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**DIXIE CENTER FOR THE ARTS, INC.**

**FINANCIAL REPORT**

JUNE 30, 2005

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 4-19-06

**DIXIE CENTER FOR THE ARTS, INC.**  
**FINANCIAL REPORT**  
**JUNE 30, 2005**

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**DON M. McGEHEE**  
(A Professional Accounting Corporation)  
P.O. Box 1344  
806 North Trenton  
Ruston, Louisiana 71273-1344

## INDEPENDENT AUDITOR'S REPORT

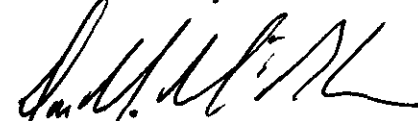
Board of Directors of the  
Dixie Center for the Arts, Inc.  
212 North Vienna Street  
Ruston, Louisiana 71270

I have audited the accompanying statement of financial position of the Dixie Center for the Arts, Inc. (a nonprofit organization), as of June 30, 2005, and the related statement of activities and cash flows for the year then ended. These financial statements are the responsibility of the management of the Dixie Center for the Arts, Inc. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dixie Center for the Arts, Inc., as of June 30, 2005, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Governmental Auditing Standards*, I have also issued my report dated December 16, 2005, on my consideration of the Dixie Center's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of my audit.



Don M. McGehee  
Certified Public Accountant  
December 16, 2005

**DIXIE CENTER FOR THE ARTS, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2005**

**ASSETS**

**CURRENT ASSETS**

Cash and Cash Equivalents	\$ 135,447
Unconditional Promises to Give	46,895
<i>Due from State</i>	228,571
Inventory	1,354
Prepaid Expenses	795
<b>TOTAL CURRENT ASSETS</b>	<u>413,062</u>

**OTHER ASSETS**

Property and Equipment, Net	<u>1,216,716</u>
<b>TOTAL OTHER ASSETS</b>	<u>1,216,716</u>

**TOTAL ASSETS** **\$ 1,629,778**

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Contracts Payable	\$ 273,234
Retainage Payable	34,815
Payroll Tax Liability	14
<b>TOTAL CURRENT LIABILITIES</b>	<u>308,063</u>

**NET ASSETS**

Unrestricted	17,886
Temporarily Restricted	89,443
Permanently Restricted	<u>1,214,386</u>
<b>TOTAL NET ASSETS</b>	<u>1,321,715</u>

**TOTAL LIABILITIES AND NET ASSETS** **\$ 1,629,778**

See accompanying notes to financial statements.

# DIXIE CENTER FOR THE ARTS, INC.

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2005

<b>UNRESTRICTED NET ASSETS</b>	
SUPPORT AND REVENUE	
Donations	\$ 4,195
Donated Office Space	2,960
Fund-Raiser Income	6,012
Interest Income	40
Marquee Rental	2,290
Operating Grant	<u>20,000</u>
<b>TOTAL UNRESTRICTED SUPPORT AND REVENUE</b>	<u><b>35,497</b></u>
EXPENSES	
Depreciation	498
Dues	412
Fund-Raising Expenses	1,929
Insurance	2,850
Miscellaneous	346
Office	649
Office Space Used	2,960
Postage	605
Wages	7,836
Telephone and Utilities	<u>1,620</u>
<b>TOTAL EXPENSES</b>	<u><b>19,705</b></u>
<b>INCREASE IN UNRESTRICTED NET ASSETS</b>	<u><b>15,792</b></u>
<b>TEMPORARILY RESTRICTED NET ASSETS</b>	
Contributions from State Grant	528,719
Contributions from Others	18,780
Fund-Raiser Income	1,127
Interest Income	1,321
Miscellaneous Income	1,538
Released from Temporarily Restricted Amounts	<u>(753,027)</u>
<b>DECREASE IN TEMPORARILY RESTRICTED NET ASSETS</b>	<u><b>(201,542)</b></u>
<b>PERMANENTLY RESTRICTED NET ASSETS</b>	
Donated Services for Renovations	1,500
Expenditures for Renovations	<u>753,027</u>
<b>INCREASE IN PERMANENTLY RESTRICTED NET ASSETS</b>	<u><b>754,527</b></u>
<b>INCREASE IN NET ASSETS</b>	568,777
<b>NET ASSETS-BEGINNING</b>	<u>752,938</u>
<b>NET ASSETS-ENDING</b>	<u><b>\$ 1,321,715</b></u>

See accompanying notes to financial statements.

