

VILLAGE OF EXHE, LA, LOUISIANA

Notes to Financial Statements
June 30, 1997

Enterprise Fund

Fund reserve account	\$ 11,508
Fund contingency account	2,425
Money deposits	3,783
Fund sinking fund - savings account	<u>11,082</u>
Total received assets - enterprise fund	\$31,398

3. Net Working Capital - Enterprise Fund

Net working capital - Enterprise Fund at June 30, 1997, is shown below:

Current assets	\$ 11,325
Current liabilities	<u>(11,325)</u>
Net working capital	\$0

4. Changes in general fixed assets

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

	Balance July 1, 1996	Additions	Deletions	Balance June 30, 1997
Land	\$ 4,000	-	-	4,000
Buildings	21,000	-	-	21,000
Construction in process	-	5,600	-	5,600
Improvements other than buildings	233,141	7,150	-	240,291
Equipment	<u>28,940</u>	<u>28,382</u>	<u>-</u>	<u>57,322</u>
Total general fixed assets	\$326,081	\$41,132	<u>-</u>	\$367,213

VILLAGE OF DIXIE INN, LOUISIANA

Notes to Financial Statements
June 30, 1993

1. Fund Balances

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 appropriate for expenditure or legally segregated for a specific future use.

- M. 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.

- N. 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 portions 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, 1993:

VILLAGE OF BOEHRMUN, LOUISIANA

Notes to Financial Statements
June 30, 1997

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

Fixed assets used in the proprietary fund operations are included on the balance sheet of the fund net of accumulated depreciation. Depreciation of all depreciable 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 reoda plant	40 years
Lines and mains	40 years
Sewer Utility -	
Sewer plant	40 years
Equipment	3-5 years

All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available.

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

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

VILLAGE OF DEALE INN, LOUISIANA

Notes to Financial Statements

June 30, 1993

F. Encumbrance accounting - The Village of Deale Inn does not employ encumbrance accounting. Management does not believe that the use of encumbrance accounting would serve any significant benefit for budgetary purposes.

G. Cash and cash equivalents - For purposes of the financial statements, cash and cash equivalents include cash, demand deposits and certificates of deposit. Cash and cash equivalents are stated at cost.

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits, those investments with original maturities of 90 days or less. Under state law, the Village may deposit funds in demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

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

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

I. Prepaid expenditures - For the year ended June 30, 1993, the Village of Deale Inn's prepaid expenditures was \$30,668 for insurance coverage.

VILLAGES OF DENVER, LOUISIANA

Notes to Financial Statements

June 30, 1997

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.

B. 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.
- 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 falling 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.

VILLAGE OF DUNE INN, LOUISIANA

Notes to Financial Statements

June 30, 1997

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 review, accountability, or other purposes.

- D. Basis of accounting - The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and 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 accrued but 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 sources/uses) are accounted for as other financing sources (uses).

VILLAGE OF DIXIE INN, LOUISIANA

Notes to Financial Statements

June 30, 1997

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.
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, there were no entities that were determined to be a component unit of the Village of Dixie Inn.

- C. **Fund accounting** - The accounts of the Village are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government revenues 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 operating 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.

VILLAGE OF DICKE INN, LOUISIANA

Notes to Financial Statements

June 30, 1987

The Village of Dicke Inn, Louisiana (the Village), was incorporated August 8, 1963, under the provisions of the Louisiana 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 Dicke 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

- A. Basis of presentation - The accounting and reporting policies of the Village conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guidelines set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audit of State and Local Governmental Units.
- B. Reporting entity - This report includes all funds and account groups which are controlled by or dependent on the Village executive and legislative branches (the Mayor and Board of Aldermen). Control by or dependence on the Village was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

Governmental Accounting Standards Board (GASB) Statement No. 34 established criteria for determining which component units should be considered part of the Village for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

VILLAGE OF EDGE INN, LOUISIANA

Statement of Revenues, Expenses and Changes
in Retained Earnings - Proprietary Fund Type
Year Ended June 30, 1997

