

VILLAGE OF EAST HODGE
East Hodge, Louisiana
Annual Financial Statements
As of and for the Year Ended
June 30, 2011

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 DEC 21 2011

VILLAGE OF EAST HODGE
East Hodge, Louisiana

Annual Financial Statements

As of and for the Year Ended June 30, 2011

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East Hodge, Louisiana
Annual Financial Statements
As of and for the Year Ended June 30, 2011

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M. CARLEEN DUMAS
Certified Public Accountant
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Accountant's Compilation Report

MAYOR AND BOARD OF ALDERMEN
VILLAGE OF EAST HODGE
East Hodge, Louisiana

I have compiled the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of East Hodge (the "Village") as of and for the year ended June 30, 2011, which collectively comprise the Village's basic financial statements as listed in the table of contents. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

The management of the Village 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 designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist the management of the Village in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

The Village did not adopt a budget for the General Fund for the year ended June 30, 2011, therefore the Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget And Actual - General Fund has not been presented as required by the Governmental Accounting Standards Board.

Management has not presented the Management's Discussion and Analysis information that the Governmental Accounting Standards Board has determined is required to supplement, although not required to be a part of, the basic financial statements.

/s Carleen Dumas
Calhoun, Louisiana
November 8, 2011

Member of the American Institute of Certified Public Accountants
Member of the Society of Louisiana of Certified Public Accountants

BASIC FINANCIAL STATEMENTS

VILLAGE OF EAST HODGE
East Hodge, Louisiana

STATEMENT OF NET ASSETS
June 30, 2011

	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
ASSETS			
Cash	\$11,029	\$2,994	\$14,023
Investments		1,993	1,993
Restricted cash	1,787	5,250	7,037
Capital assets (net)	431,844	134,687	566,531
TOTAL ASSETS	444,660	144,924	589,584
LIABILITIES			
Accounts payable	554	2,674	3,228
Payroll liabilities	38		38
Customer deposits		7,606	7,606
Bonds payable		8,000	8,000
TOTAL LIABILITIES	592	18,280	18,872
NET ASSETS			
Invested in capital assets, net of related debt	431,844	134,687	566,531
Restricted by grantor	1,787	5,250	7,037
Unrestricted (deficit)	10,437	(13,293)	(2,856)
TOTAL NET ASSETS	\$444,068	\$126,644	\$570,712

See accompanying notes and accountant's compilation report.

VILLAGE OF EAST HODGE
East Hodge, Louisiana

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2011

Program Revenue.....			Net (Expense) Revenue andChanges in Net Assets.....		
	Expenses	Charges for Services	Operating Grant	Capital Grant	Governmental Activities	Business- Type Activities
GOVERNMENTAL ACTIVITIES:						
General government	\$57,392	\$1,945	\$2,249		(\$53,198)	(\$53,198)
BUSINESS-TYPE ACTIVITIES:						
Water and sewer service	46,807	30,455		\$31,835		15,483
Total government	<u>\$104,199</u>	<u>\$32,400</u>	<u>\$2,249</u>	<u>\$31,835</u>	<u>(53,198)</u>	<u>15,483</u>
GENERAL REVENUES:						
Property taxes					3,587	3,587
Sales taxes					3,054	3,054
Franchise taxes					4,434	4,434
Occupational licenses					2,006	2,006
Interest income						21
Other general revenues					630	630
TRANSFERS (Net)					<u>(7,410)</u>	<u>7,410</u>
Total general revenues and transfers					<u>6,301</u>	<u>13,732</u>
CHANGE IN NET ASSETS					(46,897)	22,914
NET ASSETS - BEGINNING					<u>490,965</u>	<u>103,730</u>
NET ASSETS - ENDING					<u>\$444,068</u>	<u>\$126,644</u>

See accompanying notes and accountant's compilation report.

VILLAGE OF EAST HODGE
East Hodge, Louisiana

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2011

	General Fund
ASSETS	
Cash	<u>\$12,816</u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$554
Payroll liabilities	<u>38</u>
Total liabilities	<u>592</u>
Fund balance:	
Restricted	1,787
Assigned	8,824
Unassigned	<u>1,613</u>
Total fund balance	<u>12,224</u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$12,816</u></u>

**Reconciliation of the Balance Sheet of Governmental
Funds To the Statement of Net Assets:**

Fund balances - unreserved - Governmental Funds	\$12,224
Amount reported for net assets of governmental activities in the Statement of Net Assets (Statement A) is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund	<u>431,844</u>
Net assets of governmental activities (Statement A)	<u><u>\$444,068</u></u>

See accompanying notes and accountant's compilation report.