# DIXIE CENTER FOR THE ARTS, INC.

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2005

### CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from Donations	\$ 4,195
Cash Received from Fund-Raisers	6,012
Interest Received	40
Grant Proceeds from Ruston/Lincoln Convention and Visitors' Bureau	20,000
Cash Received for Rent of Marquee	2,290
Cash Payments for Supporting Services	(7,789)
Cash Payments to Employees	<u>(7,836)</u>

**NET CASH PROVIDED BY OPERATING ACTIVITIES** 16,912

### CASH FLOWS FROM INVESTING ACTIVITIES

Renovation Costs Paid	<u>(452,912)</u>
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**NET CASH USED BY INVESTING ACTIVITIES** (452,912)

### CASH FLOWS FROM FINANCING ACTIVITIES

Cash Donations from the State Restricted for Renovations to Theater	300,148
Cash Donations from the Public Restricted for Renovations to Theater	71,720
Interest Received Restricted for Renovations to Theater	<u>1,321</u>

**NET CASH PROVIDED BY FINANCING ACTIVITIES** 373,189

**NET DECREASE IN CASH** (62,811)

**CASH AT BEGINNING OF YEAR** 198,258

**CASH AT END OF YEAR** \$ 135,447

### RECONCILIATION OF CHANGE IN NET ASSETS TO

#### NET CASH PROVIDED BY OPERATING ACTIVITIES:

Change in Net Assets	\$ 568,777
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:	
Depreciation	498
(Increase) Decrease in Promises to Give	50,275
(Increase) Decrease in Due from State	(228,571)
(Increase) Decrease in Inventory	406
(Increase) Decrease in Prepaid Expenses	302
Increase (Decrease) in Accounts Payable	(86)
Donations and Interest Restricted for Renovations of Theater	<u>(374,689)</u>
Total Adjustments	<u>(551,865)</u>

**NET CASH PROVIDED BY OPERATING ACTIVITIES** \$ 16,912

### SUPPLEMENTAL DISCLOSURE

Noncash Investing Transaction	
Contributed Services to the Dixie Theater Renovation Project	\$ <u>1,500</u>

See accompanying notes to financial statements.

**DIXIE CENTER FOR THE ARTS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2005**

**NOTE 1 - HISTORY AND NATURE OF ACTIVITIES**

The Dixie Center for the Arts, Inc. was formed in 1997 to acquire and renovate the 1928 Dixie Theater and other local historic structures as part of the overall arts center strategy in the Ruston, Lincoln Parish, Louisiana area. In October 1997, the Dixie Center successfully acquired the Dixie Theater.

The Dixie Center encourages the interaction and participation of interested and capable people to assist in the restoration of the Dixie Theater. The Dixie Center also works to establish an arts complex in the downtown Ruston area and to promote the area as the arts center for North Central Louisiana.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Accounting**

The accounts and records of the Dixie Center for the Arts, Inc., are maintained on the accrual basis of accounting in accordance with generally accepted accounting principles.

**B. Basis of Presentation**

Financial statement presentation follows Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. The Dixie Center is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets; temporarily restricted net assets; and permanently restricted net assets.

**C. Public Support and Revenue**

Grants and contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as increases in temporarily restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Unconditional promises to give are recognized as income as the promises are received. Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reflected as long-term promises to give and are recorded at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are received to discount the amounts.

A number of volunteers have donated their time to the Dixie Center's fund-raising campaigns during the year; however, these donated services are not reflected in the financial statements since the services do not require specialized skills. Donated professional services, goods, and use of facilities are reflected in the statement of activities at their fair values.