Operating revenues:	
Water	\$ 31,683
Sewerage	<u>15,621</u>
Total operating revenues	<u>47,304</u>
Operating expenses:	
Water department	15,714
Sewer department	27,382
General and administrative	<u>10,972</u>
Total operating expenses	<u>54,068</u>
Operating loss	(6,764)
Nonoperating revenue (expense):	
Garbage collection income	36,888
Garbage collection fees	(14,889)
Interest income	200
Interest expense	(7,233)
Other income	<u>1,881</u>
Total nonoperating (expense)	<u>15,847</u>
Loss before operating transfers	(8,114)
Operating transfers from:	
General fund	<u>35,147</u>
Total operating transfers	<u>35,147</u>
Net loss	(2,967)
Retained deficit - beginning of year	<u>(28,120)</u>
Retained deficit - end of year	<u>\$ (31,087)</u>

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

VILLAGE OF DIXIE, ILL. FINANCIAL STATEMENTS

Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget (GAAP Basis) and Actual -
General Fund
Year Ended June 30, 1997

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Occupational license	\$ 19,000	18,940	3,840
Utility and franchise fees	3,000	4,990	(9)
Intergovernmental -			
Tobacco taxes	1,400	2,380	740
Beer taxes	86,000	18,620	2,620
Video poker fees	9,000	11,480	2,480
Fees and benefits	21,000	38,209	6,209
Sales tax	100,000	121,293	21,293
Miscellaneous	2,000	4,090	1,890
Total revenues	185,600	215,210	39,610
Expenditures:			
General government	118,920	100,100	18,820
Public safety	67,420	56,280	11,140
Capital outlay	15,000	42,890	(27,890)
Total expenditures	201,340	199,270	2,070
Excess (deficiency) of revenues over expenditures	(15,740)	25,940	41,740
Other financing (use):			
Operating transfers to -			
Emergency fund	149,000	(211,471)	13,815
Total other financing (use)	149,000	(211,471)	13,815
Income (deficiency) of revenues over expenditures and other uses	(66,740)	(9,331)	58,509
Fund balance, beginning of year	128,478	119,478	-
Fund balance, end of year	\$ 79,738	110,147	39,699

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

VILLAGE OF DEKLE LA, LOUISIANA

Statement of Revenues, Expenditures and Changes
in Fund Balances - Governmental Fund Type
Year Ended June 30, 1997

	General Fund
Revenues:	
Occupational licenses	\$ 14,843
Utility and franchise taxes	6,894
Intergovernmental -	
Tobacco taxes	3,243
Beer taxes	19,632
Video poker fees	11,481
Fees and credits	34,339
Sales tax	121,110
Miscellaneous	<u>6,000</u>
Total revenues	<u>228,142</u>
Expenditures:	
General government	180,100
Public safety	26,260
Capital outlay	<u>62,890</u>
Total expenditures	<u>269,250</u>
Excess of revenues over expenditures	<u>21,876</u>
Other financing (uses):	
Operating transfers to -	
Enterprise fund	<u>(15,147)</u>
Total other financing (uses)	<u>(15,147)</u>
Excess (deficiency) of revenues over expenditures and other uses	6,729
Fund balance, beginning of year	<u>128,478</u>
Fund balance, end of year	<u>\$ 135,207</u>

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

VILLAGE OF EDELSHILL, LOUISIANA

Financial Balance Sheet - All Fund Types and Account Types
June 30, 1997

	Governmental	Proprietary	Account	Total
	Fund	Fund	Group	
	General	Enterprise	Fund	Governmental Only
			Assets	
Assets				
Cash	\$ 40,489	5,433	-	45,922
Investment deposits	26,444	-	-	26,444
Due receivables	21,403	5,433	-	26,836
Due from other funds	6,734	-	-	6,734
Prepaid expenditures	10,400	-	-	10,400
Investment assets - cash	-	27,211	-	27,211
Land	-	-	4,000	4,000
Buildings	-	-	22,440	22,440
Lease improvements (other buildings)	-	-	140,730	140,730
Equipment	-	-	88,440	88,440
Construction in progress	-	-	5,433	5,433
Intangible (intangibility, lease and equipment)	-	147,340	-	147,340
Accumulated depreciation	-	(147,340)	-	(147,340)
Total assets	\$ 104,933	66,184	261,411	432,528
Liabilities and Fund Equity				
Liabilities				
Accounts payable	\$ 16,484	3,099	-	19,583
Accrued liabilities	3,011	400	-	3,411
Due to other funds	-	6,734	-	6,734
Payable from investment assets:				
- Motor Vehicle	-	4,764	-	4,764
- Reserve funds	-	4,764	-	4,764
- Intangibility	-	3,248	-	3,248
- Reserve funds payable	-	(14,000)	-	(14,000)
Total liabilities	19,495	16,305	-	35,800
Reserve Equity				
Contributed equity	-	248,130	-	248,130
Investment in general fund assets	-	-	161,480	161,480
Reserve (reserve) funds:				
- Reserve	-	17,148	-	17,148
- Unassigned	-	(67,443)	-	(67,443)
- Fundholders - contract - independent	120,821	-	-	120,821
Total fund equity	120,821	180,735	161,480	463,036
Total liabilities and fund equity	\$ 139,316	401,444	161,480	702,240