VILLAGE OF EAST HODGE
East Hodge, Louisiana

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2011

	<u>General Fund</u>
REVENUES	
Taxes:	
Property	\$3,587
Sales	3,054
Franchise	4,434
Intergovernmental - police jury grant	2,249
Occupational licenses	2,006
Rent	1,945
Other	630
Total revenues	<u>17,905</u>
EXPENDITURES	
General government:	
Personal services	4,650
Operating services	15,529
Materials and supplies	397
Total expenditures	<u>20,576</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(2,671)
OTHER FINANCING SOURCE - transfers (net)	<u>(7,410)</u>
NET CHANGE IN FUND BALANCE	(10,081)
FUND BALANCE AT BEGINNING OF YEAR	<u>22,305</u>
FUND BALANCE AT END OF YEAR	<u><u>\$12,224</u></u>

(Continued)

See accompanying notes and accountant's compilation report.

VILLAGE OF EAST HODGE
 East Hodge, Louisiana
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
 For the Year Ended June 30, 2011

	<u>General Fund</u>
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities:	
Net change in fund balance - General Fund	(\$10,081)
Amount reported for governmental activities in the Statement of Activities (Statement B) are different because: Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period.	<u>(36,816)</u>
Change in net assets of governmental activities (Statement B)	<u><u>(\$46,897)</u></u>

(Concluded)

See accompanying notes and accountant's compilation report.

VILLAGE OF EAST HODGE
East Hodge, Louisiana

STATEMENT OF NET ASSETS - BUSINESS-TYPE ACTIVITIES
June 30, 2011

	<u>Water and Sewer Enterprise Fund</u>
ASSETS	
Current assets:	
Cash	\$2,994
Investments	1,993
Restricted cash	<u>5,250</u>
Total current assets	<u>10,237</u>
Noncurrent assets:	
Capital assets (net of accumulated depreciation)	<u>134,687</u>
Total assets	<u>144,924</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$2,674
Customer deposits	<u>7,606</u>
Total current liabilities	<u>10,280</u>
Noncurrent liabilities:	
Long-term debt - revenue bonds payable	<u>8,000</u>
Total liabilities	<u>18,280</u>
NET ASSETS	
Invested in capital assets, net of related debt	134,687
Restricted by grantor	5,250
Unrestricted (deficit)	<u>(13,293)</u>
Total net assets	<u>\$126,644</u>

See accompanying notes and accountant's compilation report.

VILLAGE OF EAST HODGE
East Hodge, Louisiana

STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS - BUSINESS-TYPE ACTIVITIES
For the Year Ended June 30, 2011

	Water and Sewer Enterprise Fund
OPERATING REVENUES	
Water and sewer fees	<u>\$30,455</u>
OPERATING EXPENSES	
Gasoline	306
Repairs and maintenance	8,387
Utilities	12,527
Telephone	3,620
Supplies	1,493
Salaries	6,410
Labor	1,690
Fees and dues	3,207
Postage	395
Depreciation	7,537
Other operating expenses	515
Total operating expenses	<u>46,087</u>
OPERATING INCOME (Loss)	<u>(15,632)</u>
NON-OPERATING REVENUES (Expenses)	
Interest earned on deposits	21
Federal grant	31,835
Transfers (net)	7,410
Interest expense	(720)
Total non-operating revenues (expenses)	<u>38,546</u>
CHANGE IN NET ASSETS	22,914
NET ASSETS - BEGINNING	<u>103,730</u>
NET ASSETS - ENDING	<u>\$126,644</u>

See accompanying notes and accountant's compilation report.

