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Village of Doyline

General Purpose Financial Statements

As of and for the Two Years Ended June 30, 1998

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

Release Date DEC 30 1998

Village of Doyline
Doyline, Louisiana

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The Honorable Frances Curry, Mayor
and Members of the Board of Alderman
Village of Doyline, Louisiana

We have audited the accompanying general purpose financial statements of the Village of Doyline, Louisiana, as of June 30, 1998 and for each year in the two year period then ended. These general purpose financial statements are the responsibility of the Village of Doyline'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 the standards applicable to financial audits contained in *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. 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 in the first paragraph present fairly, in all material respects, the financial position of the Village of Doyline, as of June 30, 1998, and the results of its operations and the cash flows of its proprietary fund types for each year in the two year period then ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 1998 on our consideration of the Village of Doyline's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.



Cook & Morehart
Certified Public Accountants
December 2, 1998

Village of Doyline
Doyline, Louisiana
Combined Balance Sheet – All Fund Types and Account Group
June 30, 1998

	<u>Governmental Fund Types</u>	<u>Proprietary Fund Type</u>	<u>Account Group</u>	
	<u>General</u>	<u>Enterprise</u>	<u>General Fixed Assets</u>	<u>Total (Memorandum Only)</u>
Assets and other debit				
Cash	\$ 81,682	\$ 29,240	\$ -	\$ 110,922
Account receivable	-	4,467	-	4,467
Land, buildings, equipment and improvements	-	-	159,824	159,824
Sewer system	-	1,286,476	-	1,286,476
Accumulated depreciation	-	(205,241)	-	(205,241)
Total assets and other debit	<u>\$ 81,682</u>	<u>\$ 1,114,942</u>	<u>\$ 159,824</u>	<u>\$ 1,356,448</u>
Liabilities, Fund Equity and other credit				
Liabilities:				
Accounts payable	<u>1,128</u>	<u>348</u>	<u>-</u>	<u>1,476</u>
Fund Equity and other credit:				
Contributed capital	-	1,262,236	-	1,262,236
Investment in general fixed assets	-	-	159,824	159,824
Retained earnings (deficit) - unreserved	-	(147,642)	-	(147,642)
Fund balances -- undesignated	<u>80,554</u>	<u>-</u>	<u>-</u>	<u>80,554</u>
Total fund equity	<u>80,554</u>	<u>1,114,594</u>	<u>159,824</u>	<u>1,354,972</u>
Total liabilities and fund equity	<u>\$ 81,682</u>	<u>\$ 1,114,942</u>	<u>\$ 159,824</u>	<u>\$ 1,356,448</u>

The accompanying notes are an integral part of this statement.

Village of Doyline
Doyline, Louisiana
Combined Statement of Revenues, Expenditures
and Changes in Fund Balances
All Governmental Fund Types
For the Year Ended June 30, 1997

	<u>General</u>	<u>Capital Projects</u>	<u>Total (Memorandum Only)</u>
Revenues:			
Taxes:			
Ad valorem property tax	\$ 6,495	\$ -	\$ 6,495
Franchise	14,778	-	14,778
Licenses and permits	22,152	-	22,152
Intergovernmental			
Federal grants - LCDBG	-	54,979	54,979
Tobacco tax	4,780	-	4,780
Fines and forfeitures	2,066	-	2,066
Miscellaneous	2,194	-	2,194
Interest income	1,156	-	1,156
	<u>53,621</u>	<u>54,979</u>	<u>108,600</u>
Expenditures:			
Current -			
General government	31,354	-	31,354
Public safety - police	9,614	-	9,614
Capital outlay	-	54,979	54,979
	<u>40,968</u>	<u>54,979</u>	<u>95,947</u>
Excess of revenues over expenditures	12,653	-	12,653
Fund balances at beginning of year	57,891	1	57,892
Fund balances at end of year	<u>\$ 70,544</u>	<u>\$ 1</u>	<u>\$ 70,545</u>

The accompanying notes are an integral part of this statement.

Village of Doyline
Doyline, Louisiana
Combined Statement of Revenues, Expenditures
and Changes in Fund Balances
All Governmental Fund Types
For the Year Ended June 30, 1998

	General	Capital Projects	Total (Memorandum Only)
Revenues:			
Taxes:			
Ad valorem property tax	\$ 6,393	\$ -	\$ 6,393
Franchise	13,582	-	13,582
Licenses and permits	22,773	-	22,773
Intergovernmental			
Federal grants – LCDBG	-	122,422	122,422
Rural development grant	8,599	-	8,599
Tobacco tax	4,780	-	4,780
Fines and forfeitures	2,252	-	2,252
Miscellaneous	2,240	-	2,240
Interest income	1,222	-	1,222
Total revenues	61,841	122,422	184,263
Expenditures:			
Current –			
General government	30,063	-	30,063
Public safety – police	8,035	-	8,035
Capital outlay	13,734	122,422	136,156
Total expenditures	51,832	122,422	174,254
Excess of revenues over expenditures	10,009	-	10,009
Fund balances at beginning of year	70,544	1	70,545
Transfer to general fund	1	(1)	-
Fund balances at end of year	\$ 80,554	\$ -	\$ 80,554

The accompanying notes are an integral part of this statement.