The accompanying source financial statements are integral parts of this statement.

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

EXPENDITURES

During our testwork, we noted several expenditures, as listed below, that we could not determine whether they were for an appropriate Village use.

1. Lewes - \$29.94 for a fire security meter
2. Chateaufort - \$1900 for clothing
3. Dixie Paper Co. - \$26.80 for paper bags

We recommend that the council review all invoices and approve for payment only expenditures that the council is certain, and have supporting documentation to prove, are for the use of the Village. Additionally, we recommend that the council investigate any and all purchases that do not appear to be for Village use.

LOCAL GOVERNMENT BUDGETS

During our testwork, we noted that total actual expenditures compared to total budgeted expenditures and total actual revenues compared to total budgeted revenues were within the 3% variance requirement of LSA-R.S. 39:1311B. However, we did note that several line items within the budget had a variance of more than 3%. The Village should review and amend line items within the budget on a periodic basis whenever a greater than 3% variance exists.

Prior audit findings have been appropriately addressed by the Village management unless indicated in the above comments or accompanying reports. Should you have any questions concerning the contents of this letter or if we can be of any additional service, please contact us at your convenience.

Very truly yours,

Jamison, Wise & Martin

Jamison, Wise & Martin

December 5, 1997

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MANAGEMENT LETTER

To the Honorable Aris Nell McWhorter, Mayor Pro Tem
and the Members of the Board of Aldermen
Dixie Inn, Louisiana

We have audited the general purpose financial statements of the Village of Dixie Inn, Louisiana, as of and for the year ended June 30, 1997, and have issued our report thereon dated December 5, 1997.

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

LEGAL SIGNATURES

During our audit, we noted two checks that had only one signature. We recommended that the Village ensure that all invoices are properly approved and the checks is signed by 2 (two) persons authorized to sign checks for the Village, as dictated by Village policy.

CUSTOMER LETTER DEPOSIT

During our audit, we noted that the list of meter deposits compiled by the outside billing service contracted by the Village did not agree with the balance shown as a liability for meter deposits. Although the difference was immaterial to the financial statements, we recommended that the Village compile a listing of customers with deposits and the related dollar amounts that agree with the liability on the books of the Village.

PUBLIC BID LAW

During our audit we tested expenditures between \$1,000 and \$10,000 and expenditures over \$10,000 to determine compliance with the state Public Bid Law. LSA-R.S. 36:2113 concerns Public Bid Law. The Village is to obtain at least 3 (three) telephone or facsimile quotations on purchases between \$5,000 and \$10,000. For purchases over \$10,000, the Village is to let out for bids and award the contract to the lowest, responsible bidder. During our audit, we noticed one purchase between \$5,000 and \$10,000 that had only two quotations on file. We recommended that the Village retain evidence of at least 3 (three) quotations on file for purchases between \$5,000 and \$10,000 that are subject to the state Public Bid Law.

VIOLATION OF LOAN COVENANTS

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, 1997, the enterprise fund showed a loss before operating transfers of \$43,115. We did note, however, that the Village did increase its water rates, by a resolution signed by the Board of Aldermen, beginning in June of 1997.

We considered these instances of noncompliance in forming our opinion as whether the Village of Ditch Inn, Louisiana's 1997 general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated December 5, 1997, on these general purpose financial statements.

We noted a certain immaterial instance of noncompliance that we have reported to the management of the Village of Ditch Inn, Louisiana in a separate letter dated December 5, 1997.