VILLAGE OF EAST HODGE
East Hodge, Louisiana

STATEMENT OF CASH FLOWS - BUSINESS-TYPE ACTIVITIES
For the Year Ended June 30, 2011

	Water and Sewer Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$30,455
Customer meter deposits(net)	(60)
Payments to suppliers	(29,466)
Payments to employees	(6,410)
Net cash used by operating activities	<u>(5,481)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Federal grant	31,835
Acquisition of capital assets	(26,585)
Principal paid on capital debt	(8,000)
Interest paid on capital debt	(1,200)
Net cash used by capital and related financing activities	<u>(3,950)</u>
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES	
Transfers from General Fund	<u>7,410</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	21
Increase in investments	(21)
Increase in restricted cash	(5,250)
Net cash provided from investing activities	<u>(5,250)</u>
NET DECREASE IN CASH	(7,271)
CASH AT BEGINNING OF YEAR	<u>10,265</u>
CASH AT END OF YEAR	<u><u>\$2,994</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income (Loss)	<u>(\$15,632)</u>
Adjustments:	
Depreciation	7,537
Decrease in customer meter deposits	(60)
Increase in accounts payable	2,674
Total adjustments	<u>10,151</u>
Net cash used by operating activities	<u><u>(\$5,481)</u></u>
See accountant's compilation report and accompanying notes.	

VILLAGE OF EAST HODGE
East Hodge, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2011

INTRODUCTION

The Village of East Hodge is governed by the mayor-board of aldermen form of government. The mayor and aldermen serve four-year terms. The village provides public safety and general government services to its residents. The village has an elected Chief of Police and a part-time clerk.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Village of East Hodge is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As used in GASB Statement No. 14, fiscally independent means that the municipality may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The village has no component units.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the Village of East Hodge. Governmental activities, which normally are supported by property, sales and franchise taxes and other general revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

See accountant's compilation report.

VILLAGE OF EAST HODGE
Notes to the Financial Statements

Separate financial statements are provided for governmental funds and business-type activities funds. All individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements.

**B. Measurement Focus, Basis of Accounting, and
Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the business-type fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only when payment is due.

Franchise and sales taxes associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the village.

The Village of East Hodge reports the following governmental fund:

General Fund

The General fund is the general operating fund of the village and accounts for all financial resources of the general government.

The Village of East Hodge reports the following business-type activity fund:

Water and Sewer Enterprise Fund

The Water and Sewer Enterprise fund accounts for the operations of the village's water and sewer systems.

See accountant's compilation report.

VILLAGE OF EAST HODGE
Notes to the Financial Statements

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide and business-type activities fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The village has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity is eliminated from the government-wide financial statements.

Amounts reported as program revenues include charges to customers for goods, services, or privileges provided. General revenues include all taxes, occupational licenses, and miscellaneous revenues.

Business-type activities 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 fund's ongoing operations. The Water and Sewer Enterprise Fund's operating revenues consist of water and sewer fees. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

C. Deposits and Investments

Cash includes amounts in non-interest bearing demand deposits. State law allows the village to invest in collateralized certificates of deposits, government-backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government-backed securities. 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. At June 30, 2011, the village's investments consist of a nonnegotiable certificate of deposit with an original maturity that exceeds 90 days that is reported in the accompanying financial statements at cost.

D. Taxes

Property taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the village and billed to taxpayers in November. Billed taxes become delinquent on January 1 of the following year. The taxes are normally collected in December, January and February of the current year.

See accountant's compilation report.

VILLAGE OF EAST HODGE
Notes to the Financial Statements

Sales taxes are recognized as revenue when collected by the Jackson Parish Sales Tax Collection Agency.

E. Capital Assets

Capital assets, which include the water and sewer system and improvements, land, buildings, improvements other than buildings and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost. Approximately 98 percent of the village's capital assets have been capitalized at cost and the remaining 2 percent have been capitalized at estimated cost based on the historical cost of similar assets. The Village of East Hodge maintains a threshold level of \$500 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

All capital assets are depreciated using the straight-line method over the following useful lives:

	<u>Estimated Lives</u>
Infrastructure - water and sewer system and improvements	25 years
Buildings	40 years
Improvements other than buildings	20-25 years
Equipment	12-15 years

F. Long-term Obligations

In the government-wide financial statements and the business-type activities fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities statement of net assets.

G. Net Assets/Fund Balance

For the government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

1. externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or
2. imposed by law through constitutional provisions or enabling legislation.