**DIXIE CENTER FOR THE ARTS, INC.**  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2005

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Public Support and Revenue (continued)**

Conditional promises to give (matching promises to give) that do not meet the requirements of SFAS 116 are not recorded until the requirements of the match are met.

**D. Cash and Cash Equivalents**

For the purposes of the statement of cash flows, the Dixie Center considers cash and cash equivalents to be amounts in demand accounts, money market accounts and certificates of deposits with maturities of less than 90 days. The carrying amounts in the statement of financial position approximate fair values because of the short-term maturities of these financial instruments.

**E. Inventory**

Inventory consists of historic Dixie Theater prints. Inventory is recorded at cost and is reported as an expenditure at the time of sale or use for fund raising projects.

**F. Property and Equipment**

Land, buildings, and equipment are stated at cost or at approximate fair value at the date of donation if donated. Depreciation of furniture and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis and recorded in the statement of activities. Depreciation life ranges are 3 - 5 years for furniture and equipment.

The Dixie Theater building is on the National Register of Historic Places and is considered to be a historic treasure whose economic benefit or service potential is used up so slowly that the estimated useful lives are extraordinarily long. The Dixie Theater is considered to have culture, aesthetic and historical value that is worth preserving perpetually, and the Dixie Center has the ability to protect and preserve the asset. Consequently, no depreciation is to be recognized on the Dixie Theater building and renovations. Funds expended for the Dixie Theater capital project are classified in the statement of net assets as permanently restricted net assets since the Dixie Theater's ownership and public access rights cannot be alienated, per agreements with the City of Ruston.

**G. Use of Estimates**

The Dixie Center is required to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**H. Prepaid Insurance**

Payments made to insurance companies for insurance coverage beyond the current accounting period are recorded as prepaid items in the asset section of the balance sheet.



**DIXIE CENTER FOR THE ARTS, INC.**  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2005

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**I. Income Taxes**

The Dixie Center for the Arts, Inc., a non-profit organization, is exempt from both federal and state income taxes, pursuant to U. S. Internal Revenue Code Section 501(c)(3). Revenues earned from its exempt purpose are not subject to income tax. For the year ended June 30, 2005, the Dixie Center had no unrelated earnings over the \$1,000 statutory exclusion.

**J. Vacation and Sick Leave**

Vacation and sick leave are noncumulative. There are no accumulated and vested benefits relating to vacation and sick leave that require accrual or disclosure at year-end.

**NOTE 3 - CASH**

The Dixie Center deposits funds with a financial institution in the Ruston, Lincoln Parish area. Deposits are carried at cost, which approximates fair value. At June 30, 2005, the carrying amount of deposits was \$135,447 and the bank balance was \$132,379. The bank balance was covered by \$100,000 of federal depository insurance with the remaining \$32,379 uncollateralized.

**NOTE 4 - DONATED SERVICES**

Hunt Guillot and Associates, Inc. does not charge the Dixie Center for the use of facilities for office space during the renovations of the Dixie Theater. The Dixie Center reflects the fair value of this donation in the financial statements as support and expense of \$2,960.

Crawford Environmental did not charge the Dixie Center for asbestos removal in the renovations to the Dixie Theater. The Dixie Center reflects the fair value of this donation in the financial statements as support and capitalized the cost to renovations of \$1,500.

**NOTE 5 - CONTRIBUTIONS AND PROMISES TO GIVE**

The majority of contributions and promises to give are received from a broad base of contributors residing in the Lincoln Parish and North Louisiana area. Contributions and promises to give resulting from restoration project campaigns are considered to be implicitly restricted for the Dixie Theater renovation project. As funds are expended for the renovation project, the temporarily restricted net assets are reclassified to permanently restricted net assets if used for capital renovations and to unrestricted net assets if used for administrative renovation expenditures for the Dixie Theater. All promises to give are evaluated by the Dixie Center's board for uncollectible promises receivable at year-end. All promises are considered to be collectible, and no allowance is considered necessary.