This report is intended for the information of the board of aldermen, management, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Jamison, Wise & Martin

Monroe, Louisiana
December 5, 1997

JAMESON, WISE & MARTIN

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WE HAVE COMPLIED WITH THE
CONTINUING EDUCATION
REQUIREMENTS OF THE
STATE OF LOUISIANA
AND THE AICPA

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Honorable Ann Nell McWhorter, Mayor Pro Tem,
and the Members of the Board of Aldermen
Dixie Inn, Louisiana

We have audited the general purpose financial statements of the Village of Dixie Inn, Louisiana, as of and for the year ended June 30, 1997, and have issued our report thereon dated December 3, 1997.

We conducted our audit in accordance with generally accepted auditing standards, and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Village of Dixie Inn, Louisiana, is the responsibility of management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the Village of Dixie Inn, Louisiana's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed the following instances of noncompliance that are required to be reported herein under Government Auditing Standards for which the ultimate resolution cannot presently be determined. Accordingly, no provision for any liability that may result has been recognized in the Village of Dixie Inn, Louisiana's financial statements as of and for the year ended June 30, 1997.

This report is intended for the information of the board of aldermen, management, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Jamison, Wike & Martin

Minster, Louisiana

December 5, 1997

In planning and performing our audit of the general purpose financial statements of the Village of Ditch Inn, Louisiana, as of and for the year ended June 30, 1997, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

SEGREGATION OF DUTIES

There is an inadequate segregation of duties among personnel of the Village of Ditch Inn. Because of the limited number of employees, the office personnel perform incompatible functions, i.e., those that allow an error or irregularity that is material to the financial statements to occur and remain undetected. It is noted that it is probably not cost-beneficial to the Village of Ditch Inn, Louisiana, to correct the deficiency.

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

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described above is a material weakness.

We also noted other matters involving the internal control structure and its operation that we have reported to the management of the Village of Ditch Inn, Louisiana, in a separate letter dated December 5, 1997.

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Ann Nell McWhorter, Mayor Pro Tem,
and the Members of the Board of Aldermen
Dixie Inn, Louisiana

We have audited the general purpose financial statements of the Village of Dixie Inn, Louisiana, as of and for the year ended June 30, 1997, and have issued our report thereon dated December 5, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the Village of Dixie Inn, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are recorded in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Village of Dixie Inn, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Jamison, Wise & Martin

Monroe, Louisiana

December 3, 1997

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WE PRIDE OURSELVES ON THE
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OUR PROFESSIONAL
STANDARDS OF CONDUCT

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying general purpose financial statements of the Village of Dixie Inn, Louisiana, as of and for the year ended June 30, 1997, as listed in the table of contents. These general purpose financial statements are the responsibility of the Village of Dixie Inn, Louisiana's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Village of Dixie Inn, Louisiana, as of June 30, 1997, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated December 5, 1997, on our consideration of the Village of Dixie Inn, Louisiana's internal control structure and a report dated December 5, 1997, on its compliance with laws and regulations.

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VILLAGE OF DIXIE INN, LOUISIANA
Financial Report
Year Ended June 30, 1997

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1988
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OF THE
LEGISLATIVE AUDITOR

State government
comes from the
people and for the
people in every
branch of public
life.

VILLAGE OF DIXIE INN, LOUISIANA
ANNUAL FINANCIAL REPORT
JUNE 30, 1987

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. This 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: MAR 04 1988

VILLAGE OF DIXIE BOY, LOUISIANA

Statement of Changes in General Fixed Assets
Year Ended June 30, 1997

	<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	\$ 4,000	21,900	211,561	70,540	-	308,001
Additions:						
General fixed assets	-	-	7,155	20,000	5,631	32,786
Total additions	-	-	7,155	20,000	5,631	32,786
General fixed assets, end of year	<u>\$ 4,000</u>	<u>21,900</u>	<u>218,716</u>	<u>100,540</u>	<u>5,631</u>	<u>340,786</u>

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

VILLAGE OF DEER INN, LOUISIANA

Statement of General Fixed Assets

June 30, 1987

General fixed assets, at cost:	
Land	
Buildings	\$ 4,000
Improvements other than building	22,968
Equipment	249,916
Construction in process	188,845
	<u>5,612</u>
Total general fixed assets	<u>\$ 382,191</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	
Federal revenue sharing fund	142,083
Sales tax fund revenues	2,787
LCDBG revenues	36,794
	<u>173,621</u>
Total investment in general fixed assets	<u>\$ 182,191</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.