See accountant's compilation report.

VILLAGE OF EAST HODGE
Notes to the Financial Statements

Fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which funds can be spent. Fund balance should be reported as restricted when constraints on the use of the funds meet the same criteria as restricted net assets in the government-wide statement of net assets as noted in the previous paragraph. Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the board of aldermen are reported as committed fund balance. Assigned fund balance are amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The board of aldermen is authorized to assign amounts to a specific purpose. Unassigned fund balance is the residual classification and represents fund balance that has not been restricted, committed, or assigned to a specific purpose.

At June 30, 2011, the Village's restricted net assets/fund balance represent federal grant funds restricted for sewer system improvements and summer youth employment by the grantors. Restricted fund balance in the General Fund is comprised of funds restricted by the grantor for summer youth employment program. Assigned fund balance in the General Fund is comprised of funds that the Village intends to spend on street improvements.

The Village considers restricted amounts to be spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Village considers assigned amounts to be spent first when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

H. Restricted Assets

Cash in the amount of \$5,250 that was received under a federal grant program and restricted for sewer improvements and \$1,787 that was received for summer youth employment program is reported as restricted cash with a corresponding restriction of net assets/fund balance in the Water and Sewer Enterprise Fund and General Fund.

I. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, disclosures, and revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

See accountant's compilation report.

VILLAGE OF EAST HODGE
Notes to the Financial Statements

J. Interest Costs

The following provides disclosure on interest costs for the year ended December 31, 2011 for the Water and Sewer Enterprise Fund:

Total interest cost expensed	\$720
Total interest cost capitalized	<u>NONE</u>
Total interest costs incurred	<u><u>\$720</u></u>

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The Village of East Hodge did not adopt a budget for the General Fund for the year ended June 30, 2011.

3. DEPOSITS IN FINANCIAL INSTITUTIONS

At June 30, 2011, the village has cash and investments (book balances) as follows:

Checking accounts	\$21,060
Investments - certificates of deposit	<u>1,993</u>
Total	<u><u>\$23,053</u></u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. At June 30, 2011, the Village of East Hodge has \$23,728 in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance.

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2011, is as follows:

	Balance at July 1, 2010	Increases	Decreases	Balance at June 30, 2011
Governmental activities:				
Capital assets not being depreciated:				
Land	<u>\$8,565</u>	<u>NONE</u>	<u>NONE</u>	<u>\$8,565</u>

See accountant's compilation report.

VILLAGE OF EAST HODGE
Notes to the Financial Statements

	Balance at July 1, 2010	Increases	Decreases	Balance at June 30, 2011
Capital assets being depreciated:				
Buildings	\$129,602			\$129,602
Improvements other than buildings	520,105			520,105
Equipment	189,192			189,192
Total capital assets being depreciated	<u>838,899</u>	NONE	NONE	<u>838,899</u>
Less accumulated depreciation for:				
Buildings	39,515	3,240		42,755
Improvements other than buildings	196,318	20,954		217,272
Equipment	142,971	12,622		155,593
Total accumulated depreciation	<u>378,804</u>	<u>36,816</u>	NONE	<u>415,620</u>
Total assets being depreciated, net	<u>460,095</u>	<u>(36,816)</u>	NONE	<u>423,279</u>
Total assets	<u>\$468,660</u>	<u>(\$36,816)</u>	NONE	<u>\$431,844</u>
Business-type activities:				
Capital assets not being depreciated:				
Construction in progress	\$26,585	NONE	NONE	\$26,585
Capital assets being depreciated:				
Water system and improvements	125,210			125,210
Sewer system and improvements	493,851			493,851
Total capital assets being depreciated	<u>619,061</u>	NONE	NONE	<u>619,061</u>
Less accumulated depreciation for:				
Water system and improvements	123,836			123,836

See accountant's compilation report.

VILLAGE OF EAST HODGE
Notes to the Financial Statements

	Balance at July 1, 2010	Increases	Decreases	Balance at June 30, 2011
Sewer system and improvements	\$379,586	\$7,537		\$387,123
Total accumulated depreciation	503,422	7,537	NONE	510,959
Total assets being depreciated, net	115,639	(7,537)	NONE	108,102
Total assets	<u>\$142,224</u>	<u>(\$7,537)</u>	<u>NONE</u>	<u>\$134,687</u>

Depreciation expense of \$36,816 was charged to the general government function and \$7,537 was charged to business-type activities function for the year ended June 30, 2011.