Village of Doyline
 Doyline, Louisiana
 Combined Statement of Revenues, Expenditures
 and Changes in Fund Balances—Budget (GAAP Basis) and Actual
 General Fund
 For the Year Ended June 30, 1997

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes:			
Ad valorem property tax	\$ 6,000	\$ 6,495	\$ 495
Franchise	12,000	14,778	2,778
Licenses and permits	15,000	22,152	7,152
Intergovernmental	4,800	4,780	(20)
Fines and forfeitures	-	2,066	2,066
Miscellaneous	888	2,194	1,306
Interest income	-	1,156	1,156
Total revenues	38,688	53,621	14,933
Expenditures:			
Current –			
General government	46,200	31,354	14,846
Public safety – police	9,200	9,614	(414)
Total expenditures	55,400	40,968	14,432
Excess of revenues over expenditures	(16,712)	12,653	29,365
Fund balances at beginning of year	31,000	57,891	26,891
Fund balances at end of year	\$ 14,288	\$ 70,544	\$ 56,256

The accompanying notes are an integral part of this statement.

Village of Doyline
Doyline, Louisiana
Combined Statement of Revenues, Expenditures
and Changes in Fund Balances—Budget (GAAP Basis) and Actual
General Fund
For the Year Ended June 30, 1998

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes:			
Ad valorem property tax	\$ 6,500	\$ 6,393	\$ (107)
Franchise	12,000	13,582	1,582
Licenses and permits	15,000	22,773	7,773
Intergovernmental			
Rural development grant	-	8,599	8,599
Tobacco tax	4,800	4,780	(20)
Fines and forfeitures	-	2,252	2,252
Miscellaneous	760	2,240	1,480
Interest income	-	1,222	1,222
Total revenues	39,060	61,841	22,781
Expenditures:			
Current -			
General government	42,270	30,063	12,207
Public safety - police	11,200	8,035	3,165
Capital outlay	7,000	13,734	(6,734)
Total expenditures	60,470	51,832	8,638
Excess of revenues over expenditures	(21,410)	10,009	31,419
Fund balances at beginning of year	43,000	70,544	27,544
Transfer from capital projects fund	-	1	1
Fund balances at end of year	\$ 21,590	\$ 80,554	\$ 58,964

The accompanying notes are an integral part of this statement.

Village of Doyline
 Doyline, Louisiana
 Statement of Revenues, Expenses and
 Changes in Retained Earnings
 Enterprise Fund
 Sewer Fund
 For the Year Ended June 30, 1997

Operating revenues:

Sewer user fees	\$ 25,267
Other	60
	25,327
Total operating revenues	25,327

Expenses:

Depreciation	32,162
Collection fee	2,700
Utilities	2,473
Operator fees	3,325
Repairs and maintenance	2,432
Miscellaneous	4,319
Testing – lab fees	1,525
	48,936
Total expenses	48,936

Operating income (loss)	(23,609)
-------------------------	-----------

Nonoperating revenue – interest income	470
--	-----

Net income (loss)	(23,139)
-------------------	-----------

Retained earnings (deficit), beginning of year	(99,724)
--	-----------

Retained earnings (deficit), end of year	\$ (122,863)
--	---------------

The accompanying notes are an integral part of this statement.

Village of Doyline
 Doyline, Louisiana
 Statement of Revenues, Expenses and
 Changes in Retained Earnings
 Enterprise Fund
 Sewer Fund
 For the Year Ended June 30, 1998

Operating revenues:

Sewer user fees	\$ 25,250
Other	40
	25,290
Total operating revenues	25,290

Expenses:

Depreciation	32,162
Collection fee	2,700
Utilities	2,067
Operator fees	3,324
Repairs and maintenance	6,060
Miscellaneous	3,188
Testing – lab fees	1,420
	50,921

Total expenses

50,921

Operating income (loss)

(25,631)

Nonoperating revenue -- interest income

852

Net income (loss)

(24,779)

Retained earnings (deficit), beginning of year

(122,863)

Retained earnings (deficit), end of year

\$ (147,642)

The accompanying notes are an integral part of this statement.