GENERAL FIXED ASSETS ACCOUNT GROUP

VILLAGE OF ESTE INN, LOUISIANA
 ENTERPRISE FUND
 UTILITY FUND

Schedule of Changes in Assets Restricted for Revenue Bond Debt Service
 Year Ended June 30, 1993

	Bond Sinking Fund Savings	Reserve	Contingency	Total
Cash, July 1, 1992	\$ 10,858	12,673	2,254	25,785
Cash receipts:				
Transfers from operating account	-	334	680	1,014
Transfers from general fund	11,822	-	-	11,822
Interest	239	362	71	672
Total cash receipts	<u>12,091</u>	<u>696</u>	<u>751</u>	<u>13,538</u>
Total cash available	<u>22,949</u>	<u>13,369</u>	<u>2,925</u>	<u>39,243</u>
Cash disbursements:				
Principal payments	4,380	-	-	4,380
Interest payments	3,417	-	-	3,417
Total disbursements	<u>11,822</u>	<u>-</u>	<u>-</u>	<u>11,822</u>
Cash, June 30, 1993	\$ <u>11,127</u>	<u>13,369</u>	<u>2,925</u>	<u>27,421</u>

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

VILLAGE OF DEER ISLAND, LOUISIANA
 ENTERPRISE FUNDS
 UTILITY FUND

Schedule of Expenses by Department
 Year Ended June 30, 1993

Water department expenses:	\$ 2,344
Utilities	1,180
Plant and line maintenance	1,081
Chemicals	6,932
Depreciation	1,129
Gas and oil	868
Monitoring service	59
Supplies	895
Fees	<u>15,734</u>
Total water department expenses	
Storm department expenses:	7,793
Utilities	4,461
Plant and line maintenance	717
Chemicals	14,879
Depreciation	<u>21,280</u>
Total storm department expenses	
General and administrative expenses:	22,814
Salaries	1,259
Engineering costs	1,808
Legal and accounting	2,284
Payroll taxes	1,580
Office expenses	181
Other	<u>20,202</u>
Total general and administrative expenses	
Total operating expenses	<u>\$ 19,495</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 DEER BELL, LOUISIANA
GENERAL FUND

Schedule of Expenditures by Department Compared to Budget (GAAP Basis)
Year Ended June 30, 1997

	Budget	Actual	Variance - Favorable (\$ Indefinite)
General Government			
Mayor's salary	\$ 9,500	9,504	56
Chief of police	11,100	11,288	2,000
Payroll taxes	6,000	4,779	1,421
Office expense	2,000	2,514	(514)
Telephone	1,800	2,219	(419)
Supplies	3,000	3,431	2,000
Legal and accounting	3,200	3,066	134
Publication of minutes	1,000	1,279	(779)
Utilities	3,000	2,540	460
Insurance	20,000	19,120	880
Books and subscriptions	2,000	2,500	(500)
Equipment and maintenance	10,000	3,471	6,529
Building maintenance	500	500	0
Gas and oil	1,000	1,474	(474)
Interest fees	2,000	2,000	0
Taxes and licenses	500	34	466
Sales tax commission	3,000	3,044	44
Miscellaneous	14,000	18,241	(4,241)
Total general government	118,200	199,341	(81,141)
Public safety			
Police -			
Salary	31,000	31,504	1,000
Gas and oil	3,000	3,559	(559)
Equipment maintenance	7,500	7,014	486
Telephone	1,500	1,200	300
Insurance	2,000	-	2,000
Miscellaneous	10,000	6,078	3,922
Total public safety	65,000	86,281	(21,281)
Capital outlay	10,000	40,000	(30,000)
Total expenditures	\$ 193,200	199,281	6,081

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

GENERAL FUND

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

SELECTED FINANCIAL STATEMENTS
OF INDIVIDUAL FUNDS
AND ACCOUNT GROUPS

VILLAGE OF DEDE DUN, LOUISIANA

Notes to Financial Statements

June 30, 1997

12. Subsequent Events

The Village has been named as a defendant in a civil rights complaint filed on October 12, 1997. The complaint in this matter alleges that on or about October 14, 1996, his civil rights were violated by an alleged employee of the Village of Dede Dun. The nature of the complaint is that he was wrongfully arrested which led to his suspension without pay, loss of hospitalization insurance, etc., and his complaint of malicious infliction of injuries, intentional infliction of emotional distress, false arrest, assault and battery. The defense of this matter has been referred to the liability insurer for the Village of Dede Dun. An unspecified amount of damages have been sought and a jury trial requested. Although the ultimate disposition of this matter cannot be predicted with certainty, it is the present opinion of the Village's management that the outcome of any claim will not exceed the amount of liability insurance maintained for and on behalf of the Village. Accordingly, no provision for any liability that may result therefrom has been made in the accompanying general purpose financial statements.