Unconditional promises to give at June 30, 2005 consist of the following:

	<u>Carrying Amount</u>	<u>Fair Value</u>
Current promises to give due less than one year	\$ 46,895	\$ 46,895

**DIXIE CENTER FOR THE ARTS, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2005**

**NOTE 6 - PROPERTY AND EQUIPMENT**

A summary of property and equipment follows:

Non-Depreciable Assets:	
Dixie Theater Building	\$ 90,550
Dixie Theater Lot	25,000
Corner Lot	25,400
Theater Renovations	<u>1,075,628</u>
Total Non-Depreciable Assets	1,216,578
Depreciable Assets:	
Furniture and Equipment	<u>22,054</u>
Total Property and Equipment	1,238,632
Less: Accumulated Depreciation	<u>(21,916)</u>
Net Property and Equipment	<u>\$ 1,216,716</u>

Depreciation expense on Furniture and Equipment for the year ended June 30, 2005 was \$498.

**NOTE 7 - RESTRICTIONS ON NET ASSETS**

Temporarily restricted net assets are available for the following purposes:

Expenditures for Dixie Theater renovations and expenses	\$ 89,443
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Net Assets were permanently restricted for the following purposes:

Capital expenditures made for the Dixie Theater renovations	\$1,212,886
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**NOTE 8 - COMMITMENTS AND AGREEMENTS**

In the 2001 Regular Session, the State of Louisiana appropriated \$1,250,000 of its capital outlay budget to the City of Ruston, Louisiana, for the project entitled *Dixie Center for the Arts, Restoration of 1928 Theater, Planning and Construction (838,000 Local Match) (Lincoln), in Priority 1, FP&C Project No, 50-MQ2-99B-01* (the project). The State also provided for the issuance of State General Obligation Bonds of \$1,250,000. The State funds are limited to capital improvements for the project.

On May 29, 2002, the Dixie Center for the Arts, Inc., in association with the North Central Louisiana Arts Council (NCLAC), signed a Cooperative Endeavor Agreement with the City of Ruston, Louisiana, to acknowledge and confirm that the project constitutes a public purpose and will fulfill a need within Lincoln Parish pursuant to the Constitution of the State of Louisiana, and accordingly, the Dixie Center shall maintain permanent public access to the property on which the project is located and shall not transfer, convey, sell, mortgage, assign or otherwise alienate its ownership or easement rights in the land and improvements of the project. The City and the Dixie Center acknowledged and agreed that the funds provided by the State of Louisiana to the City shall be used solely for the purposes authorized and permitted by the document authorizing the funds.

In July 2002, the State of Louisiana Office of Facility Planning and Control (FP&C) and the City of Ruston, Louisiana, signed a Cooperative Endeavor Agreement to set forth the terms of administering the project.

**DIXIE CENTER FOR THE ARTS, INC.**  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2005

**NOTE 8 - COMMITMENTS AND AGREEMENTS (Continued)**

On July 17, 2002, the Dixie Center executed a contract with Van Dijk Westlake Reed Leskosky Architects for Phase 1 of the Dixie Center Renovation Project. Estimated construction costs of Phase 1 is \$1,600,000 with the architect's fee estimated to be \$204,000. The Dixie Center had expended \$187,680 in architect's fees at June 30, 2005, with estimated commitments of approximately \$16,320 remaining to be paid.

On December 2, 2004, the Dixie Center executed a contract with Lincoln Builders, Inc., for the construction and materials of the Dixie Center Renovation Project. Estimated construction costs is \$1,676,091, as adjusted for approved change orders. The Dixie Center had expended \$696,304 in construction costs at June 30, 2005, with estimated commitments of approximately \$979,787 (excluding retainage) remaining to be paid.

On December 20, 2004, the Dixie Center executed a contract with Hunt Guillot and Associates, Inc., for engineering services for the Dixie Center Renovation Project. Engineering fees are to be billed monthly at standard hourly rates with an estimated budget of \$10,460. The Dixie Center had expended \$8,672 in engineering fees at June 30, 2005, with an estimated \$1,788 remaining in the budget.