Village of Doyline
 Doyline, Louisiana
 Statement of Cash Flows
 Enterprise Fund
 Sewer Fund
 For the Year Ended June 30, 1997

Cash flows from operating activities:	
Operating net income (loss)	\$ (23,609)
Adjustments to reconcile operating income to net cash provided by (used) by operating activities:	
Depreciation	32,162
(Increase) decrease in operating assets:	
Accounts receivable	(209)
Increase (decrease) in operating liabilities:	
Accounts payable	363
Net cash provided by operating activities	8,707
Cash flows from investing activities:	
Interest income	470
Net increase in cash and cash equivalents	9,177
Cash and cash equivalents, July 1, 1996	13,194
Cash and cash equivalents, June 30, 1997	\$ 22,371

The accompanying notes are an integral part of this statement.

Village of Doyline
 Doyline, Louisiana
 Statement of Cash Flows
 Enterprise Fund
 Sewer Fund
 For the Year Ended June 30, 1998

Cash flows from operating activities:	
Operating net income (loss)	\$ (25,631)
Adjustments to reconcile operating income to net cash provided by (used) by operating activities:	
Depreciation	32,162
(Increase) decrease in operating assets:	
Accounts receivable	(322)
Increase (decrease) in operating liabilities:	
Accounts payable	(192)
Net cash provided by operating activities	<u>6,017</u>
Cash flows from investing activities:	
Interest income	852
Net increase in cash and cash equivalents	<u>6,869</u>
Cash and cash equivalents, July 1, 1997	22,371
Cash and cash equivalents, June 30, 1998	<u>\$ 29,240</u>

The accompanying notes are an integral part of this statement.

Village of Doyline
Doyline, Louisiana
Notes to Financial Statements
June 30, 1998

(1) Summary of Significant Accounting Policies

The Village of Doyline was incorporated in 1949 under the provisions of the Lawrason Act. The Village operates under a Mayor – Board of Alderman form of government.

A. Basis of Presentation

The accompanying financial statements of the Village of Doyline have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

As the municipal governing authority, for reporting purposes, the Village of Doyline is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (Village of Doyline), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Village of Doyline 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:

- 1. Appointing a voting majority of an organization's governing body, and*
 - a. The ability of The Village to impose its will on that organization and/or*
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on The Village.*
- 2. Organizations for which The Village does not appoint a voting majority but are fiscally dependent on The Village.*
- 3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.*

As required by generally accepted accounting principles, these financial statements present the Village of Doyline. There are no component units to be included as part of the reporting entity.

(Continued)

Village of Doyline
Doyline, Louisiana
Notes to Financial Statements
June 30, 1998
(Continued)

C. Fund Accounting

The Village uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Funds of The Village are classified into two categories: governmental and proprietary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds

Governmental funds are used to account for all or most of The Village's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

General Fund – the general operating fund of The Village and accounts for all financial resources except those required to be accounted for in other funds.

Capital Project Fund – accounts for financial resources received and used for the acquisition construction, or improvement of capital facilities not reported in other governmental funds.

Proprietary Funds

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. The proprietary fund consists of the following:

Enterprise Fund – accounts for operations (a) 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 periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

(Continued)

Village of Doyline
Doyline, Louisiana
Notes to Financial Statements
June 30, 1998
(Continued)

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 generally are 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 fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Village considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred.

Those revenues susceptible to accrual are property taxes, franchise taxes, licenses, interest revenue and charges for services. Fines and permit revenues are not susceptible to accrual because generally they are not measurable until received as cash.

The proprietary fund is 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 liabilities associated with the operation of this fund is included on the balance sheet. The proprietary fund uses the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time liabilities are incurred.

E. Budget and Budgetary Accounting

The Village follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The Mayor and Board of Alderman prepare a proposed budget.
2. After completion of all action necessary to finalize and implement the budget, the budget is adopted.
3. Budgetary amendments involving the transfer of funds from one department, program or function to another, or involving increases in expenditures resulting from revenues exceeding amounts estimated, require the approval of the Board of Alderman.
4. All budgetary appropriations lapse at the end of each fiscal year.

(Continued)

Village of Doyline
Doyline, Louisiana
Notes to Financial Statements
June 30, 1998
(Continued)

5. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts in the accompanying statements are as originally adopted, or as amended by the Board of Alderman.
6. A budget for the Capital Projects Fund was developed on a contract basis in conjunction with the Louisiana Community Development Block Grant Program. Those budgets are not presented.

F. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, The Village may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Under state law, the Village of Doyline 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.

G. Fixed Assets

General Fixed Assets Account Group –

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed and the related assets are capitalized (reported) in the General Fixed Asset Account Group. Public domain ("infrastructure") general fixed assets including roads and sidewalks are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their estimated fair value on the date donated. Repairs and maintenance are recorded as expenditures; renewals and betterments are capitalized.

