defined Contribution Plan**

For the year ended June 30 2000, the Village of Dixie Inn established a defined contribution plan, as set forth under section 457(b) of the Internal Revenue Code, for the town clerk and water superintendent. The plan is administered by the Trust Company of Louisiana and the participants may contribute the lesser of \$8,000 or 25% of their yearly compensation. Employer contribution requirements are established and may be amended by the village. The village currently contributes 10% of the employee's annual compensation. For the year ended June 30, 2000, employee and employer contributions to the plan were \$1,275 and \$2,550 respectively.

#### **8. Flow of funds; restrictions on use - water and sewer system revenues**

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

- (a) The payment of all reasonable expenses of administration, operation and maintenance of the water and sewer system.
- (b) Each month, there will be set aside into an account called the "Bond and Interest Sinking Fund" an amount constituting 1/12 of the next maturing installment of principal and interest on the outstanding bonds. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due, and may be used only for such payments.

VILLAGE OF DIXIE INN, LOUISIANA

Notes to Financial Statements  
June 30, 2000

- (c) There shall also be set aside into a "Bond Reserve Account" an amount equal to 5% of the payments required to be made to the Bond and Interest Sinking Fund.

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

- (d) Each fiscal year \$600 shall be set aside into a "Bond Contingency Account" until there shall have been accumulated in the account an amount equal to \$24,000. Money in this account may be used for the making of extraordinary repairs or replacements to the system which are necessary to keep the system in operating condition and for which money is not available as a maintenance and operation expense. Money in this fund may also be used to pay principal or interest on the bonds falling due at any time there is not sufficient money for payment in the other bond accounts.
- (e) All of the revenues received in any fiscal year and not required to be paid in such fiscal year into any of the above-noted accounts shall be regarded as surplus and may be used for any lawful corporate purpose.

9. Cash and Cash Equivalents

The following is a summary of cash and cash equivalents at June 30, 2000:

Petty cash	\$ 50
Demand deposits	38,800
Interest-bearing deposits	49,998
Certificates of deposit	<u>57,535</u>
Total	<u>\$146,383</u>

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

At June 30, 2000, the Village has \$151,750 in collected bank balances. These deposits are secured from risk by \$144,170 of federal deposit insurance and \$120,786 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement

VILLAGE OF DIXIE INN, LOUISIANA

Notes to Financial Statements  
June 30, 2000

No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand:

10. Interfund assets/liabilities

The following is a summary of due to/from other funds and operating transfers at June 30, 2000:

	<u>Due To</u>	<u>Due From</u>	<u>Operating To</u>	<u>Transfers From</u>
General fund	\$ 17,728	-	-	22,823
Utility fund	<u>-</u>	<u>17,728</u>	<u>22,823</u>	<u>-</u>
Total	<u>\$ 17,728</u>	<u>17,728</u>	<u>22,823</u>	<u>22,823</u>

11. Receivables

The following is a summary of receivables for June 30, 2000:

<u>Class of receivable</u>	General	Enterprise
Taxes:		
Sales & use	\$ 11,960	-
Beer	11,087	-
Tobacco	469	-
Intergovernmental - grants:		
Federal-	388	-
Intergovernmental - fees:		
Video Poker	5,207	-
Interest receivable	1,863	-
Utility fund charges	<u>-</u>	<u>8,796</u>
Total	<u>\$ 30,974</u>	<u>8,796</u>

VILLAGE OF DIXIE INN, LOUISIANA

Notes to Financial Statements  
June 30, 2000

12. Risk Concentrations

A majority of the Village's sales tax revenue receipts are derived from approximately five(5) merchants within the Village limits.