The Dixie Center contracts with the North Central Louisiana Arts Council (NCLAC) for labor, services and facility arrangements. The Dixie Center and NCLAC share certain operating expenses and staffing of the Dixie Center. The Dixie Center provides NCLAC with office space.

The Dixie Center has arranged for Construction and Renovation financing of up to \$400,000 with Community Trust Bank, if needed. These funds may be used only for Permanently Restricted net asset purposes.

**NOTE 9 - CONTINGENCY**

On July 8, 2002, the State of Louisiana Department of Environmental Quality (LDEQ) notified the Dixie Center of environmental contamination in the vicinity of the Dixie Center's corner lot. LDEQ has detected gasoline contamination in subsurface soil and groundwater from what they have determined was a leaking underground storage tank system on the property. The LDEQ installed a monitoring well in August of 2002 on the corner lot. A proposal for corrective action alternatives and a request for funding have been filed with the Louisiana Motor Fuel Underground Storage Tank (UST) Trust Fund for approval of the best remediation technology, which will address the cleanup and corrective action plan. The Dixie Center expects all of the corrective costs to be funded by the State of Louisiana.

## **OTHER REPORTS**

**DON M. McGEHEE**  
(A Professional Accounting Corporation)  
P.O. Box 1344  
806 North Trenton  
Ruston, Louisiana 71273-1344

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors of the  
Dixie Center for the Arts, Inc.  
212 North Vienna Street  
Ruston, Louisiana 71270

I have audited the financial statements of the Dixie Center for the Arts, Inc. (a non-profit organization), as of and for the year ended June 30, 2005, and have issued my report thereon dated December 16, 2005. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Dixie Center's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be a reportable condition. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgement, could adversely affect the Dixie Center's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. This reportable condition is described below:

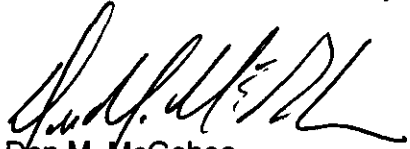
It came to my attention that the Dixie Center for the Arts, Inc., has too few personnel involved in the accounting system to have adequate separation of duties for internal control.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the 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. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I consider the reportable condition described above to be a material weakness.

Compliance and Other Matters

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

This report is intended solely for the information and use of the Board of Directors, management, others within the organization, and the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.



Don M. McGehee  
Certified Public Accountant  
December 16, 2005

**DIXIE CENTER FOR THE ARTS, INC.**  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2005

I have audited the financial statements of the Dixie Center for the Arts, Inc., as of and for the year ended June 30, 2005, and have issued my report thereon dated December 16, 2005. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States. My audit of the financial statements as of June 30, 2005, resulted in an unqualified opinion.

**Section I Summary of Auditors' Reports**

Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses  Yes  No      Reportable Conditions  Yes  No

Compliance

Compliance Material to Financial Statements  Yes  No

Was a management letter issued?  Yes  No

**Section II Financial Statement Findings**

**2005-1.** The office for the Dixie Center for the Arts, Inc. has too few personnel involved in the accounting system to have adequate separation of duties for internal control.

**DIXIE CENTER FOR THE ARTS, INC.**  
**MANAGEMENT'S CORRECTIVE ACTION PLAN**  
**FOR THE YEAR ENDED JUNE 30, 2005**

**SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENT**

**FINDINGS**

The Dixie Center has too few personnel involved in the accounting system to have adequate separation of duties for internal control.

**MANAGEMENT'S RESPONSES**

The Dixie Center has an accounting workload that can be easily managed by one employee. The hiring of additional employees to provide enhanced internal control does not appear to be the best use of the Dixie Center's resources.



**DIXIE CENTER FOR THE ARTS, INC.**  
SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2005

**SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL  
STATEMENT**

**FINDINGS**

**CURRENT YEAR STATUS**

No prior year findings