(Continued)

Village of Doyline
Doyline, Louisiana
Notes to Financial Statements
June 30, 1998
(Continued)

Sewer System –

Additions to the utility plant in service are recorded at cost or, if contributed property, at their estimated fair value at time of contribution. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. The sale or disposal of fixed assets is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

Depreciation has been calculated on each class of depreciable property using the straight-line method and charged as an expense against operations. Estimated useful lives are as follows:

Sewer System	40 years
--------------	----------

H. Inventories

Purchases of various operating supplies for the Sewer System are regarded as expenses at the time purchased, and any inventories of such supplies remaining at year end was immaterial and therefore are not recorded as assets at the close of the fiscal year.

I. Compensated Absences

The Village has no formal compensated absences policy. As of June 30, 1998, employee leave benefits were determined to be immaterial and are therefore not recorded as a liability.

J. Fund Equity

Contributed Capital

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 upon the depreciation recognized on that portion of the assets acquired or constructed from such resources.

Reserves

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

(Continued)

Village of Doyline
Doyline, Louisiana
Notes to Financial Statements
June 30, 1998
(Continued)

K. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers of the primary government are reported as operating transfers.

L. Total Columns on Combined Statements

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in those 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.

M. Bad Debts

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

N. Capitalized Interest

The Village capitalizes net interest costs and interest earned as part of the cost of constructing various sewer projects when material.

O. Postretirement Benefits

The Village provides no postretirement benefits to its employees.

(Continued)

Village of Doyline
Doyline, Louisiana
Notes to Financial Statements
June 30, 1998
(Continued)

(2) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by The Village in September or October and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

The Village bills and collects its own property taxes, using the assessed values determined by the tax assessor of Webster Parish.

For the year ended June 30, 1998, taxes of \$6,397 were levied on property with assessed valuations totaling \$1,162,851.

The assessment was 5.50 mills

(3) Cash and Cash Equivalents

At June 30, 1998 The Village had cash and cash equivalents (book balances) totaling \$110,923.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. 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, 1998, The Village had \$112,319 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance and \$12,319 was not insured.

(4) Receivables

Accounts receivables at June 30, 1998 consist of sewer customer accounts receivable.

(Continued)

Village of Doyline
Doyline, Louisiana
Notes to Financial Statements
June 30, 1998
(Continued)

(5) Changes in Fixed Assets

A summary of changes in general fixed assets follows:

	Balance <u>July 1, 1996</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 1998</u>
Land	\$ 7,200	\$ 5,000	\$ -	\$ 12,200
Buildings	15,582	13,734	-	29,316
Improvements other than buildings	85,640	-	-	85,640
Equipment	<u>32,668</u>	<u>-</u>	<u>-</u>	<u>32,668</u>
Total general fixed assets	<u>\$ 141,090</u>	<u>\$ 18,734</u>	<u>\$ -</u>	<u>\$ 159,824</u>

A summary of proprietary fund type property, plant and equipment at June 30, 1998 follows:

Sewerage Utility	
Sewer system	1,286,476
Less accumulated depreciation	<u>(205,241)</u>
Net	<u>\$ 1,081,235</u>

(6) Retained Earnings -- Proprietary Fund Type

The retained earnings (deficit) of the Proprietary Fund at June 30, 1998 as shown on the Combined Balance Sheet is comprised of the enterprise fund - sewer fund. The total retained earnings (deficit) at June 30, 1998 is \$(147,642).

(7) Compensation - Per Diem Mayor and Alderman

During the year ended June 30, 1998, no compensation or per diem was paid to the Mayor or members of the Board of Alderman.

(Continued)

Village of Doyline
Doyline, Louisiana
Notes to Financial Statements
(Continued)
June 30, 1998

(8) Risk Management

The Village is exposed to various risks to loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Village.

(9) Louisiana Community Development Block Grant Program

During the two years ended June 30, 1998, the Village received and expended \$177,401 of federal funds received from the Louisiana Community Development Block Grant Program.

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

Village of Doyline
Doyline, Louisiana

We have audited the general purpose financial statements of the Village of Doyline as of June 30, 1998 and for each of the years in the two year period then ended, and have issued our report thereon dated December 2, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village of Doyline's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of Doyline's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a 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 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of management, the Board of Directors and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



Cook & Morehart
Certified Public Accountants
December 2, 1998

Village of Doyline
Doyline, Louisiana
Summary Schedule of Audit Findings for Louisiana Legislative Auditor
June 30, 1998

Summary Schedule of Prior Audit Findings

There were no findings or management letter comments for the previous audit for the year ended June 30, 1996.

Corrective Action Plan for the Current Year Audit Findings

There were no findings or management letter comments for this audit for the two years ended June 30, 1998.