SELECTED FINANCIAL STATEMENTS  
OF INDIVIDUAL FUNDS  
AND ACCOUNT GROUPS

## GENERAL FUND

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

VILLAGE OF DIXIE INN, LOUISIANA  
GENERAL FUND

Schedule of Expenditures by Departments Compared to Budget (GAAP Basis)  
Year Ended June 30, 2000

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<b>General Government:</b>			
Mayor's salary	\$ 11,700	12,150	(450)
Other salary	33,000	32,546	454
Payroll taxes	6,000	6,904	(904)
Office expense	2,000	2,130	(130)
Telephone	5,000	4,832	168
Supplies	12,000	10,080	1,920
Legal and accounting	9,000	9,046	(46)
Publication of minutes	2,000	1,815	185
Utilities	7,500	6,791	709
Insurance	10,500	17,052	(6,552)
Dues and subscriptions	1,000	565	435
Equipment and maintenance	5,000	2,178	2,822
<i>Building maintenance</i>	2,500	1,701	799
Gas and oil	3,500	4,534	(1,034)
Alderman fees	3,000	2,650	350
Taxes and licenses	250	505	(255)
Sales tax commission	1,100	1,656	(556)
Travel expenses	10,000	7,046	2,954
Prison labor & meals	21,750	21,564	186
Miscellaneous	10,000	3,566	6,434
	<u>156,800</u>	<u>149,311</u>	<u>7,489</u>
<b>Public safety:</b>			
<b>Police -</b>			
Salary	55,100	46,574	8,526
Retirement	7,500	5,451	2,049
Gas and oil	7,000	6,418	582
<i>Equipment maintenance</i>	8,000	3,536	4,464
Insurance	10,500	3,058	7,442
Miscellaneous	11,000	11,460	(460)
	<u>99,100</u>	<u>76,497</u>	<u>22,603</u>
Capital outlay	<u>44,000</u>	<u>19,475</u>	<u>24,525</u>
Total expenditures	<u>\$ 299,900</u>	<u>245,283</u>	<u>54,617</u>

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

## ENTERPRISE FUND

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



VILLAGE OF DIXIE INN, LOUISIANA  
 ENTERPRISE FUND  
 UTILITY FUND

Schedule of Expenses by Departments  
 Year Ended June 30, 2000

Water department expenses:	
Utilities	\$ 3,491
Plant and line maintenance	11,386
Chemicals	2,444
Depreciation	12,359
Gas and oil	971
Monitoring service	975
Supplies	1,190
Fees	1,445
Total water department expenses	34,261
Sewer department expenses:	
Utilities	6,688
Plant and line maintenance	1,068
Chemicals	375
Supplies	138
Depreciation	21,999
Total sewer department expenses	30,268
General and administrative expenses:	
Salaries	27,465
Legal and accounting	2,100
Payroll taxes	2,151
Office expense	2,201
Retirement contribution expense	1,325
Bad debt expense	640
Total general and administrative expenses	35,882
Total operating expenses	\$ 100,411

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

VILLAGE OF DIXIE INN, LOUISIANA  
ENTERPRISE FUND  
UTILITY FUND

Schedule of Changes in Assets Restricted for Revenue Bond Debt Service  
Year Ended June 30, 2000

	<u>Bond Sinking Fund-Savings</u>	<u>Reserve</u>	<u>Contingency</u>	<u>Total</u>
Cash, July 1, 1999	\$ 11,509	15,324	4,295	31,128
Cash receipts:				
Transfers from operating account	-	534	600	1,134
Transfers from general fund	11,822	-	-	11,822
Interest	138	236	69	443
Total cash receipts	<u>11,960</u>	<u>770</u>	<u>669</u>	<u>13,399</u>
Total cash available	<u>23,469</u>	<u>16,094</u>	<u>4,964</u>	<u>44,527</u>
Cash disbursements:				
Principal payments	5,298	-	-	5,298
Interest payments	6,524	-	-	6,524
Total disbursements	<u>11,822</u>	<u>-</u>	<u>-</u>	<u>11,822</u>
Cash, June 30, 2000	<u>\$ 11,647</u>	<u>16,094</u>	<u>4,964</u>	<u>32,705</u>