13. State Concentration

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

VILLAGE OF DIXIE INN, LOUISIANA

Notes to Financial Statements

June 30, 1997

10. Interfund receivables

The following is a summary of due to/from other funds and operating transfers at June 30, 1997:

	Due To	Due From	Operating To	Transfers From
General fund	\$9,178	-	-	15,147
Utility fund	-----	9,178	15,147	-----
Total	\$9,178	9,178	15,147	15,147

11. Receivables

The following is a summary of receivables for June 30, 1997:

Class of receivable	General	Enterprise
Taxes:		
Sales & use	\$ 11,628	-
Beer	5,040	-
Intergovernmental - fees:		
Vidiot Poker	2,450	-
Tobacco taxes	489	-
Other receivable	387	-
Amount receivable	1,896	-
Utility fund charges	-----	2,512
Total	\$ 21,880	2,512

VILLAGE OF DECEISSA, LOUISIANA

Notes to Financial Statements

June 30, 1997

(d) 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

At June 30, 1997, the Village had cash and cash equivalents with bank balances totaling \$367,317, as follows:

Fully cash	\$ 80
Demand deposits	29,280
Interest-bearing deposits	\$1,484
Certificates of deposit	<u>336,473</u>
Total	\$367,317

These deposits are stated at cost, which approximates market. Under state law, these deposits (or 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 at least 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, 1997, the Village had \$180,818 in deposits of collateral bank balances. These deposits were secured from risk by \$142,385 of federal deposit insurance and \$38,433 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GAAP Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 28:1239 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Village that the fiscal agent has failed to pay deposited funds upon demand.

VILLAGE OF DIXIE ISLN, LOUISIANA

Notes to Financial Statements

June 30, 1997

1. 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.
- (c) There shall also be set aside into a "Bond Reserve Account" an amount equal to 15% 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 1998 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 in 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.

VILLAGE OF DIXIE INN, LOUISIANA

Notes to Financial Statements
June 30, 1997

Bonds payable at June 30, 1997, are comprised of the following individual issues:

Revenue Bonds:

\$181,000 Water and Sewer Utilities Revenue Bonds, dated October 21, 1973; due in annual installments of \$10,658; interest at 5%	\$128,213
\$20,000 Water and Sewer Utilities Revenue Completion Bond, Series 1978, of the Village of Dixie Inn; due in annual installments of \$1,186; interest at 5%	12,189
	<u>\$140,402</u>

The annual requirements to amortize all debt outstanding as of June 30, 1997, including interest payments of \$ 78,415, are as follows:

	Year ending <u>June 30</u>
1998	\$ 11,822
1999	11,822
2000	11,822
2001	11,822
2002	11,822
Thereafter	<u>140,402</u>
	<u>\$118,217</u>

6. Retained Deficit Balance

The Enterprise Fund had a retained deficit balance of \$45,082 at June 30, 1997.

7. Retirement Commitments

All employees of the Village of Dixie Inn are members of the Social Security System.

VILLAGE OF DIXIE 1994, LOUISIANA

Notes to Financial Statements

June 30, 1997

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

Description	Balance		Balance	
	July 1, 1996	Additions	Deletions	June 30, 1997
Water works plant	\$183,000	-	-	183,000
Water wells	37,225	-	-	37,225
Sampling stations	5,100	-	-	5,100
Service plant	454,511	8,509	-	463,020
Road	18,838	-	-	18,838
Building	3,000	-	-	3,000
Fence	2,407	-	-	2,407
Equipment	39,463	-	-	39,463
Land	1,000	-	-	1,000
Drainage ditches	18,000	-	-	18,000
Total	\$738,731	8,509	-	747,240

5. Changes in long-term debt

The following is a summary of changes in long-term debt for the year ended June 30, 1997:

	Balance
	Debt
Bonds or note payable, July 1, 1996	\$ 145,277
Bonds retired	11,250
Bonds or note payable, June 30, 1997	\$ 134,027