5. INTERFUND TRANSFERS

The following is a summary of interfund transfers during the year ended December 31, 2004:

	Transfer In	Transfer Out
General Fund		\$7,410
Water and Sewer Enterprise Fund	\$7,410	
Total	<u>\$7,410</u>	<u>\$7,410</u>

The transfers were made to pay the Water and Sewer Fund note payment.

6. LONG-TERM OBLIGATIONS

The following is a summary of long-term debt transactions for the year ended June 30, 2011:

Long-term obligations payable at July 1, 2010	Revenue Bonds Payable \$16,000
Additions	NONE
Reductions	(8,000)
Long-term obligations payable at June 30, 2011	<u>\$8,000</u>

All outstanding debt at June 30, 2011, in the amount of \$8,000 is the balance on Water and Sewer System Revenue Bonds issued in 1971 in the amount of \$129,000. The bonds bear interest at 6 per cent See accountant's compilation report.

VILLAGE OF EAST HODGE
Notes to the Financial Statements

annually. Interest payments are due March 1 and September 1 and principal payments are due September 1 through September 1, 2011 and are made from revenues derived from operation of the water and sewer system and transfers from the General Fund.

7. AMOUNT DUE INTERNAL REVENUE SERVICE

During the year ended June 30, 2007, the village began paying the Internal Revenue Service for taxes, penalties, and interest assessed against the Village of East Hodge for payroll taxes resulting from an employee that worked during 2002. The village is paying the balance due plus interest in monthly installments of \$25. The balance due at June 30, 2011 was \$514.

See accountant's compilation report.

SUPPLEMENTAL INFORMATION SCHEDULES

See accountant's compilation report.

VILLAGE OF EAST HODGE
East Hodge, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Year Ended June 30, 2011

COMPENSATION PAID ALDERMEN

The schedule of compensation paid aldermen is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. In accordance with Louisiana Revised Statute 33:405, aldermen receive \$50 for each meeting they attend. Compensation of aldermen is included in personal services and related benefits expenditures of the General Fund.

STATUS OF PRIOR YEAR FINDINGS

The follow-up and corrective action taken on all prior year findings is presented in Schedule 2.

**CURRENT YEAR FINDINGS AND
CORRECTIVE ACTION PLAN**

The corrective action plan for current year findings is presented in Schedule 3.

See accountant's compilation report.

Schedule 1

VILLAGE OF EAST HODGE
East Hodge, Louisiana

Schedule of Compensation Paid Aldermen
For the Year Ended June 30, 2011

Robert Bradley	\$300
Dorothy Jones	600
Johnny Mathew	300
Hal Mims	300
Preston Traxler	<u>150</u>
Total	<u>\$1,650</u>

See accountant's compilation report.

VILLAGE OF EAST HODGE
East Hodge, Louisiana

Summary Schedule of Prior Year Findings
For the Year Ended June 30, 2011

Reference Number	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Additional Explanation
N/A	2008	General Fund budget not adopted by July 1, 2009.	No	See current year findings.
N/A	2009	Actual General Fund expenditures and other uses exceeded budgeted General Fund expenditures and other uses by \$44,976 or 243%.	No	See current year findings.
N/A	2008	Need to improve control over maintenance of accounting records.	Yes	N/A

See accountant's compilation report.

VILLAGE OF EAST HODGE
East Hodge, Louisiana

Corrective Action Plan
For Current Year Findings
For the Year Ended June 30, 2011

<u>Reference Number</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
N/A	The village did not adopt a budget for the General Fund for the year ended June 30, 2011.	The General Fund budget for the year ending June 30, 2012 was adopted by the board of aldermen on June 24, 2011.	Hal Mims, Mayor	N/A
N/A	There were no minutes for board of aldermen meetings held between July 1, 2010 and December 31, 2010.	Minutes for board of aldermen meetings were maintained during the period January 1, 2011 through June 30, 2011 and will be maintained for all future meetings.	Hal Mims, Mayor	6/30/2012

See accountant's compilation report.