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

GENERAL FIXED ASSETS ACCOUNT GROUP

VILLAGE OF DIXIE INN, LOUISIANA

Statement of General Fixed Assets  
June 30, 2000

General fixed assets, at cost:	
Land	\$ 14,000
Buildings	48,420
Improvements other than building	254,291
Equipment	158,938
Construction in process	-
	<hr/>
Total general fixed assets	<u>\$ 475,649</u>
Investment in general fixed assets:	
Property acquired prior to 7/1/72*	\$ 6,706
Property acquired after 7/1/72 from -	
General fund revenues	222,971
State grants	2,770
Federal revenue sharing fund	2,787
Sales tax fund revenues	56,794
LCDBG revenues	173,621
WPPJ Donated property	10,000
	<hr/>
Total investment in general fixed assets	<u>\$ 475,649</u>

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

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

VILLAGE OF DIXIE INN, LOUISIANA

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

	<u>Land</u>	<u>Building</u>	<u>Improvements other than Buildings</u>	<u>Equipment</u>	<u>Construction in Process</u>	<u>Total</u>
General fixed assets, beginning of year	\$ 14,000	48,420	254,291	153,595	-	470,306
Additions:						
General fund revenue	-	-	-	5,343	-	5,343
Total additions	-	-	-	5,343	-	5,343
Deletions	-	-	-	-	-	-
General fixed assets, end of year	<u>\$ 14,000</u>	<u>48,420</u>	<u>254,291</u>	<u>158,938</u>	<u>-</u>	<u>475,649</u>

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

VILLAGE OF DIXIE INN, LOUISIANA  
SCHEDULE OF BOARD OF ALDERMEN COMPENSATION  
Year Ended June 30, 2000

Donna Hoffoss	\$ 970
James Hubbard	600
Joe Walden	110
Pauline Fontenot	<u>970</u>
Total	<u><u>\$ 2,650</u></u>

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

VILLAGE OF DIXIE INN, LOUISIANA

Schedule of Current Year Findings  
Year Ended June 30, 2000

**Section I - Agreed-Upon Procedures Attestation/Compilation**

No findings were noted.

**Section II - Prior Year Audit Findings**

**00-1 - VIOLATION OF LOAN COVENANTS**

*Condition:* Under the terms of the bond indentures for the outstanding Revenue Bonds of 1975, the Village agrees to maintain rates for services furnished by the Water and Sewer system that are sufficient to provide for operating expenses, debt service payments and reserve requirements. For the year ended June 30, 1999, the enterprise fund incurred a loss, before operating transfers and depreciation, in the amount of \$ 4,393. In part to extensive repairs to the village's water plant, the enterprise fund continued to show a loss before operating transfers and depreciation expense. For year ended June 30, 2000, the enterprise fund incurred a loss of \$ 18,611, before operating transfers and depreciation expense.

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

VILLAGE OF DIXIE INN, LOUISIANA

CORRECTIVE ACTION PLAN

June 30, 2000

The Village of Dixie, Louisiana submits the following corrective action plan for the year ended June 30, 2000 for the Schedule of Findings for items required to be reported in accordance with GAGAS. The findings are numbered consistently with the numbers assigned in the schedule.

**Finding 00-1 - VIOLATION OF LOAN COVENANTS**

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

Action Taken: The Village will continue to consider and implement other measures deemed reasonable to eliminate the operating loss in the enterprise fund.



VILLAGE OF DIXIE INN, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
June 30, 2000

Prior year audit findings for the year ended June 30, 1999 were as follows:

**FINDINGS - FINANCIAL STATEMENTS AUDIT**

**99-1 - VIOLATION OF LOAN COVENANTS**

*Condition:* Under the terms of the bond indentures for the outstanding Revenue Bonds of 1975, the Village agrees to maintain rates for services furnished by the Water and Sewer system that are sufficient to provide for operating expenses, debt service payments and reserve requirements. For the year ended June 30, 1999, the enterprise fund incurred a loss, before operating transfers, of \$29,062. The loss before operating transfers and depreciation of \$24,669, would have amounted to \$ 4,393.

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

*Current status:* A similar finding for the year ended June 30, 2000 is noted in the Schedule of Current Year Findings.